

Executive Plenary Session

Friday, July 21, 6:30 pm

I

REPORT OF COMMISSION II ~~BY~~ THE REPORTING DELEGATE

Secretary Morgenthau:

This Plenary Session will consider the reports on the work of Commissions II and III. We shall take up first the report of Commission II, and I request the Reporting Delegate, Mr. Georges Theunis, of Belgium, to ~~come to the microphone and~~ present his report.

(Following the presentation of the report, he will move its adoption.)

Secretary Morgenthau:

You have heard the report of Commission II. Do I hear a second?

I recognize the Chairman of Commission II, Lord Keynes, Delegate of the United Kingdom.

(Lord Keynes will make a statement.)

Secretary Morgenthau:

The motion has been moved and seconded that the report of Commission II be approved, that the Articles of Agreement be adopted, and that they be incorporated in the Final Act of the Conference. Are you ready for the question? (Pause)

Secretary Morgenthau:

There being no further discussion, all those in favor of

approving

approving the motion concerning the report of Commission II please say "Aye". (Pause) Those opposed, "No". The "Ayes" have it, and the motion is carried.

II

REPORT OF COMMISSION III BY THE REPORTING DELEGATE

Secretary Morgenthau:

I now recognize the Reporting Delegate of Commission III, Mr. ~~A. G. D. Fisher~~ <sup>Fussell</sup>, of New Zealand.

(Mr. ~~Fisher~~ <sup>Fussell</sup> will present the report, and then move its adoption.)

Secretary Morgenthau:

You have heard the report of Commission III, and the motion to adopt it. Do I hear a second?

I recognize the Chairman of Commission III, Mr. Eduardo Suárez, of Mexico.

(Mr. Suárez will make a statement and second the motion.)

Secretary Morgenthau:

The motion has been moved and seconded that the report of Commission III be approved. Are you ready for the question?

(Pause)

Secretary Morgenthau:

There being no further discussion, all those in favor of approving the motion concerning the report of Commission III please say "Aye". (Pause) Those opposed, "No". The "Ayes" have it, and the motion is carried.

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## III

## REPORT OF THE COORBINATING COMMITTEE

Secretary Morgenthau:

I now recognize the Delegate from China, Dr. Kuo.

(Dr. Kuo will present the report regarding a summary of agreement.)

Secretary Morgenthau:

You have heard the motion. Do I hear a second? (After hearing a second) The motion has been moved and seconded.

Are there any comments?

There being no further discussion, I shall now put the motion to a vote. All those in favor please say "Aye". (Pause) Those opposed, "No". The "Ayes" have it, and the motion is carried.

Secretary Morgenthau:

The Final Plenary Session will be held tomorrow evening, at ten o'clock, immediately after the Farewell Dinner.

There being no further business to transact, I declare the meeting adjourned.

Bretton Woods  
 July 21, 1944  
 9:15 p.m.

PLANS FOR CLOSING SESSION

Present: Mr. White	Mr. Acheson
Mr. Smith	Mr. McDermott
Mr. Sweetser	Mr. Kelchner
Mrs. Morgenthau	Mr. Coe
Mrs. Klotz	

H.M.JR: Keynes said that as far as his country was concerned it was a very popular issue, and the thing was constantly coming up in Parliament; it was a controversial issue, but he would be glad to see you take it on.

MR. WHITE: I just thought it would frighten all the bankers. That is one of the fears of the Bank, and it would be sort of giving them something very definite to peg their hat on.

H.M.JR: Well, Keynes felt--I got the feeling it was something that the people would like, and I think in the final analysis I want to give an argument to the people as to why this is good, and I would just as leave take them head-on.

MR. WHITE: Except that interest rates there may be good, because they would be paying them, but our people are the foreign investors, so they would be the people getting interest rates.

H.M.JR: All I am saying is moderate interest payments--

(Mr. Coe and Mr. Kelchner enter the conference)

H.M.JR: Mr. Kelchner, this meeting is called in your honor. Would you tell us what you had in mind?

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MR. KELCHNER: Well, the question is, for the program tomorrow evening for the closing Plenary Session, are there any special individuals whom you desire to appear on the program with you?

H.M.JR: I think Mr. White has some suggestions.

MR. WHITE: I thought that Keynes wanted to make a statement, a speech, and I think he would make a very excellent one. I think he ought to be on the program.

I just met Wright, and he said that they had hoped that Souza Costa would talk, but I don't know. Those are the only ones I have in mind.

MR. KELCHNER: We have down here an address and motions by Lord Keynes, accepting the Final Act, to begin with. Seconding or supporting, possibly Canada, Poland, and South Africa.

MR. WHITE: Certainly not Poland and South Africa.

MR. KELCHNER: They both asked to appear on the program, and I think it would be very difficult to turn them down. They made a special point of it, and the Canadians have indicated they would like to.

MR. WHITE: I should think the Canadians could second it if Lord Keynes made the motion.

MR. SWEETSER: You can't have two Dominions very well.

MR. KELCHNER: That can be switched.

MR. WHITE: I think it is too important an occasion to let the Poles--

MR. COE: Canada has made a special point with one of its Parliamentary men up here.

MR. WHITE: But not right after Keynes.

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MR. COE: No, somewhere--

MR. KELCHNER: Oh, yes, surely.

H.M.JR: You are going a little bit too fast. Keynes is going to move--this is at the dinner?

MR. KELCHNER: No, the Plenary Session after the dinner.

H.M.JR: There will be no speaking at the dinner?

MR. KELCHNER: None, except your own.

H.M.JR: Am I to speak?

MR. KELCHNER: I should think you would wish to just say a few words at the close of the dinner, and then invite everybody to the auditorium to attend the closing Plenary Session.

MR. SMITH: Not a speech.

MR. KELCHNER: Just a few remarks--a couple of minutes--as host.

MR. SMITH: Thank everybody for working so hard.

MR. KELCHNER: There can be any number of speeches after. I should think that most people have heard enough talking.

H.M.JR: May I just interrupt you a minute? I think it would be very nice if we asked one of the foreign delegates to get up and propose the toast to the President of the United States.

MR. WHITE: That is easy enough to arrange.

H.M.JR: Don't you think so?

MR. SWEETSER: Yes, and you will have to have some of the foreign delegates thank the U. S., also, for calling the Conference.

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MR. KELCHNER: That is later on in the closing session.

H.M.JR: But after dinner we are there, and I think-- I mean, if some delegate gets up and proposes it, then I can make a few remarks and propose a toast to all the United Nations, and so forth, and so on. And I think it would be a nice thing if some of the foreign delegates got up and did it.

MR. KELCHNER: Do you have any preference?

H.M.JR: Yes, I have a preference. If you haven't the Russians down for something, I would suggest the Russians.

MRS. MORGENTHAU: Then it will be in Russian.

MR. COE: No, they can do that.

H.M.JR: They will have a fellow whispering there, but I think if the Russians would get up, I think it would be nice. They could propose a toast, and then I could answer and make a few remarks. What do you think?

MR. SWEETSER: Fine.

H.M.JR: Does anybody disagree?

(No response)

H.M.JR: Don't you think it would be nice?

MRS. MORGENTHAU: Yes, I do.

H.M.JR: After all, he is running for office. We have to begin to campaign!

MR. WHITE: And Russia has one hundred and seventy million votes.

H.M.JR: Now, go on with the next thing.

MR. SWEETSER: You will have to call the meeting to order, then, I should think, Mr. Secretary, to give him an opening to do it.

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H.M.JR: No, I have seen it done at dinners that Mr. Hull had, where some foreigner would get up and tap the glass or something and call attention, and everybody listens. He says, "I propose a toast." Then whoever the host is thanks him.

MR. WHITE: I think it is an excellent way. Wouldn't that give an opportunity for a lot of ad lib speaking? Instead of having a lot of speakers at the dinner where they will make lengthy speeches, why don't you give a half dozen people a chance to speak a few minutes at the table?

MR. KELCHNER: I don't think there will be that much time.

MR. WHITE: Then it will hurry them up; it will shorten them.

MR. KELCHNER: The service, as you know, is slow, and with the entire crowd there, numbering between five hundred and fifty and six hundred people, it is going to take considerable time to get through the dinner. The management has requested that if we want to get out by ten o'clock there be no lengthy speeches. They can't complete the service and get out before ten o'clock.

MR. COE: Have two-minute speeches, or three-minute speeches.

MR. SWEETSER: Aren't you going to have to be out before ten o'clock in order to reconvene in the auditorium and allow these other speeches to get out of the way?

MR. KELCHNER: We have arranged to have the dinner completed at nine-thirty. That will mean that it will carry on a little bit longer, but give ample time to get into the auditorium to start at ten o'clock. I understand the radio will carry part of it.

MR. SMITH: At ten forty-five the Secretary goes on the air. Everything has to be cleared out of the way by then.

H.M.JR: We have worked for a week on the speech to get it just right, and on this radio time, it is like any

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other public dinner, whenever the man from the Columbia Broadcasting station says it is ten forty-five, I start. I have just exactly thirteen and a half minutes.

MR. WHITE: Does that speech end or begin?

MR. SMITH: That will end. In other words, if you have Keynes and three others on there, they all have to get on and off in not more than thirty-five minutes to leave us--

MR. WHITE: Well, that is too short a time, you have to push up the dinner. They will never get through in thirty-five minutes.

H.M.JR: They can talk afterwards.

MR. WHITE: That is what I am wondering. Why does the radio broadcast have to be the closing speech?

MR. SMITH: It doesn't have to be.

MR. KELCHNER: It should be.

MR. SWEETSER: It ought to be the closing thing, if you could make it that way.

H.M.JR: I can explain. After all, everybody knows that you get radio time at a certain time.

MR. SWEETSER: Mr. Secretary, you have a good speech there, and it is the big substantive speech of the dinner. The others are just fill-ins, anyway, and it seems to me to end with that, and end sharp at eleven o'clock-- there is a great deal to be said for it.

MR. WHITE: The importance of this speech is not on the delegates.

MR. SWEETSER: No, but it winds it up. It is the closing of the thing. If you make it, and a lot of others trail along after you, then you have to make another speech and say good-bye.

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H.M.JR: I am going to have to argue with you a little bit. I very much want my full fifteen minutes on the air. On the other hand, people are accustomed to radio. We couldn't pick the time; he gave it to us, and I would rather not be so formal, even if it peters out and becomes uninteresting. I mean, if some people have to speak, I would rather have them speak after me, even though it isn't the way you would formally do it. You are right.

MR. SWEETSER: I was wondering if you couldn't accomplish that by pushing the dinner up still a little more.

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

MR. SWEETSER: And you could perhaps cut down the number of extra speakers.

MR. WHITE: The difficulty about that is, there is a strain all through the dinner, wondering whether they are going to get through.

MR. COE: I wonder if when you come to the requirements of the Conference--

MRS. MORGENTHAU: It is eight o'clock.

H.M.JR: Why can't it be seven?

MR. KELCHNER: It is rather difficult at this stage.

H.M.JR: Why?

MR. KELCHNER: The hotel has made the arrangements, and they had to adjust their schedules.

H.M.JR: I wouldn't pull the Presidential Powers Act on them, but--who was it, Mr. Acheson, who said, "How did you ever remember that?" Since then I haven't been able to remember the correct name. I did that today, but not since then. It just popped out, and I threw it at the poor fellow. Oh, I think they can move it up to seven. At least we can try. It would make it so much easier.

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MR. WHITE: I think it is better, Mr. Secretary, not to worry about when it opens and closes, but that that hour is reserved for the speech. Everybody knows it is a broadcast. Whether it comes at the middle or the end or in the first part, the important thing is not the delegates. They will understand.

MR. KELCHNER: How about the other delegates?

MR. WHITE: I would have Keynes after, because Keynes might take more than thirty-five minutes.

MR. KELCHNER: No, he said it would be very, very short.

MR. WHITE: Well, that is different.

MR. KELCHNER: The others--

H.M.JR: Don't you want to make it definite with the hotel for seven o'clock?

MR. KELCHNER: We were going to try to get into the dining room at seven-thirty and have the first course on at quarter of eight.

H.M.JR: Couldn't we try to get in the dining room at seven and then we could have a little speaking at the dinner; or if you get through earlier, convene earlier at the Plenary Session and give these people an hour to speak before I do.

MR. COE: Mr. Secretary, in thinking about that, I think that is a good idea, because I think that China would like to speak. They have talked to me. I think we ought to have a Latin American country speak.

MR. WHITE: Brazil?

MR. KELCHNER: I would prefer to see this--and it is a plan that has been followed rather successfully--and that is to have one speaker in behalf of the other delegations, and then there is an answer to everybody.

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MR. WHITE: Oh, I think there is something to be said for letting them speak. Back home it means more to them, and what is the difference, another hour's speech? I think the important thing is to keep them down to five minutes. If you have different speakers and each on short time, it is interesting. It is when you have several long speakers that it becomes--

H.M.JR: Who is going to preside at the dinner.

MR. KELCHNER: You, sir.

H.M.JR: I will pull their coat-tails if they don't sit down.

MR. WHITE: I think the thing to do is to tell them ahead of time.

MR. KELCHNER: Those who have mentioned it have said very short speeches, three or four minutes.

MR. WHITE: You can handle fifteen or twenty on that basis.

MR. SWEETSER: How many do you have now?

MR. KELCHNER: Brazil, Poland, Canada, South Africa--

MR. COE: You ought to have Cuba, the Russians, and the Chinese.

MR. KELCHNER: If you have the Russians, you have to have the French. They are insisting upon that, if the Russians speak; they insist upon that.

MR. COE: They are good speakers.

MR. WHITE: They are coming up in the world.

H.M.JR: The person I would like to suggest is this Norwegian.

MR. WHITE: Keilhau? He is a very emotional speaker. If he can speak in five minutes, he will be all right.

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MRS. MORGENTHAU: Is this the dinner or the Plenary Session?

H.M.JR: Anywhere. He has made a real contribution to this Conference; the Poles haven't.

MR. WHITE: Cuba has given us more help than all the others combined.

MR. KELCHNER: Anyone else?

MR. COE: China.

MR. SWEETSER: Holland.

MR. SMITH: I like the Ethiopian. He is a lovely man, really.

MR. KELCHNER: He is a delightful person.

MR. SMITH: Can I please have the Ethiopian? I don't ask for much.

MR. WHITE: I think that would be a nice gesture.

MR. COE: What about the Russians, Mr. Secretary?

H.M.JR: We are going to have him make a toast to the President. That is a pretty important spot, isn't it? I should think that would take care of him. He can make his talk then.

MR. WHITE: He can end with a toast. He needn't get up and merely make a toast, but make a statement about the Conference and wind up with a toast to the President.

H.M.JR: At the dinner?

MR. KELCHNER: Then you would like to have several speeches at the dinner?

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H.M.JR: You said you were going in the dining room at seven-thirty. Then I think that the bulletin board should put the dinner at seven-thirty. If we go in at seven-thirty, that gives us two and a half hours.

No, I only thought we would have the one toast at the dinner and then save the rest for the Plenary Session.

MR. SMITH: I think that would be wise, because then you won't be worried about getting over there.

MR. SWEETSER: If it is in the auditorium, it is on the record that it won't be in the dining room.

H.M.JR: I think just the one toast and then he can say a little bit and announce that it is going to be at seven-thirty. Then we move in for a Plenary Session. At the Plenary Session you have how many people?

MR. KELCHNER: Ten, at least; eleven with yourself.

H.M.JR: Too many. I would cut off about three of them.

MR. KELCHNER: I would cut off seven or eight of them.

MR. WHITE: It always depends on the objectives, Mr. Secretary; it is not to give the delegates a good time. The objectives are for the fact that they will make these statements; there are bound to be some excellent statements. They will be printed in English, distributed, and they will go to these countries. As far as the delegates are concerned, they can go to sleep. They probably will, many of them.

MRS. KLOTZ: He is right.

MRS. MORGENTHAU: What else happens at a Plenary Session besides having the speeches?

MR. KELCHNER: They merely accept the Final Act and propose a resolution of thanks, which is the customary one, to the President of the United States and President of the Conference.

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H.M.JR: You know, I never thought, but I wonder if Roosevelt wants to send a message. It is too late to ask him now, I guess. I never thought of it.

MR. COE: A one-paragraph message would be awfully nice.

MR. WHITE: Even a two-sentence one.

H.M.JR: If you people will draft a suggestion, we can get it through on the wires and have it the first thing tomorrow morning.

MR. SWEETSER: Where is he, Mr. Secretary?

H.M.JR: I can't say, but if I got a message tonight, I know how I would get it to him so he would have it at breakfast tomorrow morning.

MR. COE: It could be something in which he said he was thrilled at the complete agreement reached here.

H.M.JR: If you people would get something, I will tell you how we can get it to him so that he will have it for breakfast, and he can say yes or no.

MR. WHITE: Right after we adjourn we will do that.

MR. KELCHNER: Why not have Brazil propose the resolution of thanks to the Government and the President of the Conference?

H.M.JR: May I suggest these countries? I would suggest Brazil for this hemisphere, Canada, and Cuba. And then have France, China, Norway, U.K., and Russia will make the toast. Is that all right with the rest of you?

MR. WHITE: Yes, I think when he tells Russia, indicates that he says a few words and ends with a toast--

MR. KELCHNER: That leaves seven, and eight with your own.

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H.M.JR: Is that all right with you, Sweetser?

MR. SWEETSER: Yes.

MR. KELCHNER: What are we going to tell Poland and the Union of South Africa?

H.M.JR: You just haven't room for them.

MR. COE: Tell them the number was so great.

H.M.JR: Between now and tomorrow night there will be forty other nations that want to make a speech.

MR. WHITE: Yes, two more important countries than those two--

H.M.JR: You talk about the effect of the poor people of Poland hearing it, and the people of South Africa--

MR. WHITE: There is a Plenary Session of Commission Four downstairs. Maybe they can make their speeches there!

H.M.JR: Do I have to answer each one of these people?

MR. KELCHNER: No.

H.M.JR: Just introduce them. I don't have to try to give a flowery introduction, do I? I ran out of all flowers this afternoon.

MR. KELCHNER: No.

MR. SWEETSER: You haven't any East-European, and you have three Americans. You have three American states plus ours.

MR. WHITE: Russia takes up Eastern Europe.

H.M.JR: What do you have in mind, Mr. Sweetser?

MR. SWEETSER: I was thinking about Poland. If you have three American states, I should think you ought to have somebody from Eastern Europe.

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MR. WHITE: Poland is interested in it for purely political reasons, to give her great prestige here.

MR. KELCHNER: She hasn't had anything. I have a list of people who have had consideration; Poland has very little.

MR. WHITE: Why don't you let Poland get up at the dinner and make a toast to Russia?

MR. KELCHNER: There ought to be a little spread, if possible.

MR. SWEETSER: Czechoslovakia, Yugoslavia, and Greece.

MR. COE: France is on that list, isn't it?

MR. KELCHNER: Yes.

MR. WHITE: It had better be Istel or Mendes-France.

MR. SWEETSER: You have none of the Moslem states.

MR. WHITE: Let's give it to Iran; he is good.

MR. KELCHNER: India has a chairmanship.

H.M.JR: I don't care. You think it over, Mr. Kelchner, and if you want to add one or two, it is all right with me. I will give you that much leeway. Is that all right?

MR. KELCHNER: All right.

MR. WHITE: It is better to have more and have them brief.

H.M.JR: If you want to add a couple, use your good judgment.

MR. SMITH: Then you are going to give each five minutes, and we are going to break in for the radio broadcast.

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MR. KELCHNER: We will try to finish it by then.

MRS. KLOTZ: You won't be able to.

(Mr. Acheson and Mr. McDermott enter the conference.)

H.M.JR: We are just breaking up.

MR. ACHESON: Mac and I are completely Russian now.

H.M.JR: Do you want to tell them before we break up what we have done?

MR. KELCHNER: This is the plan for tomorrow evening: The Secretary suggested that if the Russians were to propose a toast at the dinner, it would give the Secretary a chance to reply.

H.M.JR: A toast to the President of the United States.

MR. KELCHNER: That would be all for the speaking at the dinner. Then at the Plenary Session, Lord Keynes--

H.M.JR: Excuse me--it would be a toast to Roosevelt and Truman.

MR. KELCHNER: Lord Keynes would open, and then the following Delegates were suggested to give brief remarks, either supporting that or in the thank-you resolution, and so forth: Brazil, Canada, French Delegation, Norway, Cuba, and China. And then, of course, we would have the Secretary's closing address which will be broadcast.

There was a question about Poland. Poland is very much interested in appearing, and I think everyone agreed that all of these should be brief, three or four minutes.

MR. ACHESON: I should think so.

H.M.JR: Harry White announced that nobody was coming after a good time, anyway, so he wanted to be sure they didn't enjoy themselves.

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MR. McDERMOTT: This toast to the President of the United States--it is perfectly proper, but the Russians will expect a toast to Stalin in return. That opens the thing for forty-four nations.

MR. WHITE: It opens up the whole eastern front!

H.M.JR: No, I thought that would give me a chance to make a toast to the forty-four United Nations.

MR. McDERMOTT: All to be included in one toast?

H.M.JR: That is what we intended, toast the forty-four United Nations and the Conference.

MR. WHITE: Roosevelt is being toasted as the host.

MR. McDERMOTT: But coming from the Russians--the Russians always toast Roosevelt and Stalin. They feel it is almost obligatory.

MR. WHITE: It is Roosevelt and Truman now.

MR. KELCHNER: We might have the Canadians--

MRS. MORGENTHAU: Then you would have no difficulty, because they wouldn't expect you to--

H.M.JR: Who? I don't think it has quite the significance.

MR. COE: And on the other hand, I think it won't be so satisfactory to the Canadians.

H.M.JR: I am not worried; I am going to toast the forty-four United Nations.

MR. McDERMOTT: That is all right.

H.M.JR: Are you agreeable to that?

MR. McDERMOTT: Absolutely.

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MR. ACHESON: There is one thing that has disturbed me this afternoon somewhat, and that is the resolution on the Report of the Coordinating Committee. I think that we have to find out exactly what the Australian is going to do; and if the Australian is going to sign on the basis of our telegram then I think we can't have that Coordinating Committee's Report in the Final Act.

MR. WHITE: Why?

MR. ACHESON: Because it is exactly what we cabled the Australians we weren't going to do, that is, to recommend that the various countries adopt these.

MR. COE: No, sir, it doesn't say that. It says that the Articles of Agreement drafted here, the projects, will now be submitted to the Governments. It doesn't say who submits them.

MR. ACHESON: I understand that, but there is a lot before that about the Conference agreeing that these things should be done.

MR. COE: That is true.

MR. WHITE: That is what they have been here for three weeks doing.

MR. ACHESON: I just want to be sure, to be perfectly clear.

H.M.JR: Would you mind, Dean, very much-- I am trying to finish up my little talk-- if you and Coe and whoever is working on this--you don't need me on this, do you?

MR. ACHESON: We don't, if I agree with what these fellows want to do.

H.M.JR: If you don't agree, telegraph Moscow for instructions. (Laughter)

JULY 21, 1944

TO SECRETARY MORGENTHAU  
FROM THE PRESIDENT

PROPOSED DRAFT OF TELEGRAM TO BE SENT TO UNITED NATIONS  
MONETARY AND FINANCIAL CONFERENCE AT BRETTON WOODS  
APPROVED.

F.D.R.

END

RECD 1225A JULY 22, 1944

To: The President

From:

Secy Morgenthau

THE WHITE HOUSE  
WASHINGTON

Bretton Woods  
July 21, 1944

As president of the united nations monetary and financial conference at Bretton Woods, please convey to the representatives of the 44 nations gathered there my heartiest congratulations on successful completion of their difficult task. They have prepared two further foundation stones for the structure of lasting peace and security. They have shown that the people of the united nations can work together to plan the peace as well as fight the war. As the ~~delegates~~ delegates and technicians depart for their various countries, express to them my heartiest appreciation for the efforts they have made in coming here.

Dictated by Frederick Smith from Bretton Woods

1120 PM

*1125 PM*

## TREASURY DEPARTMENT

## INTER OFFICE COMMUNICATION

DATE July 21,  
1944

TO Secretary Morgenthau  
FROM Mr. Haas  
Subject Security Market and Banking Developments During  
the Fifth War Loan

I. Prices of Taxable Government Securities  
Show Little Change

Prices of taxable Government securities were relatively firm during the period of the Fifth War Loan drive and have since registered modest gains. Prices are now moderately above their levels immediately preceding the opening of the drive, except in the case of the earliest bond maturities which have declined slightly.

The partially tax-exempt issues have been subject to somewhat greater price swings since the beginning of the Fifth War Loan. The shorter maturities registered declines, which only partly reflected the run-off in interest, and the longer maturities improved, reaching a peak on July 10. They have since declined, but continue to sell at prices well above their pre-drive levels.

The three new issues of marketable securities offered during the Fifth War Loan drive were quoted for the first time on Monday, July 10. At the close of that day, the certificates were quoted on an 0.80 percent basis, bid (slightly above par); the 1-1/4 percent notes of March 1947 at 100-8/32+; and the 2 percent bonds of June 1952-54 at 100-8/32. These quotations compare with current (Friday opening) quotations of 0.78 percent for the certificates, 100-10/32+ for the 1-1/4 percent notes, and 100-10/32+ for the 2 percent bonds.

The reopened, restricted 2-1/2's of 1965-70, which were quoted at par, bid, during and immediately preceding the drive, moved up to 100-1/32 on Monday, July 10, and are now quoted at 100-4/32 bid. The current quotation for this issue is slightly out of line with (higher than) earlier maturities of restricted 2-1/2's.

Secretary Morgenthau - 2

## II. Excess Reserves Rise as Result of Fifth War Loan

Payments for drive securities through the medium of War Loan Deposit Accounts, and the consequent release of member bank reserves, have resulted in a sharp increase of member bank excess reserves. From a low between drives of \$630 millions, and from a level of \$711 millions on May 31, excess reserves had advanced to \$1,462 millions on July 19, the most recent statement date (Chart I).

The release of member bank reserves has also resulted in an improvement in the reserve ratio of the Federal Reserve Banks, as member banks have drawn on their excess reserves to repurchase Treasury bills from the Reserve Banks. The Federal Reserve ratio, which touched a recent low of 55.5 percent on June 21, had risen to 56.5 percent by July 5, where it also stood on July 19.

## III. Large Proportion of Drive Securities Financed by Bank Credit

Total loans of weekly reporting member banks reached a low following the Fourth War Loan of \$10,081 millions on May 31 (Chart II). During the six-week period from May 31 to July 12, total loans of these banks increased by \$2,250 millions. The greater part of this increase was accounted for by loans to purchase or carry Government securities. Details are shown in the following table:

	: In millions of dollars
Commercial loans	+194
Security loans:	
For purchasing or carrying Government securities	+1,907
Other security loans	+114
All other loans	+35
<b>Total</b>	<b>+2,250</b>

About 60 percent of the increase in total loans occurred in reporting banks in New York City.

During the same period, all weekly reporting member banks increased their investments by \$4,973 millions, of which \$4,888 millions consisted of holdings of Government

## Secretary Morgenthau - 3

securities. About 35 percent of the increase in Government security holdings was accounted for by banks in New York City. Details of the increase in investments of weekly reporting member banks, from May 31 to July 12, are shown in the following table:

		In millions of dollars
<b>Government securities:</b>		
Bills	+1,324	
Certificates	+2,212	
Notes	+334	
Bonds	+1,012	
Guaranteed	+6	+4,888
Other investments		+85
<b>Total</b>		<b>+4,973</b>

The foregoing figures indicate an increase in the loans and investments of these banks, during the six-week period, of about \$7.2 billions. Almost all of this increase represents the direct or indirect bank financing of securities offered during the drive (including, of course, in addition to the drive securities proper, the increase in Treasury bills and the sale of bonds to commercial banks for the investment of time deposits). Inasmuch as the above figure of \$7.2 billions applies only to weekly reporting member banks in 101 cities, it is to be presumed that the total bank financing of Treasury borrowing during this period was substantially larger. The increase in loans and investments of weekly reporting member banks during the corresponding six-week period of the Fourth War Loan (during which the Treasury bill volume was unchanged) was only \$3.5 billions, or about half of that during the Fifth Loan.

IV. Fifth War Loan Results in Movement of Treasury Bills from Federal to Commercial Banks

Following June 26, the payment date for the market issues offered during the War Loan drive, the movement of Treasury bills, which had been predominantly in the direction of the Federal Reserve Banks, was reversed; and bills began to flow on balance into the member banks. In the three statement weeks ended Wednesday, July 12, Treasury bill holdings of

Secretary Morgenthau - 4

the Federal Reserve Banks decreased by about \$600 millions. Bill holdings of weekly reporting member banks in leading cities increased in the same period by nearly \$1,250 millions (more than half of which increase was accounted for by reporting banks in New York City and Chicago). Acquisitions by these banks were thus more than enough to absorb the securities disposed of by Federal and the \$600 millions increase in the outstanding supply during the three-week period.

This emphasizes the secondary reserve characteristic of Treasury bills. To the extent that payment by bank depositors for their purchases of drive securities was effected through the banks, the result was not a transfer of cash, but a substitution of War Loan Deposits, against which no reserve is required, for individual deposits, which do require a reserve. The banks invested some part of the reserves thus released (member bank reserves decreased by \$909 millions in the three weeks ended July 12) in Treasury bills and other Treasury securities, which they can sell to the Reserve Banks in the future, as withdrawals of War Loan Deposits and the growth of individual deposits call for additional reserves.

Since May 10, the outstanding bill volume has increased by \$1.8 billions. During the same period, Federal Reserve holdings of bills have increased by \$1.2 billions. Something of this order of magnitude was to have been anticipated. As had been expected, the principal result of the bill increase has been a check in the attrition of bank secondary reserves which had been going on since the bill volume became stabilized in mid-1943. Commercial banks have been enabled by the increase to obtain additional reserves without depleting further their aggregate Treasury bill holdings.

#### V. War Loan Drive Restrained Growth of Money in Circulation

Money in circulation increased by \$449 millions during the period May 31 to July 12. This is about \$150 to \$200 millions less than would have been expected during this period, allowing for all influences other than that of the drive itself. It is, therefore, probable that the drive held down the rise in money in circulation by this amount.

#### VI. Final Results of Canadian Sixth Victory Loan

The final results of the Canadian Sixth Victory Loan, which was offered April 24-May 13 with a goal of \$1,200 millions, were announced recently. Subscriptions totaled

Secretary Morgenthau - 5

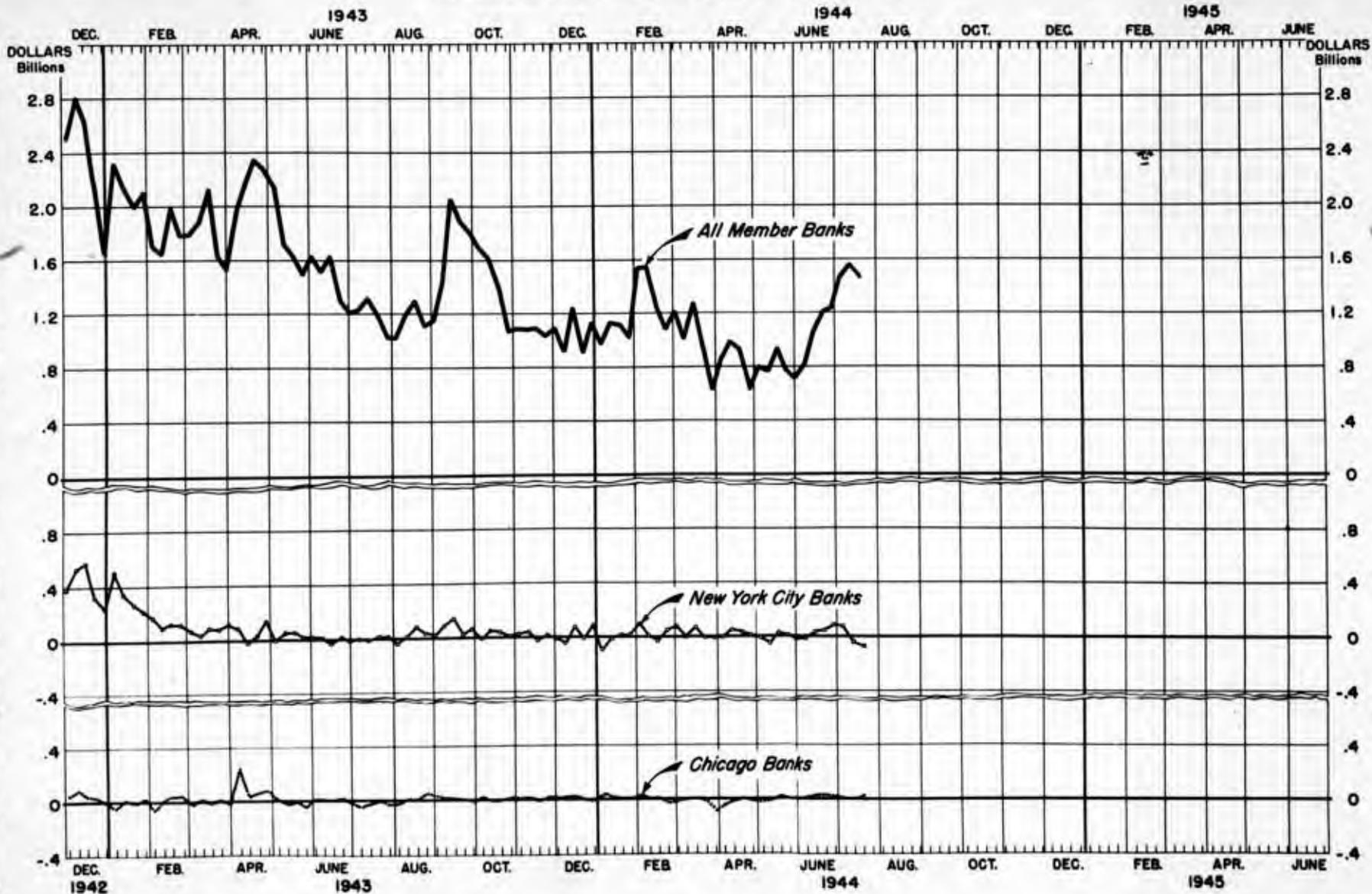
\$1,408 millions -- the equivalent on the basis of population of \$16,200 millions in this country. This constituted the largest cash loan ever floated in Canada, exceeding slightly the \$1,383 millions of new money obtained in the Fifth Victory Loan last fall. It was almost double the amount, \$730 millions, of cash subscriptions to the First Victory Loan in June 1941.

The number of applications received likewise has increased with each new drive and reached a total of 3,770,000 in the latest campaign, compared with slightly less than one million in the First Victory Loan.

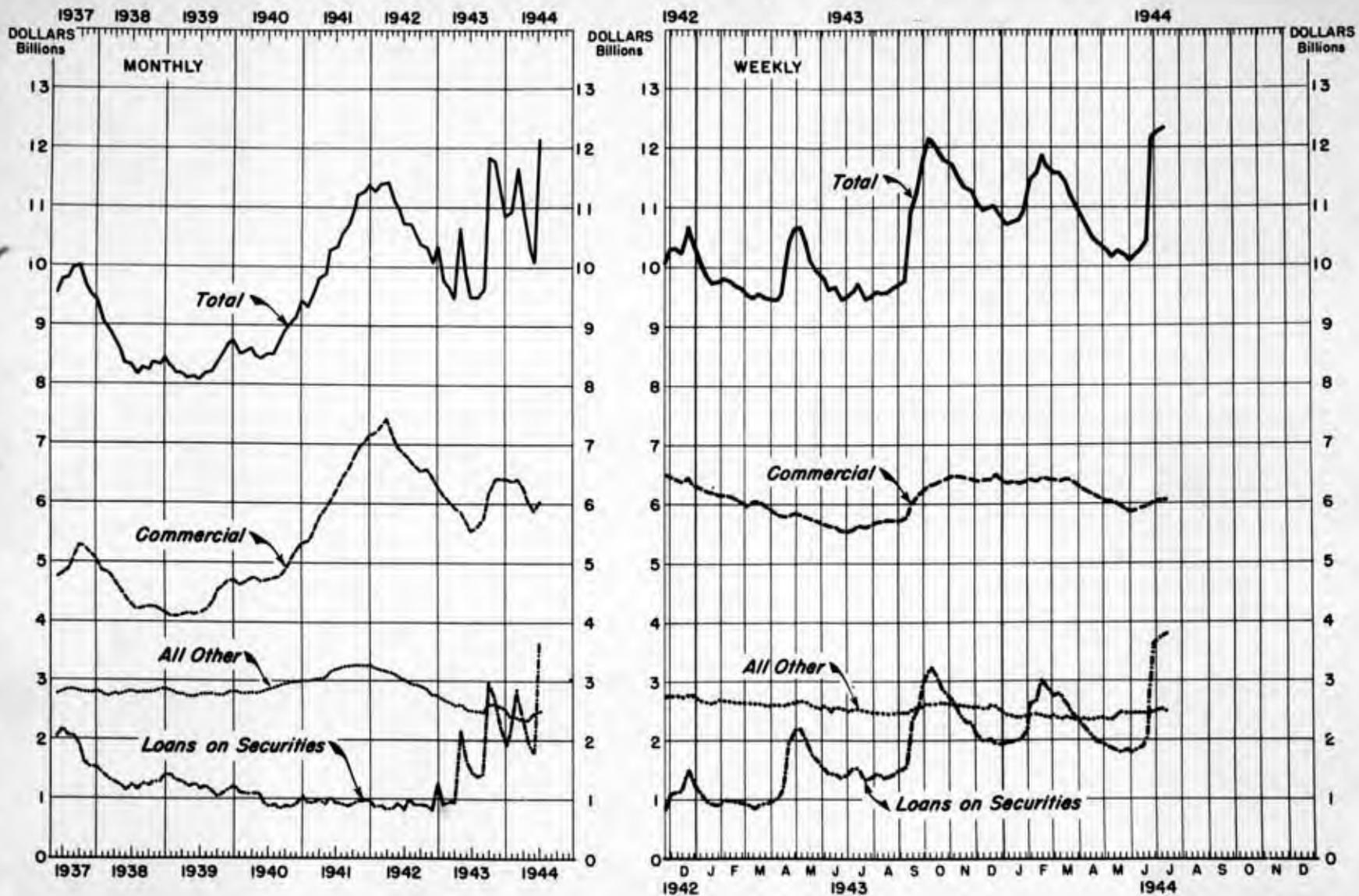
Attachments

Chart I

# MEMBER BANK EXCESS RESERVES



# LOANS OF ALL WEEKLY REPORTING MEMBER BANKS



## MEMORANDUM FOR THE SECRETARY.

July 21, 1944.

Mail Report

The week's mail offered little that was quotable, for it was made up in great part of briefly stated requests and inquiries. In the letters that contained opinions, disapproval was the common note; thus it happens that nearly all of the excerpts, in the pages that follow, fall under the heading "unfavorable". A few especially vigorous protests accompanied clippings of news articles that reported destruction of quantities of American-owned goods in Canada, or that told of use of gasoline and of public funds to provide special entertainment for prisoners of war. Now and then a writer objected to some phase of the International Monetary Conference, but the Conference still received surprisingly little comment.

Except for 20 sharp demands for refunds, tax mail was colorless. Several Members of Congress forwarded copies of a letter from The Lincoln Electric Company asking Congressional aid in preventing collection of additional income taxes assessed by the Treasury. Two or three letters, similarly worded, inquired whether or not Montgomery Ward had been allowed to deduct its large advertising expenses from its income tax returns, and, if so, why the International Latex Company had not been granted such deduction.

Reports of rumors that War Bonds will soon be frozen, or will be invalidated at the end of the war, continue to arrive in each week's mail, and often they are said to have originated among service men stationed abroad. The 82 bonds submitted for redemption represented a higher than average figure. Increased living costs, difficulties with service

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Memorandum for the Secretary.

July 21, 1944.

allotments, and failure to receive tax refunds were the chief reasons for cashing bonds, as given by those who replied to the slips enclosed with checks for redeemed bonds. Other bond mail, quite heavy, related to routine procedures, or to successes of the Fifth War Loan Drive.

Seven donations, ranging from an old, large-sized five dollar bill to five hundred dollars in bonds, were made for furtherance of the war.

*G. E. Forbush*  
*by Kay Pearson*

General Comments

Albert F. Auerbach, Lowell, Massachusetts. I am sending you, under separate cover, \$500.00 in U. S. War Savings Bonds which I am returning to the Treasury as my contribution for the Victory March of our brave and daring Armed Forces. I know that the cost of this war has been terrific and believe that every American should do his share to help reduce our war costs in order to bring about a balanced economy. After all, lives are more precious than money.

Miss Angel Understanding, New York City. PEACE  
Enclosed please find \$5.00 in cash and \$125.00 in five Defense Bonds, all a free gift to Uncle Sam sent through the mind and spirit of Father Divine, whom you will please inform. That we may have a speedy Victory, I remain, Sincerely, Angel Understanding.

E. H. Fischer, Jr., Rochester, New York. Perhaps the reporting of the Bretton Woods money conference in today's New York Herald Tribune is inaccurate or incomplete, nevertheless there is no mention of our very loyal Allies, the Italians, as having any part, now or later, in currency stabilization or international trade. \* \* \* It certainly could not be that we are considering the economic isolation of a group who are just as devoted to the cause of world security and national stability as any of our other allies and who are only too willing to join in its fulfillment. It would seem that a great blow against the Axis could be dealt by giving Sforza and the Italians the same consideration in our plans as we have granted De Gaulle and the Free French.

- 2 -

J. Stanley Robinson, St. Louis, Missouri. I'm sure the general public as well as our neighbors and ourselves, read with interest your recent episode with the price of a sandwich at a Chicago lunch counter. Wish to emphasize that it was a lot of satisfaction to note that an adjustment was made in the prices following your visit. It is certainly gratifying when a just criticism results in justice, is it not? Incidentally, if you have occasion to visit in the fair city of Houston, Texas, in the great southwest, I wish you would try to find time to eat at a certain cafe across the street from the Texas State Hotel and let me know if they are still charging thirty cents for a plain beef sandwich and seven cents for a small glass of buttermilk (uniced). Congratulations on the success of the United Nations Monetary Conference. I'm sure that we all wish that your forecast of the Conference being "an omen of the international cooperation we may expect when we sit around the peace table", will come true sooner even than we had hoped.

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Unfavorable Comments on Bonds

B. Bennett, Putnam Mills Corporation, Textile Manufacturers, Putnam, Connecticut. May I call your attention to a loss or theft of two \$5,000 2½% coupon bonds due 1965 and 1970. \* \* \* Mr. S. Mortimer Bloom, to whom I have sold these two \$5,000 bonds, received them from our bank, Cargill Trust Company, at Putnam, Connecticut, on Saturday, July 8, has either lost them or they were stolen. I immediately notified our bank, and they in turn notified the Federal Reserve Bank in Boston, telling them of this loss, and their answer to him was not exactly in these words, "Well, that's just too bad -- it is just as if Mr. Bloom had lost two \$5,000 bills out of his pocket". Now it seems to me that while I know these bonds are not registered, there surely cannot be any harm notifying all banks, or whatever method you have, if these bonds were stolen from the Government to try and stop payment, as long as we have serial numbers. It just doesn't seem fair to receive an answer of "it's just too bad", on a \$10,000 loss; and I am quite sure that with a little assistance, some time or other these bonds may show up, and be returned to the proper owner with the Government's assistance. \* \* \*

H. N. Meashan, Glendale, California. By accident I tuned in on Harold (alias Boak) Carter and heard him broadcast Thursday that the loan was subscribed and there was no reason to strain any longer to buy bonds, although the Los Angeles quota was way behind, and slackers gave Carter's broadcast as a reason not to buy. It looks to me like Boak Carter is subversive.

E. J. Welsch, Cashier, First State Bank, Mendota, Illinois. During the Fifth War Loan Drive, as well as the previous Drives, the banks were not allowed to enter subscriptions for various issues of bonds. We as a

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bank entered into these Drives willingly and wholeheartedly, devoting our time and energy to making them a success. Now that the Fifth War Loan Drive is closed on some of the issues, we as a bank can purchase these bonds on the open market at a handsome profit of someone, within twenty-four hours after the close of the Drive. What puzzles me is where do these bonds come from that are now sold on the open market in such a short time? The particular issues I have in mind are the 2% 1952-54's and the 1½-1947's. Subscription on these issues closed on July 8th. On July 10th the 52-54's were quoted on the open market at 100-10/32...100-12/32, and the 1½ were quoted at 100-10/32. I would like to be enlightened as to the reason why the banks cannot subscribe for a reasonable amount of these issues at par.

Walter L. Bachrodt, Superintendent of Schools, San Jose Unified School District, San Jose, California. \* \* \* I have worked and have attempted to work in every one of our War Loan Drives. I was Chairman of one of them and have been a very active part of all of them. Here is my complaint. We do everything that we know how to sell "E", "F", and "G" Bonds. We hammer and we pound just as hard as we know how. We fill our local press with a constant flow of statements concerning the fact that we are not selling enough "E" Bonds, according to the quota assigned to us. Then just in the midst, when we are attempting to arouse our small bond purchasers to really do their duty, we hear the official announcement of the Treasury Department on the radio that the Fifth War Loan is a success and has gone over the top. You know and I know that this is not true. You set a certain quota for "E" Bonds and the Nation fell far short of that quota. The big fellows did their duty and the total Drive went over, but the part of the Drive that takes the time and energy is a miserable failure. You destroy, by not announcing a complete story from Washington, all the effect of our local campaigns. Here is my proposal: When the next War

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Loan comes along let's set the War Loan that the big fellows buy a month ahead of the "E", "F", and "G" Bonds. Let's have an over-subscribed War Loan by the big fellows and then hammer home to the small bond purchasers that they must also do their duty. Let's have a quota for small bond purchasers only, and if we fail, let's be big enough and strong enough to announce that we failed. You are completely destroying the morale and the work ability of the hundreds of doorbell ringers that we recruit for each one of the War Loans.

Senator Harry Flood Byrd transmits the following letter he has received from Mr. Allen G. Roach, Executive Secretary of the Citizens' Temperance Foundation, Richmond, Virginia: "While in the city of Lynchburg during the recent War Bond Campaign, I observed that the contents of a mercy bomb -- a bomb which apparently is provided by money invested in "E" Bonds -- were tangibly displayed in the window of the building where bond headquarters were maintained. Among other items, I noticed that a pint bottle of liquor was featured as one of the most conspicuous items of the bomb kit. Now, Mr. Byrd, I should like to know whether or not the "E" Bond money or the money derived from the sale of any other type of bonds is really being used to provide mercy kits, with liquor included, for the men and boys who are fighting in defense of our country. I want to know if the inclusion of liquor in said bomb kit is sanctioned and endorsed by the Government. Therefore, I am respectfully asking that you please advise as to the facts concerning the subject."

F. A. Shailer, New York City. \* \* \* I have two of my very best friends interned in the Santo Tomas Camp in Manila. True Americans they are, too, and would have been among the first to buy bonds if they could. I wanted their names on the list and tried to buy a bond for each of them. The bank found that Regulation No. XYZ prohibited that because they are now in enemy

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territory. It was suggested that a New York address would suffice. I couldn't do that because their residence is Manila and has been that for over thirty years. \* \* \* It was then suggested that if I would certify that they were American citizens and that I would hold the bonds until they returned to this country, the bonds might be issued. I wrote the bank to that effect, but then found that Regulation PQR prohibited that. In its effort to be helpful, the bank thought the bonds might be issued and frozen for the duration by some Governmental Agency, probably a part of your Department, but I anticipated so much trouble in thawing them after the duration that I simply asked for my money back. \* \* \* The regulations should not apply in this case. I would like to know what danger lurks in one American's buying a registered War Bond in the name of another American unfortunate enough to be interned. In the first place, I am not so stupid as to try to mail the bond to Manila. The military authorities would not be so careless as to let it go. And if it were in the hands of a \_\_\_ Jap, what could he do with it? It seems to me there is a much greater danger of invasion money getting over the lines. \* \* \* If I did not feel so intensely the disappointment of not buying these bonds, I would not have written at such length to a very busy public servant, but as a tax-paying citizen, I thought I would be justified in doing so.

C. H. Vincent, R. R. 1, Avoca, Michigan. During the past two and one-half years I have been investing about 25% of my income in defense bonds, savings bonds, etc., and leaving them in the Federal Reserve Bank (Detroit Branch) for safe keeping. Last week I mailed them a \$500.00 savings note and was astonished to have them return it with the explanation that their vault capacity would not permit their storing anything except what they termed "defense savings or war savings", which seems to be a fine point of differential. Their

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explanation of limited vault facilities is so ridiculous that no intelligent official would advance it -- a \$500.00 savings note occupying less space than, say, twenty \$25 bonds. It is merely an attempt to influence the type of bonds purchased, and is right in line with much of the thinking that has emanated from Washington during the past ten years. Personally, I shall purchase no more Government Bonds of any kind until they make provision for safeguarding them as promised.

Harry B. Vickers, Postmaster, Brunswick, Georgia. For some unknown reason the shipyard workers in this city are cashing a tremendous amount of bonds. To give you an idea of those certified in three days alone by this office, the figures below are supplied from an accurate count.

647	\$25	Bonds amounting to	\$16,175.00	(Maturity Value)
63	\$50	" " "	\$ 3,150.00	" " "
24	\$100	" " "	\$ 2,400.00	" " "
Total:			\$21,725.00	( " " )

At the above rate it appears that the amount of bonds being cashed of the series "E", other than the Bond Drive, is equal to the amount of sale of this type bond. In recent weeks something appears to have agitated the colored race and they too are unloading stacks of bonds, and so far, I have been unable to ascertain any cause for such action. I am sure that there will be a certain amount of these bonds cashed every day in the year, but when there appears to be no reason for such action, either from the point of income tax, or otherwise, then there must be some agitation bringing this about. It is either propaganda from the Fifth Columnist or possibly the work of our local loan sharks which appear to take great interest in this type of person cashing his bonds in order that they may reap big percentages which they obtain from advanced loans on the sale of these bonds. \* \* \*

Unfavorable Comments on Taxation

Senator William Langer, (North Dakota), sends the following letter he has received from James F. Lincoln, The Lincoln Electric Company, Cleveland, Ohio: "I am appealing to you after having exhausted every other method available for our protection. Our problem is of national importance. The Treasury Department does not understand our incentive system. Because of its lack of understanding, it has assessed us for the years 1940-1941 over \$1,600,000. This amount is actually a large part of the compensation of our men during that period. The Treasury Department says we can't call it compensation although their stabilization branch allows it as such. The Treasury Department refuses to understand the fact that because of this incentive system the wages paid per piece produced is less than one-third that of any other manufacturer in the country making a comparable product. The Treasury Department merely says no man who works with his hands can be paid that much, regardless of what he does. \* \* \* If the assessed penalty against us for the years 1940-1941 is repeated in the following years, which undoubtedly will be done if the Treasury is successful in collecting this first assessment, it means insolvency for The Lincoln Electric Company. Since we are the outstanding example of incentive wage payment, such an outcome must eliminate all incentive throughout American industry."

N. Jerome Kaplan, President, Retail Dry Goods Employees Union, New York City. For the past three years the Montgomery Ward & Company has carried on a political campaign against the policies of the United States Government in part through a series of advertisements placed in the newspapers throughout the country. In an official report to the stockholders, Mr. S. L. Avery recently stated that the Montgomery Ward had expended the sum of \$640,000 in the type of newspaper advertising referred to above in a short period. The expenditure of these sums has been duly criticized by many stockholders of Montgomery Ward & Company as an unnecessary expense. In the name of our 2000 members we

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request the Treasury Department to advise us or state publicly whether or not these sums are now permitted to be deducted from the corporation's taxable income under the present existing Internal Revenue Statutes. If this company is permitted to now deduct the sums being currently expended in its political campaign to intimidate the House Investigating Committee, we would appreciate being advised as to the distinction between this expenditure and that of the International Latex Company whose expenditures for advertising in the public interest has recently been denied tax exemption as a proper business expense.



## TREASURY DEPARTMENT

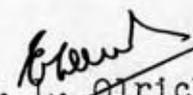
WASHINGTON 25



July 21, 1944

## MEMORANDUM TO THE SECRETARY

I am enclosing a list of the special items valued in excess of \$50,000 as of July 17, 1944.

  
E. L. Girich  
Assistant to the Secretary

Enclosure

PROPERTY FOR DISPOSALSPECIAL ITEMS VALUED IN EXCESS OF \$50,000AS OF JULY 17, 1944

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Gasoline Cans, 5, 7½ Gal.</u>			
Three lots of cans designed to transport gasoline in small quantities to point of use. None is a standard "Blitz" can. Each has special characteristics; each type is different from the popular "Blitz" model.	1,089,733	\$ 1.75 (av.)	\$ 1 910 000
<u>Batteries, Dry Cell and Packs</u>			
50 types in varying quantities. Ranging in cost from \$.05 to \$5.80 each. Over-age for Army use. A maximum of \$246,000 worth (cost to gov't.) in undetermined status. A large percentage are believed to be sold. Another large percentage now on invitations to bid. Report will be current by August 1.			50 000

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Gov't</u>
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Incinerators, new

For human excretion only. Capacity 2000 lbs. per hour. No market in sight.	34	\$ 98.18	\$ 333 812
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Furnaces, Hot air, Oil fired

New, for homes. Cannot be installed in <u>new</u> homes because of fuel regulations. An offer from the trade is believed on the way, looking towards use for replacing worn-out furnaces.	659	69.25	51 058
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Sinks, Enameled, Cast Iron

Kitchen sinks, ranging in size from 12" square to 24" square; with 9813 cast iron traps. No Gov. agency interested. Region will propose issue of bid invitations.	8640	4.60 (sinks only)	53 206
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Wood Screws, Brass, new

Bid invitation are now out. Will be opened July 21st.	500 tons 1634 items		357 000
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	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Rubber Gloves</u>			
Anti - gas and commercial-household types. Anti-gas gloves are probably long sleeve type - sample not available. Household type are black, and are standard. Offer of 35¢ per pr. for latter has been received.	210,751 pr.		\$ 56 142
<u>Hats, Army Service</u>			
The old style, broad brimmed, campaign hat. List of re-makers is being obtained. Item will be offered to them for reprocessing. An offer of 25¢ each was made by chain store group in Arizona. Brims are too wide and sizes are too big for Boy Scouts, who have discontinued the style, anyway.	119,928	\$ 3.00	359 784
<u>Leggings</u>			
Spiral wool and laced canvas types. Old and in poor condition. Bid invitations are being sent out.	213,280 pr.		109 833

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Sand Bags, New</u>			
Some osnaburg - some burlap. Invitations to bid are out on balance shown.	1,400,312	\$ 0.075	\$ 109 814
<u>W. A. C. Caps</u>			
Appears to be a salvage item	76,712	2.20	168 766
<u>Mosquito Bars, new</u>			
Rectangular tents of netting. Excellent quality. Some commercial interest has developed since news release was issued. No definite offers.	464,676	5.70	2 648 653
<u>Rods for Mosquito Bars</u>			
Two piece, enameled iron rods, screwing together to make "T" shaped support for one end of mosquito bar. Two pairs (4 pcs) are need for each mosquito bar.	464,000 sets	0.21	97 444
<u>Filter felt (new)</u>			
54 in. to 72 in., rolls. We are contacting shoe mfrs. before sending invitations to bid.	163,086 yds.	2.00	326 172

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Cotton Duck, #4</u>			
42" fire, water and weather resistant. New item; no action as yet.	76,741 yds.		\$ 115 879
<u>Shoes, mens, Army types</u>			
Sale was negotiated with two mfrs., for repurchase. Last Saturday Army withdrew 10,000 pairs of the best sizes, making it necessary to re-contact the two mfrs. who had agreed to repurchase.	145,000 pr.	\$ 3.50	507 500
<u>Shoes, nurses, new</u>			
Office of Civilian Requirements (W.P.B.) is to hold a meeting of shoe mfrs. and retailers in regard to this item. Their answer is due Wednesday of this week.	42,000 pr.	3.00 (av.)	126 000

QuantityUnit CostCost to Govt.Shearlings

Tanned sheepskin with wool left on. This is remainder of approximately 11 million sq. ft. which have been sold to F. E. A. and public at prices averaging 29¢ per sq. ft., which is above present market price.

900,000 sq.ft. \$ 0.50(est.) \$ 450 000

Dichlorimine T. (antiseptic)

World War I item, called Dakin's antiseptic. Has no marketable value. Has oil base that may be rancid. Being tested by American Pharmaceutical Assn.

298,646 pts.

1.67

498 738

Medicines and Medical Supplies

Non-standard and obsolete items in New York depot. An outlet for instruments is being developed through F.E.A. Deteriorated medicines remain a problem.

52 288

QuantityUnit CostCost to Govt.Dental supplies and equipment

Veteran's Administration stock at Perry Point, Md. List is being reviewed by Lend Lease to determine what can be used abroad.

\$ 100 000

Hydrogen Peroxide, 8%

In pound bottles. Barber and Beauty Shop Assn. is circularizing its membership in regard to its use at this strength.

351,022 lbs. \$ 0.35

122 813

Talc

A coarse grade of talc made for use as a gas decontaminating agents. 2386 tons in 4½ lb. pkgs. 3373 tons in 50 lb. packages. Sales have been made in regions previously at prices ranging from \$1.00 to \$9.00 a ton.

5,759 tons

200 000

Surgical Supplies and Instruments

Louisville Army Depot declaration. List has been screened through the medical trade associations. Many items obsolete. Advise is that its sale will not upset the trade. The Region is to send out invitations for bids.

250 000

QuantityUnit CostCost to Govt.Smoke Generators

Obsolete, individual smoke pots with chimneys. Has been "on bid", with no offer over \$.11 each. They consume too much oil and make too much smoke for use as smudge pots for agricultural use.

67,600

\$ 10

\$ 676 000

*M. M. M. 7/12/44  
3 + amount of 10.00*

*226 460*

Smoke generator, vehicular, parts

Motorized generator piping, valves, fittings oil filter cartridges, etc, in great quantities. New declarations just received. No action, as yet. These are standard parts that can be sold in hardware stores.

277 000

Platform trucks, steel, new

Steel trucks, on casters. Size 6'x4'. Designed to move airplane engines on air field. Quartermaster will cancel request for withdrawal, since size is wrong for their use. Quantity represents 3 years production of this type truck. Sales are being made to test the market.

13,287

75

996 525

QuantityUnit CostCost to Govt.Diesel Engines, Complete

Air cooled, nine cylinder radial type. This Division has asked Army to withdraw the property and re-sell the engines to their maker.

131

\$ 2 300 000

Engines, Cadillac Automobile

125 H. P., with spare parts and panel units. Without transmissions. Region has been notified that Army may withdraw the engines for installation in light tanks.

260

\$ 355  
(engines only)

126 062

Cameras, Aircraft

Each camera has great variety of collateral equipment. Obsolete type. Physical inspection being made. Informal negotiations with Fairchild Camera Co. in process.

96

307 386

Disc. Wheels for gun carriage

7,417

12 (est)

89 000

Disc wheels, rims, and tires for 105 mm gun rolling carriage. Used. In good condition. The special size tire (5.50 x18.00) resulted in refusal by Lend-Lease. It is proposed to remove the tires and dispose of them as part of the tire and tube program.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Tires, Rubber, Truck &amp; Bus</u>	70,164		\$ 2 228 150
<u>TubeS, Inner, Truck &amp; Bus</u>	26,037		246 310

New and used. Disposal program has been presented by specialist. Decision awaited.

Spare Parts, automobile, new and  
Used

Two declarations - Fort Crook, Neb. and Richmond, Ky. Consultations with representatives of the 4 manufacturers being held currently, with W. P. B. participation. Contracts are still in "talking" stage.

3 000 000

Scabbords, bolo

An obsolete scabbord for a bolo knife. Made of hickory, duck covered, trimmed with calfskin, with web belt. Has no value except for use with a particular knife none of which is available.

114, 290

\$ 1.60

190 864

Ammunition Boxes, Wood

Small size - 1 cu. ft. capacity, fastened with wing nuts. Larger quantities were sold favorably at recent date. This lot has been offered  
meat packers through W. F. A.

85,000

0.75 (est)

63 500

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Imprinting Machines, new</u>			
An Addressograph plate press, portable, used to obtain impression of soldier's "dog tag" in the field. Four oil companies studying possibility of using device in service stations to obtain impression of customers' "charge-a-plates."	20,000	\$ 21.95	\$ 439 000
<u>Bicycles, new</u>			
Specialist recommends that regions be instructed to contact federal, state and local agencies to move this balance. All agencies in Washington area have been solicited.	2,000	28. (av)	56 000
<u>Belt Pockets for cartridge Clips</u>			
Web pocket with fastener. A radio advertiser has taken option on lot after purchasing a small lot at \$0.06.	1,000,000	0.10	100 000
<u>Spurs, new and used</u>			
Radio advertisers decision is expected this week, on quantity purchase for novelty "give-away."	261,000 pr.	1.40 (av.)	365 400

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
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Snowshoes, Emergency

Paratrooper's special type.  
Has no value as sports item.

37,000 pr.	\$ 4.25	\$ 157 250
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Skis, laminated

7 ft. and 7½ ft. hickory, ridge-top, laminated skis with steel edges, Painted white. 7½ ft. size not popular for general sport use.

5,744 pr.	14.50	93 288
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Snowshoes, used

Serviceable, trail and bear paw type snowshoes. New declaraction-no action as yet.

11,745	9.00	105 654
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Cots, wood and metal

Single and double deckers, and bedsteads, such as used in cantonments. Marketing plan in process.

15,000		60 000
--------	--	--------

Bed Parts

Springs, metal fabric, heads, feet, and side rails, etc. We are working with bed mfrs., looking towards re-purchase.

		50 000
--	--	--------

QuantityUnit CostCost to Govt.Cuspidors

Three types, large medium and small. Sales plan to dispose of item through chain stores in "Saturday night" towns is being devised.

70,000

\$ .80

\$ 56 000

Pillows, new and used

Some cotton; some feather pillows. 134,710 new; 449,313 used. Plan is being formulated to distribute new merchandise nationally in areas where a market exists for the particular type of article. No sound method yet devised for sale of used pillows needing sterilization.

584,027

0.73

426 339

Mattresses, new and used

182,879 new (all in one region). 667,663 used. Plan is being formulated to distribute new merchandise nationally in areas where market exists for the particular type of article. The salvage value of cotton is high enough to make it feasible to scrap used mattresses if no other outlet appears.

850, 542

5.50 (av.) 4 677 981

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Dragline excavators, used</u>			
Earth moving machines weighing 250,000 lbs. each. Obsolete. Bad condition. Located 25 miles from railway over bad roads. Will cost \$3000 each to dismantle and reassemble. No offers in sight.	3 pieces	\$30,000	\$ 90 000
<u>Ice Grouzers, new,</u>			
Ice gripping shoes to be attached to special rubber tired treads of high speed military tractors. Each grouser weighs 6 lbs. A tractor needs 296. There is no known application on standard machines, no market, except for scrap.	76,726	2.70	207 160
<u>Snow Plows, V Type</u>			
Designed for use with motor graders. Excellent condition. 59 are new. Applicants to WPB for this equipment will be referred to our Region 8.	84	1,000 (av)	84 000
		Total	\$26 523 771

Surplus Truck Report  
For 7 Days and Period Ended July 15, 1944  
(Period Began Jan. 1, 1944)

	<u>7 Days to July 15</u>	<u>Period to Date</u>
Total trucks Declared	417	21 021
Less Declarations Withdrawn	6	836
Less Loans to Other Federal Agencies	0	121
Less Transfers to Other Federal Agencies	<u>155</u>	<u>2357</u>
Net Trucks Declared for Sale	256	3 314
		<u>17 707</u>
Less Trucks Sold	922	9 212
Balance of Trucks on Hand		8 488

ANALYSIS OF INVENTORY

Inspected and Ready for Sale	6 670
Not Inspected	<u>18 18</u>
	8 488

ANALYSIS OF DISPOSAL ACTIVITY

	<u>Declarations</u>	<u>Disposals</u>	<u>Inventory End of Period</u>	<u>Inventory Change</u>
Period Ending July 1st.	20 311	10 300	10 011	
7 Days to July 8th	293	1 150	9 154	-857
	<del>XXXXX</del>	<del>XXXXX</del>	8 488	-666
	417	1 083		

SURPLUS MOTORCYCLE REPORT  
For 7 Days and Period Ended July 15, 1944  
(Period Began Jan 1, 1944)

	<u>7 Days to July 15,</u>	<u>Period to Date</u>
Total Motorcycles Declared	289	4 833
Less Declarations Withdrawn	0	1
Less Loans to Other Federal Agencies	0	0
Less Transfers to Other Federal Agencies	<u>0</u>	<u>209</u>
Net Motorcycles Declared for Sale	<u>289</u>	<u>4 623</u>
 Less Motorcycles Sold	 1	 3 893
Balance of Motorcycles on Hand		730

ANALYSIS OF INVENTORY

Inspected and Ready for Sale	96
Not Inspected	<u>634</u>
	730

ANALYSIS OF DISPOSAL ACTIVITY

	<u>Declarations</u>	<u>Disposals</u>	<u>Inventory End of Period</u>	<u>Inventory Change</u>
Period ending July 1st.	4518	4102	416	
7 Days to July 8th	26	0	442	/ 26
7 Days to July 15th	289	1	730	/ 288

SURPLUS USED CAR REPORT

For 7 days and Period ended July 15, 1944  
( Period Began Jan 1, 1944)

	<u>7 Days to July 15</u>		<u>Period to Date</u>	
Total Used Car Declared	3	290		3 195
Less Declarations Withdrawn	6		59	
Less Loans to Other Federal Agencies	0		19	
Less Transfers to Other Federal Agencies	6	9	539	617
Net Used Car Declared for Sale		<u>281</u>		<u>2 578</u>
Less Used Cars Sold		257		1 922
Balance of Used Cars on Hand				656

## ANALYSIS OF INVENTORY

Inspected and Ready for Sale	426
Not Inspected	230
	<u>656</u>

## ANALYSIS OF DISPOSAL ACTIVITY

	<u>Declarations</u>	<u>Dispcals</u>	<u>Inventory End of Period</u>	<u>Inventory Change</u>
Period Ending July 1st.	2 864	2 013	851	
7 Days to July 8th	41	260	632	-219
7 Days to July 15th	290	266	656	24

*Asy read  
7/24*

July 21, 1944

MEMORANDUM FOR THE SECRETARY:

Lt. General MacFarlane (British) has resigned as Chief Commissioner for the Allied Control Commission in Italy. The public reason was illness.

The fact is that General MacFarlane was kicked out by Churchill. The immediate cause of this action was that General MacFarlane told the Italian Government that on August 15 they could go into Rome and that the territory under their control would be expanded to include the Rome region. This action was not cleared with Churchill, and evidently Churchill disagreed.

General MacFarlane was in conflict with Churchill before. In each case General MacFarlane took a more sympathetic attitude towards the Italian Government than Churchill wished.

*H.S.*

*msB*

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Mission, Algiers.  
TO : Secretary of State, Washington.  
DATED: July 21, 1944.  
NUMBER: 2478

## CONFIDENTIAL

Murphy sends the following message.

Request has been made by Dr. Schwartz of the American Joint Distribution Committee (and I have recommended to AFHQ that his request be approved) for authorization by AFHQ of an additional representative of his organization to assist, in central Italy, Jewish refugees and communities.

CHAPIN

DGR:LCW 7/24/44

SECRET BY COURIER

A-1229

5:40 pm

July 21 , 1944

AMEMBASSY,  
HABANA

~~The following~~ is from the War Refugee Board.

The Department and the Board are highly gratified by the results reported in your A-1294 of June 16. Please convey the appreciation of this government to the Cuban authorities. The substance of your communication is being transmitted to the American Embassy, Madrid , with a request to support the Cuban desires.

The only question in connection with your message arises from the fact that Cuba's protecting power vis-avis Germany is Switzerland whereas instructions are being sent to Cuban Embassy in Madrid. Please clarify this and advise. would also appreciate learning the dates when the promised instructions were actually sent.

Hull  
ghwWRB:MMW:CMH  
7/19/44

CABLE TO AMBASSADOR WINANT AT LONDON

REFERENCE your 5598 of July 15, 1944.

You may in your discretion advise Mr. Kosiebrodski and Dr. Laohs that the making of appropriate representations to the Germans by American republics whose passports are held by persons removed from Vittel has already been suggested to such governments.

9:10 a.m.  
July 21, 1944

LSLesser:tmh 7-20-44

## PARAPHRASE OF TELEGRAM SENT

TO: American Embassy, London  
FROM: Secretary of State, Washington  
DATE: July 21, 1944  
NUMBER: 5709

## SECRET

War Refugee Board sends this message to Ambassador Winant, London.

Please deliver the following message to Barou and Easterman, 55 New Cavendish Street, London, W.I. from Dr. Kubowitzki, World Jewish Congress:

Joint Relief Committee in London has recently approached International Committee of Red Cross with a proposal for shipment through blockade of food parcels for distribution under Red Cross supervision to refugees in internment camps. FEA has felt heretofore that Intercross has not had adequate staff to insure proper distribution in Axis-Europe. It is requested that you follow developments of this project and assist where possible to insure success of this matter.

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Embassy, London  
DATED: July 21, 1944  
NUMBER: 5723

## CONFIDENTIAL

Please refer to your 5637 of July 17 concerning the recommendation transmitted by the Inter-governmental Committee representative in Algiers that the refugee camp at Fedhala be closed.

The War Refugee Board is in full agreement with Sir Herbert Emerson that a decision to close Camp Lyautey now would be highly premature. In our opinion the international situation has not (repeat not) become stabilized to such a degree as to justify the taking of an irrevocable step such as that suggested. Moreover, such a suggestion is difficult to understand, in view of the necessity of caring for increasing numbers of refugees escaping from enemy territory, and the recent decision to expand at once existing refugee facilities in the Middle East and to open new camps in French North Africa, Tripolitania and Oswego, New York.

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Embassy, London  
DATED: July 21, 1944  
NUMBER: 5724

## CONFIDENTIAL

Please deliver the following message to Mr. Ernest Frischer, 100 Oakwood Court, London W.14, from Dr. Kubowitzki of the World Jewish Congress:

"At the present time the Joint Distribution Committee is sending 16,000 parcels a month to internees in Theresienstadt along, and authorization has been given to its office in Lisbon to send parcels to the internees in Birkenau. In addition, the Czechoslovak representative in Lisbon, with whom the JDC clears its addresses, has sent such parcels to individuals who, the JDC believes, are mainly non-Jewish. Whether their 6342 addresses in Theresienstadt are different from the 8,000 addresses that the JDC has, the JDC does not know. It is not clear from the letter whether the Czechoslovak Relief Action would continue to supply 3,000 pounds a month for their activity, and if, in addition thereto, 9,000 pounds for a one-time transfer has been given. Obviously, the JDC cannot operate on a license issued by the British Treasury. The JDC's licenses are secured from the United States Treasury, and Dr. Schwartz is authorized to send parcels to every person known to be in Theresienstadt whose address is made available to him from any source whatever. The JDC is sending on to its Lisbon office the gist of your communication in order to secure a report on it. The JDC notes that Dr. Schwartz has been approached on this matter, but due to the fact that he is in the Near East he has not communicated with the JDC concerning it."

HULL

London

Dated July 21, 1944

Rec'd: 8:21 p.m.

Secretary of State,  
Washington.

5787, Twenty-first

New STATESMAN AND NATION of July 22 carries an article entitled "Hungary and the Jew" strongly critical of what the writer considers the inept manner in which the BBC has attempted to bring home to the Hungarian Government British feelings regarding the persecution of Jews in Hungary.

The article does not accept the thesis that the present wave of Jewish persecution in Hungary is a departure from earlier Hungarian policy and takes issue with Eden's recent statement that "the previous record of the Hungarian Government makes this so much more terrible a story". It asserts that Horthy bears a heavy and long standing responsibility for outbursts of anti-Jewish terrorism, "like the massacres of Siofok and Orgovany, which he actively encouraged during the counter-revolution".

The writer concedes that under the Kallay Government the position of the Jews in Hungary up to March 19 of this year compared favorably with that in most German dominated countries, but claims that humanitarianism was far from being the motive of this comparative leniency. He states that on May 29 last year Kallay himself in a speech which was repeatedly acclaimed as a definite statement of Government policy said that final solution of the Jewish problem could only be deportation of the Jews. This solution remained untimely only so long as the Hungarian Government was playing its double game of assisting the Germans and "reinsuring itself" with the Allies.

The article severely criticizes the "vague and unctuous" protests of the Catholic and Protestant Churches in Hungary against ill treatment of the Jews, contrasting them with the unequivocal condemnation by Catholic Archbishop Czapik of "British-American terror bombing" and the violent anti-Russian exhortations of Calvinist Bishop Ravasz. It also lays responsibility on the BBC itself, stating that it "by its feeble, often appeasing, attitude towards the Horthy regime, is particularly to blame for the present complete lack

of active

-2- #5787, Twenty-first, from London

of active resistance by the Hungarian people either to the Germans or to their own rulers, for it has never made it clear how far such assistance would have Britain's moral support." Pointing out that it may still be possible to save some survivors of "this monstrous slaughter" of Jews in Hungary, it hopes that in future broadcasts to the Hungarian Government the BBC "will put the matter in its right historical perspective".

WINANT

HTM

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Embassy, London  
DATED: July 21, 1944  
NUMBER: 5725

SECRET

Reference your 5598 of July 15, 1944.

You may in your discretion advise Mr. Koziebrodzki and Dr. Lachs that the making of appropriate representations to the Germans by American republics whose passports are held by persons removed from Vittel has already been suggested to such governments.

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Consul, Naples  
DATED: July 21, 1944  
NUMBER: 401

SECRET

The following message has been received from Emerson, IGC:

QUOTE A message has been received recently from our representative in Italy which states, in effect, that there have been discovered records which are now available in Italy and which give complete lists of names of more than 15,000 individual refugees--Yugoslavs who are not Jews, Jews, and other people--who have been, at one time or another since the start of the war, in Italy. To trace many of them now is impossible. Other data is available which gives the names of refugees at free detention places and those held at certain camps at certain times. Our representative suggests that notification be given the Axis authorities that this information is in the possession of the Allies and that due punishment will be inflicted upon those responsible for the ill treatment or death of these people. I am referring this matter to you, since agreement has been reached with Washington that the field of action of the Inter-governmental Committee does not cover psychological action of this kind. Since it would possibly be of special interest to the War Crimes Commission, the information has also been sent to the British Foreign Office. UNQUOTE

Please consult Heathcote-Smith, IGC Representative. If possible examine records to determine their usefulness either for psychological purposes as indicated, or for purposes of initiating action that might result in the rescue or relief of persons whose names and whereabouts may be available.

THIS IS WRB CABLE TO NAPLES NO. 36.

HULL

SECRET

No. 2302

Asuncion, Paraguay  
July 21, 1944

**Subject:** Paraguayan Government requests German Government to permit access of International Red Cross Commissioners to Concentration Camps.

The Honorable  
The Secretary of State,  
Washington.

Sir:

I have the honor to refer to the Department's secret airgram of June 26, 1944, 1:00 p.m., stating that there are concentration camps situated in Germany and German-controlled territory to which the Protecting Powers and the International Red Cross have been granted no access or else such extremely limited forms of access that they have been unable to assist the nationals of the United States and other American republics who are held there, mentioning certain specific camps, and requesting that the situation be reported to the Paraguayan Government with the suggestion that it ask its Protecting Power to investigate this situation and that in other camps and establishments under control of German-dominated authorities.

This matter was presented to the Ministry of Foreign Relations in this Embassy's Note No. 303, July 6, 1944, and there is transmitted herewith a copy of that Ministry's reply, Note No. 637, July 17, 1944. The reply states that the Paraguayan Government has requested the Spanish Government to take appropriate steps in its name with a view to permitting the Commissioners of the International Red Cross to visit such concentration camps and to report regarding the possible claims to Paraguayan citizenship which may be made by persons held there.

Respectfully yours,

Leslie E. Reed  
Charge d'Affaires a.i.

Enclosures:

Copy of Note 637, July 17,  
1944, from Paraguayan Ministry  
of Foreign Relations

848

LER:ps

NOTE: Enclosure in Spanish sufficient information in covering letter to make translation unnecessary. EN

**AIR MAIL**

No. 760

**EMBASSY OF THE  
UNITED STATES OF AMERICA**

UNRESTRICTED

Lisbon, July 21, 1944

**Subject: The Release of Refugees from Prison in  
Portugal****The Honorable  
The Secretary of State  
Washington****Sirs:**

I have the honor to transmit herewith a copy of a note verbale recently sent to the Portuguese Ministry of Foreign Affairs, requesting consideration by the Portuguese Government of the matter of release of refugees from prison.

A note on the same subject, couched in different language but covering the same points, is being submitted at the same time by the British Embassy.

It is the intention of both Embassies to pursue the matter if a reply is not received to the notes within a reasonable time.

It is believed that this despatch and the enclosed note would be of interest to the War Refugee Board, and if the Department perceives no objection, it is requested that copies be transmitted to the Board.

**Respectfully yours,****For the Ambassador:****Edward S. Crocker,  
Counselor of Embassy****Enclosure:****Copy of note verbale to Portuguese Ministry  
of Foreign Affairs.**

RCD:ew

Enclosure to despatch No. 760, dated July 24, 1964, from  
the Embassy at Lisbon.

EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 464

The Embassy of the United States presents its compliments to the Ministry of Foreign Affairs and has the honor to bring to the attention of the Ministry a matter concerning the treatment of refugees in Portugal regarding which the United States Government ventures to bespeak the cooperation of the Government of Portugal.

As the Ministry has already been informed, the President and the Government of the United States have solemnly pledged themselves to do everything possible to alleviate the condition of political and racial refugees from Germany and the occupied countries. Recent statements both by the President and Congress make this abundantly clear.

In this humanitarian effort the United States Government has had most effective cooperation from the Government of Portugal.

Unfortunately many refugees are necessarily without papers and attempt to enter Portugal without visas. Such refugees are frequently placed under arrest and must spend some time in prison. The majority of these individuals are released after a period of detention to fixed residences; for example, to Triceira and Caldas da Rainha.

Others, however, are apparently retained in confinement for long periods and it is on behalf of such of these as are genuine refugees that this Embassy bespeaks the further cooperation of the Ministry and the Portuguese Government. It is the policy of the United States Government to offer every possible assistance to war victims and in this connection this Embassy is willing to take up the question of support with the various agencies of all genuine refugees coming to Portugal of whatever nationality or religion as long as they are bona fide victims of oppression. Since the numbers of such released refugees would be small and the resources of the agencies are adequate, there is every reason to assume that all would be cared for in reasonable comfort. In addition this Embassy agrees to do all possible to remove such refugees to places of permanent residence, although this is recognized to be a difficult problem at the present time.

In view of the foregoing considerations the Embassy of the United States requests the good offices of the Ministry to the

- 2 -

and that consideration may be given to the matter of release of such refugees as are imprisoned in Portugal to such places of fixed residence as shall be approved by the police. If this Embassy is advised of such intended release, it will, on its part, arrange to make the necessary provision with the assistance of the private agencies for the support of those released and for their ultimate emigration.

Lisbon, July 21, 1944

CABLE TO AMBASSADOR NORWEB AT LISBON FOR DEXTER

(1) The Joint Distribution Committee is extremely anxious that Pilpel get in touch with members of the group of Hungarians who arrived recently in Lisbon in order to ascertain if possible whether they have any views as to how evacuations may be increased. Please so advise Pilpel, making it clear that such contact as he may make with such persons is purely unofficial and is not to be regarded as being pursuant to governmental instructions or directions.

(2) The War Refugee Board is extremely anxious to secure such information as the persons referred to above may be able to supply and to this end Dexter is requested, if possible, to interview Ferenc Chorin and Baron Mirtiz Kornfeld. As a possible means of securing their confidence, Dexter should advise Chorin and Kornfeld that Ernest Wiltman implores them to give Dexter any information that they may have which might be helpful in securing the release or otherwise bringing relief to persecuted persons from Hungary, including the names of persons who might be approached with some hope of success and indicating the nature that such approached might take.

THIS IS WRB CABLE TO LISBON NO. 61.

2:30 p.m.  
July 21, 1944

LSLesser:tmh 7-21-44

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

July 21, 1944

9 p.m.

AMEMBASSY,

LISBON.  
2056

The WEB cable 51 below is for Dexter.

Please deliver the following message to Robert Pilpel,  
c/o American Embassy, from Moses A. Leavitt of the American  
Jewish Joint Distribution Committee:

QUOTE Assume you in touch with Hungarian women  
recently arrived Lisbon Stop Can you send us report  
through Legation how they were evacuated also what possi-  
bilities increasing flow Stop Have they any suggestions  
for rescue or relief Hungarian Jews? UNQUOTE

Following for Dexter from War Refugee Board:

In view of Stockholm's No. 12 to you dated June 30  
and WEB No. 50 of July 5, you should advise Pilpel of  
action you may have taken and ask Pilpel to keep you  
informed.

HULL  
(GLW

WEB:MMV:KG  
7/10/44

WE

HE

A-B S/GA

July 21, 1944

BB  
Distribution of true  
reading only by special  
distribution. (SECRET W)

10 p.m.

AMEMBASSY,

LISBON.

2057

The following WRB cable 52 is for Dexter.

Reference Stockholm's 12 of June 30 to you and WRB's 50, Department's 1925 of July 5, please deliver the following message from the War Refugee Board to Ferenc Cherin and Baron Moritz Kornfeld, Avenida Palace Hotel, Lisbon: QUOTE In the name of all our mutual friends I urge you earnestly to cooperate with Doctor Dexter of the War Refugee Board disclosing to him all information concerning your departure and any other information that may be of assistance in saving the lives of others. Please advise Doctor Dexter who in Budapest can be approached with some hope of success and the basis upon which such approach should be made. Best greetings to all of you. Signed Ernest Wittmann. UNQUOTE.

HULL  
(GEW)

WRB:MMV:KG  
7/10/44

WE

SE

S/OR

RA-550  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Lisbon

Dated July 21, 1944

Rec'd 6:35 a.m.

Secretary of State

Washington

2262, July 21, 7 p.m. to

Reference your 2033, July 20. This WEB 109.

Channels open are dissident Hungarian officials  
here. Despatches mentioning them are 690, 704 and  
736.

NORWEB

RR:WSB

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

July 21, 1944

8 p.m.

**EMBASSY****MADRID**

2051

The following is from War Refugee Board.

Department and Board gratified by your 2389 of July 9. In view of critical situation in all enemy controlled areas please do your utmost to secure increasing and speedy Spanish efforts on behalf of victims of enemy persecution by all means at Spain's command.

In addition to information contained in Department's 1979 of July 14 regarding Bolivia and Paraguay, Department is now informed by Amembassy Habana that Cuban embassy Madrid has been instructed to request the protecting power to inform the German government that the Cuban government will not (repeat not) permit the validity of its passports to be questioned by Germans. The Cuban embassy Madrid has also been instructed to have the protecting power request German government to accord holders of documents issued in Cuba's name the same treatment that Germany hopes will be received by her nationals in Western hemisphere. Cuban government also agreeable to all holders of documents issued in Cuba's name being considered exchange material for German nationals held in Western hemisphere.

In view of foregoing, please approach Cuban embassy, and, if necessary, Spanish officials, with a view to ensuring speedy action for the protection of holders of Cuban documents anywhere in German-controlled territory.

For your information, while Spain is Germany's protecting power in Cuba, Cuba's protecting power is Switzerland and not (repeat not) Spain, and instruction to Cuban embassy Madrid may have been intended merely for transmission to Bern. Please ascertain and advise.

HULL  
(GEW)

HULL

S/OR  
WEB;MMV;OMH  
7/19/44

WE

CCA

DSH-490  
Distribution of  
true reading only by  
special arrangement.  
(SECRET W)

Stockholm

Dated July 21, 1944

Rec'd 5 p.m.

Secretary of State,

Washington.

2716, July 21, 5 p.m.

THIS IS OUR NO. 58 FOR WRB.

Have heard nothing further concerning remittance of \$10,000 mentioned in WRB 58 (Department's 1313 of July 1, 9 p.m.). Also nothing further concerning \$50,000 mentioned in WRB 41 (Department's 1353 of July 7, 7 p.m.). Chief Rabbi Ehrenpreis has heard nothing concerning \$10,000 mentioned in WRB 44 (Department's 1351, July 7, 5 p.m.). Please advise if there has been any change of status as to the availability of these funds.

Wallenburg has now been in Budapest for approximately a week.

JOHNSON

RB  
WTD

## PARAPHRASE OF TELEGRAM SENT

TO: American Legation, Bern  
FROM: Secretary of State, Washington  
DATE: July 21, 1944  
NUMBER: 2480

## CONFIDENTIAL

WRB sends following for McClelland.

WRB No. 79.

Please deliver the message given below to Dr. Gerhart Riegner, 37 Quai Wilson, Geneva, from Dr. Kubowitzki of the World Jewish Congress:

Joint Relief Committee in London has recently made a proposal to International Committee of Red Cross for shipment of food parcels to refugees in internment camps through blockade for distribution under Red Cross supervision. Foreign Economic Administration questioned whether Intercross has had adequate staff to insure proper distribution in enemy countries. Developments in this project should be followed by you and to insure its success please assist wherever possible.

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
 TO: American Legation, Bern  
 DATED: July 21, 1944  
 NUMBER: 2484

SECRET

FOR MCCLELLAND

There follows for your information and guidance the substance of an airgram received from the Amembassy San Slavador:

QUOTE The note of April 17, 1944, from Dr. Arturo Ramon Avila, at that time Foreign Minister, to the Spanish Minister (in charge of German interests) reads in translation as follows:

INNERQUOTE The Minister for Foreign Affairs of El Salvador begs His Excellency the Envoy Extraordinary and Minister Plenipotentiary of Spain and Representative of the Interests of Germany in this Republic, if he perceives no objections, that he interest himself, with a view to safeguarding the lives of all those persons who bear Salvadoran passports or who claim (pretendan) to hold Salvadoran citizenship, in order that the German Government, for humanitarian reasons, extend to the said persons all the privileges, rights and immunities granted to interned civilians in conformity with the Convention of Geneva on Prisoners of War. Arturo Ramon Avila thanks in advance His Excellency the Duke of B allen for his courtesy in taking this action, which, if it appears opportune to him, he would appreciate done by cable, and renews to him the assurances of his distinguished consideration. San Salvador, April 17, 1944. END OF INNERQUOTE

The note of May 20, 1944, from Dr. Julio Enrique Avila, the present Foreign Minister, to the Spanish Minister, reads in translation as follows:

INNERQUOTE The Minister for Foreign Affairs of El Salvador begs His Excellency the Envoy Extraordinary and Minister Plenipotentiary of Spain and Representative of the Interests of Germany in this Republic, to consider as modified the request referred to in the note verbale addressed to him by (the Foreign Minister's) predecessor, Dr. Arturo Ramon Avila, that he interest himself, if there are no objections, with a view to safeguarding the lives of all those persons who bear Salvadoran passports or who prove (justificuan) that they possess Salvadoran citizenship, in order that the German Government, for humanitarian reasons, extend to the said persons all the privileges, rights and immunities granted to interned civilians in conformity

with the Convention of Geneva on Prisoners of War. Julio Enrique Avila thanks in advance his Excellency the Duke of Bailen for his courtesy in taking this action, which, if it appears opportune to him, he would appreciate done by cable, and renews to him the assurances of his distinguished consideration. San Salvador, May 20, 1944. END OF INNERQUOTE.

The modification consists in the change of the words QUOTE persons who bear Salvadoran passports or who claim (pretendan) to hold Salvadoran citizenship UNQUOTE to QUOTE Persons who bear Salvadoran passports or who prove (Justificuen) that they possess Salvadoran citizenship. UNQUOTE

The Embassy unsuccessfully tried to have the present Foreign Minister send a note verbale identical with that of his predecessor, but Dr. Avila insisted on making the modification. He informs me that he is contemplating no new steps.

The Spanish Minister confidentially informed me that he had not bothered to transmit the second request as he considered it so similar to the first. The Swiss Government is therefore undoubtedly still working under the more liberal terms of the first request. It is consequently strongly suggested that no further action be taken unless the situation changes. END OF QUOTE.

THIS IS WRB BERN CABLE NO. 87.

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: July 21, 1944  
NUMBER: 2485

SECRET

FOR McCLELLAND

The matter referred to in your 4025 of June 23rd has been discussed with the Foreign Minister of Haiti. The following is the substance of the Minister's reply as transmitted by Amembassy Port-au-Prince:

QUOTE The Haitian Government will issue instructions to the Legation at Bern to inform the German Government through the Swiss authorities that Haiti considers all of its passports held by persons in enemy or enemy-occupied territory valid until an examination of each case shall have been made. This applies to those persons who were unable to comply with the Decree-Law of February 4, 1942, as well as to those persons holding documents whose validity is open to doubt.

QUOTE The Minister stated that this decision, which he will confirm to me in writing, will require the approval of the Council of Ministers, a meeting of which will be held soon, but that he does not anticipate any objections from that body.

QUOTE He added that it is purely a humanitarian measure and that the Haitian Government considers that many of the persons who will benefit by it are undesirable. I gathered that, after the conclusion of hostilities, unfavorable decisions will be reached in many cases. UNQUOTE

THIS IS WRB CABLE TO BERN NO. 88.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: July 21, 1944  
NUMBER: 2486

SECRET

The suggestion has been made to the Board from several sources that the issuance to Hungarian Jews, particularly children and families with children, of Palestine certificates, American and neutral visas in quantity might result in the saving of lives. The Board is considering the practicability of such a program in terms of the remaining balance of available Palestine certificates, 5,000 United States visitors visas, additional United States immigration visas to persons entitled to non-quota or preference status and to persons to whom United States immigration visas now expired were issued after July 1, 1941, and a comparable number of visas of the other American Republics, British dominions and neutrals. The suggested program has not (repeat not) as yet been cleared with the State Department. The Board would appreciate receiving as soon as possible your views and recommendations as to the practicability of the suggested program based upon such information as is available to you. The Board would also appreciate the informal views of informed persons in the Swiss Foreign Office if you consider it appropriate to discuss this matter with them.

In the meantime, and as an experiment to ascertain whether the availability of American visas will facilitate the egress from enemy-occupied areas of members of persecuted groups, American consular officers in Turkey have been authorized to issue visas to the following children now in Romania upon their arrival in Turkey and application therefor: Alexander Schleifer, age 15; Otto Schleifer, age 13; Judith Schleifer, age 11; and Noemi Schleifer, age 7. The children are under the guardianship of Avrum Schleifer, age 29, their father's brother, and Margarete Neulander, age 28, their mother's sister. Last known address of group is No. 11 Strada Tribunal Dobrea, Arad, Romania. Advisory review procedure has been waived in cases of these children and since their parents, David and Ida Schleifer, are in the United States, the public charge provisions of Section 3 of the Act of February 5, 1927 do not apply to them. Palestine Government has issued immigration certificates to the four children and two adults numbers M/438/43 () 1/204, M/438/43 () 1/150.

Please request the appropriate department of the Swiss Government to approach on behalf of the United States competent

- 2 -

Romanian and Bulgarian authorities and to request, in the case of Romania, that exit permits be issued to the four children and two adults, and in the case of Bulgaria that transit visas be issued to them. In support of such request, the Swiss should advise both the Romanians and the Bulgarians that the issuance of American visas to the four children has been authorized upon their arrival in Turkey and that the Palestine Government has issued immigration certificates to the two adults who act as their guardians.

It is not clear whether the group has Turkish transit visas, but Amembassy Ankara has been requested to investigate and to request the issuance of such visas to the group if currently valid visas for them are not now outstanding. You will be kept advised. Please keep the Department and Board informed of all developments promptly.

THIS IS WRB BERN CABLE NO. 84

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: July 21, 1944  
NUMBER: 2490

SECRET

FOR McCLELLAND AND HARRISON.

1. Please express to the Swiss Foreign Office the Department's and the Board's sincere appreciation for its cooperation and efforts as reflected in your 4223 of July 3. Please consult with appropriate officials of the Swiss Foreign Office in an urgent endeavor to secure their prompt further assistance by intervention and otherwise in rescuing the Malkowsky, Frunkin and Gerlin families from QUOTE general treatment accorded to eastern Jews UNQUOTE which according to your 4295 of July 6 and all other available information is but an euphemism for cold-blooded slaughter.
2. Please continue making representations in strongest terms on behalf of these families and all others to whom documents have been issued in the name of any American republic. It is considered by this Government that German action in declaring some documents invalid is arbitrary and inconsistent with generally accepted rule but the question as to validity of passports is to be determined by the Government in whose name they are issued, therefore only the government in whose name documents are issued can deny validity, not Germany. This Government furthermore considers untenable the distinction sought to be drawn between issues of such documents who are not in internment camps and those issues who are elsewhere, and this is without regard to whether such persons have a knowledge of Spanish or any other language or were settled in Poland or any other country. Accordingly, this Government takes a most serious view of German consignment of any persons to whom documents have been issued in the name of an American republic to the QUOTE general treatment accorded to eastern Jews UNQUOTE and must insist upon the return by the Germans to internment camps reserved for nationals of American republics of all persons to whom such documents have been issued who have been removed from such camps for consignment to such QUOTE treatment UNQUOTE or similar treatment.
3. Please endeavor through any unofficial channels that may be available to you to convey the sense of the following to appropriate German and satellite officials in foreign offices and foreign police: Foreign office and other officials who bear any responsibility for the consignment of persons to whom documents have been issued in the name of an American republic to the QUOTE general treatment accorded to eastern Jews UNQUOTE or similar treatment must expect personally to bear the consequences.

If American

- 2 -

If American republics, horrified by the bestiality and brutality of Nazi mass-slaughter accord to some persons the protection of their passports or other documents, individual officials of the German and satellite foreign offices and foreign police ought to be anxious to avail themselves of such or any other opportunity to save innocent lives. If, instead, they indulge in fine reasoning and take action which is tantamount to sentencing such persons to persecution or death, they thereby assume the responsibility and invite the consequences therefor. Furthermore, their failure to seize every available opportunity to save lives will be considered as strong evidence of their concurrence with the policy of mass-slaughters of Jews and other civilian populations and their participation in such crimes, the consequences for which formed the subject of President Roosevelt's statement of March 24.

4. The Department and Board are confident that the Swiss Foreign Office recognizes that although the safety of citizens of the United States is the paramount concern of the American Government, the American people and Government are gravely concerned with the safety of the victims of Nazi persecution without regard to the nationality or stateless status of such victims. This grave concern has been manifested in many ways including the creation by the President of the War Refugee Board, and in the solemn warnings heretofore issued by President Roosevelt, Secretary of State Hull, the Senate Foreign Relations Committee and the House of Representatives Foreign Affairs Committee. As a consequence of this concern, and in view of Germany's open espousal of a policy of exterminating Jews and other civilian peoples, the Swiss Foreign Office will understand why this Government is unable to accept the German view that removal of persons claiming nationality of an American republic from internment camps for subjection to the QUOTE general treatment accorded to eastern Jews UNQUOTE involves merely QUOTE internal German police measures UNQUOTE. Knowing Switzerland's humanitarian traditions, the Department and Board are confident that the Swiss Foreign Office will find a way to intercede further on this score to secure from the Germans adequate assurances for the safety of all persons to whom passports and other documents have been issued in the name of an American republic whether such persons are in internment camps or elsewhere or have been in internment camps and removed therefrom. Please also request the Swiss to attempt again to secure for the Board a list of all those claiming nationality of an American republic who have been deported from Vittel and similar camps. Assume your airmail 8466, June 12, contains list of 238 names supplied by you to Swiss as well as list of 163 names supplied by Swiss consulate, Paris. The importance of securing such lists, as well as the taking of the other measures indicated herein is emphasized by the fact, called to your attention by the Department's 2046 of June 16, that Anna Frumkin is the wife, Hermine Frumkin, the daughter and Eugenia Gorlin, the sister of a citizen of the United States.

5. Regarding

- 3 -

5. Regarding Section four your 4223, July 3, notice number two, Part E, this Government's position against German determination on QUOTE merits of individual claims of persons holding United States or Latin American documentation UNQUOTE relates not (repeat not) to priority of exchange or method of selection of individuals to be exchanged, but rather to the recognition of persons making such claims as being eligible for exchange, and the extension to them of treatment to which nationals of countries of which they claim nationality are entitled.

6. Regarding notice number two, Part F, refer Department's 2407 of July 13, WRB's 64 and Department's 2316 of July 6, 1944, WRB's 71. Further efforts being made to obtain various governments protected by Switzerland or Spain to request suitable action in Bern or Madrid. But without awaiting such requests, efforts should be persistently continued to obtain results on basis of this Government's attitude, and of attitude of such governments as have already communicated with Switzerland. In this connection, please discuss with Swiss officials informally the desirability of construing as liberally as possible, and of acting as speedily as possible upon any communications from any American republic touching upon the protection of persons from cruelty and persecution. Swiss officials certainly understand that the sole object involved is to save people from unprecedented bestiality and that delays in action brought about by a strict adherence to technicalities proper enough under ordinary circumstances merely result in these extraordinary times, in an additional number of innocent people being ruthlessly done to death.

7. In view of the situation in Hungary, special efforts should be devoted to obtaining German and Hungarian assurances with regard to the protection, eligibility for exchange, etc., of any persons in Hungary to whom documents in the name of an American republic have been issued. You are authorized to request Swiss authorities to make all necessary representations to this effect. In this connection, note is taken of your recommendation in last paragraph of notice one of your 4223.

THIS IS WRB CABLE BERN NO. 78.

HULL

RA-482  
This telegram must be  
paraphrased before being  
communicated to anyone  
other than a Government  
agency. (RESTRICTED)

Bern  
Dated July 21, 1944  
Rec'd 5:15 p.m.

Secretary of State  
Washington

4659, July 21, 8 a.m.

FOR WRB FROM MCCLELLAND.

FOR KUBOWITZ KI, WORLD JEWISH CONGRESS FROM RICHARD LICHTHEIN:

"Have received your message concernin g holders  
of South American passports and Palestine immigration  
certificates. We sum up situation by following 3 points:

(1) Aware that exchange these two categories  
must be separately by American and British governments.  
This is also viewpoint British authorities. An exchange  
of 283 holders of Palestine certificates has now  
successfully been completed Istanbul. Jewish agency  
offices here and London will attempt to make it possible  
for further exchanges. In this respect no action from  
your end is required.

(2) Position holders of South American passports  
will largely depend on actual exchange of at least  
part of them against Germans in North or South America.  
While recognition of these passports by American  
Governments was certainly useful, it will in long  
run not protect bearers if no actual exchange is  
forthcoming. If American states are willing to  
save a certain number of jews they should not only  
recognize their passports and declare bearers eligible  
for exchange, but should arrange for actual exchanges.  
Please investigate possibilities this respect.

(3) List of exchanges should be communicated  
through American Legation to Swiss Government holders  
without protecting bearers of American passports as  
shown by fate of Polish group of holders such pass-  
ports in Vittel deported despite fact that Palestine  
immigration certificates had also been granted to  
them. Germans are only interested in possibility of  
exchange. Having already thousands of holders of  
Palestine immigration certificates in their hands  
and knowing Great Britain's difficulties in finding  
adequate number of Germans in British territories  
they do not want to see number of certificate holders  
increased indiscriminately and certainly not by people  
who have been presented to them as being eligible for  
exchange against Germans in America. Please make posi-  
tion clear to all concerned."

~~Miss Gurnsey~~  
~~the Bureau~~

HARRISON

JMS:WFS

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern  
TO: Secretary of State, Washington  
DATED: July 21, 1944  
NUMBER: 4665

SECRET

In view of the information with reference to Uruguay and Chile which was contained in messages from the Legation of July 14th, Number 4518 and Number 4502 the inquiry which was contained in the last paragraph of message of July 13, from the Department, Number 2407, was not forwarded to the Swiss.

HARRISON

DCR:LCW 7/22/44

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern  
TO: Secretary of State, Washington  
DATE: July 21, 1944  
NUMBER: 4666

## CONFIDENTIAL

McClelland sends the following for WRB, from Riegner for attention World Jewish Congress.

Information has been received by Czechoslovak official at Geneva to effect that there is a disposition on part of Slovak resistance movement to assist in rescue of Jews from Hungarian dominated territories by bringing them to Slovakia to be enrolled in Slovak Maquis or to be hidden. We are cooperating with action being undertaken (?) dnazidov Bratislava. \$30,000 is required by program for expenses which will be covered by various sources; participation of Congress ten thousand dollars to be transferred urgently to Geneva in Swiss francs is being asked. This is most serious proposal and we are awaiting your urgent reply.

Note by Legation: This proposition has been discussed with Minister Kopecky and consider that support is merited. Initial contribution equivalent ten thousand dollars from fund of WRB in Swiss francs is being made. Francs will be deposited to account of Czech resistance movement in Switzerland.

HARRISON

DCR:BBH  
& 7/24/44

## PARAPHRASE OF TELEGRAM RECEIVED

352

FROM: American Legation, Bern  
TO: Secretary of State, Washington  
Date: July 21, 1944  
NUMBER: 4670

## SECRET

McClelland sends following for WRB from Kuehl, Donnebaum, and Sternbuch for Union of Orthodox Rabbis:

Continuous contact is being maintained by us with Laiffel. We have informed him that if possibilities of rescue work increase he will receive another hundred thousand Swiss francs, and have requested that he undertake transportation of refugees to Turkey from Bucharest. Places on ships are greatly lacking, and in view of development of situation soon anticipated it would be most important to counteract this lack. One thousand Swiss francs is still cost of a passage now-a-days.

We are forwarding a report shortly regarding rescue work for Italy and France.

One hundred thousand Swiss francs for general support have been sent by us to Freudiger. In addition we are in contact by telephone with the Wischnitz Rabbi Chaimmeirhager at Bucharest. A committee of several personalities has been formed by this Rabbi. Some time ago we also transmitted one hundred thousand francs for the management of this rescue work from Hungary to Rumania.

Twenty-three persons were brought to Bucharest lately. Among other Rabbis who have arrived at Bucharest there was the Bobower Rabbi Schloime and his son. Search is being made for the other members of this family. At the present time couriers are en route to Budapest from Bucharest in order to bring some more personalities back. It is felt that this is the best way to save various personalities at least. Three to five thousand francs is cost for one person. To avoid break in their rescue work an additional five hundred thousand francs is urgently requested by the Committee.

One hundred fifty thousand francs have been sent by us to Rabbi of Neutra. Latter is directing rescue work from Poland and Hungary to Slovakia and as regards support and rescue he has heavy obligations to fulfill. Just received wire from him in which he states that if we do not provide him with larger sums immediately he will hold CEO responsible for consequences since if he is not able to render sufficient help people run risk of deportation to Poland. He is referring to approximately eighteen hundred persons of whom greater part are in camps at present time.

Various plans

-2- #4670, From Bern, July 21, 1944

Various plans are being worked out as regards Hungary, which have support of joint representative in Budapest also. In addition negotiations to save larger group are proceeding and may be concluded any day. We shall (\*) money immediately as soon as guarantee is received that an agreement will be strictly fulfilled. We promised sum of one million francs to Freudiger's group for this purpose to begin with.

Our relations with McClelland are of the best. He willingly grants every possible help to us and all Jewish organizations.

Whether or not letters of Foreign Consulates are of any use we do not know, but perhaps they would be if respective states would grant protection. Such letters are at any rate only of use if they are passed on to me by Consulates of South American states in Switzerland at once. Reported rescuing people are getting smaller and situation is becoming progressively more critical in this respect.

HARRISON

( \* ) apparent omission

LCR:BBH  
7/26/44

LL-596  
Distribution of  
true reading only by  
special arrangement.  
(SECRET W)

Ankara

July 21, 1944

Rec'd: 9:57 p.m.

Secretary of State,  
Washington.

136, July 21, 4 p.m.

FOR FEHLE, WRB, FROM HIRSHMANN, ANKARA NO. 103

A report received by us from the Vaadhatzala Committee in Istanbul, dated July 17, states (REURTEL 59, July 1) that no part of the \$25,000 transferred to them by Vaadhatzala, New York, was expended up to June 1. The only disbursement made since that date was the payment of 12064.57 Turkish pounds to the firm of W. F. Henry Vanderzee, Istanbul for the transportation of refugees from Constanza to Istanbul. A written report concerning this disbursement is being forwarded to you by mail.

KELLEY

JT  
BB

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

July 21, 1944

7 p.m.

AMEMBASSY,

ANKARA.

650

The cable below is no 81 from War Refugee Board. Department joins in the instruction.

Reference your 1249 of July 10, your 93 to WRB and Department's 553 of June 20, WRB's 56. As an experimental matter and in an effort to ascertain whether the availability of American visas will be of assistance in securing the release of members of persecuted groups from enemy controlled areas, consular officers in Turkey are authorized to issue visas to the following children now in Rumania upon their arrival in Turkey and application therefor, subject to their meeting the statutory immigration requirements of Section 3 of the Act of February 5, 1917, except that they may be considered to meet the public charge requirements since their parents are in the United States: Alexandre Schleifer, age 15; Otto Schleifer, age 13; Judith Schleifer, age 11; and Noemi Schleifer, age 7. The children are under the guardianship of Avrum Schleifer, age 29, their father's brother, and Margarete Neulander, age 28, their mother's sister. For your information, the Palestine Government has issued immigration certificates to the four children and two adults numbers M/438/43 () 1/204, M/438/43 () 1/150. Last known address of group is No. 11 Strada Tribunal Dobrea, Arad, Rumania.

On the basis of the foregoing, please request appropriate

Turkish

\*2\* #650, July 21, 7 p.m. to Ankara

-2-

Turkish officials to arrange for the issuance of Turkish transit visas to this group of six, if such visas have not already been issued.

For your information, Amlegation Bern is being instructed to request Swiss authorities to intervene with Rumanian and Bulgarian Governments in an effort to secure necessary exit and transit visas for the four children and two adults.

The advisory opinion procedure is hereby waived in the cases of the four children named.

Please advise Department and Board promptly as to whether group has Turkish visas and if not whether and when Turks will issue them.

HULL  
(GHW)

WRB:MMV:KG

S/CR

NE

WE

SE

VD

7/17/44

KEM-625  
This telegram must be  
paraphrased before being  
communicated to anyone  
other than a Government  
agency. (RESTRICTED)

Ankara  
Dated July 21, 1944  
Rec'd 11:24 p.m.

Secretary of State,  
Washington.

1332, July 21, 11 a.m.

FOR PEHLE WAR REFUGEE BOARD FROM HIRSCHMAN.

Ankara N. 101.

For your information it is reported in Istanbul  
the Hungarian Government has decided that for the  
present there will be no further deportation of the  
Jews from Hungary; that all Jews holding certificates  
for Palestine will be permitted to have exit permits  
from Hungary; and that all children up to the age of ten  
will be permitted to leave Hungary provided satisfactory  
arrangements can be made for them by rescue organizations.

I am endeavoring to obtain further information and  
details regarding the above and will report such  
information together with the steps deemed advisable  
to be taken from here to effect the rescue of these  
refugees.

WMB EH

MELLEY

MJB-632

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

Ankara

Dated July 21, 1944

Rec'd 11:39 p.m.

Secretary of State,

Washington.

1334, July 21, 2 p.m.

Department's 622, July 10, 7 p.m.

The Embassy is informed that David Schweitzer now represents the HIAS organization in Istanbul. However, inasmuch as Schweitzer intends to leave Turkey in the near future, the Embassy perceives no objection to Jacobson's coming to Turkey as director of refugee immigration activities for the HIAS.

KELLEY

WMB WFS

EM-811  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Ankara

Dated July 21, 1944

Rec'd. 6:35 p.m. 22d.

Secretary of State,  
Washington.

1335, July 21, 3 p.m.

FOR PEELE WEB FROM HIRSCHMANN. Ankara no. 102

If you deem it advisable I would like to be  
informed regarding the proposal received through  
Stockholm and Bern referred to in paragraph numbered  
eight of your 614 July 7.

KELLEY

EB

FEM-619  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Ankara

Dated July 21, 1944

Rec'd 11:05 p.m.

Secretary of State,

Washington.

1355, July 21, 3 p.m.

FOR PEHLE, WRB, FROM HIRSCHMANN, ANKARA NO. 102.

If you deem it advisable, I would like to be informed regarding the proposals reserved through Stockholm and Bern, referred to in paragraph numbered eight of your 614, July 7.

KELLEY

JT BB

CABLE TO THE CONSUL GENERAL, ISTANBUL FROM WAR REFUGEE BOARD

Please deliver following message to Dr. Joseph Schwartz from M. A. Leavitt, American Jewish Joint Distribution Committee:

QUOTE Due difficulties in working out lira clearance we applied for license remit 3,000,000 lira which hopeful will be issued near future Stop Meanwhile please instruct Central Bank cable us total amount advanced also number of persons to whom advances made. UNQUOTE

4:55 p.m.  
July 21, 1944

FHodel/eg 7/21/44

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM  
CORRECTION

362  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

MJB

JUL 22 1944

PLAIN

July 21, 1944

COMMUNICATIONS  
AND RECORDS

In telegram from London number 5704 dated 19th  
page<sup>2</sup>/line 9 insert "would take place" so as to read  
"plenary session would take place on Saturday". Page  
2, line 18, insert "are" so as to read "that they are  
little interested".

DIVISION OF COMMUNICATIONS AND RECORDS

NOTE: Correction from the Embassy

MEV

LFG-577

PLAIN

London

Dated July 21, 1944

Rec'd 9 p.m.

Secretary of State,  
Washington.

5800, Twenty-first

FOR SECRETARIES OF STATE AND TREASURY.

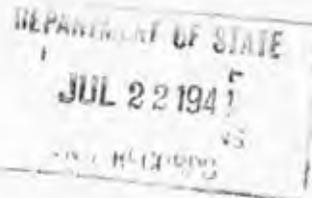
The FINANCIAL TIMES, FINANCIAL NEWS, MANCHESTER  
GUARDIAN and NEWS CHRONICLE of July 21 carry reports  
of the Monetary Conference.

The FINANCIAL TIMES captions its article with "money  
talks at a deadlock" and gives the Russian demand for a  
reduction of its subscription to the World Bank as the  
reason for the deadlock.

The article claims that the hitherto unenthusiastic  
Latin American countries were "mollified by a concession  
calling for the banks allocation of a 'equitable'  
percentage of loans for the development of unexploited  
natural resources".

The FINANCIAL TIMES mentions that a new plan has  
been proposed by the special commission which would  
attempt to prevent the Germans from shifting stolen

wealth



-2- #5800, Twenty-first, from London

wealth and which would also exclude from membership in the fund or bank any country that had not previously severed its relationship with the Bank for International Settlements. The article states "most delegates (\*\*\*) appear to regard the BIS as an instrument useful to Germany in perpetuating her financial power."

The article reports that the British recommendation that the interest rates of the World Bank should be uniform was overruled by Russia and the United States. A list of the distribution of the votes to members of the stabilization fund is given.

The FINANCIAL TIMES also prints a denial by the Egyptian, Indian and British delegates to the Conference that any direct invitation have been given by Britain for a conference on the problem of blocked sterling balances.

The FINANCIAL NEWS gives a complete list of the distribution of votes to the members of the fund, outlines the new proposal relating to the Bank for International Settlements and gives the French reaction to the proposal which provides for the deferment of payment of 25 percent of the initial contribution to the bank.

With reference

-3- #5800, Twenty-first, from London

With reference to the BIS proposal, the article states "asked whether Britain was opposed to this clause, the official spokesman said: 'you can guess the attitude of Great Britain and the Netherlands'. It is believed that both countries still have certain interests in the bank".

It is pointed out that some delegates have mistakenly thought all along that countries would have to sever relations with the BIS before they could participate in the fund and the bank. The article adds "this is clearly impossible as in some cases severance with the BIS involves complicated legal dealings".

The article reports that the committee has agreed to the proposal which gives European countries five years in which to pay 25 per cent of the initial contribution to the bank and mentions that the French delegates were disappointed because "it represents a comparatively infinitesimal sum, and therefore was of small help to France and others who need most of their gold for the immediate reconstruction of their devastated areas.

The FINANCIAL NEWS headlines the report of Lord Keynes's heart attack, which, according to a United

Kingdom

-4- #5800, Twenty-first, from London

Kingdom spokesman, is "not serious".

The MANCHESTER GUARDIAN devotes an article to an analysis of the sources of the "bitter" propaganda campaign which is being carried on by "American Conservatives" against the monetary pacts and outlines the chief arguments presented. The opposition is said to come from orthodox bankers and political isolationists who use three principal arguments; "(1). cheap money policy on the part of other countries would drain off United States gold; (2) debtors would repudiate their obligations and the other underwriting countries would repudiate their guarantees, leaving the United States saddled with the responsibility; (3) no suggestion is made of any authority which would require debtor countries to 'put their houses in order' and therefore fundamental problems will remain unsolved and the money will be 'poured down a rathole'".

As to the significance of this propaganda, the article states "it is hard to say how seriously these propaganda efforts should be taken. Most Americans do not understand these complicated financial questions and are likely to believe whatever they are told. The opponents of the plans are numerous and active, while

the

-5- #5800, Twenty-first, from London

the defenders are few and are limited almost entirely to the Liberal press, such as the 'NATION' 'PH', the Chicago 'DAILY SUN', and the St. Louis 'POST DISPATCH'. However, it is Congress which must ratify the proposals. Economic literacy is higher there than in the country as a whole, and Congress is on the whole inclined to favor anything to which Wall Street is opposed".

The financial editor of the MANCHESTER GUARDIAN states that the Norwegian proposal relating the Bank for International Settlements seems to be "highly popular" and adds that Dr. Beyen the Dutch delegate strongly objected when "a suggestion that the British and Dutch delegates might take a different view" was made. It is added that no statement on this point has been made by the British delegation but he points out that "a year or two ago it was still thought by some financial authorities here that the bank might be useful as a ready made instrument of transitory finance at the end of the war. There was, however, never any strong feeling about the matter". The MANCHESTER GUARDIAN also carries an article on the proposal relating to Axis assets hidden abroad.

The NEWS CHRONICLE

-6- #5800, Twenty-first, from London

The NEWS CHRONICLE mentions the proposal concerning the safeguarding of assets stolen by the Nazis and reports Lord Keynes's heart attack.

The DAILY MAIL also has an article dealing with developments at Bretton-Woods which featured "plans for 'unfeathering' the nests of Axis leaders".

WINANT

HTM

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

369  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

BJR - 736

PLAIN

Ankara

Dated July 21, 1944

Rec'd 10:14 a.m. 22nd.

Secretary of State,  
Washington.

1340, Twentyfirst  
PRESS

Embassy's 1244, Eighth  
Monetary Conference



Zal in VATAN twentieth: period preceding present war was most unhappy one which with its currency restrictions and compensation systems was undermining international collaboration in trade and paralyzing world credit system. It's most gratifying that concrete solution should have been found to this evil while war is still going on and that full agreement on principles should have been reached in this matter. This is one of first good tidings pointing towards realization of dream of better world. Consequently decisions reached at Bretton Woods for world monetary union may well be qualified as historical event justifying general satisfaction and supporting optimism regarding future.

KELLEY

RNK

SECRET

OPTEL No. 237

Information received up to 10 a.m., 21st July, 1944.

1. NAVAL

NORMANDY. Two of H.M. Cruisers successfully bombarded German mortar positions 19th. One of H.M. Canadian frigates was damaged by aircraft off BREST yesterday and is being towed to port. Yesterday and last night aircraft sighted 5 U-boats about 250 miles west of LOPOTEN Islands and attacked 4 of them. Wreckage and a raft were seen after one attack.

2. MILITARY

NORMANDY. U.S. patrols have reached the PERIERS-ST. LO road just west of latter while reconnaissance troops are moving forward from ST. LO. U.K. 50th Division has made slight gains S.E. of HOTTOE, S.E. of CAEN, BOUGERBUS and FRENOUVILLE have been captured. Otherwise no appreciable change.

ITALY. Polish and Italian forces are now firmly across the ESINO, N.W. of ANCONA former have taken MONTE MARCHIANO and MONTE SAN VITO and latter JESI. U.K. and South African formations have made progress north of AREZZO and have captured MONTE SAN MICHELE, 4 miles S.E. of GREVA.

RUSSIA. Russians have cut the railway running west from DVINSK, have continued their general advance between GRODNO and LWOW, and have broken through in another sector from The Kovel area on a front of 90 miles to a depth of 30 miles reaching River BUG. They have captured RAVA RUSKA, 30 miles N.W. LWOW, and are hemming in a German group surrounded west of BRODY.

3. AIR OPERATIONS

WESTERN FRONT. 20th. 1,280 Fortresses and Liberators sent to attack aero-engine factories, aircraft M.T. and ball bearing works, synthetic oil plants and other objectives in Central Germany dropped 2,637 tons. Weather varied from clear to complete cloud. Results generally good. 438 Bomber Command aircraft were sent to bomb 8 flying bomb sites. A.E.A.F. bombers dropped 63 tons on 2 fuel dumps and 3 railway centres in Northern FRANCE and fighters flew armed reconnaissances and defensive patrols. German casualties 22, 1, 6. Ours - 20 heavy bombers and 13 fighters and fighter bombers missing.

20th/21st. 951 aircraft despatched: COURTRAI railway centre 317 (9 missing); synthetic oil plants BOTTROP 166 (10 missing); and HOMBERG 157 (20 missing); flying bomb sites 87 (1 missing); HAMBURG 26 (1 missing); diversionary sweep bomber support, etc. 198. At COURTRAI, BOTTROP and HOMBERG weather conditions and marking were good resulting in accurate and concentrated bombing.

ITALY. 19th. 18 medium bombers and 311 fighters attacked communications in Northern Italy and the battle area.

SOUTHERN GERMANY. Yesterday Fortresses and Liberators from Mediterranean dropped 312 tons on an airfield 70 miles S.W. of MUNICH; 225 tons on another near FRIEDRICHSHAFEN; 182 tons on Zeppelin Works and 262 tons on Mayback aero engine works FRIEDRICHSHAFEN. Enemy casualties 19, 0, 2. Ours 9 bombers, 2 fighters missing.

4. GERMAN ACTIVITY

During 24 hours ending 6 a.m. 21st, 90 flying bombs plotted.