

DIARY

Book 763

August 16-18, 1944

- A -

	Book	Page
Africa, North		
See France: Lend-Lease Agreement (future)		
Argentina		
See Latin America		

- C -

China		
Nelson and Hurley ask to discuss contemplated trip with HMJr - 8/18/44.....	763	217
Coast Guard		
For future use of plane see Morgenthau, Henry, Jr.		

- D -

DuBois, Josiah E., Jr.		
Letter of apology to HMJr - 8/16/44.....		1
Dumbarton Oaks Conference		
Treasury representative discussed by Hull and HMJr - 8/18/44.....		206
a) HMJr's note to Hull - 8/22/44: See Book 764, page 231		
1) Grace Tully tells HMJr FDR has rejected Treasury request - 8/23/44: Book 765, page 14		

- E -

Eighth Air Force		
See Financing, Government: War Savings Bonds		
European Advisory Committee		
See Post-War Planning: Germany		

- F -

Financing, Government		
Haas memorandum on "Refinancing of the Two Treasury Notes Maturing September 15" - 8/17/44.....		153
War Savings Bonds		
Eighth Air Force in Europe has superb organization for purchases under Doolittle - 8/17/44.....		114
a) Odegard (Peter H.) letter from London, and HMJr's reply - 9/9/44: See Book 771, page 69		
France		
Franc Notes: Valensi-Treasury correspondence concerning printing of - 8/16/44.....		30
Lend-Lease Agreement (future): McCloy and HMJr discuss arrearage on payment for civilian supplies in North Africa - 8/18/44.....		214

Germany

Post-War Treatment

See Morgenthau, Henry, Jr.: Trip to European War Zones  
" Post-War Planning

Glasser, Harold

See United Nations Relief and Rehabilitation Administration

Gold

See Latin America: Argentina

Hull, Cordell

See also Post-War Planning: Germany (HMJr's trip to  
European War Zones)

Hull-Welles controversy on Argentina discussed by Hull  
and HMJr - 8/18/44..... 763 204

Hungary

See War Refugee Board

Jabotinsky, Eri

See War Refugee Board

Kohn, Hans (Professor, Smith College)

See War Refugee Board

LaGuardia, Fiorello (Mayor of New York City)

Sunday broadcast on post-war problems sent to HMJr -  
8/16/44..... 2

Latin America

Argentina

Freezing of gold - State Department attitude toward  
discussed by 9:30 group - 8/17/44..... 92

a) Schmidt-Luxford memorandum on recent  
developments - 8/17/44..... 161

Hull-Welles difference of opinion on treatment  
discussed by HMJr and Hull - 8/18/44..... 204

Lend-Lease

United Kingdom: Federal Reserve Bank of New York  
statement showing dollar disbursements, week ending  
August 9, 1944 - 8/18/44..... 248

Luxembourg

Radio address on treatment of small nations at  
international conferences sent to HMJr - 8/16/44..... 20

Mann, James H.  
 See War Refugee Board

Morgenthau, Henry, Jr.  
 Trip to European War Zones (England and France):  
 See Post-War Planning - Germany

Coast Guard plane - future use of: Gaston memorandum -  
 8/18/44..... 763 230

Nelson, Donald M.  
 See China

North Africa  
 See France: Lend-Lease Agreement (future)

Office of War Information  
 See Post-War Planning: Bretton Woods Monetary Conference

Palestine  
 Quota discussed by Churchill and HMJr during HMJr's  
 trip to European war zones - 8/17/44..... 106  
 a) For Hungarian Government offer  
 see War Refugee Board

Post-War Planning  
 Bretton Woods Monetary Conference  
 Luxford report on Sulsberger luncheon and programs for  
 American Forum of the Air, United Nations  
 Association, etc. - 8/17/44..... 116  
 Newspaper editorial opinion - 8/17/44..... 138  
 a) Luxford comment on Office of War Information  
 report: "The Public Ignores Bretton Woods" -  
 8/18/44..... 219

Germany: HMJr's trip to European war zones discussed  
 with Treasury group - 8/17/44..... 93  
 a) German post-war treatment reviewed with  
 Eisenhower  
 b) Palestine quota question - discussion with  
 Churchill and Eden described  
 1) For Hungarian Government offer  
 see War Refugee Board  
 c) Eisenhower and Churchill advocate  
 "stern treatment"..... 202  
 Winant program based on Acheson Committee  
 (Pasvolsky chairman) report (See Book 759, page 245)  
 will result in third war at end of 10 years..... 202-203  
 Teheran conference decision was dismemberment of  
 Germany in 3 to 15 parts with European Advisory  
 Committee set up for future study  
 1) Hull, who had never seen minutes of  
 conference, amazed  
 2) Hull describes his attitude toward Germany  
 and Japan..... 204

- U -

	Book	Page
United Nations Relief and Rehabilitation Administration Glasser, Harold: To represent UNRRA at conference in Montreal - 8/17/44.....	763	113,167
White to serve as member and chairman of committee determining position with regard to foreign exchange of foreign governments asking assistance - 8/17/44....		169

- W -

War Refugee Board

Palestine quota discussed by Churchill and HMJr during HMJr's trip to European war zones - 8/17/44.....		106
a) Hungarian Government offer regarding emigration and treatment of Jews: State Department release and press comment thereon - 8/17/44.....		176
1) Joint statement of British and U.S. Governments transmitted to certain American diplomatic officers - 8/18/44.....		252
b) Union of Orthodox Rabbis of United States and Vaad Hahatzala Emergency Committee-Treasury correspondence - 8/25/44: See Book 766, page 134		
Jabotinsky, Eri: Kohn, Hans (Professor, Smith College)- Treasury correspondence concerning - 8/17/44.....		174
a) Kohn note of thanks - 8/21/44: Book 764, page 121		
Mann, James H.: Made Special Representative of Board with designation "Special Attaché to the Embassy" (Madrid) on war refugee matters - 8/18/44.....		271
Welles, Sumner Hull-Welles controversy on Argentina discussed by Hull and HMJr - 8/18/44.....		204
White, Harry D. See United Nations Relief and Rehabilitation Administration		

London

August 16

Dear Mr. Secretary,

I'm sorry about this morning. However badly I may act at times, I want you to know how deeply I feel that if there were more men like you in high places in this world, one could feel sure that this war has a meaning and that those dear to us have not sacrificed in vain.

Sincerely,

Joe (DuBois)

25

August 16, 1944.

Dear Mayor La Guardia:

This will acknowledge your letter of August 16, which transmitted to the Secretary of the Treasury a copy of a broadcast which you made from City Hall last Sunday.

Mr. Morgenthau is out of the country at the present time, but you may be sure I shall be glad to bring your letter and its enclosure to his attention as soon as he returns to his desk, and I know he will be most interested in going over the full text of your address.

Sincerely yours,

(Signed) H. S. Klotz

H. S. Klotz,  
Private Secretary.

Honorable F. H. La Guardia,  
Mayor of the City of New York,  
New York, New York.

GEF/dbs



CITY OF NEW YORK  
OFFICE OF THE MAYOR  
NEW YORK 7, N.Y.

August 14, 1944 Bh

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

My dear Mr. Morgenthau:

I am enclosing herewith copy of my Sunday broadcast of August 13th. Inasmuch as I have touched on a matter in which you are so closely and vitally interested I thought you might like to read it.

If you have any comment or criticism I would appreciate receiving it.

Sincerely yours,

*F. LaGuardia*

M a y o r

encl.

FOR IMMEDIATE RELEASE  
SUNDAY, AUGUST 13, 1944

CITY OF NEW YORK  
OFFICE OF THE MAYOR

TEXT OF MAYOR F. H. LA GUARDIA'S SUNDAY BROADCAST TO THE PEOPLE OF  
NEW YORK FROM HIS OFFICE AT CITY HALL, AUGUST 13, 1944, BROADCAST OVER WNYC  
AT 1:00 P. M. FOLLOWS:

Patience and Fortitude.

POST WAR PROBLEMS I want to talk today about our postwar problems. As of today, we are not prepared for peace. It took a long time to prepare for war. It will take a long time to prepare for peace. To date, precious time has been wasted. There should not be another minute lost. Congress will have to speed up. We all want the war to end at the earliest possible moment. We are all hopeful that it will end in Europe before long. Yet we are not ready to meet the situation at home when it does. Nothing short of a miracle will save us from a great deal of trouble and anxiety. It is just taking too long to get the postwar program settled and the necessary legislation enacted in order to prepare and be ready. Failure to be ready will be extremely costly, perhaps ten times more than a constructive program, besides the trouble, the hardship, the suffering and the anguish that will be caused. Relief is always costly and does not settle anything.

Those of us who were close to the unemployment situation know what relief costs, and we know that it is not a final solution. We must provide work and opportunity and security. Relief, idleness and sympathy will not do.

Let us look at the situation. Over ten million men and women are now in the armed forces; about thirty million men and women are now employed in war industries, including transportation, agriculture and mining; seventy-five to eighty percent of our factories, shops, plants and yards are now engaged solely in war production. The problem then is to get the demobilized veterans into jobs, to keep war industry workers in employment and to transform war plants back to peace-time production. In addition we must keep agriculture going to its maximum production. We know that all ten million men in the armed forces will not be discharged at one time. The first impact, though, will be felt for several months after demobilization starts. We must be prepared to give

these men jobs, to keep them in jobs and to absorb veterans in gainful employment after they are discharged.

Many mistakes have been made here at home. Mistakes are bound to happen in a great emergency and in such a gigantic task. Many of the mistakes were pardonable because of inexperience. Some of the mistakes were unpardonable because of past experience.

To meet this gigantic problem, everyone must do his share. The responsibility may be divided into four parts:

1. The Government.
2. Industry and Commerce.
3. Agriculture.
4. Wage Earners.

What should each do:

THE 1. The Government: The House of Representatives should proceed with-  
GOVERNMENT out delay to enact into legislation the remaining part of the  
Baruch recommendations not yet written into law or contained in the George Bill.  
Congress should perfect the contract termination law and proceed at once to  
provide for aid and assistance in converting industry back to peacetime  
production.

It should, insofar as is possible and practical, define its taxing policy for 1945-1946. This, of course, is always subject to the act of a subsequent Congress. However, a declaration of a tax policy, while not binding on a subsequent Congress, would be reassuring to industry and commerce and at the same time would have great force and would be considered with great respect by the new Congress.

Congress should approve a federal, state, municipal public works program, with immediate appropriations made available to Federal, State and local governments for the preparation of engineering and architectural plans and specifications, and definite commitments as to the amounts of grants to state and local sub-divisions of government. Congress should pass the federal highway bill with authorization for increased appropriation. It does not provide enough as it now stands.

A careful study of the Servicemen's Readjustment Act of 1944 should be made to obtain timely, perfecting and clarifying amendments if they should be deemed necessary. Nothing should be left in doubt. The rehabilitation and educational features of this law are excellent. Here the mistakes and experience of the last world war have been helpful.

The reemployment provisions, of course, are necessary, but providing an employment agency does not create jobs by and of itself. In this instance, as in every other, it will be seen that a comprehensive plan is absolutely necessary. The Veterans Reemployment Agency will be of great value if industry and commerce are able to give jobs. It will be useless if there are no jobs.

Provision should be made in the guaranty of veterans loans to permit the pooling of individual loans among veterans who desire to join in an approved business venture.

The government should now provide a guaranty of loan to industry and business for the purpose of deferred maintenance, expansion, replacement of equipment and machinery of any company or individual who has been or was solvently engaged in industry or business prior to or during the war.

Provisions for displaced war workers must also be made. We must be realistic. We cannot talk about the consumption of consumers goods and purchasing power and remain silent as to what is to happen to millions of war workers who will necessarily lose their jobs. The provisions in the Kilgore Bill were not all excessive or exaggerated. A large number of workers unemployed, with barely a subsistence allowance, will only prolong the period of resumption of peacetime production.

As the George Bill goes from the Senate to the House, careful consideration should be given by the members to many excellent provisions in the Kilgore Bill. Out of it all should come a well balanced, easily administered, effective plan for part of our post war problems. Both bills provide too much machinery for administration. Any attempt to mix, to mingle, or to merge any administrative duty, direct or indirect, with the legislative branch of the government would only create a governmental melange, not in keeping with our philosophy of government, and will cause trouble. It has never and will never work.

When congressional committees want information they have the power to get it. For a congressional committee to sit with an advisory committee in the administration of any law is not only impracticable but dangerous. The administration of all provisions of law, I repeat again, should be streamlined and decision and responsibility definitely fixed in as few individuals as is possible. Both bills contain the weakness of divided authority, too many committees, very unwieldy and cumbersome administrative machinery.

A great deal of our trouble has been caused by disparity of labor conditions in various states. This condition is now sought to be perpetuated in the George Bill. Every post war problem is a national problem. The displacement of war workers and the rehabilitation of industry is not a State problem but a national problem. Unemployment allowance should be uniform. True, there might be a slight differential in the cost of living in the various sections of the country. In the main though it necessarily must be uniform in amount, in administration and in terms and conditions. To separate this into 48 administrations is not only costly but unscientific. It may create patronage and pup but it will not be as efficient as a national system. Imagine ten million workers shopping around for the states having the highest unemployment insurance. Imagine an administration allowing travel expense without a complete coordinated national plan of knowing just how, where and why money is spent for travel and expense of families of war workers. Some may have a right to return home, others may want to go where work is available but all of this has to be coordinated and brought under the supervision and control of one administration. Provision for 48 state administrations of unemployment insurance may be good politics. It is bad, very bad socially and economically.

The delay in obtaining necessary post war legislation, the duplication and legislative confusion created by two bills on the same subject in the Senate, each reported out by Committee, the need of one comprehensive plan, all indicate the necessity of an over-all study and consideration of these problems by Congress. To those not familiar with parliamentary procedure, the difficulty may not be apparent.

Under the present rules, with different committees considering the various parts of the entire program, delay, duplication, omission are all bound to happen. The House of Representatives has seen this in the appointment of a Special Post War Study Committee. The weakness of this Committee, though, is that it has not been given the necessary power to report definite legislation. It can only make recommendations. That means delay, more hearings, more study, more investigations, more reports. It would be very helpful if each House of Congress appointed its own special legislative committee on post war problems. This committee should consist of the Chairman, ranking Majority and Minority members of the Ways and Means, Appropriations, Interstate and Foreign Commerce, Agriculture, Labor and, if necessary, Army and Navy Committees, with full power to prepare and report legislation to their respective bodies. This will bring under one consideration, at one time, the entire picture and will enable proper approach and treatment of the various problems, the necessary tying in of all post war activities, coordination and cooperation, and eliminate a great deal of bureaucracy and personnel.

The government in Washington must be streamlined. The greater number of war agencies should be terminated. All duplication and overlapping must be eliminated. Each department of government should absorb the functions of the various agencies which pertain to its particular field. This subject alone could be discussed at length. I may do so at another time.

It is absolutely necessary that insofar as is prudently possible, without impairing the post war program, which will be very costly, the government should estimate its post war expenses for a period of five years. In order to avoid any misunderstanding, disappointment or irritation, a definite policy on lend-lease must be proclaimed now before it is too late. We may have to give some aid to the unhappy invaded countries. It should be restricted to such countries. Lend-lease, though restricted, after the termination of hostilities, must be limited to goods and commodities. All of the countries will need building materials, machinery, clothes, food and medical supplies. This all can be supplied under the provisions of lend-lease with easy terms of payment or exchange later in commodities. There should be no cash loans except for a critical or emergency situation. I am talking about government money. Re-established governments or new governments, of course, would be permitted to float bond issues on such terms as they are able to negotiate.

A system of universal military training will have to be established for all boys between the ages of eighteen and twenty-one, giving choice to the individual as to when he will serve within that age period, or compulsory at twenty-one. Suitable arrangements, of course, can and must be made for college students without interruption of their college or post-graduate courses. This is very easy to accomplish. Alongside of this, states must strengthen their compulsory educational laws in order to take from the competitive labor market children of tender years and immature youth.

On the other end of the pool, a more uniform system of old-age pensions should be established throughout the country. No old age pensions should be allowed where the beneficiary continues employment in any competitive field. Unemployment insurance should be more uniform throughout the country. This, of course, is only palliative and not a cure. Let us give more thought as to how to keep people at work rather than how to keep them out of work. Labor wants work with decent pay not idleness with relief. We must establish security of employment to such an extent that the cost of unemployment insurance would be greatly reduced and the benefits to seasonal workers greatly increased.

We have learned that a great deal of destitution, which is very costly to local and state governments, comes from the disability of the head of the family to work owing to illness. At this date little need be said as to the need of a health insurance system throughout the country. It is past the study stage. Sufficient information, knowledge and even experience have been obtained to put such a plan into operation.

We have heard too much of surpluses. Paradoxically, it has caused hunger in our country. It is almost unbelievable that when we had the greatest unemployment, we had the greatest food surplus. The same is true as between nations. Some countries had surpluses and did not know what to do with them, other countries were in want. That is one of the main causes of war. It must be removed. Just talking about it will not solve the problem. We must act and we must be prepared to go into operation to care for surplus the moment the war ends. Oh, for the first few months there will be such need of food and material in Europe, Africa, and Asia that the laissez-faire, the happy-go-lucky, the unthinking, the day-by-day business man, the pawn-banker, will say - "Oh, everything is fine now, why worry?"

I tell you that there is cause to worry. No people within a country from now on will go hungry and no country in the world will go hungry. Our Government should provide at once a surplus commodity export corporation operating on a hemispheric basis in concert with like organizations of Central and South America. A like government corporation should be established for the European-African territory, and the third for the Pacific-Asiatic area. Heretofore we have talked about surpluses but we do not really know if we ever had a real surplus of anything. A surplus is that amount of any given commodity over and above the needs of all the people. What we have called surplus was the amount over and above the purchasing power of the people. Do I make myself clear? As an illustration: -- We had great trouble in the past with surpluses of dairy products, milk, butter and cheese. I say we have never had a real surplus of dairy products in this country. If every infant and child in the United States had sufficient and the proper quantity of milk every day, if every family had sufficient and the proper quantity of butter every day, ignoring cheese entirely, we would not have had a surplus of dairy products. Therefore, to balance the world's surpluses, it is necessary that a definite formula be established.

Roughly stated it means that the daily needs of the people of the entire country should be taken as the normal required amount of any commodity. The amount over that requirement is then declared a surplus. That surplus then is taken with the surplus of the same commodity of other countries in the hemisphere, and placed in the pool. It is disposed of by sale or exchange to countries needing that particular commodity. The European or Asiatic countries do the same, and provide for sale or exchanges between the three world surplus commodity corporations. When the commodity arrives in the country requiring it, it is then distributed through the regular channels of trade in accordance with the economy of that particular country. It is not difficult. We have the food; we have the raw materials; we have the demand; and soon it will be learned that a perfect balance can be maintained. Of course, this would eliminate speculation. This would eliminate monopoly. This would prevent excess profits and excess suffering. By the establishment of the hemispheric surplus pool, a market is assured to the farmers of each

( more )

nation for all that they produce. No more economy of want, no more curtailing production, but encouraging production. There is no originality in this idea. It has been talked about and studied for years. Selfish interests have always been able to oppose it in this and other countries.

Now let us consider another kind of surplus, temporary but quite important - that is surplus war supplies. Let us get right to the point. Congress is giving a great deal of attention to legislation regulating sale of surplus war supplies. The amount of surplus supplies will not only be gigantic, but fantastic. Now right here, let us remember that the Army and the Navy should be praised and not criticized for having such enormous amounts of every kind of supplies on hand. It is their job to fight and win the war. They dare not take any risk as to when and how the war will end. It is their responsibility to have ammunition and weapons and food and materials and supplies of every kind everywhere - when and where it may be needed - in sufficient quantities. Therefore, the American people should know that the enormous supplies which we will find after the war is the result of a fine and thorough job on the part of the Army and the Navy.

More thought and study has been given to the disposal of war surplus supplies now than had been given before the end of the last war. A super agency of government has been established with a splendid personnel, which is intended to cover all the procurement agencies of the government that will have surplus supplies on hand. Every detail has been worked out as to cataloging, pricing, advertising, financing, and as I stated, Congress is now considering definite legislation.

I make this prediction --- that if the selling agency is perfect, that if the laws enacted by Congress provide for the efficient and speedy disposition by sale of all war surplus material, that within ninety days after the same will go into operation, the Congress will hastily repeal its own legislation and stop the sale of 99 percent of the surplus supplies. Sounds strange, doesn't it? Well, it is a fact. Just look. Are we not bending every effort to get industry back to peacetime production? Do we not want to employ every man that it is absolutely possible? Well then, if we want to do that, do you not see how the sale of the surplus supplies through the regular channels of trade will retard peacetime production?

( more )

Yes, there are some articles on the list which will be helpful in restoring peacetime production; tools and dies, and machinery, may be needed at once, but no machine should be sold unless it is needed to restore peacetime production and not if another machine could be made in the time that is required. Some raw material, such as copper and lumber, and other materials, should be sold, but only so much as will get peacetime production going up to the time that same material can be produced. If all the reserve aluminum on hand were sold as surplus supplies now, it would close down the production of aluminum for a long time. That in turn will cause the unemployment of thousands of workers. Take for instance, planes and motors for airplanes. Why there will be an enormous quantity on hand. If all of the surplus were to be sold here and abroad, I predict that there would not be an airplane motor constructed in our country in five years. That would cause unemployment to hundreds of thousands of workers. Airplanes that may be used for commercial purposes, should be loaned to commercial airlines as replacements for present worn equipment on condition that an order for a new plane with new motors is placed for each plane and motor loaned which will be returned on delivery of the new plane and new motor. The same is true in trucks and cars, in paint, and bolts and nuts, and in the thousands and tons of thousands of different articles and goods that the government will have on hand.

The Government, of course, should use materials and goods for its own establishments. It should give to state and municipal government replacements of materials and supplies that it may need, but only on condition that the state or municipality authorize the appropriation for the succeeding year of its normal requirements for such material and supplies. There is a great need now of blankets and sheets and medical supplies in our hospitals. But how about the mills, how about raw wool and cotton? If all the shoes and clothes that the Government will have on hand are to be sold through regular channels of trade, it sure will retard resumption of leather and textile production in this and other countries.

Someone will ask, "Well, isn't it wasteful not to sell all of those surplus supplies?"

( more )

The answer is "Yes," of course it is wasteful. War is wasteful and destructive and this enormous amount of surplus supply is just part of the waste and destruction of war. So let us not fool ourselves. I have told committees of Congress just what I am telling you now. We must be realistic and practical. It is less costly to pay wages to produce new goods than pay insurance for unemployment.

INDUSTRY AND COMMERCE 2. INDUSTRY AND COMMERCE: Everybody is talking about free enterprise today. When I say everybody, it seems from the member of a Local of organized labor, to the President of the United States. It seems to be the will of the majority of the American people. That being so, then we must face this big problem honestly, frankly and realistically. Free enterprise means business for profit. If that is the will of the people, then business and industry must be given a chance to operate. Given good wages and wholesome working conditions, an opportunity of profit commensurate with the capital and risk involved must be made possible. Talking about profits, taxes tantamount to almost complete requisition and free enterprise at one and the same time, simply does not mix. Hog-tying legislation likewise interferes with free enterprise and the profit system and the creation of permanent employment under this system. Now mark you, I am not giving my views. I am stating what must be realistically faced if those who talk about free enterprise want to bring it about successfully. In the modern, scientific, industrial age in which we are living, we must not be frightened at big undertakings. Many of the consumers' goods and desirable goods cannot be produced today unless they are produced in maximum quantities and the manufacturer is permitted to avail himself of every possible economy in the purchase and processing of raw materials, the manufacture and distribution of the ultimate goods.

Industry and business, as I said before, has a responsibility. Granted that it should know exactly how it stands in legislation and insofar as is possible taxation, it must reconcile itself to fair and reasonable profits, to new conditions pertaining to labor, to close cooperation with its

( more )

employees and the recognition that the employees come to have a vested interest in something that they have contributed in building and creating. The time may not be distant that a certain percentage of profits beyond a fair and reasonable return may be shared by management and labor. Security of employment is necessary and in the long run economical to the employer himself. Therefore, production should be systematized in such way as to avoid seasonal work. There is no reason why the automobile or the petticoat manufacturer should produce only in a certain season of the year. Given its model or style, production may well be spread during the twelve months of the year.

Business and industry should now be ready with its post war plans for deferred maintenance, expansion, replacements and enlargement or new enterprise. There is plenty of money available and as I stated, the government may provide some sort of partial loan guaranty. There is nothing more discouraging, and I am sorry to say I have heard many important, yes, even big bankers and business men, tell me, "Oh, wait, let's win the war first." This type of mind will not fit in the post war period. This is the pawnbrokers' and pushcart peddlers' mentality. All the shenanigans and questionable promotional schemes which flourished in the early days of railroads and right down into the late twenties, must be forgotten. If business or industry sells bonds, the investors must know that they are absolutely good with sufficient property back of them. In exchange, the investor takes a lower rate of interest. Watered stock and over-capitalization must likewise be avoided, the stockholder must be assured that he is in a business and not a lottery. More labor and owner representation will have to be given on the directory boards. Existing restraint of trade and anti-trust laws must be brought up to date to meet the technology of mass production, changed labor conditions and magnitude of modern industry. The Department of Commerce must be vested with the authority and power to protect honest business and industry. An opportunity should be given to business and industry to apply for approval of contracts, agreements or any undertaking before same is put into operation, in order to ascertain if it conflicts with any existing restraining or trust law. When industry and business want to do the right thing, they should not be placed in jeopardy or tempted to violate the law when it is not their intention to do so.

( more )

I want to state again now, that I am simply stating what should be done if a system of free enterprise is to be the policy of our nation.

AGRICULTURE    3. Agriculture: With the exception of perhaps the last few years in this country, agriculture has never had a chance in this or any other country of the world. For centuries, countries of the older world thrived on the exploitation of the peasants. In this country, industry profited, in the past, by the misery of the farmers. That day should be gone and gone forever. Unless we are very careful, we may again depress agriculture to the depths of bankruptcy and poverty as was done after the last world war in this country. I wonder how many realize that the job of a shirt-maker in a shop in New York, or a mechanic in a plant in Detroit may depend upon the wheat crop in the Argentine or in Australia, to say nothing of the economic condition of the farmers of this country.

Our agriculture economy must be based on a policy of plenty. Everything that the soil can produce must be encouraged. Parity, not parity-plus, but real parity prices must be assured to the farmer, and what is more, that he will find a market for his crops. This is only possible with the world surplus pool I talked about a moment ago. The American farmer is entitled to fair and just compensation for his labor, the labor of his family, and for fair, just and reasonable returns for his investment. That is all he wants, that is all he has ever asked. If he gets that, he is prosperous. If the American farmer is prosperous, he buys clothes and furniture and household goods, machinery and all sorts of things that we make in the city. That means employment in the cities - wages - and in turn a good market for his products. Now when you put this circle in reverse, it is just too bad. The farmer is broke and he cannot buy, and because he cannot buy, the fellow in the city does not have a job and he cannot buy sufficient food. It is just as easy to keep the gear forward as to let it slip into reverse.

If the nations of the world are really desirous of maintaining peace, nothing is more important than that all of the people of the world should have enough to eat. God Almighty has placed sufficient food on earth for all the people. It has not all been equally distributed; but the balance is there. While one

( more )

-13-

country may produce one crop in surplus quantities, it does not have another commodity it needs and which another country produces. To think of people starving with a surplus of food of any kind is not only stupid, but sinful.

LABOR            4. LABOR: We now come to the wage earners. Labor has an opportunity to make a great contribution to our post-war adjustment. It has the greatest opportunity in the entire history of industry. Labor has gained a position, its rights have been recognized. This brings with it responsibility. Granted a policy of a decent living wage, security and provision against unemployment, it necessarily follows that labor must produce sufficient to create such wages and working conditions. Wages must necessarily be maintained by production. Slow-down, limited production, idle standbys, are costly to labor and to industry.

Speaking very frankly, in the period of adjustment following the war, with the huge number of discharged war workers and demobilized soldiers, full and complete cooperation will be necessary. Unless ample, equitable distribution of work is provided between the discharged war workers and the demobilized veterans, there is great danger of irritation, friction and serious trouble between these two groups. There are some thirty million men and women, as I said before, now employed in war industries. Let us assume that there will be about ten million who will not be required in war industry and ten million who eventually will be demobilized from the armed forces. Here we have a pool of twenty million men and women for whom work must be provided. As I see it, in all governmental post-war public improvement, the employment should be distributed on a fifty-fifty basis between demobilized veterans and unemployed war workers. The same ratio of one-half veterans and one-half war workers should be followed as closely as conditions will permit in all postwar new industry, and in continuing industry and business insofar as is possible. Women who have homes and are not self-supporting, as well as overtime and dual employment will all have to give way in order to provide a greater spread of employment. Organized labor should be the one to present this plan and to see it enforced. That in and of itself is sufficient to avoid the danger of friction between veterans and organized labor.

- more -

In order to maintain the purchasing power necessary to provide permanent employment, it is essential that production increase. I repeat, the whole situation depends upon the wage earner producing. Everything should be based on that. The greater the production, the greater the stability of employment. The greater the production, the better the wages.

I have felt for a long time that a fixed, fair and just annual pay with steady work is better than a fictitious hourly rate with little or no work. I have always felt that full-time jobs for all is better than jobs for some with overtime. I am quite aware that the old-line labor leader disagrees with that. However, this is something that all trades should consider. An annual pay with steady work will bring more return to the individual and his family than an hourly rate, uncertain, indefinite and seasonal. I have heard from both employers and union leaders that it is impossible to fix an annual pay for seasonal work. That is not so. It is quite possible to provide greater income to the worker on an annual basis and yet reduce the cost of production to the employer. This is something which should receive the prompt attention of labor.

Labor should see to it that the standards of wages are more uniform throughout the country. The Wage and Hour Law has helped considerably. That is not enough. Working conditions, rules imposed by labor, if good in one section of the country should be good in all sections of the country. Often it is not wages, but working conditions that drive an industry out of one section into another section of the country. That is not good for industry and in the long run it is not good for labor. Fair employers who want to do the right thing for labor, who pay good wages, who recognize the rights of labor, should be protected by labor itself against unfair competition caused by inferior working conditions in other parts of the country.

Jurisdictional strikes must be avoided. Surely labor can provide the genius and the good will to prevent a stoppage of work often involving hundreds of innocent workers on a job because of some jurisdictional dispute. The employer or the contractor is helpless. Government mediation or conciliation agencies are helpless.

A great deal of thought should be given to this. The art of construction, improvement in machinery, plastics and new materials will come into use rapidly after the war. These are often the causes of jurisdictional disputes as to who will do the job. This is labor's problem. The employer, the contractor, is not concerned. The cost is the same to him. Therefore, it is labor's responsibility to provide the machinery for the adjustments of such disputes within its own rank without the interruption, the delay, or losses to the contractor or employer and to labor itself. I know that people unfamiliar with labor conditions will believe that a suggestion of this kind is wholly unnecessary, but those who have experienced know how costly a jurisdictional strike is to both labor and employer. Assurance of the elimination of this evil should be complete.

Labor organizations have sought honorably to maintain the terms and conditions of agreements. Recently a bad practice has been creeping in of mass "sickness" and stoppage of work, which of course is nothing but an unlawful strike. In such instances, the labor organization concerned should assume the responsibility of filling the vacant ranks in order to continue service and production in accordance with the terms of the agreement that labor itself has signed and pledged to maintain.

Labor can be most helpful in maintaining standards of living as well as in the social well being of the people of this country. It can also serve very helpfully in establishing relations with labor of other countries in aiding to establish proper standards of living, and the end of systems of starvation wages detrimental to countries where decent standards exist. Labor must also police its own ranks and drive from within its midst crooked leaders and anyone who would racketeer or who would betray the cause of labor. And, finally, labor must not only open its doors but its books to the returning veterans without excessive initiation or admission dues. In fact, it would be smart to give membership to men and women in labor organizations on the presentation of an honorable discharge. We must not forget thousands of boys have been instructed and trained in skilled trades. The Seabees of the Navy, the Engineer Corps of the Army, the Signal Corps, the Air Corps, yes and tanks and all the mechanized branches of the armed forces, have instructed and trained thousands and thousands in skilled trades.

-16-

These boys must have a chance to work. These boys are entitled to a job. I strongly advise labor to take these veterans into their organizations and to adopt the system of sharing the work - one worker and one veteran for every two new jobs available.

In conclusion I say that I know a great deal of all this sounds visionary, but I can assure you it is not only necessary but practical. To slip up on any one of the various factors necessary for a postwar prosperous, peaceful world is courting disaster. I hate to say this, but unless we are sure that the economy of our own country will be well-balanced, that there will be work for all and social security, we are in for very serious trouble. Is it not better to plan ahead and to deliberately prepare for the situation, constructively and in an orderly manner? If we fail, it will be disorderly and troublesome. It will lead to serious conditions, even more serious than we dare to contemplate. And it will be so much less costly to arrange our postwar national system intelligently than to be caught unprepared, to be met with trouble, and costly palliatives and make-shift solutions.

Will the postwar period be costly? Yes, because it is part of the war and it is just impossible to snap back into peace and normal peacetime conditions in one instant. With provisions already made by Congress or now under consideration, the fiscal year following the end of the war will require about 70% of the last war fiscal year. The second year perhaps 50% of the average yearly cost of the war. The third year 25% and from that point tapering off. This, of course, assumes a complete, well coordinated postwar program.

Some will say, "But some of the suggestions will be costly." No, not at all. Social security will not be costly if our economy is based on a huge production and people are employed. There is one complaint that the plan for disposing of surplus food and other natural resources will increase the cost of living. No, not at all. Much cheaper than providing relief for the unemployed, much cheaper than subsidizing reduced production or killing of livestock. Much cheaper when it will bring into the country goods and commodities that we cannot grow or produce.

- more -

It will be pointed out that not disposing for cash surplus war materials will entail a great loss. Not at all, when you consider the loss in employment and production awaiting the consumption and use of the surplus war material. Some employers will say that the annual pay will increase the cost of production, and labor leaders will say that it is not practical and that the workers will get less. Both are wrong. It can be mathematically demonstrated that it will increase the pay of the worker, reduce the cost of production.

I feel that we are the most fortunate people in the whole world. Our task is so much easier than the postwar task of Great Britain, France or China. We cannot even compare the ease of our postwar task with that of the invaded countries or of Germany and Japan by the time we are through with them. To start with, we have the resources. Our country has not and in all likelihood will not suffer any devastation. Would it therefore not be an unpardonable failure and a blemish on our generation if we fumble at this time? The disastrous effect, the failure of a plan to provide for a sound economic postwar society in our country, will bring havoc and ruin to us in this day and make it extremely difficult for the next and the generation after that. The problems that we must consider and solve are not political. Our problems are economic and social. We cannot delay. We must work out, not a democratic economy or a republican economy; it must not be teutonic or slavish or latin - we must evolve a purely American economy to meet our needs, our habits, our customs and our system of government. It will require generosity in politics, particularly in this year; it will require goodwill on the part of all men. It will require unselfishness to the greatest degree on the part of all the groups: capital, labor, social and political. It will require unselfish, patriotic teamwork. It will require courage, the like of which no statesman in the entire history of our country has been called upon to display. It can be done - it should be done. With God's help, we will do it.

\*\*\*\*\*

25

August 16, 1944.

My dear Mr. Minister:

Your letter of August 14, which enclosed a copy of an address you made over the radio recently, has been received here during the Secretary's absence from the country. I shall be very glad to bring your letter and its enclosure to Mr. Morgenthau's attention as soon as he returns to the office, and meanwhile, I know he would wish me to thank you for your courtesy in sending him a copy of the speech.

Sincerely yours,

(Signed) H. S. Klotz

H. S. Klotz,  
Private Secretary.

Honorable August Le Gallais,  
Minister of Luxembourg to the  
United States,  
Legation Du Grand-Duché  
De Luxembourg,  
Washington, D. C.

GEF/dbs

*Mr. White 21 ✓*

LÉGATION DU GRAND-DUCHÉ  
DE LUXEMBOURG  
WASHINGTON, D. C.

August 14, 1944

My dear Mr. Secretary,

I have the honor to enclose herewith the text of a radio address I made last week. The subject is the treatment of small nations at International Conferences.

With my very best wishes that Congress will pass the Fund and Bank agreements,

I am, my dear Mr. Secretary,

Yours sincerely,

*Hyacinthe Lafalleis*

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

BROADCAST BY THE HONORABLE HUGUES LE GALLAIS, MINISTER  
OF LUXEMBOURG TO THE UNITED STATES.

---

STATION WWDC, WASHINGTON, 9:15 p.m.  
AUGUST 8, 1944

---

Treatment of Small Nations at  
International Conferences.

Mr. Eaton:

I have the pleasure to introduce the Honorable Hugues Le Gallais, Minister of Luxembourg to the United States. Mr. Le Gallais is the representative in Washington of one of the smallest of the European Nations, with a population of three hundred thousand inhabitants and an area covering one thousand square miles. The history of the Grand Duchy of Luxembourg goes back over a thousand years, and although the country was occupied many times by different nations, the people of Luxembourg have retained a proud and independent spirit. During the present war they have courageously stood up against the German invader and they were the first of the occupied countries to declare a general strike. The lot of the Luxembourg people has been exceedingly hard because the Nazis have forced their young men to don the hated German uniform and to fight against the liberators of their country. I can imagine no greater tragedy for parents than to lose their children under such conditions of uncivilized warfare.

Mr. Le Gallais has had the good fortune to be appointed the representative of his country at the

three International Conferences which have taken place since about one year; the United Nations Agriculture and Food Conference held at Hot Springs, Virginia, the United Nations Relief and Rehabilitation Administration Conference held at Atlantic City, and the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire.

Mr. Minister, may I now ask you to give us some of your personal impressions about these conferences.

Mr. Le Gallais: With pleasure, Mr. Eaton. I will first of all tell you what were my views at the end of the Conference on Food and Agriculture, by reading a press statement I made in June of last year:

"Upon leaving Washington for Hot Springs, I was thinking of a conversation between the Honorable Cordell Hull, Secretary of State, and Mr. Joseph Bech, Minister of Foreign Affairs of Luxembourg, at which I was present. Mr. Hull said that when he went to the first Pan-American Conference at Montevideo, he acted on the principle that all Nations there represented were to be considered as equals, and he added that this principle had been maintained at subsequent conferences. Luxembourg, concluded Mr. Hull, would be given the same treatment here.

These were very considerate words on the part of the Secretary of State, and while on my way to the Conference, I was wondering how things would turn out in practice.

Well, amazing as it may seem, the representatives of small Luxembourg really did get the feeling that the con-

-3-

ference was being run on this principle of equality among the Nations represented. In no instance was any attempt made to prevent a Delegation from voicing its opinion. On the contrary, the Chairman of the Conference and the Chairman of all the Sections and Committees took great care to insure that each speaker had sufficient time to explain his point of view. In the same spirit, the General Secretariat, which incidentally deserves high praise for its untiring efforts to satisfy all concerned and for the excellent results obtained, endeavored to arrange, and succeeded in having at least one member of most of the Delegations act in one or another official capacity.

In conclusion, I would like to say that after having seen the principle of equality among Nations enunciated by Mr. Cordell Hull so effectively put into practice at this Conference on Food and Agriculture, it does not seem too optimistic to entertain very high hopes that the people of the world are entering into a better phase in the realm of international relations."

When I returned to Washington, my friends who had heard about this statement said: "That is all very well, but you should consider that this was a Conference concerning long range problems and not involving questions of immediate vital interest to the Nations there represented." They concluded: "Let's wait and see what happens at the next conference."

Somehow I was not convinced by this argument, but nothing further could be said at that time.

r. Eaton:

Well, Mr. Minister, you have made me quite curious as to what your experiences have been at subsequent conferences and especially at the last one at Bretton Woods, because certainly,

-4-

when it comes to money one cannot say any longer that no vital interests are involved.

Mr. Le Gallais: The reply is very simple, Mr. Eaton; the United Nations Relief and Rehabilitation Administration Conference held at the end of last year, and the United Nations Monetary and Financial Conference which ended about two weeks ago, were both run on the same lines as at Hot Springs. Every Delegation was given ample opportunity to express its views; most of the Chiefs of Delegations had to act in one or another official capacity and care was exercised to see to it that geographical factors were taken into consideration. The principle of equality among sovereign Nations was fully maintained and a real spirit of cooperation was always present. This is a remarkable achievement when you think that the representatives of forty-five Nations were discussing immediate post-war relief, a problem of tremendous importance for the welfare of their fellow countrymen, and examining financial matters which would have a great bearing upon the future prosperity of their countries.

Mr. Eaton: Quite right. And all the more so when you consider that these countries representing all the parts of the world must have quite different self-interests. Can you give us an example of this, Mr. Minister?

Mr. Le Gallais: Why, of course. Most of the European countries are interested first of all in reconstruction, whereas the countries of Central and South America for instance, are concerned with the development of the natural resources within their boundaries. Furthermore, a certain number of European countries have large reserves of gold and gold convertible exchange, and their delegates at

Bretton Woods could have said: "We don't need this bank; we will finance by ourselves our reconstruction plans." However, these representatives realized that such a too self-interested spirit would lead their countries nowhere because if all the rich nations reasoned alike there would be no international bank and there would not be sufficient funds available to help promote production in the undeveloped countries and thus the predominantly industrial nations would find no customers to purchase their manufactured goods. In the same way the representatives of certain Latin-American Republics might have said: "We have gold and dollars, we don't need the bank, we will finance with our own means the development of the natural resources of our countries." But these Delegates wisely realized that this would be a short-sighted policy and that by helping to create the fund and the bank, they were promoting a regular flow of international trade and were enabling some of the occupied countries to reconstruct their ruined national economy, thus allowing them to purchase more goods from abroad. As Dr. H. K'ung, the Minister of Finance of China, most appropriately said: "The Bretton Woods Conference was held in a spirit of give and take."

Mr. Eaton, I started this broadcast by referring to the principle of equality among Nations on which the Secretary of State, Mr. Cordell Hull, acted at the first Pan-American Conference at Montevideo, and I believe it is proper at this time to say that this principle has been respected by other Departments of the Government of the United States of America.

Namely at Hot Springs by Judge Marvin Jones, President of the Conference, by Mr. Paul Appleby, then Under Secretary of Agriculture and by Mr. William C. Clayton, then Assistant Secretary of Commerce; at Bretton Woods, by Mr. Henry Morgenthau, Jr., Secretary of the Treasury and President of the Conference, by his close Assistants, Dr. Harry White and Mr. E. Bernstein, as well as by Judge Fred Vinson, Director of the Office of Economic Stabilization; at the Atlantic City Conference, the president was Mr. Dean Acheson, Assistant Secretary of State who worked wonders, and the Director General of the United Nations Relief and Rehabilitation Administration, Governor Herbert Lehman, also proved to be a great friend of the small Nations.

At the three Conferences, the Secretary General was Dr. Warren Kelchner of the State Department to whom all Delegates owe a great debt of gratitude for his untiring efforts to satisfy all concerned.

In conclusion, I would like to say that I believe strongly that the United and Associated Nations are started on the right track towards world collaboration. They may have to face setbacks, but that should not prevent them from clinging with grim determination to the common purpose they have set for themselves, and this, with a clear vision that side tracks will lead nowhere and that there is no way back. The United and Associated Nations, large and small, have now successfully withstood the test of three International Conferences. May God grant them the strength to carry on in the same spirit of cooperation and good will: one for all and all for one.

Mr. Eaton:

Thank you, Mr. Minister. You have just heard Mr. Hugues Le Gallais, Minister of Luxembourg to the United States, who has spoken to you from Washington on the subject: "Treatment of Small Nations at International Conferences."

Treasury Department  
Division of Monetary Research

29

Date 8/18/44 19

To: Mrs. McHugh

This letter was sent to Mr. Glasser by a covering letter from Mr. Valensi dated 8/17. A reply is being prepared by Mr. Glasser.

Re letter of Aug. 2 referred to: Mr. Bell sent us a photostat on Aug. 9, and we prepared the reply.

jm

MR. WHITE  
Branch 2058 - Room 214½

GOVERNEMENT PROVISOIRE

1000 MASSACHUSETTS AVE. NW,

XXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXX

AUGUST 16, 1944.

ATTACHE FINANCIER

AF 198  
CV/M

DEAR MR. SECRETARY:

I WISH TO ACKNOWLEDGE RECEIPT OF AND THANK YOU FOR THE LETTER DATED AUGUST 12 FROM MR. D. BELL, UNDER-SECRETARY OF THE TREASURY, INFORMING ME OF YOUR AGREEMENT REGARDING OUR NEW ORDER FOR FRANK NOTES.

FURTHER TO MY LETTER DATED AUGUST 2, 1944, I RECEIVED INSTRUCTIONS FROM THE COMMISSIONER FOR FINANCE IN ALBANY REQUESTING THAT THIS ORDER BE INCREASED. THIS INCREASE WOULD CALL FOR AN ADDITIONAL THREE HUNDRED MILLION 100-FRANK NOTES, THUS BRINGING THE TOTAL AMOUNT FOR THE ORDER TO THE FOLLOWING FIGURES:

- 100 MILLION 500-FRANK NOTES - VALUE 50 BILLION FRANKS
- 800 MILLION 100-FRANK NOTES - VALUE 80 BILLION FRANKS
- TOTAL: 900 MILLION NOTES, FOR A VALUE OF 130 BILLION FRANKS.

THESE FIGURES SHOULD THEREFORE BE SUBSTITUTED FOR THOSE GIVEN IN MY LETTER DATED AUGUST 2, 1944.

I WOULD APPRECIATE RECEIVING CONFIRMATION OF YOUR AGREEMENT TO THE ORDER THUS AMENDED, WHICH WOULD BE CARRIED OUT AND PAID FOR UNDER THE CONDITIONS STATED IN THE LETTERS DATED MAY 27, 1944, AND CONFIRMED BY MY LETTER OF AUGUST 2./.

RECEIVED  
 DEPARTMENT OF THE TREASURY  
 AUG 22 1944  
*Christalbert*  
 Director  
 DIVISION OF FINANCIAL ATTACHE

HENRY MORGENTHAU, JR., Esq.,  
SECRETARY OF THE TREASURY,  
TREASURY DEPARTMENT,  
WASHINGTON, D.C.

GOUVERNEMENT PROVISOIRE

1890 MASSACHUSETTS AVE. NW.

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
ATTACHE FINANCIER

LE 16 AOUT 1944.

AF  
CV/MJ

MONSIEUR LE SECRETAIRE AU TRESOR,

J'AI L'HONNEUR D'ASSUMER RECEPTION ET DE VOUS REMERCIER DE LA LETTRE DU 12 AOUT DE M. DANIEL BELL, SOUS-SECRETAIRE AU TRESOR, ACCEPTANT NOTRE NOUVELLE COMMANDE DE BILLETS FRANCS.

DEPUIS MA LETTRE DU 2 AOUT, LE COMMISSARIAT AUX FINANCES M'A FAIT PARVENIR D'ALGER DES INSTRUCTIONS EN VUE D'UNE EXTENSION DE CETTE COMMANDE. CETTE EXTENSION PORTERAIT SUR 300 MILLIONS SUPPLEMENTAIRES DE BILLETS DE 100 FRANCS, ET PORTERAIT AINSI LE MONTANT TOTAL DE LA COMMANDE AUX CHIFFRES SUIVANTS:

100 MILLIONS DE BILLETS DE 500 <sup>F</sup>	VALANT 50 MILLIARDS DE FRANCS
<del>200</del> MILLIONS DE BILLETS DE 100 <sup>F</sup>	VALANT <del>20</del> MILLIARDS DE FRANCS
TOTAL 300 MILLIONS DE BILLETS	VALANT 130 MILLIARDS DE FRANCS

CES CHIFFRES DEVRAIENT DONC ETRE SUBSTITUES A CEUX FIGURANT DANS MA LETTRE DU 2 AOUT.

JE VOUS SERAIS TRES OBLIGE DE BIEN VOULOIR ME CONFIRMER VOTRE ACCORD POUR CETTE MODIFICATION DANS LA COMMANDE, DONT LES CONDITIONS D'EXECUTION DEMEURERAIENT CELLES PREVUES PAR L'ECHANGE DE LETTRES DU 27 MAI ET CONFIRMES PAR MA LETTRE DU 2 AOUT.

VEUILLEZ AGRACER, MONSIEUR LE SECRETAIRE AU TRESOR, LES ASSURANCES DE MA HAUTE CONSIDERATION./.

*Christian Valensi*

CHRISTIAN VALENSI  
ATTACHE FINANCIER  
MAITRE DES REQUETES AU CONSEIL D'ETAT

MONSIEUR HENRY ROSENTHAU, JR.,  
SECRETAIRE AU TRESOR,  
WASHINGTON, D.C.

31-A  
Letters

AUG 12 1944

Dear Mr. Valensi:

In respect to your letter of August 2, 1944 to Secretary Morgenthau requesting the printing of 600 million individual franc notes of a total value of 100 billion francs, I wish to inform you that we are prepared to proceed with this order as soon as the first order for 305 million individual franc notes of a total value of 300 billion francs is completed.

We concur in your request that this order be carried out under the terms and conditions set forth in my letter to M. Mendes-France, Commissioner for Finance, dated May 27, 1944, and the letter to Secretary Morgenthau from M. Mendes-France, dated May 27, 1944.

Very truly yours,

(SIGNED) D. W. BELL

Under Secretary of the Treasury.

Mr. Christian Valensi,  
Financial Attache,  
French Delegation,  
1500 Massachusetts Avenue, Northwest,  
Washington 6, D. C.

C  
O  
P  
Y

Gouvernement Provisoire

August 2, 1944

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

Dear Mr. Secretary:

In reference to your letter to Mr. Mendes-France, French Commissioner for Finance, dated May 27, and the letter of Mr. Mendes-France to you also dated May 27, I wish to advise you that the provisional Government of the French Republic wishes to complete the issue of franc notes which is now being printed by your Department by a new order.

This order, which will be carried out and paid for under the conditions stated in the letters of May 27, will involve the following amounts:

- 100 million notes of 500 frs. of a value of 50 billion francs
- 500 million notes of 100 frs. of a value of 50 billion francs

or a total of:

600 million notes of a value of 100 billion francs

I would much appreciate your kindly giving me confirmation of your agreement on this matter.

Yours sincerely,

s/ Christian Valensi

Christian Valensi  
Financial Attache

o  
o  
P  
y

LE COMMISSAIRE AUX FINANCES.

May 27, 1944

AF/46

Dear Mr. Secretary:

Reference is made to your letter to me of this date relating to the printing of franc notes to be used in France by the French civilian authorities upon liberation.

The terms and conditions set forth in your letter are not exactly those which I had hoped for, and I should like to express reserves upon the political reasons for some of these terms and conditions. However, in view of the urgency of this matter, I agree to the terms and conditions set forth in your letter, as follows:

(1) There will be printed 305 million individual franc notes of a total value of 300 billion francs as follows:

<u>Number</u>	<u>Denomination</u>	<u>Franc Value</u>
50 million	500 francs	25 billion
250 million	1000 francs	250 billion
5 million	5000 francs	25 billion

(2) The franc notes will be exactly the same in design as those notes which are currently being printed for the Supreme Commander, Allied Expeditionary Forces, except that the word "FRANCE" will be substituted for the phrase "EMIS EN FRANCE" in two places on the face of the notes and the word "FRANCE" will be substituted for the flag on the back of the notes.

(3) Printing of the notes will begin as soon as possible after June 15, 1944, when the printing of notes for the Supreme Commander, Allied Expeditionary Forces, is scheduled to be completed, and will be completed as soon thereafter as available facilities will permit. It is estimated that the printing of these notes would take approximately 2 months from June 15th, 1944.

Mr. Henry Morgenthau, Jr.,  
Secretary of the Treasury

c  
o  
P  
y

(4) The notes will be released to French control only at such time as the decision to release them can appropriately be made by the Government of the United States.

(5) The French Committee of National Liberation will pay in dollars the full cost of manufacturing, shipping, and storing the notes, at such times and in such amounts as the Secretary of the Treasury shall request. Payment may be called for as often as may be necessary to keep the United States currently reimbursed for such costs. Payment shall be made without regard to any decision made under paragraph (4) above.

I note that you have estimated that the total cost of manufacturing and preparing for shipment of the quantities of franc notes above specified will be approximately \$832,650.00.

I note also that you will explore the possibility of complying with my request that the U. S. Government store the notes one-half in Great Britain and one-half in North Africa until such time as their release to French authorities may be made as provided in paragraph (4) above; and that you will investigate the availability of additional printing facilities which would expedite the completing of the notes. We plan to place with you a second order for approximately 300 billion francs consisting of notes in smaller denominations than above specified, and, in view of this fact, the availability of additional facilities is of particular importance to us in order that production may be accelerated as much as possible.

Very truly yours,

(Signed) Mendes-France

c  
o  
p  
y

May 27, 1944

Dear M. Mendes-France:

Reference is made to Secretary Morgenthau's letter to M. Jean Monnet, dated April 28, 1944, and to your letter to him dated May 13, 1944, relative to the printing of franc notes to be used in France by the French civilian authorities upon liberation, and to subsequent conversations you have had with representatives of this Department.

I am setting forth below the terms and conditions upon which the franc notes referred to above may be printed:

(1) There will be printed 305 million individual franc notes of a total value of 300 billion francs as follows:

<u>Number</u>	<u>Denomination</u>	<u>Franc value</u>
50 million	500 francs	25 billion
250 million	1000 francs	250 billion
5 million	5000 francs	25 billion

(2) The franc notes will be exactly the same in design as those notes which are currently being printed for the Supreme Commander, Allied Expeditionary Forces, except that the word "FRANCE" will be substituted for the phrase "EMIS EN FRANCE" in two places on the face of the notes and the word "FRANCE" will be substituted for the flag on the back of the notes.

(3) Printing of the notes will begin as soon as possible after June 15, 1944, when the printing of notes for the Supreme Commander, Allied Expeditionary Forces, is scheduled to be completed, and will be completed as soon thereafter as available facilities will permit. It is estimated that the printing of these notes will take approximately two months from June 15, 1944.

(4) The notes will be released to French control only at such time as the decision to release them can appropriately be made by the Government of the United States.

(5) The French Committee of National Liberation will pay in dollars the full cost of manufacturing, shipping, and storing the notes, at such times and in such amounts as the Secretary of the

- 2 -

Treasury shall request. Payment may be called for as often as may be necessary to keep the United States currently reimbursed for such costs. Payment will be made without regard to any decision made under paragraph (4) above.

It is estimated that the total cost of manufacturing and preparing for shipment of the quantities of franc notes above specified will be approximately \$832,650.00.

I will explore the possibility of complying with your request that the United States Government store the notes one-half in Great Britain and one-half in North Africa until such time as their release to French authorities may be made as provided by paragraph (4) above; and I will investigate the availability of additional printing facilities which would expedite the completion of the notes. I understand that you plan to place a second order for approximately 300 billion francs consisting of notes in smaller denominations than above specified, and, in view of this fact, that you attach particular importance to the availability of additional facilities in order that production may be accelerated as much as possible.

Will you please confirm by letter your agreement to the terms and conditions specified above for the printing of the franc notes.

Very truly yours,

(Signed) D. W. Bell

Acting Secretary of the Treasury.

M. Pierre Mendes-France,  
Commissaire aux Finances,  
Comite Francais de la Liberation Nationale.

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



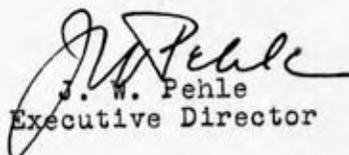
OFFICE OF THE  
EXECUTIVE DIRECTOR

AUG 16 1944

My dear Mr. Secretary:

I am enclosing herewith a copy of the report of the War Refugee Board for the week of July 31, to August 5, 1944.

Sincerely yours,

  
J. W. Pehle  
Executive Director

The Honorable,

The Secretary of the Treasury.

Enclosure.

Report of the War Refugee Board  
for the Week of July 31 to August 5, 1944

EMERGENCY REFUGEE SHELTER IN THE UNITED STATES

Arrival of 984 Refugees from Italy

The refugees destined for the Emergency Refugee Shelter at Fort Ontario have arrived and are being settled in their new quarters. The group represented nineteen nationalities, including persons from Austria, Yugoslavia, Poland, Germany, Czechoslovakia, Russia, Danzig, Rumania, Turkey, Bulgaria, Hungary, Greece, Spain, and France. Ages ranged from 3 weeks to 80 years. 754 of the refugees, including 225 children, comprise 261 family groups; each family is to have its own quarters, apartments consisting of one, two, or three bedrooms, according to family size, and a kitchen. There are dormitories for the single persons. A private agency is attempting to get in touch with relatives of the refugees who may be in this country to notify them of the arrival of their kin from Europe. The arrival of these refugees received wide and very favorable press comments.

SITUATION IN HUNGARY

The Horthy Proposal

Through the International Red Cross, the Horthy government has recently indicated to the governments of the United States and Great Britain that it will permit the emigration of certain categories of Jews. The proposal apparently is the result of the various warnings and appeals that have been addressed to the Hungarian authorities. Since it is couched in terms which in effect say "we will permit Jews to leave Hungary if the United States and Great Britain will take care of them," it is regarded as a direct challenge to the two governments.

At the instance of the Board this government proposes to accept the challenge. We have submitted our views to the British who we hoped would agree to join us in a reply to the International Red Cross on August 7th, in which we ask the International Red Cross to advise the Hungarian Government that we will undertake to care for all Jews who are permitted to leave Hungary and who reach neutral or United Nations territory, and to find havens of refuge for them.

We have taken the position that our acceptance of the proposal should be so clear and unequivocal that in the eyes of the Hungarians and of the world our action will be regarded

- 2 -

as a genuine expression of our willingness to save the Jews of Hungary. Accordingly, our reply to the International Red Cross was cabled to Minister Harrison in Bern for delivery on August 7th. In response to the British government's request for a delay of three or four days, it was later agreed that delivery of our reply should be postponed until August 11th.

#### International Red Cross Work in Hungary

We were advised by our representative in Bern of the publication on July 18 of an International Red Cross Committee communique announcing that the Hungarian authorities, following steps taken in Budapest by the International Red Cross Committee in Geneva, have given the Committee official assurances that transportation of Jews beyond Hungarian frontiers has ceased; that the Committee is authorized to furnish relief to Jews interned or in forced residence in Hungary, and is empowered to cooperate in the evacuation of all Jewish children under ten years of age who are in possession of visas to reception countries; and that all Jews in Hungary holding entrance visas to Palestine will receive permission from the authorities to leave for that country.

McClelland discussed this whole question on July 24th with Carl Burckhardt, acting president of the International Red Cross Committee, and recommended that the International Red Cross discuss with the Hungarian Government the question of raising the age limit of the children to be evacuated to sixteen years for boys and eighteen years for girls. The Committee is awaiting detailed confirmatory information from its delegate in Budapest, particularly regarding evidence that the International Red Cross representatives will actually be accorded local permission and practical possibilities to carry out a relief and evacuation program. The Committee has already dispatched one of its delegates from Berlin to Budapest and plans to send three more representatives as soon as possible. Burckhardt intimated that there might be a possibility of arranging to dispatch to Hungary one or two capable Swiss persons as confidential WRB representatives, probably attached to the International Red Cross mission.

#### Hungary Agrees to Permit Sending of Food Packages through International Red Cross to Persons Interned in Concentration Camps

The Apostolic Delegate in Washington has advised this Government of the approach by the Holy See to the Apostolic Nunciatures in Germany, Rumania, Hungary, and Slovakia, to enlist their interest for the purpose of obtaining for Jews interned in Germany and Axis-controlled countries treatment

- 3 -

similar to that granted to civilian internees to whom the provisions of the Geneva Convention are applied by analogy. The Apostolic Nunciature in Budapest has responded to the Cardinal Secretary of State, informing him that the Government of Hungary will authorize the sending of foodstuffs through the channels of the Red Cross to persons interned in concentration camps.

#### Spanish Visas for Hungarian Jews

We were advised by our Embassy in Madrid that, in response to separate representations on the part of the Embassy, the Spanish Government has already authorized issuance of visas to 500 Jewish children in Hungary whom it is desired to bring to Spanish Morocco for temporary refuge. This is in addition to the 1500 Spanish visas authorized for Jews in Hungary and Germany to whom Palestine entry permits had been or were to be issued.

#### Palestine Certificates for Hungarian Jews

In a further report on the situation in Hungary with respect to efforts to rescue the Jewish population, Hirschmann advised us that lists of the names of 8,200 persons for whom Palestine certificates have been authorized have been delivered to the Swiss Legation in Hungary through the Swiss Minister in Ankara. The latter and the British Embassy in Ankara have confirmed to Hirschmann that they both had information to the effect that these lists have been received in Budapest. In view of the probability that many of the approved certificate holders have already been deported, methods of attempting to locate these deportees are being explored in order that the certificates may be made available to them.

Of these 8,200 Jewish refugees, 2,000 are preparing to proceed from Hungary to Rumania and are awaiting Rumanian transit visas. Hirschmann has urged Cretzianu to press his Government in Bucharest to provide these visas without delay.

Additional lists are being prepared by the Jewish Agency for submission to the British who have up to the present authorized certificates for all names that have been submitted.

#### EVACUATIONS TO AND THROUGH TURKEY

##### 40 Children Arrive from Bulgaria

After waiting for two years, 40 Bulgarian refugee children finally arrived by rail in Ankara on July 30 and departed the

following day for Palestine, according to a report received from Hirschmann. These children indicated that about 200 more were being prepared for emigration from Bulgaria by rail via Turkey to Palestine.

Hirschmann is pursuing the matter further to ascertain the intentions of the Bulgarian Government with reference to its Jewish citizens and their emigration. The Jewish community of Rouse has been officially designated as the agency to make arrangements for those Jews wishing to go to Palestine.

(Minister Johnson has advised us from Stockholm that Ehrenpreis, former Chief Rabbi of Bulgaria, has received written assurances that everything possible is being done to improve the situation of the Bulgarian Jews.)

We have inquired of Hirschmann whether efforts are being made to induce Turkey to permit the transit of the 400 to 500 refugees which he had reported Bulgaria was ready to allow to emigrate weekly.

#### Turkish Shipping Restricted

Our Embassy in Ankara has notified us that Turkey has discontinued the movement of Turkish ships in the Aegean and Black Seas. However, they will permit the sailing of certain ships between Iskenderun and Mersin, as well as some wooden ships to transport coal between Istanbul and Zonguldak.

#### Proposal to Evacuate Refugees on Rumanian Boats

Minister Johnson in Stockholm has informed us that the Rumanian Minister to Sweden strongly supports a proposal to evacuate Jews from Rumania. He has agreed to forward with a favorable recommendation the request of the Stockholm section of the World Jewish Congress that the Rumanian Government supply transportation for this purpose. The Rumanian Minister is quite optimistic and believes that not only will his government be receptive to this request but also that the Germans will not be in a position to refuse safe-conduct. However, in view of the extensive sinking and damage of Rumanian transport vessels at Odessa, he does not think that more than two Rumanian boats are available unless in addition two or three of those damaged were returned and made serviceable. The proposal will, of course, receive our careful consideration and will be sent to Hirschmann in Ankara for his views and recommendations.

#### CONDITION OF JEWS IN TERRITORY LIBERATED BY SOVIET RUSSIA

The Board has asked the American Embassy in Moscow to obtain through official channels information concerning the numbers

and condition of Jews found in Soviet-liberated areas and concerning the treatment of civilian populations during enemy occupation.

### RUSSIAN REFUGEES

McClelland, our representative in Switzerland, advised us that, on the basis of reports received from the International Red Cross delegate in Bucharest, the International Red Cross has made an urgent appeal for funds to assist several thousand Soviet refugees who were forced to leave their homes by the retreating Germans and who are in an extremely precarious situation in Rumania. International Red Cross delegates have also approached the Rumanian Government in an attempt to secure work permits for them.

The Board cabled this information to Ambassador Harriman in Moscow, suggesting that inquiry be made as to whether the Russian Government is informed concerning the plight of these refugees and whether it has any specific suggestion as to the manner in which the War Refugee Board could assist in ameliorating their condition. At the same time we notified Hirschmann of this report and asked him to investigate and report to us any information which he may obtain concerning this situation.

### JEWS IN ITALY

In answer to the State Department's inquiry concerning the condition of Jews in Rome, Myron Taylor has reported that 12,000 Jews were in Rome before the Armistice (September 8, 1943) and about the same number on June 4, 1944. In the intervening period about 2,000 were lost due to deportations and massacres, while approximately the same number arrived in Rome during the period from Northern Italy and France.

### INTERGOVERNMENTAL COMMITTEE

#### Removal of 3,000 Jewish Children from France to Portugal

Having been advised of a private proposal to evacuate 3,000 registered children from France to Portugal, the Intergovernmental Committee cabled the Board that it felt the real difficulty with the proposal was obtaining French permission for the exit of the children from France. The Intergovernmental Committee pointed out that, since approaches to the French by Switzerland to evacuate children from France failed a few months ago, it recommended approaches now to the French authorities by the International Red Cross Committee. The Intergovernmental Committee stated that it is ready to take this up with the International Red Cross Committee either independently or jointly with the Board. We replied that, although the

proposal to remove 3,000 Jewish children from France was a variant on a scheme which had been repeatedly rejected by the French and Germans, nevertheless, we were willing to join the Intergovernmental Committee in any request it saw fit to make of the International Red Cross. The Intergovernmental Committee had also suggested that the 5,000 American visas originally intended only for children from France, arriving in Switzerland, Spain, or Portugal should be used for those evacuated from Hungary as well as from France. Our reply to the Intergovernmental Committee stated that the Board was in agreement with this suggestion. We are presently completing the necessary arrangements for this so that our consular officers in the aforementioned neutral countries will be appropriately instructed.

#### Evacuation of Refugees from Northern Italy

Following our receipt of information to the effect that Heathcotte-Smith recommended to the Office of the Intergovernmental Committee in London that an approach be made to the Germans to release refugees deported from Italy and deliver them to the Allies, the Board suggested to Ambassador Winant that the matter be discussed with the British Government. We indicated that we did not feel that we should limit ourselves to deportees from Italy and reminded him of this Government's position that it would, in cooperation with other sympathetic governments, find havens of refuge for these victims of Nazi persecution. Ambassador Winant replied that the Intergovernmental Committee suggested the intervention of the Vatican in approaching the German Government concerning non-Italian civilian refugees held in Northern Italy and that the British and American Governments should assure the Vatican that arrangements would be made for the transportation, care and maintenance of the refugees.

The Board in its response to Ambassador Winant informed him that Sir Herbert Emerson's proposal was completely acceptable to our Government and suggested that the latter discuss it with the British Government and secure its consent to requesting the Vatican to intervene. This request is to carry with it the understanding, as suggested by the Intergovernmental Committee, that the British and American Governments will share the responsibility of making arrangements for the transportation, care and maintenance of the refugees involved.

#### Plenary Session of the Intergovernmental Committee

We have received a cable from London quoting a press release to British papers on the coming Plenary Session to be held in London beginning August 15. The program calls for general discussion of a full report to be presented by Sir Herbert Emerson, the Director, on the work of the Committee during the

- 7 -

last year, as follows: (1) Measures relating to the rescue and preservation of threatened persons still within the territory of Germany and her European Allies or territory occupied or controlled by them; (2) Pre-armistice measures relating to persons who may have come out of such areas to neutral or liberated areas; and (3) Post-armistice measures for relief, repatriation, and resettlement of those who cannot be repatriated.

#### RECOGNITION OF LATIN AMERICAN PASSPORTS

In response to Ambassador Norweb's cable suggesting our approach to Switzerland concerning the deportation from Vittel of hundreds of claimants to American and Latin American citizenship, we asked him to send to Minister Harrison and McClelland in Bern the list of people and other documents which he advised he had received from refugees recently repatriated to Great Britain via Portugal. We also advised him that our representative in Bern was in frequent communication with the Swiss on these matters and that several important measures had been taken already with Swiss assistance.

The Board cabled Minister Harrison and McClelland advising them that we had information to the effect that further deportations from Vittel took place on May 16 and requesting that they make appropriate inquiries to determine the facts. We also asked them to make efforts, if the report was found to be true, in the manner previously outlined to them in which we requested that representations in the strongest terms be made on behalf of those to whom documents have been issued in the name of American Republics.

Ambassador Winant cabled on August 2, 1944, advising of his receipt of a detailed report dated July 7 from the Polish Legation at Lisbon concerning the developments in Vittel. This report includes the names of 260 Polish Jews holding Latin-American certificates and indicates in each case whether or not that person has been deported from Vittel. The Office of the Jewish Agency in London has asked Geneva to inquire about the location and condition of the deportees in view of the fact that apparently most of them hold Palestinian certificates also.

The Intergovernmental Committee believes that the only hope for either those deported from Vittel or those still held there is to include them in the actual exchange list for Palestine or the American Hemisphere. The British Government and the Jewish Agency have been consulted and everything is being done to include those possessing Palestine certificates in the next exchange. The Jewish Agency Office in Geneva has

advised the Intergovernmental Committee that the Germans prefer South American exchange to exchange to Palestine. The London Office of the Jewish Agency is asking that the matter be taken up with the Board by its New York Office.

#### EVACUATION OF SPANISH REPUBLICAN REFUGEES TO MEXICO

In response to our cable of June 24, concerning the granting of Mexican visas to certain Spanish Loyalists and other refugees, Dexter advised us that he interviewed the Mexican Minister to Lisbon whom he found to be sympathetic and convinced of the need for prompt action on this matter. However, he learned that there were some differences between the Mexican Minister of Interior and the Mexican Foreign Office. Lists and procedures were being worked out while Mexico was being contacted for further instructions.

Norweb informed the Board that State Department instructions of June 24 for safeguarding the security of Spanish Loyalists seeking visas to Mexico could be carried out. However, the Mexican Minister had to await clarifying information from his Government and realized that it was unwise to grant visas until the Portuguese Government had accepted his credentials. Meanwhile, the preliminary security check of the refugees concerned will be pursued in Portugal.

#### TEMPORARY HAVENS--MEXICO

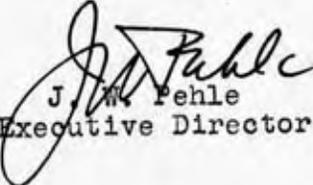
The Board is seeking information through our Embassy in Mexico concerning the text of an alleged proclamation by the President of Mexico to the effect that that country will furnish facilities for admission of refugees from enemy-occupied Europe for the duration of the war.

#### RELIEF FOR FRENCH MAQUIS

McClelland reports that he has been in close contact with the French "Conseil de la Resistance", especially with their "Service Social" section. The "Service Social", which has a very small budget, is burdened with an ever increasing responsibility for assisting families of Maquis, of executed patriots, and of hundreds of thousands of political prisoners in France. McClelland reported that he has made funds available for this work and has paid for a modest cargo of medical supplies for the program. McClelland's action received the strong support of Minister Harrison who has joined McClelland in recommending a continuation of assistance to this group for humanitarian, military and political reasons. Meanwhile, the Board has presented the problem and McClelland's recommendations to French relief groups in this country for their consideration and possible aid.

RELATIONS WITH PRIVATE AGENCIES

Because of the serious overtaxing of government cable facilities at this time, we have advised interested private agencies in this country to transmit as many of their messages as possible through commercial channels, unless there is some compelling reason which requires the use of the Board's facilities, in which case we are perfectly willing to have our facilities used. We also pointed out that in many cases private facilities have yielded quicker results than are obtained through our facilities. Replies have been received from the agencies indicating their understanding of our position and their willingness to cooperate in every way.

  
J. W. Pehle  
Executive Director

EMBASSY OF THE  
UNITED STATES OF AMERICA

NO. 1780

San Jose, Costa Rica,  
August 16, 1944

Subject: Claimants to Costa Rican Nationality  
Removed from the Internment Camp at  
Vittel, France.

SECRET

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

Sir:

With reference to the Department's instruction no. 607 of July 24, 1944, transmitting a list of the claimants to Costa Rican nationality who were removed from the internment camp at Vittel, France, I have the honor to enclose herewith a copy and translation of a note received from Foreign Minister Acosta on the subject.

It will be seen that the Minister for Foreign Affairs reiterates his previous assurance that the Costa Rican Government will consider as valid documentation held by such persons which was issued in the name of Costa Rica. Moreover, he requests the United States Government to ask the Swiss Government to address a protest to Germany along the lines recommended in the enclosure to the Department's instruction under reference. It will also be noted that he indicates a desire to obtain the exchange of certain nationals in whom the Costa Rican Government is particularly interested.

Respectfully yours,

Fay Allen Das Partes

Enclosures:

Copy and translation of  
Foreign Minister's Note  
1836-B of August 11, 1944.

310  
LDW-mm

Enclosure 2 to despatch no. 1760  
of August 16, 1944, from Embassy,  
San Jose, Costa Rica.

( Translation )

REPUBLIC OF COSTA RICA  
MINISTRY OF FOREIGN RELATIONS

No. 1836-B

San Jose, August 11, 1944.

Mr. Ambassador:

I have the honor to acknowledge the receipt of Your Excellency's courteous note No. 312 of July 31 last, in which you were pleased to communicate to me that various persons claiming Costa Rican nationality, named as follows: Liebtmann, Vetsstein, Keschandler, Mandelbaum and Lindenbaum, have been removed from the internment camp of Vitrol, France. By the German authorities to unknown places; and with respect to this information, the Embassy outlines the measures taken with regard to persons in analogous circumstances as a result of presenting documents of identification which the German officials accepted and designate as of unlawful origin.

Certainly the Government of Costa Rica has confirmed, in the notes cited by Your Excellency, that it will consider effective and valid all the documents which numerous European individuals have submitted in order to obtain the protection of our flag, since it has no notice that these documents have been denounced as invalid, nor has it received authentic proof of such invalidity, and while such denunciations and proofs are not produced and qualified by the national authorities, the passports and documents emanating from the officials must be considered valid and sufficient for the purposes for which issued. Consequently my Government demands for holders of passports and documents of identification issued by its authorities all the protection conferred upon citizens of a belligerent nation by the well-known rules of international law, and particularly the Convention of Geneva, with respect to Prisoners of War.

My Government cannot admit that the Government of Germany may assume the qualification of such documents and pass upon HE IS whether or not its passports obtained them legitimately or illegitimately, in order to attribute or deny to them, as the case may be, Costa Rican nationality and the corresponding humanitarian treatment. To recognize this prerogative would be to leave (our) nationals exposed to the erratic and arbitrary actions of the agents of the States which held them as prisoners or internees, on the pretext that the documentation submitted does not merit credence as establishing the nationality which they claim. And this is impossible.

My Government begs Your Excellency to be so good as to entrust Switzerland, which represents its interests in Germany and the territories occupied by German forces, to bring to the attention of the German Government its most energetic protest against the conduct displayed in this regard by the German officials; against the qualification of the Costa Rican documents of identification in the possession of numerous civilian prisoners and internees; against the transfer of the same without previous notice to unknown places, in such a manner that neither the Protective Government nor the Committee of the International Red Cross can watch over the treatment which is meted out to them; against the inhuman manner in which they (these prisoners) have been treated, in violation of (the next) elementary considerations of mercy and the stipulations of agreements solemnly subscribed to by Germany. For example, this Ministry has private information that in the case of Dr. don Jorge Gardore Ariles the prisoner was subjected to hard labor and violent treatment, although the Government of Switzerland and the Committee of the International Red Cross have not been able to give information either as to the exact place in which he was or concerning his health or other living conditions, in answer to the insistent entreaties for such data by my Government.

By the same method, my Government demands from the German Government that it give news of each of the persons under reference, concerning his whereabouts and state of health, as well as with regard to all others who, without having been designated by name or surname in any note, have demanded that they be considered as Costa Ricans on the strength of documents issued by Costa Rican officials and subsequently have been removed from the location in which they were, to be conducted to unknown places. It is further demanded that they be returned to their families or to the former civilian concentration camps in order to accord them the established protection or to include them in the exchanges (of prisoners) agreed upon for their repatriation.

In declaring its protest against the irregular procedure of the German Government, as inhuman and violating the accepted rules of Civilized Peoples, and in formulating the demands exposed, my Government calls attention to its (own) strict compliance with such rules at all times with respect to its prisoners and detained civilians who are subjects of Germany. This attitude has been recognized without reserve by the Delegate of the Committee of the International Red Cross and the interested parties themselves.

The Government of Costa Rica trusts that the Government of Germany will concede the justice of its protests and demands and will accord to the documents issued by its officials the full value inherent in them, just as was accorded in Costa Rica to the documents drawn up by the German authorities; and that, consequently, the German Government in future will abstain from denying their validity or otherwise subject them to discussion, for this matter is the exclusive concern of (our) national agents; and it hopes, in the same way, that it will proceed to return to their families and to the civilian concentration camps in which they formerly were kept the prisoners which it has sent to unknown places. It particularly invokes now the fulfillment for the exchange of military prisoners and civilian internees which

- 3 -

was approved with respect to the following Costa Ricans: Jorge Gaudere Affas and family; Carlos Gamboa Rodriguez; Rodrigo Gomez Cordero; Roxana and Asyadee Tinece Lara; Antonia Jimenez Bannofil de Charbonell and her daughter; Carlos Collado Martinez; and Alberto Gutierrez Benavides, the last two in Italy and the others in France and Belgium.

Thanking Your Excellency in anticipation of the attention which he will be pleased to give to the present communication, pray accept the testimony of my highest and most distinguished consideration.

(signed) JULIO ACOSTA

MM-mm

GEX-30

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

Cairo

Undated

Rec'd August 16, 1944

11:00 a.m.

Secretary of State,

Washington.

GREEK

252

I am advised that the British Embassy recently addressed a note to the Greek Prime Minister in which after referring to former Prime Minister Tsouderos' endorsement of the United Nations declaration of December 1944 with regard to the return of refugees (Reference Embassy's LGreek 152, December 30, 7 p.m.) authorization in principle was sought for the reentry into Greece immediately following liberation (i.e. upon entry of AML) of all British nationals formerly domiciled in Greece who have signified to the British Embassy a desire to return to Greece and of whom a list is to be submitted to the Greek Government in due course. The British Embassy states this list will include representatives of all British business, philanthropic and similar interests towards Greece which are being canvassed by various British Government departments.

(Repeated to Murphy as No. 9).

Mr. Papandreu is said to have replied confirming Tsouderos' declaration, assuring Embassy that British nationals would be among first refugees permitted to return to Greece and adding hope that list when presented would not contain names of undesirables.

I suggest that the Department may wish to consider urgently some similar approach to Greek Government and compilation of corresponding American list.

SHANTZ

WSB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London  
TO: Secretary of State, Washington  
DATE: August 16, 1944  
NUMBER: 6601

SECRET

Reference is made herewith to the July 14 cable No. 5529 from the Department.

Foreign Offices reply to note from Embassy conveying WRB's objections to alleged contradictions in British policy with respect to escape of refugees from the Balkans to Italy, is being forwarded via airmail by the Embassy.

Fact that refugees must not be discouraged from escaping to Italy is reiterated by Foreign Office and it regrets that intention of conditions under which Ackermann was appointed to Italy should have been misconstrued by the War Refugee Board.

However, the Foreign Office is in agreement with military authorities that influx of refugees into Italy should not increase to an extent that additional burden would be placed on military in respect of operation of camps for refugees in North Africa and the Middle East, not to overtax supply and transport in Italy. Attention is called to fact that Combined Chiefs of Staff had already been informed by Supreme Allied Commander Mediterranean that unless adequate assistance from UNRRA were forthcoming there could be no expansion of existing facilities.

In addition Foreign Office explains that there was no intention of subordinating Ackermann to Sub Commission Displaced Persons or to restrict his activities to investigation only, and that in this connection conditions mentioned were rather to ensure that before he might undertake any negotiations with enemy aliens he would consult other organizations concerned and to ensure his cooperation with other bodies dealing with refugees.

WINANT

DCR:EBH

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London  
TO: Secretary of State, Washington  
DATED: August 16, 1944  
NUMBER: 6606

## CONFIDENTIAL

Answering certain remarks of Czechoslovak and Polish delegates at a plenary session of IGC August 15, the director requested the press not to report him. It had been suggested by the Polish delegate that the IGC extend assistance to persecuted people in countries of persecution prior to their escape to countries of safety and the failure of attempt to rescue inmates of the Vittel camp holding Latin American passports was deplored by both delegates.

It was emphatically asserted by the director that aid was being given to persons in countries of persecution but that he could not discuss the point more fully because of the clandestine means. Concerning the Vittel question he said that Latin American Governments were requested to condone irregular issuance of passports to refugees and to make representations to the German Government on their behalf, that practically all had done so but without success. He pointed out however, that some persons holding such passports had been exchanged for detained Germans and that efforts to enlarge this means of rescue were being made.

WINANT

DCR:VAG

8/19/44

MAE-221

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (SECRET -  $\phi$ )

London

49

Dated August 16, 1944

Rec'd 9:56 p.m.

Secretary of State,  
Washington.

US URGENT  
6608, August 16, 8 p.m.

FOR WAR REFUGEE BOARD FROM DUBOIS

SECTION ONE: The exact text of a joint declaration which has been agreed upon by the British Government is contained in message No. 6609 immediately following this message. (Refer your 6408 of August 12 relating to the offer concerning emigration and treatment of Jews communicated by Hungarian Government to the United States and British Governments.) This joint statement has been agreed upon here and will be released over the BBC on midnight Thursday, August 17.

SECTION TWO: This declaration was agreed upon after consultation between Ambassador Winant and Foreign Minister Eden and after considerable discussion with the Foreign Office. It has been approved by the British War Cabinet.

SECTION THREE: The following change was made in the joint declaration suggested in your 6408. The words "have accepted the offer of the Hungarian Government to the release of Jews and will make arrangements for the care of such Jews" was substituted for the words "will make arrangements for the care of all Jews". The purpose of this substitution was to meet the British objection to stating that the two Governments were prepared to receive all Jews as distinguished from the Jews referred to in the Hungarian offer. It is our feeling that the language which we have agreed upon as a substitute, while meeting the British objection, at the same time both to the world and to the Hungarian Government will be substantially as effective as the language suggested in your 6408. This is particularly true with respect to its effect on the Hungarian Government in light of the fact that the message which has already been delivered to Intercross by the United States Government is worded in terms of receiving all Jews. If it is felt that in light of the fact that the note which the United States Government delivered to Intercross contained the words "all Jews" these words should therefore be included in any public announcement made by the United States Government. This point could be taken care of by the United States Government at the same time that it releases the text of the joint declaration releasing the text of the note which the United States Government delivered to Intercross.

-2- #6608, August 16, 8 p.m. from London.

SECTION FOUR: Further details concerning the discussions with the British will be furnished to you by Dubois upon his return to Washington.

SECTION FIVE: The British Government will convey the text of this joint declaration to Intercross and also convey the text to Portugal, Spain, Sweden, Switzerland and Turkey.

SECTION SIX: Please acknowledge at once the receipt of this message and the immediately following message.

WINANT

WMB NPL

GEK-106

PLAIN  
London  
Dated August 16, 1944  
Rec'd 2:45 p.m.

Secretary of State,  
Washington.

US URGENT

6609, Sixteenth.

CONFIDENTIAL FOR THE WAR REFUGEE BOARD FROM  
DUBOIS.

The following is the exact text of the joint  
declaration agreed upon by the British Government:

Intercross has communicated to the Governments of the United Kingdom and the United States an offer of the Hungarian Government regarding the emigration and treatment of Jews. Because of the desperate plight of the Jews in Hungary and the overwhelming humanitarian considerations involved the two governments are informing the Government of Hungary through Intercross that, despite the heavy difficulties and responsibilities involved, they have accepted the offer of the Hungarian Government for the release of Jews and will make arrangements for the care of such Jews leaving Hungary who reach neutral or United Nations territory, and also that they will find temporary havens of refuge where such people may live in safety. Notification of these assurances is being given to the governments of neutral countries who are being requested to permit the entry of Jews who reach their frontiers from Hungary. The Governments of the United Kingdom and the United States emphasize that, in accepting the offer which has been made, they do not in any way condone the action of the Hungarian Government in forcing the emigration of Jews as an alternative to persecution and death.

WINANT

EMB

KEM-191

PLAIN

London

Dated August 16, 1944

Rec'd 9:08 p.m.

Secretary of State,  
Washington.

6612, Sixteenth.

Fourth Plenary Session Inter-Governmental Committee on Refugees met 11 a.m. yesterday. Delegates of 36 countries were present as well as representatives of War Refugee Board, Intercross, UNRRA, SHAEF and ILO. Also large attendance as observers of representatives of private and voluntary organizations, Jewish agencies, et cetera. Press and public were present on invitation and today's papers give extensive coverage of first day's proceedings. All important press reports will be airmailed later. Session was opened by Lord Winterton, Chairman of Executive Committee, and proceeded immediately to election of Sub-Committee on Nominations consisting of representatives of Great Britain, Russia, South Africa, Belgium, Greece, Chile, Egypt, Colombia and India. This Sub-Committee appointed British representative as its chairman and quickly reported following nominations: for Chairman of Plenary Session Australian delegate; for Vice-Chairman French delegate; for Deputy Vice-Chairman delegate of Luxembourg. These nominations unanimously approved by Committee. Chairman is Bruce, Australian High Commissioner in London; Vice-Chairman de Jean, French delegate to Allied Governments in London.

Chairman then suggested and Committee unanimously approved election of Sub-Committee to examine draft rules and regulations and to report its recommendations to Plenary Committee: representatives of United State, France, Argentina, New Zealand, Eire, Sweden, Venezuela, Norway and Poland.

Sir Herbert Emerson, Director of Committee, then rendered his report which was largely an explanatory comment on his written report previously circulated to member governments (enclosed with despatch No. 17213 August 1). He touched on relations with UNRRA and pointed out that IGC's functions will include relocation of displaced persons long after UNRRA may have ceased to said IGC hoped to place in necessary countries its own representatives who will be nationals of the country in which stationed and whose functions will include general liaison work between IGC and government of country to which assigned. With regard to problem of Hungarian Jews, he regretted being unable to report on present situation in detail but said Horthy offer was being actively pursued and that he had high hope that IGC would be able to render valuable help in this connection.

Chairman then invited delegates to express opinions. Delegate of India, acting under instructions of Indian Government, proposed that mandate of IGC be extended to cover persons in Japanese occupied areas and refugees from Japanese oppression. Mexican delegate pointed out that 14 of 36 member

-2-86612, August 16, from London.

countries spoke Spanish and proposed that for the sake of uniformity, particularly with respect to publicity, Committee should issue official Spanish version of reports and other important material. Also remarked that he wished to see more help extended to Spanish Republican refugees and likewise urged acceptance of Horthy offer. Finally recommended close contact between IGC and free movements in occupied countries since latter had means and channels to assist escape of oppressed persons.

Egyptian delegate recommended urging individual governments to commit themselves to receive back refugees of their nationality and to guarantee them full civil rights. Polish delegate urged that IGC extend assistance to persecuted people in countries of persecution before their escape to countries of safety. Also deplored failure to attempt to rescue inmates of Vittel camp holding Latin America passports. Delegates of Czechoslovakia supported remarks of Polish delegate on Vittel question.

Replying to these remarks Director stated in substance (1) IGC is responsible for assisting refugees from Europe now in India and will assist them. But problem of statelessness has not arisen in Orient and function of assisting persons within Japanese occupied territory is one of relief rather than relocation and thus belongs more properly to UNRRA than to IGC particularly since UNRRA has Far Eastern division. (2) Executive Committee will consider proposal for official Spanish translations. IGC is, in fact, assisting Spanish Republican refugees to extent of its ability. (3) IGC strongly agrees that it should do all it can to urge responsible governments to bring about conditions within their territories which would enable refugees of their ~~nations~~ enjoy full civil rights therein. (4) His reply to remarks of Polish and Czechoslovak delegates will be covered in separate telegram.

Delegate of Dominican Republic requested Director to inform meeting of refugee work done by Dominican Government. Director briefly pointed out that Dominican Republic was one of first and most liberal in response to appeals to assist refugees but added that lack of time did not permit him to go into detail.

Plenary Session then adjourned until morning of August 17.

Sub-Committee on Rules met afternoon August 15 and unanimously adopted draft and finance regulations with only a few minor textual changes in interests of clarity. Also unanimously agreed that furnishing of Spanish version of reports should be handled as executive matter between Executive Committee and any interested member government; Director undertook to see that official Spanish version would be made of any material specially requested by any member.

Sub-Committee on Rules then adjourned after appointing its Chairman, Polish Ambassador, to draw up report of its recommendations for submission to Plenary Session. Delegates and their associates were entertained by IGC at reception yesterday evening and will attend luncheon today given by British Foreign Minister.

PLEASE INFORM WAR REFUGEE BOARD.

WINANT

Part-au-Prinse, Haiti, August 16, 1944

SECRET  
NO. 159

Subject: Transmittng Text of Instructions Issued  
by Haitian Government to Legation in Bern  
in regard to Persons Naturalized Abroad.

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

Sir:

I have the honor to invite the Department's attention to my telegram No. 2773 of August 16, 3:00 p.m., sent in response to the Department's telegram No. 319 of August 10, 7:00 p.m., 1944, on the subject of instructions to be issued by the Haitian Government to its Legation in Bern, in regard (1) to persons naturalized abroad under the Haitian Law of May 29, 1900, who were unable to comply with the Decree-Law of February 4, 1942, requiring these persons to return to Haiti before August 5th of that year, and (2) to state that the Haitian Government does not question the validity of documents issued in its name to persons subject to enemy persecution until such persons reach places of safety.

As I reported in my despatch No. 133 of August 2, 1944, the Haitian Government on July 29th issued statements supporting the Department's request. The substance of these statements was forwarded to the Haitian Legation at Bern on July 31st with directions to inform the Swiss Federal authorities. The text of the telegram sent by the Haitian Foreign Office. A copy and translation of this message are enclosed herewith.

In response to my inquiry as to whether the Council of Ministers had approved these two statements, the Minister for Foreign Affairs informed me orally that this had not been done, as President Lescot himself had given the necessary directions, indicating thereby that his authority was sufficient. I have no reason to doubt the accuracy of this information and suggest that it be so accepted by the Department.

Respectfully yours,

Orso Wilson

Enclosures:  
1/ Copy of telegram sent by  
Haitian Government to  
Legation in Bern,  
July 31, 1944.  
2/ Translation of No. 1 supra  
File: 721 Office  
To the Department in original and hectograph.

1/ 2/

Enclosure No. 2 to Despatch No. 159 of August 16, 1944, from  
The Embassy at Port-au-Prince.

TRANSLATION

HAITIAN LEGATION BERLIN

Please request the Swiss Federal Government to  
present to the German Government the following dec-  
larations of the Haitian Government:

"Inasmuch as a certain number of indivi-  
duals of the Jewish race naturalized as  
Haitians abroad in pursuance of the Decree-  
Law of May 29, 1939, were living in 'terra-  
fortes' controlled by Germany and Italy/  
that they have been detained there tem-  
porarily for reasons of force majeure  
since the declaration of war by the Repub-  
lic of Haiti until this date, the Haitian  
Government declares: that the persons in  
the above-mentioned category have been un-  
able to comply with the Decree-Law of Feb-  
ruary 4, 1942, enjoining, under penalty of  
the loss of Haitian nationality, all those  
who had acquired Haitian naturalization  
abroad to return to Haiti before August 5,  
1942. Consequently, it is hereby made  
known to whom it may concern that the said  
persons are not affected by the Decree-Law  
of February 4, 1942".

I also ask you not to question at present the va-  
lidity of Haitian passports held by persons who are  
now in occupied territories and who could be the ob-  
ject of persecution by the enemy until such persons  
arrive in a place of safety and to inform the Fed-  
eral Department of the instructions received by you  
in this connection.

GISELARD LESCOT

OM: mak

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Port au Prince  
TO: Secretary of State, Washington.  
DATED: August 16, 1944  
NUMBER: 273

## CONFIDENTIAL

The instructions mentioned in Department's cable of August 10, no. 319, were transmitted by the Haitian Government on July 31 to Bern. We are forwarding text by airmail. It is stated by the Foreign Office that this action was taken with the President's approval of the Council of Ministers was not secured. I have no reason to doubt that sufficient authority is constituted therein.

WILSON

CH  
Distribution of  
true reading only by  
special arrangement.

(SECRET W)

SECRET "W"

August 16, 1944  
5 p.m.

AMPOLAD,

CASERTA (ITALY).

39

The following for Ackermann is WRB 44.

McClelland, the War Refugee Board representative in Bern, suggests that plans for the assistance of refugees in German-occupied Italy would be facilitated if the Board were to express to appropriate Italian officials in Rome its approval of and interest in any rescue operations on behalf of Jewish refugees in German-occupied Italy which might be undertaken by the Italian resistance movement insofar as such operations are consistent with the satisfactory carrying out of the regular military program.

If there is no objection from competent Allied military authorities, please take this matter up with the appropriate Italian officials in Rome, and report to the Board the action taken.

HULL  
(GLW)

WRB:MMV:KG  
8/16/44

SE

WE

S/CR

CABLE FROM WAR REFUGEE BOARD TO ACKERMANN, AMERICAN CONSULATE GENERAL,  
NAPLES, ITALY.

McClelland, the War Refugee Board representative in Bern, suggests that plans for the assistance of refugees in German-occupied Italy would be facilitated if the Board were to express to appropriate Italian officials in Rome its approval of and interest in any rescue operations on behalf of Jewish refugees in German-occupied Italy which might be undertaken by the Italian resistance movement insofar as such operations are consistent with the satisfactory carrying out of the regular military program.

If there is no objection from competent Allied military authorities, please take this matter up with the appropriate Italian officials in Rome; and report to the Board the action taken.

THIS IS WRB CABLE NO. 44

10:00 a.m.  
August 16, 1944

MJMarks:JQPehle:dg 8/15/44

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Delegation, Rome  
TO: The Secretary of State, Washington  
DATE: August 16, 1944  
NUMBER: 194

## CONFIDENTIAL

Reference is made herewith to the Department's August 4 cable No. 36.

Given below is the substance of Sforza's reply to Mertenke of the Emergency Committee to Save Europe's Jewish People:

It pleases me to know that the contribution which I made to the first conference to save Jews is not forgotten. This time I am happy to send facts to you instead of plans and wishes. Here are the facts: Not only has my friend, Prime Minister Bonomi, abolished all of the anti-Jewish laws but in addition together we have warmly recommended to all Italians that they show their Jewish compatriots how hateful and despicable they consider discriminations of religious and racial nature to be.

KIRK

DCR:EBH 8/19/44

NY-313

PLAIN

Casablanca

Dated August 16, 1944

Rec'd 8:20 a.m., 17th

Secretary of State

Washington

228, Sixteenth

CROWLEY AND LEHMAN FROM UMTRA

Number 7.

150 additional refugees arrived today.

RUSSELL

CSB

CABLE TO THE AMERICAN CONSULATE GENERAL, JERUSALEM, FROM WAR REFUGEE  
BOARD

Please deliver the following message to Heshel Frunkin--  
Goldie Myerson, 115 Allenby, Tel-Aviv, Palestine, from Israel Mereminski:

"Confidential yours July 29 discussed fully WRB who submitting  
first part your important war information competent authorities.  
Suggest your and negotiate directly appropriate Polish groups  
simultaneously destruction gaschambers, crematories, etc.  
Cable details amount necessary and manner transmission rescue thou-  
sands mentioned LVOV letter. WRB dealing energetically four Redcross  
points. No indications here that Hungarian deportation not stopped.  
WRB doing everything possible deal with Hungarian situation includ-  
ing question children. American Jewish organizations constantly  
activizing Hungarian Jews here lines similar your suggestions STOP  
Contacting various organizations concerning Polish Government broad-  
casts from here appealing Poles save Jews last amoment and provide  
Polish Embassy here with lists Poles active rescue work demanded  
by American public opinion Stop Believe it will work. All concerned  
interested you provide me immediately information plans detailed  
suggestions for immediately increasing number small boats possible  
mobilize Palestine neighboring countries islands etc. All ready  
help this most vital urgent problem cable same way without delay."

10:00 a.m.  
August 16, 1944

FHodel:jth 8/14/44

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Consulate General, Jerusalem  
TO: Secretary of State, Washington  
DATE: August 16, 1944  
NUMBER: 115

## SECRET

The message given below is for WRB for the attention of Leon Kubowitzki, World Jewish Congress, from Mrs. Gertrude Van Tyn:

This is to advise you that by the end of August all the information which I have will be in the hands of the joint distribution committee in New York. I suggest that JDC be consulted concerning all these questions in light of the great care that must be taken as to how such information is used. The wrong kind of publicity might have very serious consequences for Jews who are still in Belsenberg.

The foregoing refers to the August 2 cable No. 132 from the Department.

PINKERTON

DCR:EBH 8/19/44

NO. 1327

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

RESTRICTED

AMERICAN CONSULATE GENERAL  
Jerusalem, Palestine,  
August 16, 1944.

SUBJECT: Information Regarding Belsen-Bergen  
Concentration Camp.

THE HONORABLE

THE SECRETARY OF STATE,  
WASHINGTON.

SIR:

I have the honor to refer to the Department's telegram No. 132 of August 2, 7 P.M., quoting a message from Mr. Leon KUBOWITZKI of the World Jewish Congress through the War Refugee Board for Mrs. Gertrude van TYN and Mr. Jacob van BLITZ asking for details of Belsen-Bergen Camp. My telegram No. 113 of August 14, 6 P.M. gave Mr. van Blits' reply. Mrs. van Tyn gave her information to Mr. Harry VITLES who is proceeding to the United States on business for the American Jewish Joint Distribution Committee of New York. She asked me to telegraph suggesting that Mr. Kubowitzki should consult the Joint Distribution Committee for information on his questions because of the great care that has to be taken in use of such material. This was done in my telegram No. 115 of August 16, 3 P.M.

I have now received from Mr. Vitles a copy of Mrs. van Tyn's report and, as it may be of interest to the Department and to the War Refugee Board, a copy is enclosed.

Respectfully yours,

L.C. Pinkerton,  
American Consul General.

Enclosure:  
Copy of Report.

File No. 848  
LCP/2 ch

Enclosure to Despatch No. 1327, dated August 16, 1944, from the American Consulate General, Jerusalem, Palestine, on the subject: "Information Regarding DeJesse-Bergen Concentration Camp."

-----  
COPY

Information regarding Bergen-Belsen on June 28, 1944.

In Bergen-Belsen were three Jewish camps: the so-called "Albala-Lager" where I had been interned, the "Schneebusch-Lager", and the Barack 10 complex. (The camp;) Barack 10 was not always in use; it often served as quarantine, and I was there first for 4 weeks after our arrival and then again for about 5 weeks when the Palestine candidates were segregated from the others; when we left there were about 300 to 400 Jews in Barack 10, but I have no reliable information about them. In the Schneebusch-Lager were about 1000 Jews, mostly Poles with either South-American passports, and possibly and/or Palestine papers. This information is not reliable. At the above date there were certainly about 250 Jews who had arrived from Yugoslavia and who held other papers; they were in a very bad condition. All the data given below refer to the "Albala-Camp" only.

Inmates with Dutch nationality.....	1360
Stateloss.....	1320
Doble nationality (Dutch/English).....	600
Paraguay.....	180
English.....	270
Yankee.....	150
Honduras.....	80
Britt. San Salvador, Peru, etc.....	50

4030

plus 70 Greeks

About 1300 of these held Palestine Papers; there was a small group whose Arian descent had not been definitely established, a group who held the so-called 120,000 stamp (either bought or given because of good international relations) people connected with the diamond industry (about 170 incl. women and children). The 270 "English" were Jews from North-Africa, who had been interned in Italy and who had now been evacuated to B. B.; all those are, of course, included in the above nationality-statistics, and are not additional.

The lists asked for cannot be given; I could, of course, name a number of people who died in B.B. but the information would be incomplete, and would serve

no useful purpose; the mortality particularly amongst old people was high.

The food was not badly cooked, although very monotonous. From January till about the end of April the war meal consisted every day of "Kohlruoben-soup". After that it was about twice weekly spinach-soup; sometimes thick gruel; sometimes other vegetable-soup, always with very little or no meat. Practically no fat.

The rations were daily:

350 gramme bread of doubtful quality  
 1½ liter soup midday meal daily (in reality one got about 1 1/10th)  
 weekly 60 gramme margarine; about twice a week at night thin gruel soup; a soup-spoonful of jam, quark or herring-salade on the days when there was no soup in the evening.

There was a deficiency of about 1000 calories daily; this was particularly serious because of the long working days and the very heavy work which particularly the younger men had to perform. (About 1000 people worked in the "shoes" men and women; i.e. they had to turn old shoes into their original leather or textile substance; but the men had also to load and unload the incoming freightcars with these shoes; there was a great deal of brutality; but although beatings were the rule of the day there was - with one single exception - no ill-treatment which resulted in injury. About another 1000 people worked in the textile-industry the rest had so-called "Aussen-Kommandos" in or around the camp; this was often very heavy work; felling of trees; cleaning of latrines; cleaning of the camp generally etc. etc. The sanitary situation was bad; the latrines used by the "shoe" and textile-workers indescribable as to design and condition. Dysentery was rampant. The hospital-arrangements were very poor; there were practically no drugs or medicines left, and only in very few cases did the Germans supply such things as dogman for serious cases of pneumonia etc. etc. For some months there were private stores available, but these had been exhausted. As drugs etc. were confiscated from private parcels there is no means of helping unless the Red Cross would get permission to supply the most necessary drugs. So far neither delegates from the International or the German Red Cross had been visiting the

camp. No collective food or other parcels can be received; only a reasonably quantity of individually addressed small parcels, sent as ordinary parcel (neither registered nor express nor with enclosed receipt-form) will probably be delivered. I personally used to receive such a parcel from Amsterdam regularly once a week; but as the Germans neither have (nor are probably willing to create) facilities for handling a large number of parcels there is a danger that the receiving of parcels may be altogether suspended if too many are sent simultaneously. (A parcel should contain margarine, cheese, hard biscuits, chocolate, quaker oats, vitaminin in tablet form and cigarettes). The latter can be exchanged against bread and every conceivable article. Also milk-powder, and tin of sardines.)

Correct address: Aufenthaltslager Bergen-Belsen near Celle (Hanover)

There was an old-age home for people above 65 who did not need to work, and also an invalid home where people who had been seriously ill or who were permanently disabled stayed without working. Admission to hospital, invalid or old-age home was difficult, and often people with high temperatures had to work.

As far as I knew no deportations to Poland took place from Bergen-Belsen; small groups of Jews (f.i. suddenly a group of about 20 Hungarian Jews) were sometimes sent away with unknown destination, possibly Poland. Groups of Jews holding Spanish, English, Turkish papers etc. had been sent away, it was believed either repatriated or to Vitelles or Laufon (both Internierungslager under Red Cross auspices). About 350 Jews who had been sent to B.B. from Westerbek (instead of to their destination Theresienstadt) in September 43 were eventually sent to Theresienstadt from B.B. beginning of February 1944; news from some of them had been received to the effect that they had arrived there. (This included old Prof. Magnus, Dr. Flatau and his wife). Our first exchange transport consisted 221 Jews from B.B. (99 Dutch, 77 stateless formerly Germans, 45 sundry nationalities); to these were added 60 Jews from Vitelles.

-4-

Sundry Information. In Westerbek were at the beginning of June 1944 still about 2000 people, i.e. 700 "Barneveld" (a group privileged by Dutch authorities) about 350 baptized Jews (non Catholics) and about 1000 with special privileges, either resulting from their work for Westerbek or special so-called "emigration-groups". There may have been as many as 2500 altogether they were supposed to eventually go to Theresienstad; I do not know whether or not W'berk has since been liquidated.

From the 2500 holder of Palestine Certificates on March 15th 1944 550 were then in Bergen-Belsen; 710 had been sent to Poland most prior to their receiving certificates; 675 were in hiding, and the rest belonged to "Barneveld" or was otherwise still in W'berk or Amsterdam. (Since then more are in B.B. and less in W'berk)

(sgd) Gertrude van Tyn

Haifa - August 12, 1944.

Information about Dutch Jews

There were 140,000 Jews in Holland at the beginning of the war. (Incl. 25,000 non-Dutch Jews).

Departed to Poland (including all orphanages, old-age homes, hospitals, lunatic-asylum

Apeldoorn, and all Jews from the Vught-camp excepting a few working in Vught for Philips).....

Bergen-Delesem.....	110,000
Vesterboek.....	4,000
Thersteinstad.....	2,500
In hiding (estimated)..... (between 15-17000).....	2,000
Married to Christians etc. (estimated) deceased.....	15,000
	<u>6,500</u>
	140,000

(The number of Jews who are free in Amsterdam-there are none in the Provinces-is negligible)

The 'star' of which I enclose one, had to be worn as from May 1942; the deportations started July 15th, 1942. Up to November 31st 1942 40,000 Jews had been departed.

VIERHOEK: On March 20th 1941 210 pupils (boys and girls with the Jewish manager) were brought to Amsterdam; about 60 pupils and 10 people from the staff were allowed to remain in order to finish the harvesting of that year's crops; they were allowed to remain until August 1st 1941 when the Vorkdery was finally liquidated.

- About 60 of the pupils were sent to Vauthassam;
- " 100 were departed to Poland
- " 50 are still in Vesterboek and
- Bergen-Delesem
- " 60 are in hiding.

The Dutch authorities paid an indemnity for the property they took over; (although it were the Germans who ordered the liquidation); this money was used to

-5-

keep two "Homes" in Amsterdam for the remaining pupils until they too were finally dispersed in the great razzias on May 26th and June 30th 1943. The equipment of the carpentershop and the smithy and metalshop was used in Jewish training schools in Amsterdam, and finally brought to Westerbork.

VIENNA.

The following data were given to me in Vienna on my way through to Constantinople by the assistance of Dr. Leewehers who could not come personally.

date July 1st 1944: VIENNA

Free Jews.....	180
In hiding.....	2000
"Versippte" (inter-marriage etc.).....	608000
Sent to Theresienstad	
1500 (of whom.....	3800 still there)
Sent to Poland.....	4800

The rest (there were in 1938 210,000) emigrated, or died.

9000 Hungarian Jews had come through Vienna on their way to Poland; 41000 were still expected. (We saw two transport of 1000 each, one in Vienna and on the way in Hungary) 310,000 Jews in Budapest had not yet been interfered with.

(sgd) Gertrude van Tyn

Haifa - August 13, 1944.

CABLE TO NORWEB, LISBON, FOR DEXTER FROM WAR REFUGEE BOARD

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

"Remitted \$25,000 Saly Mayer for Shanghai."

THIS IS WRB CABLE TO LISBON NO. 77

4:30 p.m.  
August 16, 1944

FHodel:jth

8/16/44

AIRGRAMCONFIDENTIALFROM: American Embassy,  
Madrid, Spain

DATE: August 16, 1944

RECD: August 29, 1944

Secretary of State,

Washington, D. C.

A-387, August 16, 1944, 4 p.m.

A group of 410 French refugees departed from Spain for North Africa via Gibraltar on August 14, bringing to approximately 2,400 the total number of such refugees evacuated from Spain since beginning of year. It is estimated that not more than 200 French refugees remain in Spain as of this date.

BUTTENWORTH

Copies to Algiers.

NWB/jk

File No. 905

Miss Chauncey (for the Sec'y), Abrahamson, Akzin, Cohn, DuBois, Drury, Friedman, Gaston, Hodel, Laughlin, Lesser, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Weinstein, Cable Control Files

AIRGRAMCONFIDENTIALFROM: American Embassy,  
Madrid, Spain.

Date: August 16, 1944.

Rec'd: August 29, 3 p.m.

Secretary of State,  
Washington, D. C.

A-388, August 16, 1944, 4 p.m.

Reference Department's telegram 2185, August 5,  
5 p.m. from War Refugee Board.

Total port charges incurred in connection with  
embarkation of stateless refugees at Cadix on June 21  
amounted to only 4,075.70 pesetas, which amount USCC  
has been requested to pay to consignee. No other  
funds have been advanced from original 100,000 pesetas  
authorized in the Department's telegram 1652 (USCCO  
1941), June 7, 1 p. m.

BUTTSWORTH

Copy for Algiers for Saxon

Copy for USCC, Madrid.

NWB/jk

CABLE FROM WAR REFUGEE BOARD TO MINISTER JOHNSON, STOCKHOLM, SWEDEN.

Please refer to your 2688 of July 20 concerning BARDALAND claim.

The executive Director, War Refugee Board, has discussed this matter with Swedish Minister here who is communicating with Swedish Government for more information. Will advise you of developments.

THIS IS WRB CABLE TO STOCKHOLM No. 74

9:00 a.m.  
August 16, 1944

JWPehle:dg 8/15/44

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

August 16, 1944

4 p.m.

AMLEGATION?  
TOA

Stockholm

1633

The cable below is WRB 74.

Please refer to your 2688 of July 20 concerning  
BARDALAND claim.

The executive Director, War Refugee Board, has  
discussed this matter with Swedish Minister here who  
is communicating with Swedish Government for more  
information. Will advise you of developments.

HULL  
(GLW)

WRB:MMV:KG  
8/16/44

SzCR

NOE

CABLE TO MINISTER JOHNSON AND OLSEN, STOCKHOLM, SWEDEN

Please transmit the following message to Wilhelm Wolbe, 11 Olefagotten, Stockholm, Sweden,

QUOTE Reported 7000 Lithuanian Jews evacuated from Kaunas to East Prussian border for slave labor fearful extermination will follow. We ready meet every obligation effect their rescue. Please utilize every appropriate method available save maximum possible number.

Group of 1200 including Rabbis religious leaders evacuated from Hungary through Slovakia now reported in concentration camp at Belsen Bergen near Hanover. Danger imminent deportation to death camps. Doing everything to effect their rescue. Vital you immediately (1) request Swedish government to grant Swedish passports or visas to save this group or (2) intervene Swedish Government and King direct immediate appeal to Admiral Horthy to demand repatriation of these 1200. If repatriation is granted, request that their transportation to Hungary be accomplished in conditions insuring survival and that on their trip they be accompanied by representative of Intercross, Swedish Redcross or Hungarian Redcross to insure such conditions. Also that upon return to Hungary, they be treated under terms of relaxed regime pending emigration. Enlist cooperation of Olsen and Rabbi Ehrenpreis. The lives of this group dependent on your action. Vaad Hahatzala Emergency Committee. UNQUOTE

THE FOLLOWING FROM WRB FOR OLSEN.

If you deem it advisable, you may actively support the above requests to Swedish authorities.

THIS IS WRB CABLE TO STOCKHOLM NO. 75

1:40 p.m.  
August 16, 1944

BAEzin:ml 8/15/44

CABLE TO MINISTER HARRISON AT BERN FOR McCLELLAND FROM WAR REFUGEE BOARD

Reference your 5004 of August 4, and Department's 2631 of July 31, WRB's 104.

Times article based on formal news release issued by Belgian War Relief Society as result of confusion. Release states clearly Krier and Clement are in Bern. Article indicates Krier in Bern, but is not (repeat not) clear as to Clement. It reports, however, that the \$90,000 is to be sent to Bern QUOTE to aid Belgians in hiding from the Gestapo or imprisoned by the Nazis UNQUOTE.

THIS IS WRB BERN CABLE NO. 124

10:00 a.m.  
August 16, 1944

LSLesser:tmh 8/15/44

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: August 16, 1944  
NUMBER: 2816

CONFIDENTIAL

Reference your 5004 of August 4, and Department's 2631 of July 31, WRB'S 104.

Times article based on formal news release issued by Belgian War Relief Society as result of confusion. Release states clearly Krier and Clement are in Bern. Article indicates Krier in Bern, but is not clear as to Clement. It reports, however, that the \$90,000 is to be sent to Bern  
QUOTE to aid Belgians in hiding from Gestapo or imprisoned by the Nazis UNQUOTE

THIS IS WRB BERN CABLE NO. 124

CABLE FROM WAR REFUGEE BOARD TO MINISTER HARRISON FOR MCCLELLAND,  
BERN, SWITZERLAND.

We are requesting Ackermann, the War Refugee Board representative  
in Italy to take up with the appropriate Italian officials in Rome  
the matter referred to in your 5079 of August 7.

THIS IS WRB BERN CABLE NO. 125

10:00 a.m.  
August 16, 1944

MJMarks:ro  
8/11/44

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: August 16, 1944  
NUMBER: 2817

## FOLLOWING FOR McCLELLAND:

We are requesting Ackermann, the War Refugee Board representative in Italy to take up with the appropriate Italian officials in Rome the matter referred to in your 5079 of August 7.

THIS IS WRB BERN CABLE NO. 125

CABLE TO MINISTER HARRISON AND McCLELLAND, BERN, SWITZERLAND

Please transmit the following message to International Red Cross at Geneva, Switzerland:

QUOTE Jewish telegraphic agency reports from Bern that according reliable letters from Hungary last days of July deportations are continuing at night in spite of Horthy's promises. Jewish circles here in great anxiety. Please ascertain facts. Agudas Israel World Organization, Jacob Rosenheim, President, UNQUOTE

THIS IS WRH CABLE TO BERN NO. 126

10:35 a.m.  
August 16, 1944

BAksin:ml 8/16/44

CABLE TO MINISTER HARRISON AND MCCLELLAND, BERN, SWITZERLAND.

Reference is made to Department's 2737 of August 9, WRB 112.

Department and Board received communication from IGC substantiating reports of deportations of holders of Latin American documents from Civilian internment camps subsequent to May 11, with full details and lists of names. Deportations occurred in Vittel on May 16 and about July 18. The camp commandant informed internees that transport was to be sent to Belsen-Bergen, which proved false. The Commandant also stated that neither the recognition of Latin American documents nor the certificate for exchange to Palestine would have any validity in the eyes of the German authorities unless an exchange either to Palestine or to South America actually took place.

Please request Swiss Government to transmit to German Foreign Office this Government's sharpest protest against this flagrant violation of assurances given by Germany to Switzerland and referred to in your 4223 of July 3. Also request Swiss Government to demand on our behalf immediate return of all deportees to civilian internment camps and the most binding assurances that such deportations will not occur again. Also request Swiss Government to declare to German Foreign Office that any deportees not so returned will be considered by this Government as having been put to death by action of German authorities contrary to obligation assumed by Germany and referred to in your 4223.

It is hoped that Swiss Government will not only transmit but also support the above protests and demands.

In this connection, please make fullest use of argument contained in Department's 2490 of July 21, paragraph 3.

Copy of IGC communication follows by diplomatic mail, but protest is to be made immediately without awaiting said copy.

**THIS IS WRB'S BERN CABLE NO. 127.**

Repeat to Amembassy, London.

1:40 p.m.  
August 16, 1944

BAkzin:ml 8/15/44

CABLE TO MINISTER HARRISON AND McCLELLAND, BERN, SWITZERLAND.

Please transmit the following message to Isaac Sternbuch, St. Gallen, Switzerland:

QUOTE Reported 7000 Lithuanian Jews evacuated from Kaunas to East Prussian border for slave labor fearful extermination will follow. We ready meet every obligation effect their rescue utilize every appropriate method available save maximum possible number. Contact Intercross urge them send representative intervene for group.

Concerning 1200 endeavoring secure Palestine certificates for them. Urge you do likewise. Necessary also you request Interross and Swiss Government to address appeal to Admiral Horthy to demand repatriation of this group. It is hoped that their transportation to Hungary would be accomplished in conditions insuring survival and that on their trip they would be accompanied by representative of Interross or Hungarian Redcross to insure such conditions. Also, that upon return to Hungary, they would be treated under terms of relaxed regime pending emigration. Have cabled Wolbe Stockholm to make similar request of Swedish Government. Vaad Hahatzala Emergency Committee. UNQUOTE

The following from WRB for McClelland:

Please actively support the above requests to Swiss authorities and Interross. Report developments.

THIS IS WRB CABLE TO BERN NO. 128

1:40 p.m.  
August 18, 1944

BAksin:ml 8/14/44

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: August 16, 1944  
NUMBER: 1955

SECRET

FROM THE WAR REFUGEE BOARD.

In view of increasing difficulties in arranging for the evacuation of Jews from the Balkans by rail and sea and in view of the increasingly favorable war outlook, the War Refugee Board feels that greater emphasis should now be placed on convincing the satellites that it is to their interest to halt anti-Jewish activities and thereby make unnecessary the evacuation of Jews under present difficult and dangerous wartime conditions. With this in mind Hirschmann, the War Refugee Board representative in Turkey recently conferred with Balabanoff, the Bulgarian Minister to Ankara, and requested among other things, that the Bulgarian authorities take steps to cease persecution of the Jews in Bulgaria and to afford them protection in that country thus obviating the necessity of involuntary emigration. Balabanoff indicated his view that the Bulgarian authorities would be favorably disposed to taking such action.

In his conversation with Hirschmann, Balabanoff apparently indicated that the Bulgarian Government is on excellent terms with the Soviet Government and that Bulgaria would exert any reasonable effort to please the Soviets. If in your discretion you consider it desirable to do so, you may wish to approach the appropriate Soviet officials, informing them of the foregoing, and suggesting that they may wish to instruct their Charge d'Affaires in Bulgaria to urge the Bulgarians to take action of the nature indicated.

For your information, the Russian Embassy in Ankara has been advised of Hirschmann's talk with Balabanoff.

HULL

CABLE FROM WAR REFUGEE BOARD TO KELLEY FOR HIRSCHMANN, ANKARA, TURKEY.

Please refer your No. 1423 of August 4 (Ankara No. 114) and 1449 of August 8.

Thank you for full report concerning Jabotinsky proposal. As previously indicated we rely entirely on your judgment concerning proposals submitted by private organizations. Your cable is further indication that you are giving full and impartial consideration to all proposals submitted regardless of organization involved. This is in line with Board's policy. Substance of your message has been communicated to the Emergency Committee here.

THIS IS WRB ANKARA CABLE NO. 100

9:00 a.m.  
August 16, 1944

JBFriedman:ro  
8/15/44

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

SECRET "W"

August 16, 1944  
8 p.m.

AMEMBASSY,

ANKARA.

708

The following for Hirschmann is WRB 100.

Please refer your No. 1423 of August 4 (Ankara No. 114)  
and 1449 of August 8.

Thank you for full report concerning Jabotinsky proposal. As previously indicated we rely entirely on your judgment concerning proposals submitted by private organizations. Your cable is further indication that you are giving full and impartial consideration to all proposals submitted regardless of organization involved. This is in line with Board's policy. Substance of your message has been communicated to the Emergency Committee here.

HULL  
(GLW)

WRB:MMV:KG  
8/16/44

NE

S/CR

CABLE FROM WAR REFUGEE BOARD TO KELLEY FOR HIRSCHMANN, ANKARA, TURKEY.

Please refer to your No. 1450 of August 8 (Ankara No. 125).

The following cable has been sent to Harrisman in this connection:

QUOTE In view of increasing difficulties in arranging for the evacuation of Jews from the Balkans by rail and sea and in view of the increasingly favorable war outlook, the War Refugee Board feels that greater emphasis should now be placed on convincing the satellites that it is to their interest to halt anti-Jewish activities and thereby make unnecessary the evacuation of Jews under present difficult and dangerous wartime conditions. With this in mind Hirschmann, the War Refugee Board representative in Turkey recently conferred with Balabanoff, the Bulgarian Minister to Ankara, and requested, among other things, that the Bulgarian authorities take steps to cease persecution of the Jews in Bulgaria and to afford them protection in that country thus obviating the necessity of involuntary emigration. Balabanoff indicated his view that the Bulgarian authorities would be favorably disposed to taking such action.

In his conversation with Hirschmann, Balabanoff apparently indicated that the Bulgarian Government is on excellent terms with the Soviet Government and that Bulgaria would exert any reasonable effort to please the Soviets. If in your discretion you consider it desirable to do so, you may wish to approach the appropriate Soviet officials, informing them of the foregoing, and suggesting that they may wish to instruct their Charge d'Affaires in Bulgaria to urge the Bulgarians to take action of the nature indicated.

For your information, the Russian Embassy in Ankara has been advised of Hirschmann's talk with Balabanoff. UNQUOTE

THIS IS WRB ANKARA CABLE NO. 101

10:00 a.m.  
August 16, 1944

JB:Friedman:MMarks:ro  
8/15/44

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

SECRET "W"

August 16, 1944  
9 p.m.

AMEMBASSY,  
ANKARA.  
709

The War Refugee Board cable 101 below is for Hirschmann.

The following cable has been sent to Harriman in this connection:

QUOTE In view of increasing difficulties in arranging for the evacuation of Jews from the Balkans by rail and sea and in view of the increasingly favorable war outlook, the War Refugee Board feels that greater emphasis should now be placed on convincing the satellites that it is to their interest to halt anti-Jewish activities and thereby make unnecessary the evacuation of Jews under present difficult and dangerous war-time conditions. With this in mind Hirschmann, the War Refugee Board representative in Turkey recently conferred with Balabanoff, the Bulgarian Minister to Ankara, and requested, among other things, that the Bulgarian authorities take steps to cease persecution of the Jews in Bulgaria and to afford them protection in that country thus obviating the necessity of involuntary emigration. Balabanoff indicated his view that the Bulgarian authorities would be favorably disposed to taking such action.

In his conversation with Hirschmann, Balabanoff apparently indicated that the Bulgarian Government is on excellent terms with the Soviet Government and that Bulgaria would exert any reasonable effort to please the Soviets. If in your discretion you consider it desirable to do so, you may wish to approach the appropriate Soviet officials, informing them of the foregoing, and suggesting that they may wish to instruct their Charge d'Affaires in Bulgaria to urge the Bulgarians to take action of the nature indicated.

For your information, the Russian Embassy in Ankara has been advised of Hirschmann's talk with Balabanoff. UNQUOTE

HULL  
(GLW)

WRB:MMV:KG  
8/16/44

NE

SE

EE

S/CR

CORRECTION ON  
ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Embassy, Moscow  
DATED: August 16, 1944  
NUMBER: 1955

SECRET

The telegram No. 1955 was erroneously distributed to you as No. 1955 from "American Legation, Bern". It should have been No. 1955 from "American Embassy, Moscow".

CABLE FROM THE WAR REFUGEE BOARD TO AMBASSADOR HARRIMAN, MOSCOW, RUSSIA.

In view of increasing difficulties in arranging for the evacuation of Jews from the Balkans by rail and sea and in view of the increasingly favorable war outlook, the War Refugee Board feels that greater emphasis should now be placed on convincing the satellites that it is to their interest to halt anti-Jewish activities and thereby make unnecessary the evacuation of Jews under present difficult and dangerous wartime conditions. With this in mind Hirschmann, the War Refugee Board representative in Turkey recently conferred with Balabanoff, the Bulgarian Minister to Ankara, and requested, among other things, that the Bulgarian authorities take steps to cease persecution of the Jews in Bulgaria and to afford them protection in that country thus obviating the necessity of involuntary emigration. Balabanoff indicated his view that the Bulgarian authorities would be favorably disposed to taking such action.

In his conversation with Hirschmann, Balabanoff apparently indicated that the Bulgarian Government is on excellent terms with the Soviet Government and that Bulgaria would exert any reasonable effort to please the Soviets. If in your discretion you consider it desirable to do so, you may wish to approach the appropriate Soviet officials, informing them of the foregoing, and suggesting that they may wish to instruct their Charge d'Affaires in Bulgaria to urge the Bulgarians to take action of the nature indicated.

For your information, the Russian Embassy in Ankara has been advised of Hirschmann's talk with Balabanoff.

10:00 a.m.  
August 16, 1944

JBFriedman:MJMarks:ro  
8/15/44

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Moscow.  
TO: Secretary of State, Washington.  
DATED: August 16, 1944  
NUMBER: 3004

## CONFIDENTIAL

I am informed by the British Ambassador that he, on the thirteenth of August, wrote to Vyshinski along lines as follows, in accordance with instructions received from his Government:

"The American and British Governments were informed on the twenty-second of July by the International Red Cross Committee that the deportation of Jews to German execution camps was being stopped by the Hungarian Government, and that that Government was willing to permit the departure of Jews (in certain categories) from Hungary for neutral territory or for the United States. This offer is believed by the American and British Governments to be a genuine one, and they feel that arrangements to take advantage of this development should be made. At the present time under consideration with the American Government are the matter of a communication to the International Red Cross; also a public statement on the subject."

HARRIMAN.

DCR:LCW 8/17/44

Miss Chauncey (For the Sec'y), Abrahamson, Cohn, DuBois, Friedman, Hodel, Laughlin, Lesser, Mann, Mannon, McCormack, Cable Control Files

NOT TO BE RETRANSMITTEDSECRETOPTEL No 267

Information received up to 10 A.M. 16th August 1944.

1: Southern France On morning 15th U.S. Infantry formations assaulted over beaches between AGAY (4 miles E. of S. RAPHAEL) and BATE DE CAVALAIRE (10 miles E. BORMES) Assaults were preceded by landings of British and U. S. airborne forces as well as U.S. and French Commandos. ILE DE PORT-CROS and ILE DU LEVANT, 10 miles S. of BORMES, have been captured. All assault landings carried out to schedule and only slight opposition met. Allied fleet and air forces covered landing and two small enemy vessels were sunk. Air opposition slight.

2. NAVAL

Home Waters 14th. A UK LSI(L) was sunk and a U.S. LST also hit, probably by U-boat off HARTLAND POINT.

15th. A LST in returning convoy was damaged by under water explosion S.E. of ISLE OF WIGHT; half hour later a British Corvette probably sunk U-boat same area.

3. MILITARY

N.W. France A large proportion of fighting troops of enemy armour and infantry formations are still West of FALAISE-ARGENTAN GAP but there are indications that elements, including services, have escaped to the East. The various identifications obtained on different sectors indicate enemy units much mixed.

U.S. troops are reported to have reached LA LOUPE, 22 miles W of CHARTRES.

Advances up to 5 miles have been made on second army front and VASSEY has been captured. Enemy still hold CONDE, Canadian army have advanced on 3½ mile front in area NE of FALAISE and are within 2½ miles of the town.

4. AIR

Western Front 15th. 1,832 British and U.S. Bombers attacked 19 airfields in Low Countries and GERMANY dropping 7,121 tons with good results. AEF medium and light bombers dropped 135 tons on roads and railways in PARIS and ROUEN areas, also 123 tons on fuel dump in FORTE DE CHANTILLY. Fighters destroyed many vehicles. Enemy casualties 28:5:9 in combat and 4:0:6 on ground for loss of 18 heavy bombers, 1 medium bomber and 16 fighters missing.

15th/16th. 63 aircraft despatched without loss. 32 attacked BERLIN.

Italy and South France 14th. 771 medium bombers and fighters attacked gun positions, bridges and radar installations in SOUTHERN FRANCE, and targets in battle area.

15th. Fortresses and Liberators dropped 434 tons on targets in CANNES and TOULON areas and 323 tons on bridges over RHONE near VALENCE.

German Activity During 24 hours ending 6 A.M. 16th 99 flying bombs plotted.

August 17, 1944  
12:00 p.m.

GROUP

Present: Mr. C. S. Bell  
Mr. D. W. Bell  
Mr. Luxford  
Mr. Haas  
Mr. Blough  
Mr. Sullivan  
Mr. Gamble  
Mrs. Klotz  
Mr. Gaston  
Mr. Pehle

H.M.JR: Well, I have only seen one paper since I have been gone. I see you froze some Argentine gold.

MR. D.W. BELL: Well, I don't think we have frozen it, but refuse to let it go out. Apparently that came out of the State Department.

MR. LUXFORD: State or FEA.

(Mr. Gaston enters conference)

MR. D.W. BELL: We didn't give anything out on it.

H.M.JR: Don't they tell you anything?

MR. LUXFORD: State? They are again raising with Hull the freezing of Argentine.

H.M.JR: Have they frozen it?

MR. LUXFORD: They are recommending a freeze.

H.M.JR: How does it get in the paper?

MR. LUXFORD: That is just on the gold. According to Collado it came from the Argentine Embassy. The Argentine Embassy reported it to the press, he says.

-2-

(Mr. Pehle enters conference)

H.M.JR: What is the difference?

MR. LUXFORD: We are just holding it up until we decide whether he will freeze or not.

H.M.JR: But the paper said we have frozen it.

MR. LUXFORD: It amounts to the same thing. We took it off the boats. It is laying down in New Orleans until it is decided whether they will freeze.

MR. D.W. BELL: We are kind of holding it back, aren't we, on the gold?

MR. LUXFORD: To this extent. They are holding up on sending down further boats with gold. We asked them what they wanted to do on this gold. They said, "We are considering a freeze and we don't know yet." We said, "What shall we do?" They said, "Whatever you want to. We are not going to object." So we took that as permission to hold it until they made up their mind.

H.M.JR: Before we get into too many details, you might like to know a little bit about the trip. I got over there at midnight Sunday. I was on the train twenty minutes later in Scotland. Eisenhower had a train up there for us. We got down to the Southern part of England where his headquarters were about noon and then we had lunch with him. And we started right in with General Eisenhower to find out where he stood on this business of how he is going to treat Germany when he first gets in. He was very positive that he was going to treat them rough. He was perfectly willing to let them stew in their own juice at the beginning, which is quite contrary to the plans of G5, which General Holmes has been making, as to how they propose to treat them.

-3-

We went around in the afternoon sightseeing at the docks. I had supper with General Bedell Smith, Chief of Staff, and all his Deputies, and they were all kind of jumpy because they were expecting other sorts of moves. I never saw Eisenhower in such good shape. He made the best impression he has ever made on me; he was completely relaxed and determined that he would clean this thing up while the weather was good. And that night we still stayed on his train down in that part of England. The next morning we were supposed to leave at eight-thirty for England and couldn't. We went over to England with a fighter escort. That was fairly precious. And before I left General Bedell Smith said, "Now, you can't go beyond Headquarters." I said, "Look here, General Smith, don't give any orders like that. You let General Bradley decide how far I can go." Well, he said all right reluctantly. We got over to Cherbourg. It only takes twenty-five minutes to go over there, and General Lee, Deputy to Eisenhower, in charge of all services and supplies, took us around, and the thing that they are doing at Cherbourg--it is to hell and gone, the docks. The reason they are repairing it so fast is that all of the construction along the wharves are wood, wooden piles, wooden piling, everything, so they can go very, very fast. No concrete, no permanent construction.

MR. SULLIVAN: That is the reconstruction.

MR. GASTON: What is the old construction, wood?

H.V.JR: No, concrete. But they are really just building temporary things. Everything is driven-wood piles. They go out beyond the present docks and drive these in the harbor, so to speak, these piles, and wood on top. Then, of course the things that they used everywhere are these ducks that go out and unload and come back again. But the one thing you get over there is that the speed and tempo is just unbelievable. I mean, I have never seen any place where the electricity is so in the air and the drive behind this thing, you just can't understand it until you see it and feel it.

-4-

We were going around Cherbourg and I saw this Navy Lieutenant. I shouted to him. It was Jamieson with a whole portfolio of beautiful sketches on the Cherbourg thing. Of course, the whole Service and Supply is beautifully organized, because the thing that the Germans don't know, you see the bulk of the stuff is still landed at these beachheads where they landed originally. What they have done is, the Americans-- I forget how many steamers, they have taken these old steamers and have sunk them right out in the ocean, so to speak, and they besides that, they have some concrete things that they have sunk, which acts as a breakwater. For forty years before they landed, the water always came in one direction. Just when they landed, the wind shifted. But they bring these boats in, and then they not only have these ducks, but the new thing is a kind of pontoon which the Navy has developed, which I would say is about five by five and seven feet deep.

MR. SULLIVAN: Compartments?

H.M.JR: Yes, and they bolt a lot of these together and then use them as a barge or they use them as a runway or use them any way as a breakwater. They use them all different ways to bring this stuff in. That is quite new and they are very much pleased with it. And this enormous stuff--there is one beach I went to--over five hundred thousand men come in through these barges and one thing and another. At one beach alone, five hundred thousand. It is just unbelievable. The tonnage is simply huge.

MR. D.W. BELL: They are not using the port yet?

H.M.JR: A little, but it is the beaches. That is what the Germans haven't been able to figure out. I went to the two American beaches, and there is one beach--how they ever landed--they have a bluff that rises at least a hundred feet, and a blockhouse at the bottom. When the first division landed there, they landed plump into a German division which was on the loose. I don't think that has been published yet.

-5-

MR. D.W. BELL: General Holmes told us that:

H.M.JR: Of course the loss of lives was something terrific. Anyway, the loss of lives--let's see, in American troops, something like sixteen thousand dead and when I left there, there were seventy-eight thousand wounded. And the dead is twice that of the English, and the wounded is four times. The wisecrack they say over there is, "If you are not careful, we are going to encircle Montgomery!"

MR. GASTON: Did you notice this interesting serial story in the papers about Montgomery? The Germans announced that Montgomery was in command only of the British and Canadians. That was denied in a half-hearted sort of way. Then it was announced by AP and all the news services from France that Montgomery was now in command only of the British and Canadians and Bradley in command of all the American troops, directly responsible to Eisenhower. That came out from the beachhead past the censor. Yesterday that was denied in London. Tomorrow it may be different.

H.M.JR: The facts are this. When Eisenhower moved his headquarters to France, he became Commander-in-Chief of the Allied Forces, in France, and Bradley became directly responsible to him.

MR. GASTON: That is the story that was told the day before yesterday and denied yesterday.

H.M.JR: That is the correct story.

MR. PEHLE: He took Montgomery's job?

H.M.JR: No, no. You see, there was a Command of Allied Forces in France, of which Montgomery was the Head. Eisenhower moved to France and he became Commander of the Allied Forces and as such, Bradley is directly responsible to him, as is Montgomery.

MR. SULLIVAN: Then that puts Montgomery and Bradley on an equal footing, one in charge of Americans and one of British.

-6-

H.M.JR: Bradley is doing as he pleases, anyway.

MR. GASTON: The Germans told us that two weeks ago and I thought it was true at the time.

H.M.JR: He paid practically no attention to him.

I had the good fortune to have Henry meet me in France when I got off. He is attached there to General Eisenhower's Headquarters. I said, "I have returned from France where both Henrys were well." Mrs. Morgenthau said they eliminated the word "where".

MRS. KLOTZ: Yes, that didn't show up.

H.M.JR: I put it in. She didn't get the one and only letter I wrote. He is fine and looks fine. I didn't get up to his headquarters. We spent the night in a little French house which they have sort of taken over. And old grandmother and her daughter, fifteen, looked after us. I have decided if I have insomnia to throw away the bed sheets, because I slept without a pillow, between two army blankets, and I had the most perfect sleep I have ever had. If you have insomnia, throw away the bed sheets.

I brought him the New York Times and the New Yorker. When he left he said, "Daddy, would you feel very badly if I only took the New Yorker?" (Laughter)

Then the next morning early, eight-thirty, we were at Bradley's Headquarters. He makes an excellent impression. He is a much finer-looking soldier--I have some very good pictures--when you see him. He is well over six feet tall and another man like General Clark. Very quiet, complete self-control, complete balance, and seemed to know just what he is doing and moves at a steady pace but not too fast, I mean in his actions. It didn't take him very long. He planned our trip. I have a map somewhere--

-7-

MR. GASTON: Where did you go?

H.M.JR: Went down to Corps Headquarters and then Division Headquarters. At Division Headquarters, this General Brown, head of a former National Guard organization from Pennsylvania, made a terrific impression on me. I had a great argument as to whether I should or should not report him, but I was saved the trouble. They removed him the next day, because the people with me evidently were conscious of it. Then they put in another general to take this General Brown's place and the next day a sniper got him through the neck.

They let me go down within five thousand yards of the Germans this time, but they wouldn't let you go any further, because the thing is so fluid and they have little pockets behind. They just don't know. But in front, of course, of this particular group where we were--well, we were west of Avranches and east of the place called Villedieu, and due south of St. Lo.

MR. GASTON: You were right in the spot where the Germans had been counter-attacking a day or two before.

H.M.JR: This, I think, was the ~~28th~~ or 29th Division, I am not sure. That was where the fighting was the most severe and they had five German Divisions right opposite there. Three were SS Divisions. This was where the fighting was the most severe.

MR. GASTON: They tried very hard to break through.

H.M.JR: Very hard to cut through to Avranches. This was where the spearhead was, right where we were. The thing that nobody could understand is that--I mean, he threw in three out of the five Divisions, SS Divisions. And once they were repulsed. Why he has permitted this enveloping movement, nobody can understand, unless it is not having any air, he can't see our troops.

MR. GASTON: It seems so plain. You just couldn't understand. In our newspapers you could see it developing.

-8-

H.M.JR: They think maybe they have orders that this should be another Stalingrad. But of course, General Patton has been perfectly magnificent. It is he who has done all of this. The place that they took us was most interesting and was just south of St. Lo where the Air Corps has put in fifteen hundred bombers on an area about five miles deep, not much over a mile wide and that is where the break-through was, just south and east of St. Lo and that was-- they withdrew our troops. There isn't anything left. I picked up a beautiful German helmet under a tank there.

MR. D.W. BELL: Do you have this tapestry with you?

H.M.JR: That is just a personal matter.

This place, what they did there--and I wouldn't repeat any of this anywhere--they ordered our troops to withdraw fifteen hundred yards, which is almost a mile. Then they dropped smoke-screens to show our fliers where the boundary was. They came through and a whole wing missed the thing by three thousand yards and that is where they killed General McNair and eighty-seven men. Then they said, notwithstanding the fact that this Company was completely decimated, they went in anyway and attacked. I don't know whether any of you saw anything on that. They wanted to withdraw because they felt so terrible, but they went in and did the attacking, but they missed their mark by three thousand yards, because General Spaatz showed me a map of every bomb. They feel terrible. I will say this for the ground troops, they didn't complain or say a word.

MR. GASTON: The Canadians did identically the same thing day before yesterday.

H.M.JR: And the excuse that they give is that what they call pin-point bombing--I don't understand it. When they have this kind of ground strafing they don't know how to do it. General Spaatz went into lengthy

-9-

explanation and they say they feel something terrible. And of course the trouble with the air people again is they completely mis-figured, I don't know how, the German air strength. The German air strength, the production, is just four times what Arnold told me. But it doesn't make so much difference, because they have licked them anyway. The air people swear that they are all green pilots and that there are practically no old pilots left.

Really, there are only two things which are new, as far as warfare is concerned. One is these beaches, which is a completely new thing in warfare, this amphibious warfare, and continuing to land on the beaches.

MR. GASTON: Plus the Naval support.

H.M.JR: No, that isn't new. The other thing which is new and I can't remember his name and I haven't got his name here, they have a two-star Air Corps General attached to Brandon. I met him once in Philadelphia. And what they have done and they have only done it the last two or three weeks and I think it is a success, in each tank group in one tank which is especially equipped, is an Air Corps pilot sitting in that tank. I don't think that has been told. And this Air Corps pilot sitting in the tank is in constant communication with the observation plane above, and the air people go ahead and they will see this tank and see this and that and they report down to this fellow and they direct constantly the tanks from the air. And in many cases the air people get the tanks. In other words, the air people clear the ground by shooting up the tanks and then the tanks go through.

MR. GASTON: Yes, that has been told.

H.M.JR: In one case they found a couple of our tanks and a column of German tanks going down the same road, neither knew they were both following each other. But it is the air people firing with their fifty-calibers from the rear. They shoot up these tanks and then our tank

-10-

people go through. They say it is all within the last thirty days, they have never done it before. It is quite new. But they feel if they get this enveloping movement, irrespective of the one in the south, there is nothing to stop them from there to the Rhine, absolutely nothing.

MR. GASTON: There is an army up in the Pas de Calais region.

H.M.JR: They are older, non-mobile troops.

MR. GASTON: They think they can take them without difficulty.

H.M.JR: They are not worried about them at all. If this is successful, in no time at all you will see our troops on the Rhine, irrespective of what happens in the south. And they are not going to bother with Paris.

MR. GASTON: They will go right around it, up the Loire and up the Seine Valley.

H.M.JR: Yes, but it is anybody's question what will happen. Then they know from interception that the Germans are very short of gasoline. I mean, their flights are very much limited by the gasoline, as we are, too.

MR. D.W. BELL: Really?

H.M.JR: Our flights are definitely limited by the amount of aviation gasoline. We do not have enough.

MR. PEHLE: Why not? Transportation?

H.M.JR: No, because it isn't here. They are definitely short of aviation gasoline. There are definite flights which are held up and they have many more crews than they have fighter planes. They are waiting, definitely. They don't have enough fighter

-11-

planes. We are short of those. And they are short of heavy ammunition, too. They don't begin to have enough.

MR. D.W. BELL: Didn't Nelson testify yesterday before Committee that there was plenty of ammunition on the Front?

H.M.JR: It isn't true. One General will tell you one thing and another, another thing. I have asked the same thing over and over again and they definitely have to parcel out their ammunition-- the heavy ammunition, the heavy guns. Will you please see if you can get a copy of my broadcast or record?

MR. GAMBLE: Yes, sir.

H.M.JR: The reason I am trying to do that is, as Eisenhower said, "The nearer you get to victory, the more you have to speed up, and at home, the nearer you get to victory the more people think you can sit back and take it easy." It is just the reverse.

MR. GASTON: Yes.

H.M.JR: The thing I would like, certainly I am going to tell the President, I went to the evacuation hospitals in France, and in some cases it is unbelievable. Men are there four hours after they have been wounded. I saw them put them in, went into the plane, and these air nurses are the finest body of women I have ever seen. They are magnificent, these girls. Last night they asked me to go on one of these planes that came in there. I went on. There were sixty boys and I shook hands with every one of them, and some of them are very, very sick.

MR. PEHLE: Was the plane on its way back here?

- 12 -

H.M.JR: Yes, they come in to LaGuardia. I can't understand why it is secret. There were three last night in Newfoundland on the ground. This stupid Colonel didn't say the boys wanted to see me. They asked why I wouldn't come and see them. The ones up there had already heard I had been on the ship. When you see these people - and the odor is such that I had all I could do not to vomit. It is something terrific, the odor of the wounded. These men all come in to LaGuardia - I don't know how many a day - there were three ships while I was there - ambulance cases in Newfoundland. Why they don't take some of these labor leaders up and let them see these boys come out, I can't understand. Why they keep it a secret that they all come in to LaGuardia--

MR. D.W. BELL: I don't think it is a secret at all. I think it is known. It has been published once or twice. I don't think there is a lot of publicity given to it.

H.M.JR: Why not? Why not let some of these people stand there and go into one of these ships. That brings you right to the front. You don't have to go to France, you can go right to LaGuardia and see these men. I mean, they bring the badly wounded as well as the partially wounded. It takes an awfully strong stomach, and the boys are wonderful. That sight - and going into these shelters in England - I just can't tell you. You see a family - there was one family there that had no home and they had been there for six weeks, living there. That was their home. I saw one mother with five children. I saw another mother with an eight-months-old baby.

Now, there is this one shelter - a new subway, never finished - one hundred and twenty feet down - which they are saving in case these thirty-tonners come over. That one is beautiful and clean, and everything. Then there is another one which is really under a bridge over the Thames. They just close the arches, and here you are, right at the river in the dock area - the poorest area. You go in and see these people - this is London - and see the spirit.

- 13 -

Sherwood went the night before. He helped me, incidentally, on the talk.

MR. GASTON: Bob Sherwood?

H.M.JR: Yes, and Ed Murrow, who is a grand fellow. He couldn't stomach the second night - he just couldn't go through twice. But the spirit of those people! And they loved it. He didn't want me to take a camera down there, so I said all right. They would have loved to have their picture taken.

And Mrs. Churchill is just marvelous. She is like Mrs. Roosevelt. She goes in there and she is just wonderful. They like to be talked to. You see two little boys in bed together. They have got all the family - in-laws and everybody. They will be in one little group.

And in the whole of England there was only one person had a little kick. God! I don't know how the American people would be, but, of course, the thing that this has done is toughen them up, so that - believe me - any idea of any negotiated peace, or anything like that, is finished.

I asked the fellow in the hotel who looked after me, "How do you feel about the Germans?"

He said, "Well, we want to stamp them out, but," he said, "the high finance doesn't!"

MR. D.W. BELL: The President's press conference this morning said that we couldn't have a negotiated peace before we occupied both Germany and Japan.

H.M.JR: Well, I don't want to go into it now, but I spent most of my time on what the negotiations are, and how they are going to treat Germany. He will have to get awfully busy. It took me days, and days, and days, but I got the story. There isn't anything in regard to Germany which is being carried out. I am going to tell Hull so, because his boys are the worst. It is going to be a nice WPA job.

- 14 -

Keep a central Germany; keep a strong Germany; and the result is that this group that is studying it - the Russians won't tell them anything - the Russians won't have anything to do with them.

MR. D.W. BELL: Of course, they want to string out a pretty strong Germany between them and Russia - the English do.

H.M.JR: Eden doesn't.

MR. D.W. BELL: Between them and Russia?

H.M.JR: No, Eden doesn't want that. He wants to take Germany apart, completely apart. He is very good on this thing.

MR. D.W. BELL: I don't believe they have talked that way over here.

H.M.JR: I know they haven't. Some are good and some aren't. But Eden is very good on this thing, and he doesn't pull his punches, either. I don't know how much Mr. Hull knows, but he is certainly going to get an ear-full. I didn't go over for that, but I made that my business.

MR. D.W. BELL: You got the word that Mr. Hull would see you tomorrow morning at nine-thirty?

H.M.JR: Yes, I want to see him first, before I see anybody else.

I left Joe there to clean up on the Hungarian thing and nothing else.

MR. LUXFORD: Good.

MR. PEHLE: You got the cable, didn't you? We sent him a cable. Did he get it?

H.M.JR: I think so.

- 15 -

But Joe was insisting on raising the quota question of Palestine and I took the thing up with Mr. Churchill and he would just have no part of it. They had the meeting the night before of the War Cabinet and they were perfectly willing to go along with us.

MR. PEHLE: They didn't, though.

H.M.JR: Wait a minute. I am raising the financial question. Joe was so sure that the rest would be so easy. I took it up with Eden the first night I got there. Sir John Anderson was there. Eden said it was a matter of the colonies; they are scared to death of the Arab question. So I finally had to tell Joe I had to give him a directive not to do it. I wanted an over-all agreement which he worked out that afternoon with the people down the line in the Foreign Office - an agreement - a joint guarantee that they would take everybody that came out of Hungary, do you see? The position I was taking - "We will find a place" - just as I took with the President. "Let's fill the quota up first." I was terribly pleased. I talked to Weissman twice.

MRS. KLOTZ: Did you see him?

H.M.JR: No, his doctor wouldn't let him come, so he sent a Professor Brodetsky to see me. I was awfully glad Joe got there. Professor Brodetsky said, "This is not a time to raise politics" - meaning Jewish politics. He said, "This is a question of saving lives. The two things have nothing to do with each other."

He said he would much rather have the over-all joint guarantee and not raise the issue of the White Paper, and that the two things had nothing to do with each other.

MR. PEHLE: The British twice have refused to go along with us on the joint guarantee.

H.M.JR: I know, but here is a representative on the ground who took the position which I was taking - to get the joint guarantee.

- 16 -

MR. PEHLE: That is what we have been fighting for.

H.M.JR: But not bring in this question of the quota. And after all, once the quota is full, I am confident that the English are not going to stand on five thousand, or ten thousand.

MR. PEHLE: I don't think they could stand on it.

H.M.JR: I don't know where you and Luxford stand, but I am sure, after talking with Churchill and Eden, that if we had gone in there and put up a fight to break down this quota, we would have got nothing, absolutely. This way, I think the chances are ninety percent we are going to get a joint statement in a day or two saying that we will take all that come out.

Now, since I have been there - I don't know whether it came from here - the Foreign Office showed Joe a cable from this man that Sweden has sent down to Hungary in which he has been able to arrange - this Swede - for shelter for a great many Jews in Hungary. Did you know that?

MR. PEHLE: I knew some of that.

H.M.JR: I don't know where you stand, but at least that is where I stand.

MR. PEHLE: The reason I sent the cable, Mr. Secretary--

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

MR. PEHLE: I just sent a cable to Joe saying what this terrible position is which the British have taken - that we will take all the responsibility and they will cooperate with us. That just is not satisfactory.

H.M.JR: They have changed since that.

MR. PEHLE: That is wonderful.

- 17 -

H.M.JR: I am almost positive that they will join us in a statement in which they will say that we will guarantee to the Hungarians to take all the Jews that will come out.

MR. PEHLE: We have already sent our guarantee.

H.M.JR: And that we will share the expenses according to our ability.

Getting away from that thing - you know that I fought in connection with the English formula. They brought up that same formula we had in connection with either France or Holland--

MR. LUXFORD: Plan A.

H.M.JR: We got away from that. I was perfectly happy.

Were you with me on this question of not bringing up the White Paper quota?

MR. PEHLE: Except that temporary shelter in Palestine doesn't necessarily bring up the White Paper.

H.M.JR: It does so far as they are concerned.

MR. PEHLE: So does the Hungarian offer. That is why they held back, wasn't it? Didn't they feel if we got any considerable number out, they would have to give up Palestine?

H.M.JR: It is in the back of their mind, but the fact that Professor Brodetsky had that position - he represents the Jewish people there - I had to take this position.

MR. PEHLE: I am inclined to agree that the only way you could possibly break that is by Roosevelt taking a terribly strong stand. He hasn't been willing to do that, so I don't think you could break it down.

H.M.JR: He won't take it because the quota isn't full.

- 18 -

MR. PEHLE: The quota isn't full because the British have doled out the certificates one by one. I don't like to say it, but since these negotiations have been going on the Germans have stopped any immigration from Hungary.

H.M.JR: Anybody going out - and this man, this Wallenberg is able to get them shelter in Hungary?

MR. PEHLE: To some extent. Wallenberg is there solely because we put him there. He is really our representative.

But the Germans are now taking this position: Nobody can leave Hungary unless they get ransom, and there is no disposition, any place, to give the German Government ransom at this point.

H.M.JR: Joe will be there. And, incidentally, Goodhart has agreed to become my representative. I told him - "Now please don't take this unless you think you are carrying a torch and feel very deeply about it." He agreed he would.

MR. PEHLE: How long will Joe be away?

H.M.JR: According to Joe he can clean it up in a couple of days. He thought he would clean it up yesterday. I left London at two o'clock yesterday. He thought he would clean it up yesterday - he was just sure he would.

MR. PEHLE: There is nothing we should do from this end, Mr. Secretary?

MR. GASTON: When did you leave Prestwick?

H.M.JR: Three hours later, about five o'clock their time. About twenty-five hours elapsed time from the time we left until the time we got to New York.

MR. PEHLE: There is nothing we should do from this end?

H.M.JR: I don't think so. Winant is very good. Joe is there. You know the Interdepartmental Committee is putting up four hundred thousand pounds.

- 19 -

MR. PEHLE: For this purpose?

H.M.JR: Yes; Joe went to that meeting.

MR. PEHLE: We may have to let it be known here that the United States Government accepted that offer.

H.M.JR: It appeared in British Intelligence. Who said that the New York Post--

MR. PEHLE: That is right. They have a story that the British had accepted it, and they got it from the British Embassy here.

H.M.JR: I read that and Joe was upset.

MR. PEHLE: It was a planted story and it was put in because--

H.M.JR: (To Mrs. Klotz) Make a note of this. British Intelligence - News Intelligence - send out a summary of American news every day to England. It is wonderful.

MR. PEHLE: I have seen one copy.

H.M.JR: Then one was sent from here, not nearly as good.

MR. PEHLE: We may have to let it be known here, Mr. Secretary, that the United States accepted that offer.

H.M.JR: I wouldn't do that. I would give Joe another day or two.

MR. PEHLE: We can't wait long, for this reason, that it is very likely that things are going to go very bad in Hungary again.

H.M.JR: A day or two wouldn't help. If you did that just now it wouldn't help Joe any. Winant is very hot on this thing.

MR. SULLIVAN: How is Winant?

- 20 -

H.M.JR: He is all right. He is over-worked the way everybody is over there, but he couldn't have been nicer to me. Here, Churchill was leaving that evening I got back from Italy and he gave me two hours. I got a great kick - he took me through his own map room, himself, which was quite a thrill. He is a great fellow. But he started off, bang, on how England was flustered. (To D.W.Bell) I will give you a written memorandum later. He and I got along very well. We put it right on the line.

MR. D.W. BELL: Still broke?

H.M.JR: The interesting thing with Churchill was - he said, well, he was practically seventy and it was time he made peace with his Maker, and as soon as the war was over he would resign and be the most unpopular man in England.

I said, "Well, Mr. Churchill, I want to go back to my farm, myself," whereupon he broke into this song, "I want to go back" - you know this song. He knew all the words and there are two verses. How does that song go? He knew two verses.

MRS. KLOTZ: An American song?

H.M.JR: The great joke with Harry is, he had one night off; his alibi was Bernstein. But unfortunately, the next day, as a result of his one night without me, he had one of his bad spells. So I told him the moral was he had better stick around with me. Bernstein was no alibi.

MR. LUXFORD: How is Bernie?

H.M.JR: Bernie is very fine. He said, "You know, my wife took my second child to the doctor. The doctor looked at that child and said, 'Mrs. Bernstein, that is the finest specimen I ever saw. You should have five more like it.'"

- 21 -

I said, "Bernie, you don't hear, see, or understand anything!"

He did bring Taylor back, you know. His wife is expecting a child and is all alone - just to stay until she is all right.

But Bernstein worked on me the whole time I was there. Somebody said something - yes, General Holmes said three times he had recommended Bernstein become a general. He couldn't understand why not. I couldn't help but say, "Well, I wouldn't want to be around when Mrs. Ed Foley hears about it." (Laughter) I said, "When she hears about General Bernstein I want to be out of town."

He has recommended he become a general three times.

MR. GASTON: Where is Ed?

H.M.JR: Italy.

These little buzz bombs go over - they make a note very much like a single-engine fishing vessel. They go chug-achug-achug. Then supposedly thirty seconds after they stop, they hit. I heard two go over our hotel. I could hear it just that close. We came out, once, of officers' mess and you could see the thing about a mile down, but that is as close as I got. Nobody pays any attention to them - I mean, when they go over! (Laughter) But everywhere you go you see the damage in London. The damage is unbelievable; it is terrific. Everywhere you go you see damage.

MR. GASTON: Did you see Larry Bernard?

H.M.JR: No, what is he doing?

MR. GASTON: Coast Guard. And Hesford is over there, also, on this air-sea rescue stuff.

H.M.JR: By the way, did Lynch stay or go?

MR. LUXFORD: Lynch stayed.

- 22 -

H.M.JR: Is that right? That is very nice.

Well, Bell, in the five minutes we have left, is there anything? I have been just sort of gossiping here.

MR. D.W. BELL: I only have one thing that needs to be settled today. Dean Acheson wrote you a letter and asked for designation of a Treasury representative to serve on a committee of UNRRA. UNRRA meets in Montreal on September 15 and he wants a man, so I have written a letter designating Harold Glasser. Glasser was on it before. He said he would like to have a decision today so they can get started.

H.M.JR: He would be the logical fellow. (Secretary signs letter to Dean Acheson)

When will that be?

MR. D.W. BELL: Sometime after the 15th. I have said in there that he will be available. They also want another Treasury representative to serve on a subcommittee as a counsel. That subcommittee will pass on whether or not a foreign government is able to pay. I have suggested Harry for that; foreign exchange for supplies furnished, rather than getting direct relief.

H.M.JR: Who is asking?

MR. D.W. BELL: Dean Acheson. Same kind of a letter.

H.M.JR: Does that mean that Harry has to go up to Montreal?

MR. D.W. BELL: No, but whenever a country comes in and asks for relief - Greece is now in; that will be submitted to this Committee and they will pass on it and advise the counsel as to whether or not the country can pay. The first one is Greece and that would be rather simple, I should think, that they cannot pay. (The Secretary signs letter to Dean Acheson in re Mr. White)

H.M.JR: Anything else?

- 23 -

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

H.M.JR: Incidentally, the Eighth Air Force has a fellow from Massachusetts who has started a special War Bond Drive, asking for thirty dollars per man. It is the best thing I have ever seen. Smith has the whole story. They gave us a memorandum. If they would do that in each group - of course, I started to talk about this fellow Spaatz - Doolittle says, "That is the trouble - as soon as we get a good man, you want to take him away." But certainly he ought to be lifted up to do the thing for the entire Air Corps. They are going to get thirty dollars per man. They have their own posters, we brought them back.

Then another interesting thing - he is going much further; conversion of insurance, and working up a whole plan to find jobs for these men - find places for them - he is a most unusual fellow.

MR. SULLIVAN: Do you recall his name?

H.M.JR: No, but it is in the report.

MR. GAMBLE: We will get a copy?

H.M.JR: Yes, there is a copy available. But it is way, way above anything I have ever seen. And the fact that these men are willing - I mean these fellows who are risking their lives are doing so handsomely. But the whole thing is Doolittle; he is looking forward for these fellows so they will have some idea of security when the whole thing is over. He is working on that now. I think they ought to pick that fellow up. He is really good. Instead of sending nine generals over to do something, who know nothing about it - have they gone?

MR. GAMBLE: Yes, sir; part of the party has gone. As a matter of fact, Mr. Secretary, they picked very good men for it. I was quite surprised.

- 24 -

The man in charge of it was our Administrator in Nebraska before he went into the Army, McDermott. He has the rank of a general now.

MR. LUXFORD: I know that man.

MR. PEHLE: Mr. Secretary, is the Treasury being represented at the Dumbarton Oaks Conference?

H.M.JR: Not that I know of.

MR. D.W. BELL: Not that I know of.

MR. PEHLE: There are likely to be all sorts of questions like reparations coming up there. Even the Army is sending General Strong.

MR. LUXFORD: Ben Cohen is attending.

MR. PEHLE: I should think clearly the Treasury has a very important part of it.

H.M.JR: Anything else?

MR. D.W. BELL: We have a draft of the Executive Order you asked to be prepared. It is ready any time you want to go over it.

H.M.JR: I will be around most likely through Saturday, anyway.

## TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date  
August 17, 1944TO Secretary Morgenthau  
FROM Mr. Luxford

(For your information)

Report on public education program on  
Fund and Bank1. American Forum of the Air Broadcast on August 22.

The nature of this broadcast, participants, and the preparation of the questions and answers have been outlined to you in a separate memorandum. There remains to be done in connection with this program two things: First, the preparation of your opening and closing remarks which are presently in draft form; second, fixing a time for a discussion of the program between Granik and the delegates. Granik would like to have this some time on Monday.

It is contemplated that the American Forum of the Air will provide two further programs on the Fund and the Bank, both of which will be of the controversial type with Taft and Charles Dewey appearing as opposition on a program which has been tentatively scheduled for the middle of September.

2. Lunch with Salzburger (New York Times).

After discussing this matter with Mr. Gaston, I advised Mr. Salzburger that I would have luncheon with him and members of his editorial staff on Monday, August 21. In my opinion, it would be very helpful if it were possible for Mr. White or one of his men also to attend this luncheon. I should like to discuss this with you at your convenience.

- 2 -

3. Program for Women's Conference on International Affairs.

We have worked out on a tentative basis furnishing speakers for a discussion of the Fund and Bank before the Women's Conference on International Affairs. This is a small informal group in Washington which is able to reach the leaders of most, if not all, of the national women's clubs and organizations. The Conference will sponsor the program and invite the national leaders of all the women's organizations to attend. They have previously cooperated with State in handling similar programs on the education and food conferences which were very successful with between 75 or 100 women leaders attending. It would serve as an excellent forum for us to get over to the women of the country the importance of the Bretton Woods Conference and to enlist their cooperation. We expect to have a full day's program at a layman's level with a number of speakers. A transcript of their statements would then be published and would be distributed along with a number of other documents on the Fund and the Bank to each of the persons attending the Conference and also be made available to the local women's clubs throughout the United States.

4. Americans United for World Organization.

This is a group representing the recent merger of the United Nations Association, Committee to Defend America, Fight for America group, American Free World Association, and Citizens for Victory. Its purpose is to sell the public on the need for United State participation in cooperative international organizations. We have discussed the matter with a Miss Henderson representing that group who has assured us of their desire to cooperate and it will now be necessary to work out an educational program under their sponsorship. Work is being held up tentatively with this group since they have only recently organized and they want to complete their organization work before inaugurating the educational program.

5. United Nations Association.

This is one of the groups mentioned under 4 but still maintaining a separate identity. I have an appointment with Clark Eicheberger, the National Director of the Association, to work out their participation in an educational program.

- 3 -

6. American Legion.

We have discussed the merits of the Fund and the Bank with Mr. Galloway who is Chairman of their Sub-Committee on Foreign Policy. He is going to prepare a report on the subject for the Legion and he wants to obtain our comments before submitting it. While he is inclined to be conservative, nevertheless we are hopeful that we can get him to adopt a sympathetic approach. It will, of course, be extremely helpful if we can get the American Legion working with us in this field.

7. Discussions with Delegates.

In connection with my talks with the various delegates regarding their participation in the American Forum of the Air broadcast, I have had an opportunity to also discuss with them in a general way the subject of cooperation with us on the Fund and the Bank.

(a) Brown has been very cooperative and advises me that he is "working himself to death" attending informal meetings in Chicago explaining the meaning of the Bretton Woods Conference.

(b) Acheson is most anxious to cooperate on the radio broadcast and has indicated a desire to discuss in general the problem of public education.

(c) Senator Tobey is coming all the way from New Hampshire just to participate in the broadcast. He advises me that he has been working under cover on some of the Republican senators, in particular, on Senator Vandenberg.

(d) Congressman Wolcott was reluctant to participate in the broadcast because he was afraid it might interfere with his work behind the scenes with his Republican colleagues. However, he is most cooperative and I have prepared a separate memorandum on my discussions with him.

- 4 -

(e) Senator Wagner and Congressman Spence are, of course, cooperative. Senator Wagner could not participate in the broadcast because of a previous speaking engagement in New York.

(f) Eccles appeared to want to cooperate. However, he stated that he was in a difficult position; that he had sent out a letter to each of the Federals urging them and their officers not to make any public statements in opposition to either the Fund or the Bank. He said that this was particularly necessary in connection with the New York Federal as both Sproul and Williams were getting ready to attack. He now feels that it would be unfortunate if he were to come out publicly on the subject of the Fund and the Bank, since it might open the opportunity for the New York Federal officials to cut loose with their blast. By refraining from a discussion at this time, he feels that he can hope to hold them in line. He did say that if he were called upon to testify before Congress, that that would be a different matter.

(g) Vinson was most helpful and was anxious to participate in the broadcast provided his health permits.

(h) I did not invite Miss Newcomer to participate in the broadcast because we already had an ample number of acceptances. However, she was in Washington one day last week and discussed with me the work she has been doing to support the Bank and the Fund with various women's groups. She will be most helpful and cooperative and was quite enthused with the program for the Women's Conference on International Affairs (Point 3).

#### 8. Discussions with Bankers.

Last week I had a long discussion with John Laylin (former Assistant General Counsel here in the Treasury) on the Fund and the Bank and sold him on both plans.

- 5 -

He is counsel for a number of important banks and indicated that he would "throw his weight" to get them to modify their views. Later, he arranged a dinner at which his father-in-law, a Mr. Morgan who is Vice President of the National City Bank, as well as a Mr. Wasson, Vice-President of J. P. Morgan. Wasson came down to Washington from New York just for the purpose of participating in this discussion. By the end of the evening, both Wasson and Morgan were in agreement on the merits of the Bank and Wasson stated that he was also prepared to support the Fund. Mr. Morgan was a great deal more conservative (one of these old gold standard advocates) but it was clear that he was deeply shaken on the Fund. He admitted its technical thoroughness but was still yearning for the days of the good old gold standard. In these discussions Laylin was extremely helpful. Wasson urged us to prepare an annotation of the Bank and Fund Agreement which might be studied by bankers. He felt that a more complete explanation which might be possible in such annotation would be most helpful in educating the bankers who are anxious to study it.

9. Congressman Voorhis.

At Congressman Voorhis' request, Ness and I called on him yesterday and discussed at length the Fund and Bank. He indicated his willingness to support both proposals, and took notes from which he intends to prepare a speech on the subject which he hopes to deliver before Congress recesses.

THE AMERICAN FORUM OF THE AIR  
COAST TO COAST MUTUAL BROADCASTING SYSTEM

*File*  
1627 K ST., N. W.  
WASHINGTON 6, D. C.  
METROPOLITAN 6010

THEODORE GRANIK  
DIRECTOR

August 17, 1944

Dear Mr. Secretary:

This will confirm your kind acceptance of our invitation to participate in the American Forum of the Air broadcast on "The Meaning of Bretton Woods." The program will originate from the Shoreham Hotel, Washington, on Tuesday, August 22, at 9:30 to 10:15 P.M., E.W.T., and will be carried over the coast-to-coast Mutual Network.

The other United States delegates to the Bretton Woods conference who will participate with you are Mr. Harry D. White, Mr. Dean Acheson, Judge Fred M. Vinson, Senator Charles W. Tobey, Representative Brent Spence, and Mr. E. E. Brown.

I understand that Mr. Luxford is arranging a preliminary meeting for all the participants some time Monday to discuss the format of the program. I shall look forward with pleasure to seeing you then.

With kindest wishes,

Sincerely yours,

*Theodore Granik*

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

TO SECRETARY MORGENTHAU  
FROM MR. LUXFORD

AUG 17 1944

FOR YOUR INFORMATION

You requested a memorandum concerning the forty-five minute broadcast over Mutual Network's American Forum of the Air next Tuesday night.

The program will be conducted as a round-table discussion on "The Meaning of Bretton Woods." It is contemplated that you will preside and that the other participants will be Judge Vinson, Dean Acheson, Senator Tobey, Congressman Spence, Harry White and Ned Brown.

It is our present plan for you to open the discussion with a short introductory statement of what happened at Bretton Woods. You would then ask the questions and the other participants would express their views extemporaneously. We have worked up the attached set of questions and outline answers which have been sent to each of the participants. It also is contemplated that you would make a short closing statement. These statements are in the process of preparation.

- 2 -

I am attaching a copy of the press release issued by the Mutual Network on the subject.

Before you left for London we had definitely advised Granik that we would have a broadcast on August twenty-second on the subject of Bretton Woods. We were not able at that time to state definitely whether it would be a broadcast of the type described above or whether it would be one involving you, Keynes, Kung and Stepanov. We later learned that Keynes and Stepanov would not be available and then, pursuant to our previous arrangements, we went forward on the American delegation broadcast. I had understood that Fred Smith was taking the matter up with you.

# Press Information

## AMERICAN FORUM OF THE AIR

### Coast-to-Coast Mutual Broadcasting System

1627 K Street, N. W.  
REpublic 5995

FOR RELEASE IMMEDIATELY

#### "THE MEANING OF BRETTON WOODS"

Theodore Granik, originator and moderator of the Mutual Network's American Forum of the Air, announced that the broadcast of Tuesday, August 22, will be the first in a series dealing with the recent International Monetary Conference at Bretton Woods, New Hampshire. The participants in this first round-table discussion on "THE MEANING OF BRETTON WOODS" will be:

- HENRY MORGENTHAU, JR., Secretary of the Treasury;
- HARRY D. WHITE, Assistant to the Secretary of the Treasury;
- DEAN ACHESON, Assistant Secretary of State;
- JUDGE FRED M. VINSON, Director of the Office of Economic Stabilization;
- SENATOR CHARLES W. TOBEY, of New Hampshire, Ranking Republican Member of the Senate Banking and Currency Committee;
- REPRESENTATIVE BRENT SPENCE, Democrat, of Kentucky, Chairman of the House Banking and Currency Committee; and
- E. E. BROWN, President of the First National Bank of Chicago, and Chairman of the National Advisory Committee to the Board of Governors of the Federal Reserve System.

Following this explanatory program, others dealing with the controversial issues of the conference will be aired with members of the Senate and House of Representatives participating.

Granik stated that his reason for scheduling such broadcasts is the seeming lack of understanding of the Conference by the man-in-the-street, and expressed the hope that these discussions will result in a clarification of the questions in the minds of the American public regarding the Conference. It is also for this reason that the above participants were chosen for the first of the series. All were delegates to the Bretton Woods meeting.

The broadcasts will originate in the Main Ballroom of the Shoreham Hotel starting at 9:30 P.M., and are open to the public without charge.

QUESTIONS WHICH MIGHT BE USED AS  
BASIS FOR ROUND TABLE DISCUSSION  
ON AMERICAN FORUM OF THE AIR.

1. Now that a month has elapsed since the close of the Bretton Woods Conference and you have had a chance to mull it over, is there any particular point about the Conference that sticks out in your mind?
  - [(a) the "give and take" spirit manifested by the delegates of all countries;
  - (b) convincing proof that the United Nations can and want to work together in peace as in war;
  - (c) the fact that the nations of the world are looking to the U. S. for constructive leadership in the post-war world;
  - (d) Russia's desire to cooperate with other nations;
  - (e) the full historical meaning of the success of Bretton Woods;
  - (f) the success of international cooperation in the monetary and financial field will determine the outcome of international cooperation generally;
  - (g) the attitude of America toward the accomplishments of this Conference will indicate to the world whether we are going to pursue a policy of full international economic cooperation, or one of economic isolationism and dog-eat-dog competition in international economic relations.]
  
2. This is a difficult question, but I would like someone to tackle it: In a few words, how would you describe the International Monetary Fund so the man-in-the-street could understand its over-all meaning?
  - [(a) The Fund establishes machinery for stabilizing the exchange value of the currencies of the world. This stabilizing of currencies is of the very first importance if we want a healthy development of world

- 2 -

trade. It is necessary so that the American manufacturer selling his products can count on getting paid in currencies that will have a stable value in relation to the dollar.

- (b) The Fund also establishes certain rules of the game for foreign trade so that every country will get a square deal financially in its trade with other countries joining the Fund. Thus, not only does the American manufacturer selling his products abroad want to be able to count on getting paid in stable foreign currencies, he also wants to have assurance that when he gets paid, no country is going to prevent him from exchanging his foreign currency for U.S. dollars. Similarly, he wants to know that if businessmen in Country A are going to buy some machinery, that he is going to have the same opportunity to sell them that machinery and get paid as would a manufacturer in Country B. The Fund will constitute one of the major instrumentalities for achieving these goals.
- (c) In order to help member countries stabilize the value of their currencies, each member puts into a common revolving fund gold and his own currency. From this common revolving fund members can draw foreign currencies in time of need, but as their position improves they must restore what they have drawn.
- (d) In a nutshell then, the Fund provides international machinery for stabilizing the values of foreign currencies and for playing the financial game fairly in the field of foreign trade and commerce. If countries which are fulfilling these obligations get into trouble, the Fund stands ready to make its resources available to help them over a crisis and to afford them a chance to work out their problems without resorting to "sharp practices" such as depreciating currencies, imposing restrictions on the payment for goods they have bought from other countries and all the other tricks which Nazi Germany taught the world.]

- 3 -

3. I know the public would like to hear similar explanations of the International Bank for Reconstruction and Development.

[(a) The purpose of the Bank is to encourage investors in countries where capital is plentiful to lend money to borrowers in countries where funds are needed but are not available. Loans in which the Bank is interested will be only for the purpose of rebuilding industries, public utilities, etc., in war devastated countries, and developing natural resources, public utilities and industries in under-developed countries;

(b) The principal activity of the Bank will be to guarantee loans made by private lenders, such as banks and investment houses. In addition, where necessary, the Bank will make some loans out of its own resources.

(c) Each of the 44 United Nations will purchase shares of stock in the Bank. Only a small part of the value of each share will be paid immediately, and by far the larger part of the value of these shares will not be paid at once but will constitute a reserve to support guarantees made by the Bank;

(d) The liability of each member country is limited to the value of the shares of stock in the Bank purchased by that country. Irrespective of the currency loaned by the Bank, or loaned by private investors and guaranteed by the Bank, each member will share in the risk in proportion to the stock it holds.]

4. If there is no such Fund or Bank, will Americans be able to invest abroad?

[(a) Of course there would be some investment without the Bank and the Fund, but there would not be nearly as much, or for that matter, nearly enough to meet pressing needs. Investors in this country remember too well what happened to their investments abroad

- 4 -

after the last war. In fact, one of the chief reasons for the Bank is because there will be so little investment abroad without it. Investors will not lend unless they are assured of the return of their money and a reasonable rate of interest. This is precisely the function of the Bank.

- (b) By stabilizing exchange rates and removing restrictions on transactions in foreign currencies, the Fund also will encourage foreign investments.
  - (c) By increasing trade and income generally the Fund and the Bank will promote an expansion of international investment.
5. What effect will the Fund and Bank have upon moneys owed to America by foreign countries, such as the debts arising from the First World War?
- (a) Neither the Fund nor the Bank are being established to handle old debts. They are not intended to deal with war debts arising out of either World War I or World War II.
  - (b) After the last war this country attempted to lift itself by the bootstraps by loaning countries the money with which to pay their debts to us. As we all know, it was a sad experience and one which will not be repeated in the Fund and Bank.
  - (c) Fund and Bank are concerned, rather, with getting the war torn and underdeveloped countries of the world back on their financial feet and establish them again as going concerns. Their tasks are confined to the opening up and maintenance of trade and with the reconstruction and development of the devastated and underdeveloped countries of the world. These are man-sized tasks by themselves without attempting to burden these institutions with the liquidation of war debts.

- 5 -

6. I don't think that the American public fully realizes what the Fund and the Bank mean in terms of American foreign trade. How do you think they will affect our foreign trade?

[General]

- (a) Important to bear in mind the tremendous productive capacity of this country, particularly as it has been developed during the war. If we are going to keep these enormous productive facilities in operation and thus our people employed, it is imperative that we have a high level of foreign trade. Otherwise this country will be ripe for a real depression.
- (b) Both Fund and Bank are designed to maintain level of world trade at high levels--much higher in fact than was ever the case before the war.
- (c) Keep in mind that an economically stable and prosperous world is the best insurance for prosperity in the U.S.]

[Effect of the Fund on American foreign trade:

- (a) Other countries, not the United States, have engaged in pernicious currency practices which restrict trade. These practices will be outlawed;
- (b) Currency values will be stabilized which means that when the American exporter sells \$10,000 worth of goods abroad he will get foreign currencies worth \$10,000 in return;
- (c) Countries having temporary currency difficulties will have access to the Fund to enable them to solve their problems without stifling trade.]

[Effect of the Bank on American foreign trade:

- (a) Most of the borrowers whose loans will be guaranteed or made by the Bank will need U.S. dollars to purchase goods in this country. This will increase American exports.
- (b) When the productivity of other countries is increased, the people of those countries will have larger incomes with which to buy American products.]

- 6 -

7. Would the establishment of a Fund mean more government controls over foreign trade--does it mean, as some have hinted--that foreign trade would have to be taken over by government agencies?
- (a) The Fund would mean less government controls, not more. Controls over exchange transactions would be removed and no new controls are required;
  - (b) The Fund will not operate in exchange markets nor will it deal with individual traders. It will neither control nor compete with private traders;
  - (c) The U.S. leaves its traders free to buy and sell where they please and operate under the rules of free competition. This right can be effective only if other countries do not restrict the freedom we give our traders. The U.S. can insure such freedom only through international cooperation. Thus, rather than increasing government controls, the Fund is an effective way of reducing the exercise of such controls by other countries.
8. Will the Bank control or compete with private investors?
- (a) The Bank will not control private investment because it will act only when its guarantee is sought by investors, or its participation is sought by borrowers;
  - (b) It will not compete with private investors, but will assist them by guaranteeing their loans and will only lend funds to borrowers who are unable to obtain funds from private investors on reasonable terms.]
9. Since the Fund and Bank mean a real increase in our foreign trade, it is clear to me that they both spell "jobs" for American workers and returning soldiers. What do you think about this?
- (a) Expanding trade means larger exports from the United States and it has been estimated that 5,000,000 additional jobs could be provided by industries which increase their production in order to supply the export trade;

- 7 -

- (b) An increase in our foreign trade will mean an increase in our national income, and as purchasing power increases, production expands and more jobs are created.]
10. Well, how about the American farmer? You know I am a farmer and we farmers need a healthy world market for our products if we are going to raise all we can and be able to sell it at decent prices.
- [(a) United States farmers export about a billion dollars annually in agricultural commodities, and many times that amount in exports of which agricultural products form a part;
- (b) A slight variation in the value of foreign currencies may result in a serious loss to farmers because:
- (1) if the value of foreign currencies dropped, other countries could buy our agricultural products only if we lowered our prices; or
- (2) if we maintained our price level we might lose foreign markets entirely. The U.S. market would then be glutted with repercussions on domestic prices
- (c) Farmers will benefit directly from the increase in world trade which will result from the establishment of the Fund and the Bank. In addition, farmers will share with other segments of the population in the general benefits of world peace, world prosperity, and higher standards of living.]
11. What will be the amount of the U.S. subscription to the Fund and the Bank?
- [(a) The United States will subscribe \$2,750,000,000 to the Fund and \$3,175,000,000 to the Bank--a total investment of less than \$6,000,000,000. Of this amount approximately \$3,000,000,000 will not be paid in cash but will be a contingent liability which may never have to be paid;

- 8 -

- (b) This is not a "contribution" and not a "cost," but an "investment" in world peace and prosperity which will remain intact and may even pay a direct profit to the United States;
  - (c) The United States is presently spending over \$7,000,000,000 each month in the prosecution of the war. Thus, our investment in world peace and world prosperity would be less than one month's expenditures during the war. This is a small price to pay for the benefits which will result from the two institutions.]
12. Is there any guarantee in the plan that we won't have to put up more billions when the original sums have been exhausted?
- [(a) Under Fund and Bank proposals our liabilities are limited to the original subscriptions and this country cannot be required to put up one additional dollar unless it wants to.
  - (b) Since the uses to which the Fund's resources are put are strictly limited, and since it is in the nature of a revolving fund, in the opinion of experts, a Fund of \$9 billion is regarded as adequate to meet requirements.
  - (c) It is, of course, not impossible that the Fund may at some time be temporarily short of dollars. If that contingency should occur, the Fund would still operate in the other forty or so currencies it holds. Of course we could, if we were satisfied it was in our own national interest, lend the Fund more dollars-- but this would be a decision for us to make at that time.
  - (d) Likewise, in the case of the Bank, we might want to expand its subscribed capital after it had proved itself to be a success.
  - (e) In no case would we provide more money to the Fund or the Bank unless they proved to be generally beneficial, and financially successful institutions and unless we decided it was in the American interest to do so.]

- 9 -

13. What about the vast sums of gold that our Government has stored up? Will they be used in this plan?

[(a) The Fund and Bank provide for a portion of each country's subscription to be paid in gold. Only a very small fraction of our gold would be included in our subscription, however.]

(b) The Fund recognizes the importance of gold in the field of international finance and guarantees to gold the same position it has commanded throughout the world for centuries. Thus, under the Fund proposal the value of each member's currency is to be fixed in terms of gold. Moreover, each country can buy any currency from the Fund for gold, and each country guarantees to sell its currency to the Fund for gold. Therefore, the United States can always use its huge reserves of gold to buy any other currency under the Fund agreement.]

14. Will any of these moneys be used for relief purposes abroad-- anything like an international WPA?

[(a) The Fund has nothing to do with either relief, rehabilitation, or reconstruction. The provision of money for relief and rehabilitation is the responsibility of UNRRA. The Bank is intended to finance sound reconstruction projects, but they are no more WPA projects than are the loans of any private bank. Thus, while Bank loans will, of course, provide jobs, loans will not be made for the purpose of providing jobs.]

(b) The Fund and the Bank are permanent institutions and not simply designed to handle problems of the immediate post-war.]

15. Someone recently stated that the U.S. would be pouring that money down a "rat hole" if we joined the Fund and the Bank. What do you say about that?

[(a) To characterize this country's participation in the Fund and Bank as "pouring money down a rat hole" is typical of the tactics which isolationists and defeatists

- 10 -

are bound to employ in their efforts to defeat these proposals.

- (b) It is time that all of us focused on the real "rat hole" of war and this time be prepared to invest some money in rat poison.
- (1) To date, this war has cost the taxpayer over \$200 billion dollars. Before it is over and by the time you include pensions and other indirect costs, it will cost us several times that amount.
  - (2) To date, this war has cost us 300,000 casualties. Before it is over it will cost us far more lives and other casualties.
  - (3) The cost of the war to the world will have to be calculated, not in millions, not in billions, but in trillions of dollars, and tens of millions of lives and injuries will go down this "rat hole."

These figures show us the real "rat hole" into which the lives of our men and our money is being poured.

- (c) Against these staggering losses from war, the Fund and the Bank represent investments in peace. This country is asked to invest \$6,000,000,000--less than the war costs us each month--in an insurance policy against World War III. It is a sound investment if it offers even a reasonable chance of avoiding another war. It would be a sound investment in peace even though we were to lose the whole amount. We are investing in "rat poison" to exterminate future rats like Hitler and Hirohito before they rise up to plague us. It is an investment in cleaning up the breeding grounds of such rats.

- 11 -

(d) However, there is no justification for assuming that the U.S. will lose whatever it invests in the Fund and the Bank. Every possible precaution was taken at Bretton Woods to protect both institutions against loss and to insure them against abuse. If notwithstanding all of the protective measures which were taken, critics still maintain that our investment is "pouring money down a rat hole," then those critics are really saying that any attempt at international economic cooperation is doomed to failure from the start. They are really stating that the U.S. should again don the mantle of economic isolationism and leave a sick world with no other prescription than that of Drs. Hitler and Goebbels.

(e) We should not get too alarmed about their outcries in any event. The public will not forget that before Pearl Harbor these same voices which are presently crying that we are "pouring money down a rat hole," were shouting that we were throwing our money away in appropriating it for national defense and for Lend-Lease. These voices are now just as unprepared for peace as history shows they were unprepared for war.]

16. If the U.S. is going to be the principal country able to furnish the goods for reconstruction in the early post-war years and since this means that U.S. dollars will have to be furnished by the Bank to buy these goods, why should we turn to an International Bank? Why not establish a nine billion dollar U.S. Bank for Reconstruction and Development and run it ourselves?

[(a) Precisely because the bulk of the loans will be in U.S. dollars and for the purchase of U.S. goods it is important for the United States to have an international bank rather than a United States bank. If such a U.S. bank guaranteed a U.S. loan it would mean that the United States not only provided the capital but assumed the entire risk of loss. When an international bank guarantees a U.S. loan it will mean that 44 nations guarantee repayment to the private U.S. investors.

- 12 -

- (b) The privilege of having such a U.S. instead of an international bank would increase our liability by \$6,000,000,000.
- (c) The creation of such a U.S. bank would be a step away from international cooperation and toward economic isolation. It would constitute a threat to the whole world that the United States was embarking on a large scale adventure into dollar diplomacy.]

17. What do the Fund and Bank mean in terms of world peace?

- [(a) Economic warfare is the forerunner of war. The Fund and the Bank are an important step in the abolition of economic warfare;
- (b) Economic instability leads to totalitarian forms of government and all the evils of Naziism and Fascism;
- (c) War torn countries must achieve political stability and they can do this only if their economies are stable;
- (d) To obtain stable economies, war torn countries need equipment to reconstruct their industries and provide jobs for their citizens;
- (e) All countries that have been seriously damaged by the war or have had their economies disrupted can be properly adjusted to peace only if there is reason for them to be confident that their economic structure will be restored;
- (f) The maintenance of peace is dependent to a large extent on the successful establishment of International economic cooperation.]

- 13 -

18. What is the alternative to not having the Fund and the Bank?

- (a) The way of the Fund and the Bank is the way of international cooperation. The representatives of 44 nations, after examining many alternatives, decided that the Fund and the Bank, as presently drafted, represent the most workable and generally acceptable plan for the solution of the world's monetary and financial problems;
- (b) The alternative to the principle of cooperation is economic isolationism which destroys trade, reduces living standards, and is a major factor in making wars;
- (c) The failure of international cooperation in the field of monetary relations will seriously jeopardize, if not render impossible, international cooperation in other fields of economic relations. If the world fails in solving its international economic problems, it will fail in solving its political problems. The price of such a failure is another world war.]

8/15/44

Regraded Unclassified

8/17/44 138 ✓

RESUME OF DAILY NEWSPAPER EDITORIAL OPINION  
ON THE BRETTON WOODS CONFERENCE

Hostility toward and suspiciousness of the Bretton Woods conference were somewhat widespread among newspaper editorial writers prior to the opening of the conference and during the early stages of the deliberations.

As the conference drew toward a close, there was something approaching unanimity -- excluding newspapers of extreme isolationist or partisan label -- in the editorial endorsement of its purposes.

Following signing of the Stabilization Fund and World Bank agreements, editorial pages in large majority recognized these agreements as highly significant achievements in international cooperation. A considerable majority did so enthusiastically, though usually without specifically approving the details of the two plans.

Many editorial writers took occasion to stress the fact that responsibility for giving final effect, so far as this nation is concerned, to this pioneer example of international collaboration now rests on Congress, and to urge that Congress approach the duty in a spirit adequate to the issue's vital importance to mankind.

On the whole, Bretton Woods has received generally sounder editorial attention in the daily press than any other topic of such scope in recent times, exclusive of the war itself. Many editorial writers were at pains to explain the subject to their readers objectively in more or less detail, as well as to comment on it. There has been no pronounced geographical division of sentiment. Sniping at the conference, and unreasoned, uninformed

- 2 -

attacks on it, simmered down to comparatively few metropolitan newspapers which plainly had "axes to grind."

The superior quality of the editorial treatment of the conference doubtless has been due in part, at least, to the generally excellent news coverage which it received. There were numerous editorials commending the policies toward the press which were pursued at the conference.

The superior quality of discussion is typified in an editorial printed July 24 by the Boston Herald, under the heading "A Foundation Stone":

"Whatever the fate may be of the monetary agreement reached at Bretton Woods, New Hampshire, something monumental and perhaps historic has been accomplished. In the midst of a global war raging in unexampled fury, 700 spokesmen of 44 nations gathered in a spirit of inquiry and compromise and outlined a program to stabilize the economy of the world. That in itself is a notable achievement.

"Although all the groups saved their exceptions and the plan will have no binding effect until nations holding 65 percent of the \$8,800,000,000 fund give their sanction formally, we have had a plenary, even if preliminary session of a 'parliament of man.' This document may not be a keystone or a cornerstone, but it is at least a foundation stone of a temple of peace. The nations are anticipating the onrushing problems of peace before winning the war. They have engaged in a grand effort at planetary arbitration of immemorial disputes. Regarded merely as a symbol, a pattern of international cooperation, the conference was momentous. Hopeful Americans will see in its apparent success a sign that the United States is prepared to

- 3 -

assume hereafter that role of leadership which our size and power and world circumstances have decreed.

"To pass dogmatic judgment on the merits of the tentative agreement would be presumptuous. It is so long -- about 15 newspaper columns -- so intricate and so far reaching that its flaws and virtues cannot be appraised until experts examine it minutely. Fortunately, there will be plenty of time for that, as it cannot become effective, if at all, prior to May first, 1945. It must be brought down, somehow, to the comprehension of the person of average intelligence, for the reaction to it in and out of Congress will determine its advisability.

"Here is a task which should engage the close attention of educators and all leaders of public opinion from now on, for many of the ailments which it is designed to cure go to the very essence of permanent peace. If there are eloquent missionaries and persuasive apostles in the ranks of those public and private agencies which long for the establishment of conditions minimizing the possibility of another conflict destructive of civilization and Christianity, this is the time for them to go forth and preach their gospel."

The Hearst newspapers, the New York Times, the Providence (R. I.) Bulletin, the New York Sun, the Chicago Tribune-New York News-Washington Times Herald combination, the Wall Street Journal, and a few lesser publications were centers of irreconcilable opposition to the conference and its works. Their editorial viewpoints ranged from last ditch isolationism or extreme partisanship through insistence on "consultative councils," "return to the gold standard," "bilateral agreements," "currency blocs," reliance on private banking enterprise and a few still more nebulous themes.

- 4 -

## FAVORABLE COMMENT ON THE RESULTS:

Baltimore Sun, July 17 - "The Bretton Woods agreement on a plan of currency stabilization represents an important contribution to the organization of the post-war world."

Christian Science Monitor, Boston, July 17 - The Bretton Woods agreement on a stabilization fund "will probably have tougher sledding in the ruts of American political thinking than anywhere else. Senator Taft has already predicted rejection of the plan. But that will not happen if the American people are awake to the advantages of monetary stabilization. It will not happen if Americans, instead of suspiciously assessing the gains other nations may reap from the plan, look at its usefulness to America and the American standard of living. What matters today to the American voter, with a post-war job to look after, is that the plan helps to create the kind of world market in which his job is safe, in which his wage scale is buttressed by mobilization of world credit resources. Can he make his Congressman see his point?"

Easton (Pa.) Express, July 18 - The stabilization fund agreement is the "first real test of the international cooperation that must be attained if the peace is to be nurtured and kept, once it is won on the battlefield."

Chicago Sun, July 19 - "The issue becomes specific: Are the people and Congress for or against Bretton Woods? Currency stabilization is a technical subject, but anybody can understand the almost inevitable result if some agreement embodying the Bretton Woods principles was rejected."

St. Louis Post-Dispatch, July 17 - "If Congress does not approve the adopted (currency stabilization)

- 5 -

plan -- and the prevailing opinion is that it will not -- it will be derelict in its duty unless it achieves pretty much the same ends."

Dallas (Tex.) News, July 18 - "Our Congress is not expected to act on this issue until after the presidential election, but ratification seems assured. The issue is not a partisan one...."

Newark (N. J.) News, July 18 - Agreement on the currency stabilization plan "is a notable achievement in international collaboration....So far as this country's participation is concerned the final decision now passes to the Congress. It places a grave responsibility upon that body for what it does in this matter will be taken as the measure of confidence that can be placed in our adherence to provisions of the Atlantic Charter."

St. Louis Globe-Democrat, July 17 - "Of significant importance is the fact that an agreement of any sort has been reached. Secretary Morgenthau regarded it as an 'omen of the international cooperation we may expect when we sit around the peace table.' To such extent may the conference be reported as a distinct success." (Sharp criticism of conference previously expressed by this newspaper.)

Corpus Christi (Tex.) Caller, July 19 - "There is no reason to believe that a world stabilization fund operated by and for nations that are conscientiously trying to put their domestic economic house in order would show a loss....Any nation that sabotages or wrecks the great underlying principles (of the plans) may easily be taking on the responsibility for making a third world war."

Philadelphia Inquirer, July 17 - Agreement by the delegates on quotas for the stabilization fund "is a considerable accomplishment for the Bretton Woods parley." (This newspaper was among frequent critics of the conference.)

- 6 -

Baltimore Sun, July 24 - The two plans "look to the effectuation of highly desirable post-war purposes."

Philadelphia Record and Camden (N. J.) Courier, July 24 - The dominant fact emerging from Bretton Woods was: "There is among the United Nations the will and the brains to plan and construct cooperatively an international good housekeeping and orderliness....We have planned together for some money. We are planning in other fields. We are planning early. That is the big hope for the future....The disagreement on ways and means was resolved in the spirit summed up by Secretary Morgenthau: 'Today the only enlightened self interest lies in international accord.'"

Charlotte (N. C.) News, July 22 - One of the hopeful signs of a lasting peace is that the nations represented at Bretton Woods "adopted a spirit of give-and-take, evinced a willingness to make individual concessions."

Louisville Courier Journal, July 23 - "If we fail to accept the point that the United States must work with the rest of the world on a common footing, then we shall betray as sterile and false all our professions of readiness to labor for amity and agreement in any other relationship."

Atlanta Constitution, July 24 - "A world grown cynical in the decade of apathy and appeasement which immediately preceded -- and undeniably precipitated -- the present holocaust finds new hope in the unqualified success of the United Nations Monetary Conference." Russia's voluntary increase in her contribution to the bank's capital is "a positive indication of the Soviet's intention to cooperate wholeheartedly for world peace and unity" and should serve to allay "fears of professional pessimists that Russia will remain a post-war enigma."

- 7 -

Portland (Ore.) Journal, July 22 - The Bretton Woods agreements "point to a better world order and constitute at least a step in the direction of more harmony among nations. In this light, the effort has been justified."

Manchester (N. H.) Union, July 25 - It should not be forgotten that "some such machinery as was proposed at Bretton Woods has a vital relation to world peace."

St. Louis Globe-Democrat, July 24 - With regard to ratification of the Bretton Woods agreements, "perhaps no piece of legislation will come before this session which is more vital to the world's post-war prosperity. The plan must not be swept aside without thorough study."

St. Louis Post-Dispatch, July 23 - "By agreeing upon plans for a world bank of reconstruction and development, the international monetary conference at Bretton Woods has completed the work on its agenda and accomplished more than any except the most ardent optimists had expected....Whether the nations can work together at the law-making level remains to be seen.... Will the same sense of indispensability and urgency which animated the conference of experts animate the representative assemblies in Washington and London?"

Pittsburgh Post-Gazette, July 24 - Even Congressmen may need the advice of financial experts before they can vote on the agreements intelligently...."As far as the purposes of the program are concerned, they will meet with the overwhelming approval of the American people."

Detroit News, July 25 - The results of the conference, "laboriously worked out in detail, are entitled to be respectfully received as a monumental attempt to lay a monetary basis for the coming peace era....We hope and pray that narrow, selfish or partisan opposition will not decide the outcome."

- 8 -

Richmond (Va.) Times-Dispatch, July 26 - The agreements "constitute a venture in international cooperation....for whose success few will fail to hope."

Portland (Ore.) Oregonian, July 27 - As to the stabilization fund, "the harmony among experts from forty-four nations ought to clear away doubts that are founded only upon failure to understand how the fund will operate, or upon mere suspicion that because the United States is the wealthiest of all participants, its resources are being raided." (This newspaper previously criticized conference severely.)

Milwaukee Journal, July 30 - "Is it too much to hope that this time Congress will take a broad view, or must we again be humiliated before the world by the infantile agreements of our Nervous Nellies?"

Wall Street Journal, July 25 - The conference experts "have produced blueprints of two pieces of machinery -- the Stabilization Fund and the International Bank -- which are quite simple as far as they go....The Conference has given us at least a partial picture of one of the problems ahead, and that is, after all, something that may be counted worth the trouble." (This newspaper was highly critical of the conference as a rule.)

Washington Evening Star, July 25 - Considerations giving rise to "considerable skepticism" over the agreements seem "heavily outweighed by the entries on the credit side of the Bretton Woods ledger." The mere fact that an agreement was reached is "a hopeful indication of a trend toward international cooperation".... "It is surely no exaggeration to say, as the Secretary of the Treasury has said, that we are at the crossroads and we must go one way or the other."

- 9 -

## UNFAVORABLE COMMENT ON RESULTS:

Cincinnati Times-Star, July 17 - Among reasons for "public apathy" toward the conference, the "most important of all is the suspicion that the conclusions at Bretton Woods will be embodied not in a treaty which can be debated and passed on by the Senate, but in one of those executive agreements which could be railroaded through Congress with a bare majority."

Baltimore News & Post, July 18 - The delegates of forty-four invited nations at Bretton Woods "are considering ways and means of tapping after the war the reservoir of Uncle Sam's well-known generosity." The conference is dealing with a "proposed international Utopian financial structure." (This is a Hearst paper.)

Providence (R. I.) Journal, July 22 - The bank plan "ignores such fundamental considerations as selectivity of risks and cautious appraisal of past records."

New York Sun, July 21 - The currency stabilization plan is built upon "obvious economic absurdities.... Unless we can dictate the conditions under which we shall lend, we stand to lose our gold and our goods and to give no lasting help to anybody."

New York Sun, July 25 - "A basic weakness of the monetary scheme that has emerged from Bretton Woods is that it permits a borrower to be the judge of his own credit." The currency stabilization plan "expressly permits currency devaluation" and imposes no rule of conduct on the borrower.

New York Times, July 18 - "Unfortunately, in the proposals that the Administration has sponsored at Bretton Woods, it has failed to show clarity of thought. The result is a plan confused in its objectives and hazardous in its possibilities. The delegates at Bretton

10 -

Woods -- above all the American delegates -- seemed to be obsessed by the idea of machinery."

New York Times, July 19 - "World economic revival will not necessarily flow from a plan under which taxpayers are saddled by their own Governments with losses from huge foreign loans made regardless of their soundness. It is likely, rather, to flow from a situation in which each country, or each industrial venture in it, is encouraged or forced to follow sound policies in order to attract foreign investors."

New York Times, July 24 - The monetary fund final agreement "meets none of the fundamental criticisms that applied to the tentative agreement. A vast machinery is provided which is confused in its objectives....The proposed agreement ignores all basic principles which must be adopted if such machinery could hope to be successful. The American money poured into supporting weak foreign currencies will be worse than wasted, unless the loans are made conditional upon internal reforms in the borrowing nations....The United States must take the lead in these reforms."

Providence (R. I.) Journal, July 25 - "In the absence of insistence that the signatory nations shall put their domestic fiscal house in order and thereby do everything possible to assure the stability of their currencies, there is little likelihood that international exchange can be stabilized for any considerable period....The compromise we made between the alleged domestic necessities of member nations and the plain requirements of a soundly-conceived, practically based exchange stabilization plan faces almost certain defeat in Congress."

#### SENATOR TAFT'S ATTACK:

Senator Taft received almost no editorial support whatever in his attack of July 11 on the conference

- 11 -

proceedings. Typical of editorial replies to the Senator were the following.

Cincinnati Enquirer, July 13 - "It is very regrettable, to say the least, to find Ohio's Senator Robert A. Taft predicting in advance that Congress will not approve the recommendations of the United Nations Monetary Conference at Bretton Woods....This smacks strongly of the isolationism and opposition to international cooperation to keep the peace which was so characteristic of Senator Taft's prewar attitude....It is greatly to our advantage if it is not outright essential to have the world's finances in a reasonable state of equilibrium. And to us it seems elemental -- although the point seems to escape Senator Taft -- that this can be achieved much better through a United Nations bank and international monetary fund supported morally or financially by all the nations, than if we go back to the 'Uncle Shylock' policy."

Miami (Fla.) News, July 15 - The Taft statement is the "first shot in a new war for isolation."

Corpus Christi (Tex.) Caller, July 19 - "The substance of Taft's argument and of the U.S.C. of C. is 'let's go back to the system of the 20s when gold was king and bankers did as they pleased, calling for government support only in cases where monetary credits are risky.' Everyone knows where that policy led the United States and the world. It led first to economic chaos, which fertilized the seeds of war."

#### SOME EARLY EDITORIAL COMMENT:

The following quotations are from editorials printed before the conference began work, or during the early stages of its work:

Washington Post - "The international monetary and financial conference at Bretton Woods opened with an auspicious candor."

- 12 -

Louisville Courier Journal - "We are to put in some two and one-half billions of dollars. A quick restoration of trade and economic activity can be worth ten or twenty times that sum within a few years."

Hartford Courant - "A nation embarked on a sound domestic policy should have no need for the International Monetary Fund....In the long view, a premium is placed on reckless public finance and a penalty on prudent policy."

Boston Globe - "Important as are the battles now raging in Europe and in the East, the conference at Bretton Woods certainly ranks with them."

Winston Salem (N. C.) Journal - "If the United Nations demonstrate in these and other cooperative undertakings that they can plan for peace as well as the totalitarian aggressors planned for war, there is no question but that we shall win the peace."

Richmond (Va.) Times-Dispatch - Congress should consider "that should it decide to reject the monetary program in toto, as a few of its members have suggested already, the United States would suffer a loss of prestige from which it might not recover."

Syracuse (N. Y.) Post Standard - "The conference on world monetary policy now starting at Bretton Woods may well determine whether we are going to have an uneasy peace after the war or one that will last."

Springfield (Mass.) Republican - The conference "is a wise attempt to get a substantial area of international economic cooperation covered before the end of the military phase of the war."

New York Herald-Tribune - "Some of the basic criticisms are: That the fund contemplated is too big; that,

- 13 -

while most of the real contribution would be made by the United States, policies would be determined by debtor-minded nations; that the fund is totally unadapted to the transition period; that the so-called 'quota system' is an open invitation to currency and credit abuses; that the United States might soon find itself having to face the responsibility for the breakdown of the scheme if, when its supplies of currency were exhausted, it refused to put up more; that the sound approach to stabilization is the 'key country' approach; and last, but not least, that the so-called 'currency stabilization' fund would not stabilize currencies."

New York Journal of Commerce - "The view is widely held that the parley is tilting at windmills...."

Los Angeles Times - "Currency stabilization is a subject that leaves most people cold."

Washington Post - As "insurance against the alternative of almost certain currency chaos and trade paralysis, a monetary fund justifies assumption of risks by a powerful trading nation, provided the risk is not indefinite or excessive."

Providence (R. I.) Journal - "If the Bretton Woods conference, by its action, affords evidence that the fundamentally mistaken nationalistic policies of the past in the economic sphere will have no place in post-war international planning, the world will at least be heading in the direction of economic freedom upon which the peace and prosperity of mankind so largely depend."

Tucson (Ariz.) Star - Without some general agreement, "we will face an international anarchy in finance that would prolong the period of lend-lease and postpone the time when we would get paid for what we would sell."

South Bend (Ind.) Tribune - "The average American is finding it difficult to understand the technicalities (of the conference subject matter), but comprehension of the vital nature of the stabilization project is not lacking."

- 14 -

Baltimore Sun - "Monetary chaos is the enemy of trade between nations....and ultimately endangers the peace."

New Britain (Conn.) Herald - "The outlook is that the world, as the result of the Bretton Woods conference, will give a trial to new ideas."

Tampa (Fla.) Tribune - "We try to fathom the issues, but can't always make the grade. However, we do appreciate the fact that, no matter how complicated and technical these monetary discussions may seem, they are filled with meaning for ordinary men and women in all parts of the world....If a workable program for stabilizing world finances can come out of the Bretton Woods conference, all of us will be indebted to the financial experts, even if we don't know exactly why."

Great Falls (Mont.) Tribune - "As the economists and financiers argue and disagree and negotiate, few people can follow the trend of their discussions. But this we know: That unless the nations of the earth are able to trade back and forth freely and can avoid financial and economic warfare, the terms of peace agreements will be futile."

Rochester (N. Y.) Democrat & Chronicle - "The whole idea thus boils down again to the question of practical good neighborliness, on which we have placed so much stress in this war....If there are some risks in the plan outlined, they appear to be minor in comparison with the larger purpose." (This is the leading newspaper of the Frank E. Gannett chain.)

Davenport (Iowa) Democrat & Leader - "If a way can be worked out to eliminate prewar barriers to world trade, then we can all expect to see an era of unprecedented prosperity for many nations, including this one."

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON, D. C.

*AM*  
AUG 17 1944

My dear Mr. Morgenthau:

I am pleased to hear that Smithies was of some use at the monetary conference. I was naturally very glad, indeed, that the conference, and especially the efforts of the Treasury, were so successful. You have my best wishes in the difficult tasks that remain.

Sincerely yours,

*W. A. R. Smithies*  
Director

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

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

153 ✓

*finished*

DATE August 17, 1944

TO The Secretary

FROM Mr. Haas *HAAS*

Mr. D. W. Bell has a copy of this memorandum  
and we have discussed it with him.

## TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE **AUG 15 1944**

TO Secretary Morgenthau  
 FROM Mr. Haas  
 Subject Refinancing of the Two Treasury Notes Maturing September 15

## SUMMARY

Two Treasury notes totaling \$918 millions mature on September 15. It is suggested that the holders of these notes be offered an exchange into the 1 percent Treasury note due March 15, 1946, now outstanding in the amount of \$503 millions. It is recommended that the certificate issues due on September 1 and October 1 be treated separately from the note maturities, and refunded into new certificates.

There are only three Treasury obligations, other than bills and certificates of indebtedness, which will call for refinancing during the remainder of the calendar year 1944. One of these, the 4 percent Treasury bond, 1944-54, called for redemption on December 15, need not be considered at this time. The other two issues are Treasury notes, both maturing September 15. They are:

<u>Coupon</u>	<u>Tax status</u>	<u>Amount outstanding</u> (Millions of dollars)
3/4 percent	Taxable	635
1 percent	Wholly tax-exempt	283
	Total	918

The holdings of these securities by the various classes of owners on June 30, 1944, are shown in the following table:

## Secretary Morgenthau - 2

	: 3/4 percent : note (T) :		: 1 percent : note (W) :		: Total of : two issues	
	: Millions : of : dollars :	: Per- : cent :	: Millions : of : dollars :	: Per- : cent :	: Millions : of : dollars :	: Per- : cent :
Commercial banks	472	74	52	18	524	57
Federal Reserve Banks, Govern- ment agencies and trust funds	46	7	24	8	70	8
All other investors	<u>117</u>	<u>19</u>	<u>207</u>	<u>74</u>	<u>324</u>	<u>35</u>
Total	635	100	283	100	918	100

(T) - Taxable  
(W) - Wholly tax-exempt

Seventy-four percent of the 3/4 percent note, the taxable issue, is in the hands of commercial banks. When the small amount of the tax-exempt issue held by commercial banks is added to this, it is found that of the \$918 millions to be refinanced, \$524 millions was held by commercial banks on June 30. As the maturity date approaches, somewhat more of the taxable issue will find its way into the hands of commercial banks. There was also some shift of the tax-exempt issue into the hands of two large New York banks during June. It is desirable, therefore, to make a refunding offer which will be attractive primarily to commercial banks. It is probably not necessary to note again that nothing that the Treasury can offer in the way of taxable issues will compensate the "all other investors", who held \$207 millions of the 1 percent tax-exempt note on June 30, for the tax-exemption privilege which they must give up when the note matures.

With these considerations in mind, it is recommended that the two maturing issues can be refunded most effectively by reopening the 1 percent Treasury note, due March 15, 1946, and making an exchange offer. The advantages to this procedure are:

Secretary Morgenthau - 3

(1) There is only a small amount, \$503 millions, of this note outstanding; and only one other issue, with \$489 millions outstanding, falls into the maturity schedule (first call) in March 1946. There are, in fact, no large maturities at all in 1946 until December. Therefore, the reoffer of the 1 percent Treasury note, due March 15, 1946, would fit well into the maturity schedule of Government obligations from the standpoint of the Treasury. At the same time, it would serve to round out the portfolios of banks which want something just a little longer than a certificate.

(2) The reopening of this particular note will keep the interest cost low, 1 percent; it will, in fact, constitute the cheapest refinancing that can be obtained, except by the offering of a certificate of indebtedness.

(3) The present premium on the 1 percent note, 7/32 (bid), is high enough to make the deal attractive to all holders alive to market developments; but not so high that it will give them an undue profit.

There are two principal alternatives to the refinancing suggested above:

(1) The first alternative to this or any other exchange offering is, of course, a cash repayment. Since it is possible to make an exchange offer which is desirable from the Treasury viewpoint, and yet is attractive to the holders of the maturing notes, there does not appear to be any particular advantage in a cash repayment. There would, of course, be some cash involved in the financing which has been suggested; but it would involve pulling down the cash balance by not more than \$100 millions, as compared with over \$900 millions if the whole transaction is on a cash basis.

(2) It has been suggested to us that these two notes be refinanced along with either the certificate which matures September 1 or that which matures October 1 -- all three to be exchanged for a note. As the maturing certificates amount to \$4,122 millions and \$3,519 millions, respectively, the total

Secretary Morgenthau - 4

deal would amount, in such an event, to about \$5 billions. For such a transaction, a new note -- and probably one of longer maturity and higher coupon -- would be offered.

It seems to us that the proposed combination would be unwise for the reasons stated below; and we recommend that the consistent policy of refunding certificates only into new certificates be continued.

(a) Refunding a certificate into a note would for the first time give an appreciable rights value to a maturing certificate. This would introduce a speculative element, which has hitherto been lacking, into the certificate market, and whet the appetite of certificate holders for further such exchanges.

(b) The September 1 maturity of certificates was that offered at the time of the Third War Loan. It was therefore all sold originally to nonbank holders, principally nonfinancial corporations; although by June 30, about 63 percent of it had passed into the hands of commercial and Federal Reserve Banks. The October 1 maturity was issued originally to refund an earlier certificate issue, held largely by banks, and to raise additional cash from commercial banks following the Third War Loan. On June 30, about 92 percent of it was in the hands of commercial and Federal Reserve Banks. Both classes of holders, the corporations and the banks, originally selected a certificate as best suited to their needs; and it is best for the interests of the whole economy that each class continue to hold certificates. An exchange of a note for a certificate, in the case of commercial banks, would result in decreasing their liquidity and increasing their earnings; while, in the case of nonfinancial corporations, it would add a new market factor to the already-existing problems of financing the conversion of the economy to peacetime needs.

Secretary Morgenthau - 5

The holders of the maturing certificates would probably, nevertheless, welcome an exchange for a note because of the greater premium which a note would command. Some of them, if given a note in exchange, would probably take the premium and convert the note through market channels into outstanding certificates. The principal result, as far as these holders were concerned, would be to churn up the market. Others would doubtless accept the note because of the greater premium, and hold it, rather than bother to do their own refunding, even though a note might not be the best instrument for their own purposes or for the good of the whole economy.

(c) Joining the notes maturing September 15 in a single refunding with either the September 1 or the October 1 certificate would present a problem of interest adjustment, due to the differences in maturity dates of the outstanding securities, so that one, at least, would mature on a date other than the issue date of the new security. In all such cases, the possibility arises that some investors, who would have accepted a straight exchange at maturity, will find it advantageous, or simply less trouble, to elect cash repayment. This was evident in the March refunding, when exchanges of the wholly tax-exempt note due March 15, which required no interest adjustment, amounted to 94 percent; while those of the wholly tax-exempt note due June 15, which required a three-month interest adjustment, amounted to only 65 percent.

## TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE August 17, 1944

TO Mrs. Klotz

FROM Mr. Shaeffer

*CS.*

Last Tuesday, during consideration of a bill to provide for the disposal of surplus Government property and plants, Representative Sabath made the attached fine remarks about our Mr. Olrich which became a part of the Congressional Record for that day.

that there might not be a repetition of the conditions experienced after the first war. I recall a conference I had with a gentleman, Mr. Olrich, who impressed me greatly as a sound, capable, and experienced businessman, who acquainted me with the preliminary plans for the disposition of the surplus property under the jurisdiction of the Procurement Division of the Treasury Department. It is men of his type needed in the administration of the disposition of these vast surpluses and it is to be hoped that more men of his business caliber will be found in the organization provided for under this bill.

August 17, 1944

MEMORANDUM FOR THE SECRETARYFOR YOUR INFORMATION

Subject: Recent Developments in the Argentine Situation.

At the time the Argentine Government decided to remove its gold from the United States, we adopted the practice of clearing each shipment with the State Department before releasing it. Each shipment of the \$64,000,000 in gold which has been transferred to Argentina since October 1943 has first been referred to the State Department in this manner.

In accordance with this routine procedure, State was informed on August 3, 1944, that two shipments, each of \$1,250,000 were scheduled to sail within the next few days. The State Department subsequently advised that they had been reviewing the Argentine situation, that they had not decided that the shipments should be allowed to go, and that they would notify us as soon as a decision had been reached.

Meanwhile, on August 5, 1944, representatives of FEA indicated that they were getting State's approval to a program for reducing American imports from Argentina and requested our cooperation in executing the program. In accordance with their request, Special Regulation No. 2, a copy of which is attached, was prepared subjecting to Foreign Funds Control licensing procedure all imports from Argentina except those made by the United States Commercial Company. This procedure was cleared within the State Department early that afternoon and the plan was presented by State and FEA to representatives of the War Food Administration, the War Shipping Administration, and the War Production Board that same day.

Late that same afternoon, we were informally advised that the State Department was recommending to Cordell Hull a complete freeze of Argentina.

On August 8, 1944, one of the boats scheduled to take a shipment of gold was about to depart. Inasmuch as we had received no further word from State with respect to the release of

- 2 -

the gold shipments, the freezing of Argentina, or the application of control over Argentine imports, Schmidt checked with Collado about the situation. After checking within the State Department, Collado called and advised that they were still waiting for word from the Secretary of State on the freezing of Argentina, and that Treasury should use its own judgment as to whether the gold was to be allowed to depart. In view of these circumstances, it was decided, with the concurrence of Mr. O'Connell and Mr. Gaston, that the gold should not be released for shipment as scheduled but should be held pending decision by the Secretary of State with respect to the programs which he then had under consideration. Yesterday, UP released a story about the gold, a copy of which is attached. We are informed that the leak came from sources close to the Department of State and FEA.

Yesterday we were informed by FEA that the delay in the application of the controls over Argentine imports was caused by the fact that top officials of the War Food Administration and the War Production Board had gotten to Hull. FEA feels, however, that they will soon get a green light on this project.

*Amel D. Lufford*  
*Amel D. Lufford*

TREASURY DEPARTMENT  
FOREIGN FUNDS CONTROL

## CODE OF FEDERAL REGULATIONS

Title 31 - Money and Finance: Treasury  
Chapter I - Monetary Offices, Department of the Treasury  
Part 138 - Special Regulations relating to Argentine  
imports into the United States.

SPECIAL REGULATION NO. 2  
Relating to Argentine Imports Into  
the United States \*

---

By virtue of the authority vested in me by Executive Order No. 9193 of July 6, 1942 and Section 5(b) of the Trading with the enemy Act of October 6, 1917, as amended by the First War Powers Act, 1941, it is hereby ordered as follows:

Section 1. Regulating Argentine Imports. All of the following transactions are prohibited, except as specifically authorized herein, or as authorized by a license or other authorization of the Secretary of the Treasury:

(a) The importation into the United States from any foreign country, whether for consumption or exportation, of any goods, wares or merchandise in which Argentina or any national thereof, has at any time on or after August , 1944 had any interest of any nature whatsoever, direct or indirect;

(b) The importation into the United States, directly or indirectly, from Argentina, whether for consumption or exportation, of any goods, wares, or merchandise in which any foreign country or national thereof has at any time on or after August , 1944 had any interest of any nature whatsoever, direct or indirect;

(c) The acquisition, holding, use, transfer, withdrawal, transportation, exportation or importation of, or dealing in, or exercising any right, power, or privilege with respect to, any goods, wares, or merchandise imported into the United States after August , 1944 contrary to the provisions of (a) or (b) above; and

---

\*Part 138: - Section 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; 55 Stat. 838; Ex. Order 9193, July 6, 1942

- 2 -

(d) Any transaction in foreign exchange, transfer of credit or payment between, by, through, or to any banking institution within the United States for the direct or indirect purpose of acquiring, holding, using, transferring, withdrawing, transporting, exporting, importing or dealing in, or exercising any right, power, or privilege with respect to, any goods, wares, or merchandise (i) in which Argentina or any national thereof, has at any time on or after August , 1944 had any interest of any nature whatsoever, direct or indirect, or (ii) physically within Argentina and in which any foreign country or national thereof has at any time on or after August , 1944 had any interest of any nature whatsoever, direct or indirect.

Section 2. Transactions authorized. The provisions of Section 1 of these regulations shall not be deemed to apply with respect to:

(a) Any goods, wares or merchandise imported into the United States on or before August , 1944 or any goods, wares, or merchandise physically situated in the United States on August , 1944;

(b) Any goods, wares, or merchandise purchased by or through the U. S. Commercial Company; or

(c) Any goods, wares, or merchandise aboard vessels which have sailed from Argentina on or before August , 1944.

Section 3. Licenses.

(a) Any application for a license to engage in any transaction prohibited under Section 1 of these regulations should be filed in the manner prescribed in Section 130.3 of the Regulations under Executive Order No. 8389, as amended; provided, however, that such application shall expressly refer to Special Regulation No. 2.

(b) The general procedure which will be followed in handling any application for a license under these regulations will be that employed in the administration of Executive Order No. 8389, as amended. The Secretary of the

- 3 -

Treasury will consult with the Foreign Economic Administration before acting upon any application.

(c) No license shall be deemed to authorize any transaction prohibited under Section 1 of these regulations unless such license expressly refers to Special Regulation No. 2.

(d) No license authorizing any transaction prohibited under Section 1 of these regulations shall be deemed to authorize any transaction prohibited under Executive Order No. 8389, as amended, or any other ruling or regulation issued pursuant to sections 3(a) or 5(b) of the Trading with the enemy Act, as amended, unless the contrary is expressly stated.

Section 4. Definitions. As used in these regulations, all terms shall have the meaning prescribed in Executive Order No. 8389, as amended, or as prescribed in regulations, rulings, public circulars, or public interpretations issued thereunder or in connection therewith. In particular, the provisions of General Ruling No. 4 issued under Executive Order No. 8389, as amended, shall be deemed to apply.

Section 5. Penalties. Section 5(b) of the Act of October 6, 1917, as amended, provides in part:

"~~Who~~Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or, both; and any officer, director, or agent of any corporation, who knowingly participates in such violation may be punished by a like fine, imprisonment, or both."

Section 6. Amendment, Modification or Revocation. These regulations and any rulings, licenses, rules, instructions, forms or schedules issued hereunder may be amended, modified or revoked at any time.

Secretary of the Treasury

THE WASHINGTON POST  
August 17, 1944

## U.S. HALTS FLOW OF GOLD TO ARGENTINA

By the Associated Press

The United States applied a single premonitory turn of the economic screw to recalcitrant Argentina yesterday, halting the homeward flow from this country of gold owned by the South American nation.

It was the first positive action since Secretary of State Hull several weeks ago described Argentina as a "deserter" from the cause of the United Nations.

Argentina has been withdrawing gold from the United States for several months, shipments aggregating \$20,000,000 to \$30,000,000. The Treasury's foreign funds control division recently refused to permit a shipment from New Orleans of about \$2,000,000, and it was understood that no further shipments will be allowed pending clarification of the diplomatic situation.

The possibility of a general "freeze" of Argentina's assets has been under consideration for months. The order actually has been drawn, but never issued.

The stop on gold shipments is not regarded here as a particularly drastic curb. Argentina, in effect, now acquires the status of a "neutral," and loses a preferred status. Neutral countries are not allowed to withdraw gold, but this policy is not applied to allied or associated nations.

AUG 17 1944

Dear Dean:

I have your letter of August 7, 1944, asking to have the assistance of a Treasury representative at the Second Session of the United Nations Relief and Rehabilitation Administration which will open on September 15, 1944, at Montreal, which representative will serve in the capacity of Adviser to the Council Member.

I am glad to comply with your request and designate Mr. Harold Glasser of the Division of Monetary Research as the Treasury representative. We will make him available to work with you before and during the Second Session to be held at Montreal.

Sincerely yours,

(Signed) Henry Morgenthau, Jr.

Honorable Dean Acheson  
Assistant Secretary of State  
Washington, D. C.

DWB:NLE



DEPARTMENT OF STATE  
WASHINGTON

August 7, 1944

Dear Henry:

I have written you today requesting the Treasury's assistance in naming the American appointee, who will also act as Chairman, on a special committee of the United Nations Relief and Rehabilitation Administration. There is one further matter on which this Department would greatly appreciate assistance from the Treasury Department.

The Second Session of the United Nations Relief and Rehabilitation Administration will open on September 15, 1944 at Montreal. At this meeting it would be very helpful indeed to have the assistance of a representative of the Treasury Department, who would serve in the capacity of Adviser to the Council Member. You will recall that the Treasury sent such a representative to the first session of the Council which took place in November, 1943. The contribution of the Treasury representative to the work of the American delegation and to the work of the Council as a whole was extremely valuable and was one for which we were grateful. I am, therefore, very hopeful that it will be possible for you to name an officer of the Treasury to attend the Montreal meeting.

Sincerely yours,

Assistant Secretary.

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

FOR DEFENSE



BUY  
UNITED  
STATES  
SAVINGS  
BONDS  
AND STAMPS

AUG 17 1944

Dear Dean:

I have your letter of August 7, 1944, requesting as the Member of the Council of the United Nations Relief and Rehabilitation Administration, that the Treasury permit one of its officers to serve as member and chairman of a committee of the Council which will determine whether each Government asking assistance from the Administration is in a position to pay in foreign exchange.

I am pleased to permit an officer of the Treasury to serve as a member of this committee and also to act as its chairman if you so desire, and suggest for this purpose Mr. Harry White, Director of Monetary Research of this Department.

Sincerely yours,

**(Signed) H. Morganthau, Jr.**

Honorable Dean Acheson  
Assistant Secretary of State  
Washington, D. C.

DWB:NLE



DEPARTMENT OF STATE  
WASHINGTON

August 7, 1944

Dear Henry:

As the Member of the Council of the United Nations Relief and Rehabilitation Administration representing this Government, may I ask the assistance of the Treasury.

Section 17 of Resolution 14 of the first meeting of the UNRRA Council provides that, when a member government considers that it is not in a position to pay in foreign exchange for imported supplies, the Director General, on the advice of an appropriate committee of the Council shall determine whether the government is in a position to pay. A further resolution of the Council determines how that appropriate committee shall be appointed. I am attaching for your ready reference sections 16-19, inclusive, of Resolution 14 and the resolution relating to the special committee.

Mr. Pearson of Canada, who has the authority to appoint this committee has consulted with me and intends to designate as members of the committee the appointee of the United States, who will act as Chairman, and the appointees of the United Kingdom, the Soviet Union, Brazil, and Norway. In the opinion of this Department it would be most desirable to have as the American representative upon this important committee and as its chairman an officer of the Treasury Department, and I have the approval of the Acting Secretary in asking you to assist us by designating such an officer and authorizing him to act in the capacity mentioned.

The Director General has received an application from Greece requesting that he determine that it is not in a position to pay in suitable foreign exchange. Therefore, the committee's first task will be to determine whether Greece is in a position to pay in foreign

FOR DEFENSE



BUY  
UNITED  
STATES  
SAVINGS  
BONDS  
AND STAMPS

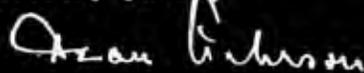
The Honorable

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

exchange. While I imagine this task should not prove difficult, this committee, or another upon which the same American representative would act as chairman, will have other requests which undoubtedly will prove more difficult. It is, therefore, of great importance that the American representative on this committee should be an official whose reputation and prestige will inspire confidence in his capacity and impartiality. It is also important that this committee commence its consideration of the Greek application as soon as possible so that a determination of this question can be made before the Second Session of the Council, which will begin on September 15.

I should greatly appreciate it, therefore, if you would let me know at an early date whether it will be agreeable to you to have an officer of the Treasury serve in this capacity and, if so, if you would let me have your nomination of the officer whom you consider qualified to undertake the assignment.

Sincerely yours,



Assistant Secretary.

Enclosures:

2 Excerpts from UNRRA Resolutions

Section 16. Governments in a Position to Pay With Suitable Means of Foreign Exchange

It shall be the policy of the Administration not to deplete its available resources for the relief and rehabilitation of any area whose government is in a position to pay with suitable means of foreign exchange.

Section 17. Determination of Whether a Government is in a Position To Pay With Suitable Means of Foreign Exchange

When a member government considers that it is not in a position to pay as in the foregoing section, the Director General, in consultation with the Member government involved and on the advice of the appropriate committee or subcommittee of the Council, shall determine whether the government or country is not in a position to pay for relief and rehabilitation supplies and services. In case of disagreement, either the member government or the Director General may refer the matter to the Council.

In making the determination the applicant's foreign exchange assets and its sources of foreign exchange shall be taken into account. Although payment for relief and rehabilitation supplies and services shall be considered to have a strong claim on the foreign exchange assets of the applicant country, due consideration shall be given also to its need of foreign exchange for other purposes.

The Director General, from time to time, shall review such determination in the light of changing circumstances.

Section 18. Policy on Relief Debt Burdens

It shall be the policy of the Administration that an applicant government shall not be required to assume the burden of an enduring foreign exchange debt for the procurement of relief and rehabilitation supplies and services.

Section 19. Supplies and Services for Which Member Governments Are Not in a Position To Pay With Suitable Means of Foreign Exchange

The Council recommends that governments not in a position to pay in suitable means of foreign exchange for necessary relief and rehabilitation supplies or services make available to the Administration in whole or in part the local currency proceeds from the sale of supplies

furnished

Furnished by the Administration. It shall be the policy of the Administration to use any such local currency for relief and rehabilitation work, including the care and movement of displaced persons, and for such other purposes as may be agreed upon with the government. Programs for the utilization of such local currency shall be formulated by the Director General and the member government involved.

A Resolution Relating to the Appointment of a Subcommittee  
of the Committee on Supplies

RESOLVED

That the Council approve the appointment by the chairman of the Committee on Supplies, after consultation with the chairman of the Committee on Financial Control, of a subcommittee of not more than five members, of whom a majority would be drawn from the Committee on Supplies with the other member or members drawn from the Committee on Financial Control, and that this subcommittee be considered the appropriate subcommittee to advise the Director General relative to determining whether a government is in a position to pay, as provided in section 17 of the Financial Plan.

AUG 17 1944

My dear Dr. Kohn:

I regret that my recent absence from Washington has occasioned delay in my reply to your letter of August 4, 1944, in which you inquire about the relationship between Mr. Eri Jabotinsky and the War Refugee Board.

I have taken this matter up with the Executive Director of the Board, who has confirmed to me that, contrary to the impression apparently given, Mr. Jabotinsky is not a representative of the War Refugee Board.

The War Refugee Board, as a matter of policy, works closely with all private agencies in the refugee field that have contributions to make toward the tremendous and heart-breaking task of saving refugees. It cooperates with Zionists, non-Zionists and anti-Zionists, with Jews and non-Jews, with liberals and conservatives, and with both large and small groups.

Representatives of many of these groups carry on activities in several of the neutral countries. In Turkey, for example, there are so many representatives of private refugee agencies that the Board has had to undertake a coordinating program. One of the representatives now in Turkey is Mr. Jabotinsky, who represents the Emergency Committee to Save the Jewish People of Europe.

- 2 -

As you no doubt know, the War Refugee Board is an organization set up by Executive Order of the President, a copy of which is enclosed.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Dr. Hans Kohn,  
Smith College,  
Northampton, Mass.

Enclosure

8/16/44

HOPEWELL JUNCTION  
DUTCHESS COUNTY, NEW YORK  
TELEPHONE: BEACON 211

Aug 10/44

My dear Mr Peble,

In accordance with your  
suggestion we The phone I am enclosing  
This letter for my husband from Prof. Kohn,  
so that you can prepare an answer  
to be signed on his return.

If Mrs Rossorff can  
get away after Sept<sup>th</sup> she would  
be very happy to visit the Refugee Camp  
with us, but she is not sure just  
how of her future plans. I think all the  
publicity that you have had has been excellent

Sincerely yours,  
Shirley B. Kaysner

SMITH COLLEGE  
NORTHAMPTON, MASSACHUSETTS  
DEPARTMENT OF HISTORY

private and confidential

August 4, 1944

My dear Mr. Morgenthau,

I receive regularly from Palestine a weekly letter, published by Zionists from Germany. I have had a long and very intimate knowledge of Zionist publications, and I may therefore be able to state with some authority that I always found this paper the by far most serious, most responsible and level headed Zionist publication.

I am enclosing the first page of the issue of May 26 where I marked one of the editorial comments, and I would be very grateful if you would be able to give to the matter your attention.

As you probably know there is a very active group of extremist Zionist nationalists, who in their philosophy and outlook are closely akin to fascist nationalism. Some of them have now in Washington founded a Jewish Committee of National Liberation. Others in Palestine have carried on for many months a campaign of ruthless terrorism, reminding, in deeds, thoughts and language, of the worst excesses in central Europe.

The founder of this movement was Vladimir Jabotinsky who died a few years ago. His son Mr. Eri Jabotinsky is now a leading member of the movement.

The editorial which I enclose expresses its astonishment about the fact that Mr. Eri Jabotinsky has arrived in May by airplane in

SMITH COLLEGE  
NORTHAMPTON, MASSACHUSETTS  
DEPARTMENT OF HISTORY

Palestine on his way to Turkey as an official delegate of the American War Refugee Board, an institution which the editor of the paper believes to be under the direction of the Secretary of the Treasury.

I do not know anything of the background of this "affair", but I thought it advisable to bring it to your attention. As I said above, there is no Zionist group more responsible and more conscious of its obligations in the present international situation than the group writing the editorial in question.

Sincerely yours,

*Hans Kohn*

Hans Kohn

Translation of an extract from "Mitteilungsblatt,  
Alija Chadascha, Tel-Aviv, 26 Mai 1944"

We Jews sometimes think of ourselves sufficiently high to consider critically events occurring among other peoples and to express our condemnation of them without realizing that all peoples appear to be subject to the same "laws of nature," our own people included. In our midst, too, the most bizarre things go on against which we seem to be powerless, since they have arisen from conditions which we eyed blindly and since we did not consider our own thoughts and deeds in a sufficiently critical light.

There are movements now spreading in our lives in this country, which cause all of us deep concern. After a pause of a few weeks the terror has again broken out. Last week we lived through the crazy adventure in Remalla, in which all participants have unfortunately escaped. There are again threatening letters and "death sentences" which are publicly posted in Tel-Aviv at all street corners. The "fighters for Israel's freedom" boast publicly of the murder of two Jewish policemen. The "Haaretz" has justly complained a few days ago that there seem still to exist people in this country who protect the terrorists and such others who let themselves be blackmailed for money, since it is apparent that such things require money. Something else, though, should be added in this connection. It is quite possible that these people get money from abroad as well. True, in the case of such secret groups there are no clearly discernible organizational boundaries, but just this week it became known how strange groups abroad, spiritually related to the terrorists, do their work. Special

attention has been attracted by a letter of the Dutch-American journalist, Pierre Van Paassen, a man who has been radically pro-Zionist for years, but who is apparently naive and never well informed about the real situation; like many other well-intentioned and ignorant people, he let himself be misused for all sorts of propaganda and in recent years gave his support to the revisionist committees in America which appear under different names. These committees which attempted to exploit in their own political interests the sympathy for the European Jewish catastrophe existing in liberal circles, apparently have received a lot of money, otherwise they could not have permitted themselves the luxury of gigantic advertisements in the large American newspapers. Van Paassen writes now in an open letter that he has found out that these revisionist committees are nothing else than exponents of that notorious "Irgun Zvai Leumi" in Palestine which distinguishes itself by acts of terror, and that they have made use of the internal political situation in America to receive the help of certain reactionary Senators. Thereupon Van Paassen resigned the chairmanship of the "Committee for the Jewish Army"; identical with this committee is the so-called "Emergency Committee for the Rescue of the Jews of Europe." The very name of this committee shows to what extent the Jewish need is being abused.

The matter is getting crazier still; a representative of this committee, the young Eri Jabotinsky, came one of these days by airplane to Palestine and is on his way to Turkey on an official mission

of the American Government. If one knows how difficult it is today to get a seat on an airplane and how many important trips have to be omitted, one holds one's head and one asks oneself what is it all about. In a "press conference" which the young man has held in Palestine he declared that he is going to Turkey as delegate of the American War Refugee Board, an institution which is connected with the American Treasury, headed by Morgenthau. Jabotinsky said that the creation of this Board is due to the propaganda of the so-called "Committee for the Rescue of the Jews of Europe", which has been founded by a few young Palestinians in America and which has addressed itself to the American Congress and the Senate. They are the same young men whom Van Paassen names as the representatives of the Irgun Zvai Leumi. Normal Palestinians who suffered under the terror of the Irgun Zvai Leumi will not understand how come that agencies of the American Government should get the idea to deal precisely with this group.

Since we have reached this chapter, we must state that our amazement over the indirect and often direct furthering of these groups goes still further. In these days when, because of the war regulations, it is very difficult for most people to leave this country, people who stand very near to the above mentioned organizations travel abroad, even for purposes of propaganda trips and fund raising campaigns. At the present time, for instance, the Jewish public opinion of South Africa is being agitated by such a Palestinian delegate. That such

actions are possible, appears to many as a paradoxical sign of indirect furtherance of a subversive group, confusing and irritating for all those who consider the furtherance and financing of such groups to be undesirable and who should be entitled to believe that all responsible elements share this opinion.

The comedy in America has borne even stranger fruits this week. A "Jewish Committee for National Liberation" (the name is chosen in imitation of the French Committee in Algiers) has announced that it has purchased the building of the former Iranian Legation in Washington for \$63,000, in order to equip it as the future legation of the Jewish state. Where these people got the money is not revealed. All the responsible Zionist groups in America have turned away from this committee. The Jewish people and Zionism are becoming ridiculous in the eyes of the American public. This whole story could have become the subject of an adventure film relating how seven young men led all of America by the nose.

The matter only becomes difficult to understand if one hears that a member of this committee functions as official American delegate in the Near East. One must fear that this sort of thing heightens the prestige of these adolescents in the eyes of inexperienced people and that it renders difficult the work of enlightenment of those who try to turn the youth away from the ways of the Irgun Zvai Leumi and of related tendencies.

# דיעות

## MITTEILUNGSBLATT

עליה חדשה  
 ALIJA CHADASCHA  
 ח'לצ'יב'ר סיון תש"ד  
 JAHRGANG 8, Nr. 21 TEL-AVIV, 26. MAI 1944

# In dieser Schawuoth-Woche

Am Vorabend grosser Ereignisse — Abenteuer in Ramalla und Komödie in Amerika — Aufruf an Mädchen — Drei Sechzigjährige

Die Festtage dieses Wochens sind kein Sommer die, — eines Nummer, von dem wir erwarten, dass er gemächliche Entscheidungen bringen wird. „Einführung des hebräischen Post ist gekommen“ — so beginnt es der deutsche Dichter. In diesem Jahre des Hebräerens hat er sich verkehrt, auf die Lichtbarkeit der Natur zu achten. Es ist ein Werkchen, die für Millionen Menschen schwere Leiden und Sorgen bringen werden, eine Strafe des Todes, die nicht zu denen, die selbst in Sicherheit leben, nicht, gewisse Worte zu schreiben. Aber auch jene, die die schwersten Opfer zu bringen haben werden, empfinden dankbar den grossen Wandel der Zeiten. Ein Sturm der Hoffnung und Erwartung geht über die Welt. Erinnern wir uns, dass genau vor 4 Jahren die Katastrophe von Plombiers herübertrug über die psychologische unverständliche westlichen Völker. Damals gab das unglückliche Volk die Antwort von Durakischen, eine unverständliche Antwort, der erste Impuls stand sich aufzulehnen Energie, die gepulst von den damals optimistischen westlichen Kräften, stetig wachsen konnte und heute mit überlegener Blüdegewalt in die Zukunft blüht. Wir stehen, wenn nicht alles trügt, jetzt unmittelbar vor der „Rückkehr“ nach Duenkirchen. Es wird freilich kein leichter Weg sein, da der Kampf die Zeit ausgenutzt hat, um sich mit allen erdenklichen Mitteln zu verfeindlichen. Darum wird die Invasion schwere Opfer kosten. Es wird auch den betroffenen Ländern schwere Schäden zuzufügen. Aber der Ausweg des Entschuldigens — das Europa, der in diesem — Amer auf allen Seiten, von West und Ost, Nord und Süd (wo es bereits angefangen hat), insgesamt düstert, ist nicht zweifelhaft.

Für uns Juden ist das Schwere-Pest von uns besonders Erinnerung daran, dass nach jedem Freiheitskampf die Frage des „Was?“ gestellt wird. Warum sind wir aus Asien geführt worden? Die Antwort kam deutlich genug: „Ihr sollt mit uns ein Reich von Plombiers, ein heiliges Volk.“ Umsonst — man nicht befreit. Man übernimmt damit die schwere Pflicht, mit dieser Freiheit das Heilliche auszuführen. Freiheit verpflichtet. Diese Heugewalt bewegt heute die besten Geister aller Völker der Welt. Sie suchen den Weg, um sich nach dem Sieg der Ereignisse würdig zu erweisen. Es kommt aber für den Menschen (und für die Völker) nicht nur darauf an, bessere Einrichtungen zu schaffen, sondern auch besser zu werden. Wenn die Menschheit aus dem gewöhnlichen Blutbad nichts lernt

und jeder merkt, dass der Befreiungskampf nur dazu da war, um ihn zum „Frei“ Ansehen seiner wilden Triebe zu gestatten, dann haben wir kein Recht, von Freiheit zu reden. Leider aber stehen wir an der Schwelle einer solchen Tendenz, sentimentale Ziele anstelle von Konkretheit und pragmatische Anpassung zu setzen, in vielen Entscheidungen, die jetzt schon den eben erst sich ähnelnden Himmel auf uns mit dunklen Wolken bedecken.

Wir Juden sind manchmal übermäßig genug Entscheidungen bei anderen Völkern kritisch zu betrachten und Verdammungsurteile zu sprechen, ohne uns darüber Rechenschaft zu geben, dass die schenken alle Völker gleichen „Naturgesetze“ unterliegen, nur ein eigenes eingeschrieben. Auch bei uns geben die moralischsten Dinge vor, wenn die wir ausserordentlich markiert sind, weil sie aus Voraussetzungen heraus entstanden sind, denen gegenüber wir blind waren und unser eigenes Denken und Tun nicht kritisch genug betrachteten.

Nun machen sich hier im Lande in unserem Leben Bewegungen, die uns alle tief beunruhigen. Erst kürzlich Panos von wenigen Wochen ist der Terror wieder zurückgekehrt. Wir erleben, vor uns Werke des verruchten Abenteurers in Ramalla, bei dem jeder alle Täter erkennen, es gibt wie der Drakulische und „Todesgrube“, die in Tel Aviv an allen öffentlichen Orten aufgeschlagen werden. Die „Kämpfer für Israel Freiheit“ rücken sich öffentlich des Mordes in zwei jüdischen Partisanen. Mit Iswaki waadta sich „Hass“ dieses Tage dagegen, dass es nehmend immer noch Menschen im Lande gibt, die sich der Terroristen schuldig anrechnen und auch, die sich Geld erlassen lassen, denn es ist klar, dass an diesen Dingen Geld gehört. Hier aber muss noch ein anderes Kapitel angesprochen werden. Es ist sehr leicht möglich, dass diese Leute auch Geld aus dem Ausland bekommen. Zwar gibt es bei dergleichen gebelnen Verbindungen keine klar feststellbaren organisatorischen Abgrenzungen, aber gerade in dieser Woche wurde bekannt, welche merkwürdigen den Terroristen gesteuerten Gruppen im Ausland für Unwesen treiben. Besonders Aufsehen erregte ein Brief des heiländisch-amerikanischen Journalisten Pierre Van Paassen, eines seit Jahren radikal prozionistischen, aber anerkennend nativ und über die wirklichen Zusammenhänge niemals recht informierten Mannes, der sich, wie

viele andere unwillkürlich und unwissende Leute, für allerdings propagandistisch misbrauchen lässt und in den letzten Jahren den unter verschiedenen Namen antretenden revisionistischen Komitees in Amerika, eine Unterstützung. Diese Komitees, die das in liberalen Kreisen herrschende Missverständnis für ihre politischen Zwecke auszunutzen versuchen, haben ausserdem auch viel Geld bekommen, denn sonst hätten sie sich nicht des Luxus Besorgungsmaterials in der in den grossen amerikanischen Zeitungen leisten können. Van Paassen schreibt jetzt in seinem Offenen Brief, er habe entdeckt, dass diese revisionistischen Komitees nicht anders sind als Experimente jener heiländischen „Irzen Zwei Leumi“ in Palästina, der sich durch Verwirrung auszeichnet, und dass sie in Amerika die inner-amerikanische Politik dazu ausnutzen, um die Hilfe gewisser heiländischer Senatoren zu erhalten. Van Paassen legt darauf sein Verfalls in dem „Komitee für die Jüdische Armee“ klar; demselben mit diesem Komitee ist das sogenannte „Nazi-Komitee für die Rettung der Juden Europas“ sehr aus dem Namen dieser Komitees gibt hervor, wäher Misstrauen über mit der jüdischen Not getrieben wird.

Alle Sachse wird aber noch toller. Ein Vertreter dieses Komitees, der junge Kai Jabotinsky, kam dieser Tage in Praguen in Palästina an und begibt sich in offener Mission der amerikanischen Regierung nach der Türkei. Wenn man weiss, wie schwer es heute ist, auch nur einen Fragensatz zu bekommen, und wieviel wichtiger Reisen unterbleiben, greift man sich an den Kopf und fragt sich, was da eigentlich vor sich geht. In einer „Penne Komitee“, die der junge Mann in Palästina absteht, erregte er, er habe als Delegierter des amerikanischen War Reliefs Board nach der Türkei, einer Institution, die mit dem amerikanischen Schaftamt verbunden ist, in dessen Spitze bekanntlich Morgenthau steht. Jabotinsky sagte, die Errichtung dieses Board sei ein Verstoß der Propaganda des sogenannten „Komitees für die Rettung der Juden Europas“, das von einigen jüdischen Palästinaern in Amerika gegründet worden sei und sich an den amerikanischen Kongress und Senat gewandt habe. Es handelt sich hier um dieselben Jungen Leute, die Van Paassen als die Verantwortlichen des Irzen Zwei Leumi bezeichnet. Normale Palästinaern, die unter dem Terror des Irzen Zwei Leumi leiden, werden nicht verstehen, wie Organe

der amerikanischen Regierung auf die Idee verfallen, sich ausserhalb mit dieser Gruppe einzulassen. Da wir schon bei dem Kapitel sind, so müssen wir feststellen, dass diese Komitees eine direkte und häufig sogar direkte Förderung dieser Gruppen auch weiter reicht. In dieser Zeit, in der es für die meisten Menschen infolge der Kriegseinstimmungen sehr schwer ist, das Land zu verlassen, reisen Leute, die den genannten Organisationen sehr nahe stehen, in politischer Mission ins Ausland, ja, auch zu grossen Propagandastunden und Geldkollektionen. Gerade jetzt wird zum Beispiel die jüdische Öffentlichkeit palästinaern einem dergleichen palästinaernischen Delegierten aufgewinkt. Dass solche Aktionen möglich sind, erweist Vielen als ein paradoxes Zeichen dieser heiländischen Förderung einer selbsternannten Gruppe, verwehrend und befördernd für alle diejenigen, die eine Förderung und Finanzierung dieser Gruppen für unerwünscht halten, und scheinlich zusammen müssten, dass alle verantwortlichen Faktoren diese Meinung teilen.

Die Komödie in Amerika hat diese Woche noch seltsamere Frechheit gezeigt. Ein „Jüdisches Komitee für Nationale Befreiung“ (der Name ist gewählt in Anlehnung an das Französische Komitee in Algerie) hat mitgeteilt, dass es das Gebäude der früheren iranischen Gesandtschaft in Washington für \$2,000 Dollar erworben habe, um es als künftige Gesundheitsstation der Judenstaat zu etablieren. Wenn die Leute das Geld haben, wird nicht enthält. Hässliche verantwortlichen sinnlichen Gruppen Amerika sind von dem Komitee abgelehnt. Das jüdische Volk und der Zionismus wird in den Augen der amerikanischen Öffentlichkeit lächerlich. Die ganze Geschichte konnte das Thema für einen Abenteuerfilm sein, wie solchen junge Leute ganz Amerika an der Nase herumführen. Unverständlich wird die Sache erst, wenn man hört, dass ein Mitglied dieses Komitees als offizieller amerikanischer Delegierter im Nahen Osten fungiert. Man muss befürchten, dass so etwas das Prestige dieser Jünglinge bei weitaus den meisten Leuten hebt und die Aufklärung darüber erschwert, die sich bemühen, die Jugend von dem Wagnis des Irzen Zwei Leumi und von verwandten Tendenzen abzurufen.

In den letzten Tagen wurde die Arbeit der jüdischen Frauen und Mädchen, die in militärische Formationen eingetreten sind, mehrfach besonders gerühmt. Diese Frauen haben sehr schnell als

ATB als auch als WAAP (Flieger-Hilfspersonal) hervorragend bewährt. Ein Teil der jüdischen ATB ist jetzt in Italien tätig. Nun wird mitgeteilt, dass ein grosser Heer der nach australischen Kriterien bestellte 6000 ATB-Mädchen werden für Italien benötigt. Sie sollen Dienst tun als Beamte, in Hospitals, als Materialverwalter und als Chauffeure. In England sind sämtliche Frauen und Mädchen bereits für den Kriegsdienst in dieser oder jener Form mobilisiert. Daher wurde ein Appell an Palästina gerichtet, die bestmögliche Lösung auszuführen. In der offiziellen Verlautbarung betont es, dass palästinaische ATB in Italien von allen Dienststellen bevorzugt werden sollen. Eine Anzahl von ihnen ist inquartiert in einer Schule an der Adriatischen Küste, andere in Wohnungen in Neapel. Überall, so hängt es, wird es ein besonders freundlich aufgenommen. Wir hoffen, dass der Appell in Palästina eine glückliche Resonanz finden wird. So viele in diesen Tagen wird, nur wenn sie glücklich in die Heimat dieses Landes leben, völlig verschont von Kriegswunden, und diese erhöht unsere Verdankung. Dort mehr zu leisten, was uns die Möglichkeit gegeben ist. Es ist kein Zweifel, dass diese Leistungen für die gemeinsame Sache mehr dazu beitragen, um einen Platz unter den Vereinigten Nationen — auch für die Zukunft — zu sichern, als die grössten Invasoren in der „New York Times“ und selbstverständlich auch als Terroristen in Palästina. Hier ist der Ort, wo unsere Jugend zeigen kann, was sie zu erblicher Leistung und ein nationalem Pflichtgefühl vollbringen kann.

Der Zufall favorisiert, dass an diesem Wochensende mehrere sechs-tägige Gebetsdienste gefeiert werden. An dieser Stelle gedanken wir in erster Reihe des Mannes, der der Kräfte und Bildner zweier Generationen heiliger Zionisten gewesen und das auch heute eng verbunden ist! Nuri Blumenfeld, sein Geburtstag ist für uns ein Anlass zu einer aufschlüsselnden Rückschau über die letzten 33 Jahre — eine Zeit der Weltrevolution wie nur wenige Tage; Wir danken Blumenfeld, dem ehemaligen Vorsitzenden der HOGA, als einem Zeilen unserer Dankbarkeit und Freundschaft, einen Teil unserer heutigen Ausgabe, in dem Menschen zu Worte kommen, die den ganzen oder einen Teil seines Weges mit ihm zusammen gegangen sind. Wir glauben, dass über die Persönlichkeit hinaus es auch für Anstrengende, die diesem Kreis nicht angehören, und



*Rheas - Miss -*

CONFIDENTIAL FOR THE WAR REFUGEE BOARD FROM DUBOIS.

The following is the exact declaration agreed upon by the British Government:

Intercross has communicated to the Governments of the United Kingdom and the United States an offer of the Hungarian Government regarding the emigration and treatment of Jews. Because of the desperate plight of the Jews in Hungary and the overwhelming humanitarian considerations involved the two governments are informing the Government of Hungary through Intercross that, despite the heavy difficulties and responsibilities involved, they have accepted the offer of the Hungarian Government for the release of Jews and will make arrangements for the care of such Jews leaving Hungary who reach neutral or United Nations' territory, and also that they will find temporary havens of refuge where such people may live in safety. Notification of these assurances is being given to the governments of neutral countries who are being requested to permit the entry of Jews who reach their frontiers from Hungary. The governments of the United Kingdom and the United States emphasize that, in accepting the offer which has been made, they do not in any way condone the action of the Hungarian Government in forcing the emigration of Jews as an alternative to persecution and death.

(Dictated by Mr. Warren over the 'phone to Miss Rhea, 1:00 p.m., 8/17/44)

## DEPARTMENT OF STATE

FOR THE PRESS

AUGUST 17, 1944  
No. 366

CONFIDENTIAL RELEASE FOR PUBLICATION IN THE MORNING NEWSPAPERS OF FRIDAY, AUGUST 18, 1944, WHICH DO NOT APPEAR ON THE STREETS BEFORE 7:00 P.M., E.W.T., THURSDAY, AUGUST 17, 1944. NOT TO BE PREVIOUSLY PUBLISHED, QUOTED FROM OR USED IN ANY WAY.

The International Committee of the Red Cross has communi-  
cated to the Governments of the United Kingdom and the United  
States an offer of the Hungarian Government regarding the  
emigration and treatment of Jews. Because of the desperate  
plight of the Jews in Hungary and the overwhelming humani-  
tarian considerations involved the two Governments are  
informing the Government of Hungary through the International  
Committee of the Red Cross that, despite the heavy difficul-  
ties and responsibilities involved, they have accepted the  
offer of the Hungarian Government for the release of Jews and  
will make arrangements for the care of such Jews leaving  
Hungary who reach neutral or United Nations territory, and  
also that they will find temporary havens of refuge where  
such people may live in safety. Notification of these  
assurances is being given to the governments of neutral coun-  
tries who are being requested to permit the entry of Jews who  
reach their frontiers from Hungary. The Governments of the  
United Kingdom and the United States emphasize that, in  
accepting the offer which has been made, they do not in any  
way condone the action of the Hungarian Government in forcing  
the emigration of Jews as an alternative to persecution and  
death.

\*\*\* \*\*

Wallas Chauncey (for the Sec'y), Abrahamson, Akstin, Boronstein, Cohn,  
Dulbols, Drury, Friedmann, Gaston, Kodel, Laughlin, Lesser, Mann, Mannon,  
Marles, McCormack, Pehle, Sarkoy, Standish, Weinstein, Cable Control Files

DEPARTMENT OF STATE

FOR THE PRESS

AUGUST 17, 1944  
No. 366

**CONFIDENTIAL**  
**FUTURE RELEASE**  
**NOTE DATE**

CONFIDENTIAL RELEASE FOR PUBLICATION IN THE MORNING NEWSPAPERS OF FRIDAY, AUGUST 18, 1944, WHICH DO NOT APPEAR ON THE STREETS BEFORE 7:00 P.M., E.W.T., THURSDAY, AUGUST 17, 1944. NOT TO BE PREVIOUSLY PUBLISHED, QUOTED FROM OR USED IN ANY WAY.

The International Committee of the Red Cross has communicated to the Governments of the United Kingdom and the United States an offer of the Hungarian Government regarding the emigration and treatment of Jews. Because of the desperate plight of the Jews in Hungary and the overwhelming humanitarian considerations involved the two governments are informing the Government of Hungary through the International Committee of the Red Cross that, despite the heavy difficulties and responsibilities involved, they have accepted the offer of the Hungarian Government for the release of Jews and will make arrangements for the care of such Jews leaving Hungary who reach neutral or United Nations territory, and also that they will find temporary havens of refuge where such people may live in safety. Notification of these assurances is being given to the governments of neutral countries who are being requested to permit the entry of Jews who reach their frontiers from Hungary. The Governments of the United Kingdom and the United States emphasize that, in accepting the offer which has been made, they do not in any way condone the action of the Hungarian Government in forcing the emigration of Jews as an alternative to persecution and death.

\* \* \*

AUG 18 1944

## U. S. and Britain Agree to Help Emigrant Jews From Hungary

WASHINGTON, Aug. 17 (AP).—The State Department announced tonight that the United States and Great Britain have accepted the offer of the Hungarian government for the release of Jews and that Anglo-American authorities will arrange to take care of Hungarian Jews who reach neutral or United Nations territory.

The announcement, made jointly with the British government in London, said that the international committee of the Red Cross had transmitted to the governments of the United Kingdom and the United States an offer of the Hungarian government regarding the emigration and treatment of Jews.

"Because of the desperate plight of the Jews in Hungary, and the overwhelming humanitarian considerations involved, the two governments are informing the gov-

ernment of Hungary through the international committee of the Red Cross, that, despite the heavy difficulties and responsibilities involved," they will arrange to take care of Jewish refugees from Hungary and see that they find temporary havens of refuge.

The State Department said "the governments of the United Kingdom and the United States emphasized that, in accepting the offer which has been made, they do not in any way condone the action of the Hungarian government in forcing the emigration of Jews as an alternative to persecution and death."

Notification of these assurances, the department said, is being given to the governments of neutral countries who are being requested to permit the entry of Jews who reach their frontiers from Hungary.

The Washington Post  
AUG 18 1944

## *Hungarians' Offer to Free Jews Accepted*

The State Department announced last night that the United States and Great Britain have accepted the offer of the Hungarian government for the release of Jews and that Anglo-American authorities will arrange to take care of Hungarian Jews who reach neutral or United Nations territory.

The announcement, made jointly with the British government in London, said that the international committee of the Red Cross had transmitted to the governments of the United Kingdom and the United States an offer of the Hungarian government regarding the emigration and treatment of Jews.

The State Department said: "The Governments of the United Kingdom and the United States emphasized that in accepting the offer which has been made, they do not in any way condone the action of the Hungarian government in forcing the emigration of Jews as an alternative to persecution and death."

Notification of these assurances, the department said, is being given to the governments of neutral countries who are being requested to permit the entry of Jews who reach their frontiers from Hungary.

**Persecutors Condemned:**

***U. S. and Britain to Aid Jews  
Under Pact With Hungary***

The United States and Great Britain last night accepted an offer by the Hungarian government to permit Jews who have been subjected to persecution in Hungary to leave that country provided the Anglo-American countries care for them.

They said in a joint statement, however, they wanted to emphasize "that, in accepting the offer which has been made, they do not in any way condone the action of the Hungarian government in forcing the emigration of Jews

as an alternative to persecution and death."

Secretary of State Hull has on several recent occasions denounced the persecution and "massacre" of Jews in Hungary by the Nazis and their Hungarian quislings.

"The entire Jewish community in Hungary, which numbers nearly 1,000,000 souls, is threatened with extermination," Hull said on July 14. "The puppet Hungarian government . . . stands condemned before history."

# THE SUN

AUG 18 1944

## HUNGARY JEWS WILL BE AIDED

### United States And Britain To Care For Budapest Exiles

Washington, Aug. 17 (AP)—The State Department announced tonight that the United States and Great Britain have accepted the offer of the Hungarian Government for the release of Jews and that Anglo-American authorities will arrange to take care of Hungarian Jews who reach neutral or United Nations territory.

The announcement, made jointly with the British Government in London, said the International Committee of the Red Cross had transmitted to the governments of the United Kingdom and the United States an offer of the Hungarian Government regarding the emigration and treatment of Jews.

#### Temporary Havens Assured

"Because of the desperate plight of the Jews in Hungary, and the overwhelming humanitarian considerations involved, the two governments are informing the Government of Hungary through the International Committee of the

Red Cross, that, despite the heavy difficulties and responsibilities involved," they will arrange to take care of Jewish refugees from Hungary and see that they find temporary havens of refuge.

The State Department said "the governments of the United Kingdom and the United States emphasized that in accepting the offer which has been made, they do not in any way condone the action of the Hungarian Government in forcing the emigration of Jews as an alternative to persecution and death."

Notification of these assurances, the department said, is being given to the governments of neutral countries who are being requested to permit the entry of Jews who reach their frontiers from Hungary.

## U. S. and Britain Agree To Aid Hungarian Jews

Washington, D. C., Aug. 17 (AP).—The State Department announced tonight that the United States and Great Britain had accepted the offer of the Hungarian Government for the release of Jews and that Anglo-American authorities would arrange to take care of Hungarian Jews who reach neutral or United Nations territory.

The announcement, made jointly with the British Government in London, said that the International Committee of the Red Cross had transmitted to the governments of the United Kingdom and the United States an offer of the Hungarian Government regarding the emigration and treatment of Jews.

The State Department said "the governments of the United Kingdom and the United States emphasized that, in accepting the offer which has been made, they do not in any way condone the action of the Hungarian Government in forcing the emigration of Jews as an alternative to persecution and death."

New York Post

AUG 14 1944

# Britain OK's Rescue of Hungary Jews

By WILLIAM O. PLAYER JR.

Post Staff Correspondent

Washington, Aug. 14—The U. S. government has been formally notified by Great Britain of its acceptance in principle, of Hungarian Regent Horthy's recent offer to permit the emigration of various categories of Jews from Hungary.

Consultations under way between the two governments have now progressed to the stage of working out machinery to implement such an emigration program and all interests concerned are hopeful that in the very near future—possibly within the next few days—something definite can be announced.

## Some Delays Unavoidable

Authorities concerned admit that there have been delays in acting on the Horthy offer, but at least some of the delays have been based on questions of military security and hence have been unavoidable.

Horthy, in a proposal transmitted to the U. S. and British governments through the International Red Cross, offered to release from Hungary all Jewish children under 10, Jewish holders of valid visas to other countries of reception and all Jews who could obtain British immigration certificates to Palestine.

The U. S. government, as represented by the War Refugee Board, naturally is eager to take full advantage of the Hungarian proposal to send Jews to Palestine; but American authorities readily understand that the British, with their long-standing Palestinian problem to consider, should be somewhat on their guard against any action which possibly might upset the delicate political balances there.

## Thousands Already Admitted

However, though it has not been widely publicized, since the beginning of the war up to last March, the British had admitted approximately 51,000 Jewish refugees plus wives and children, to Palestine under the provisions of the White Paper, and it is estimated that approximately 1,100 refugees a month, or approximately 5,500 more, have been admitted since.

Approximately 20,000 additional Palestinian certificates, furthermore, are still outstanding and available under those provisions. After this quota has been exhausted, the British promised last Nov. 10 they will be willing, with the consent of the Arabs, to permit further immigration.

In addition to the approximately 56,500 refugees admitted to Palestine, the British have, since the start of the war, received approximately 70,000 refugees of all sorts (but mostly Jews) into the United Kingdom; and, at refugee camps in the Middle East have received approximately 25,000 additional from Italy (mostly Yugoslavs, plus some Jews); 24,000 from Greece and other island areas (various nationalities including Jews), and about 2,000 from Spain (virtually all Jews).

Most of these camps have since been taken over by UNRRA.

## U.S. AND BRITAIN AID JEWS OF HUNGARY

Accept Budapest Proposals to Offer 'Temporary' Haven to Persecuted People

By CHARLES HURD

Special to THE NEW YORK TIMES.

WASHINGTON, Aug. 17—The United States and Great Britain will give "temporary" refuge to any Jews able to leave Hungary by virtue of regulations set up by this enemy country authorizing the emigration of Jews, the State Department announced here tonight. The two Governments have notified Hungary, through the Red Cross, that it will give haven to these refugees, and has requested neutral countries to facilitate the passage of such Jews as reach their borders.

The State Department's announcement made clear that the plan did not involve preparation for permanent emigration. It spoke specifically of "temporary havens of safety," using the same term that has been applied to refugee camps set up throughout the Mediterranean area for refugees from Yugoslavia, Greece and France.

There was no comment on a question whether the agreement would mean that Great Britain would admit Hungarian Jews to Palestine in the same manner that refugees already have been admitted to a refugee camp at Oswego, N. Y., but the commitments left this as an open question.

It appeared probable that details

of the refugee program would be worked out to accord with the numbers of persons involved.

While accepting the arrangement, the official announcement severely castigated the Hungarian Government for invoking regulations that make necessary the flight of Hungarian Jews.

### TEXT OF STATEMENT

The State Department's announcement follows:

The International Committee of the Red Cross has communicated to the Governments of the United Kingdom and the United States an offer of the Hungarian Government regarding emigration and treatment of Jews. Because of the desperate plight of the Jews in Hungary and the overwhelming humanitarian considerations involved, the two Governments are informing the Government of Hungary through the International Committee of the Red Cross that despite the heavy difficulties and responsibilities involved they have accepted the offer of the Hungarian Government for the release of Jews, and will make arrangements for the care of such Jews leaving Hungary who reach neutral or United Nations territory, and also that they will find temporary havens of refuge where such people may live in safety.

Notification of these assurances is being given to the neutral countries, who are being requested to permit entry of Jews who reach their frontiers from Hungary. The Governments of the United Kingdom and the United States emphasize that in accepting the offer which has been made they do not in any way condone the action of the Hungarian Government in forcing emigration of Jews as an alternative to persecution and death.

San Salvador, El Salvador, August 17, 1944

No. 1914

SECRET

SUBJECT: Safeguarding of Lives of Holders of  
Salvadoran Passports or other Documents.

The Honorable  
The Secretary of State  
Washington

Sir:

With reference to my secret airgram no. A - 327 of August 10, 1944, regarding the safeguarding of lives of holders of Salvadoran passports or other documents, I have the honor to transmit herewith a translation of a self-explanatory note dated August 15, 1944 from the Salvadoran Minister for Foreign Affairs to the Chief of the Swiss Federal Political Department, Division of Foreign Affairs, concerning the holders of such documents in Hungary.

Respectfully yours,

Walter Thurston

Enclosure  
Translation of note  
dated 8/15/44

711  
CC/mdm

Enclosure to despatch no. 1914, dated 8/17/44, from the American Embassy at San Salvador, El Salvador, on the subject: Safeguarding of Lives of Holders of Salvadoran Passports or other Documents.

---

TRANSLATION

Ministry of Foreign Affairs  
Republic of El Salvador  
Diplomatic Section  
A - 800 - D -

San Salvador, August 15, 1944.

Excellency:

I have the honor to propose the following bases to govern the representation of Salvadoran interests in Hungary, which Your Excellency's Government kindly accepted:

- (1) Salvadoran passports or other documents held by persons who are in Hungary subject to persecution, will be recognized and confirmed;
- (2) The Hungarian Government will understand that persons who possess these passports or other documents will be accorded the treatment, privileges and immunities to which Salvadoran nationals have a right, and
- (3) The United States of America will negotiate the exchange of these persons.

I request Your Excellency to inform me whether your Government is in agreement with such bases, and to accept in advance my thanks for your kindness.

I renew to Your Excellency the assurances of my highest and most distinguished consideration.

(Julio E. Avila)

His Excellency the Chief of the Swiss  
Federal Political Department,  
Division of Foreign Affairs,  
Bern, Switzerland.

## PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Embassy, London  
DATED: August 17, 1944  
NUMBER: 6521

## CONFIDENTIAL

War Refugee Board sends the following for Dubois.

Messages 6607 and 6609 received. Heartiest congratulations. Kindly express our appreciation to the Ambassador. The joint declaration text is satisfactory as transmitted in your 6609. It is being released concurrently here. We do not propose the separate release of text of note delivered to Intercross by the United States Government.

HULL

NMC-350

PLAIN

London

Dated August 17, 1944

Rec'd 11:20 a.m.

Secretary of State,

Washington.

IS URGENT

6626, Seventeenth

FOR WENLE WAR REFUGEE BOARD FROM DUBOIS

Please reply most urgently to my 6625.

WINANT

WSB

ONE-707

PLAIN

London

Dated August 17, 1944

Rec'd 9:10 a.m., 18th.

Secretary of State.

Washington.

6663, seventeenth.

LONDON TIMES of today carries article stating that Italian Government has approved in principle request by IGC that certain non-Italian refugees in Italy be naturalised as Italian citizens and be allowed to remain there. Vice Director IGC states this Italian action was taken after representations by IGC representative in Italy who acted on request of certain non-Italian refugees.

WINANT

JT

PLAIN  
London  
Dated August 17, 1944  
Rec'd 2:10 a.m., 18th

Secretary of State  
Washington  
6664, Seventeenth

Reference Embassy's telegram number 6612, August 16, regarding Fourth Plenary Meeting of Inter-Governmental Committee on refugees.

Plenary Committee met for second sitting 11 a.m. August 17, Remaining items on agenda were disposed of as follows:

Polish Ambassador as Chairman of Sub-Committee on Rules reported the few minor alterations recommended by Sub-Committee and these were unanimously adopted.

Committee on Nominations proposed the following for membership in Executive Committee: Representatives of United States, United Kingdom, Russia, Netherlands, France, Czechoslovakia, Brazil, Canada, and Mexico. The representatives nominated were elected without dissenting opinion.

Session adopted unanimously resolution affirming principle of cooperation between IGC and non-Governmental organizations. Polish Ambassador urged that greatest possible use be made of such connections as IGC had with voluntary relief agencies especially Intercross. Pointed out that refugee camp at the Resienstadt originally proclaimed by Germans as a "model Ghetto" was nothing more than a decoy since many inmates had been deported for execution in Poland. Suggested that Intercross might well publicize its knowledge of real purpose of camp and conditions therein. He remarked further that as the Germans saw imminent defeat they were redoubling efforts to stamp out classes of persons which would be influential in forming future policy toward Germany these classes including intellectuals and the "elite" as well as Jews. He felt that this situation was exceedingly dangerous and that it was time for all Governments to reiterate emphatically their determination to see that Germans guilty of persecution should not escape punishment.

Replying to this speech Chairman stated that suggestion regarding all possible cooperation with voluntary agencies would be referred to Executive Committee, and that IGC was in full sympathy with Polish Ambassador's remarks, resolution was then unanimously adopted.

Sir Herbert Emerson's nomination as Director of IGC had already been made by Executive Committee. I proposed this nomination be accepted. Lord Winterton seconded and took occasion to pay tribute to work of Myron Taylor. French representative supported nomination and thanked Committee on behalf of Provisional Government of French Republic for work it had done for France and gave assurance in short while France would no longer need to call on IGC for assistance but would itself be able to assist IGC. Emerson's election as Director then unanimously voted. Chairman notified him in complimentary speech and Emerson returned thanks assuring Committee of his continued efforts and praising work of colleagues on Executive Committee and office staff.

4- #6664, Seventeenth from London

Committee unanimously adopted resolution to refer study of drawing up form of travel documents for stateless persons to a committee on experts to be appointed at the invitation of Director by Governments of Argentina Belgium Brazil, Chile, Czechoslovakia, France, Poland, United Kingdom and United States.

Chairman read note passed to him by Russian delegate stating in substance that since Russian Government had no relations whatsoever with League of Nations it must reserve its decision to cooperate with League as provided in rules of Committee and resolution just adopted. Chairman assured Russian delegate this reservation would be duly recorded.

Brazilian delegate proposed vote of thanks to Chairman in complimentary terms to which Chairman made appropriate reply. Plenary Session then adjourned it being exactly noon.

WINANT

HTM

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

August 17, 1944

191

7 p.m.

AMLEGATION,  
STOCKHOLM.

1644

The following for Olsen is WRB 75.

Please transmit paraphrase of the following message to  
Wilhelm Wolbe, 11 Olefagotten, Stockholm, Sweden.

QUOTE Reported 7000 Lithuanian Jews evacuated from Kaunas  
to East Prussian border for slave labor fearful extermination  
will follow. We ready meet every obligation effect their rescue.  
Please utilize every appropriate method available save maximum  
possible number.

Group of 1200 including Rabbis religious leaders evacuated  
from Hungary through Slovakia now reported in concentration  
camp at Belsen Bergen near Hanover. Danger imminent deportation  
to death camps. Doing everything to effect their rescue. Vital  
you immediately (1) request Swedish government to grant Swedish  
passports or visas to save this group or (2) intervene Swedish  
Government and King direct immediate appeal to Admiral Horthy  
to demand repatriation of these 1200. If repatriation is granted,  
request that their transportation to Hungary be accomplished  
in conditions insuring survival and that on their trip they be  
accompanied by representative of Intercross, Swedish Redcross  
or Hungarian Redcross to insure such conditions. Also that  
upon return to Hungary, they be treated under terms of relaxed  
regime pending emigration. Enlist cooperation of Olsen and  
Rabbi Ehrenpreis. The lives of this group dependent on your  
action. Vaad Hahatzala Emergency Committee. UNQUOTE

THE FOLLOWING FROM WRB FOR OLSEN.

If you deem it advisable, you may actively support the  
above requests to Swedish authorities.

HULL  
(GLW)

WRB:MMV:KG  
8/17/44

NOE SE EE S/CR

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

August 17, 1944

9 p.m.

War Refugee Board

AMLEGATION,  
STOCKHOLM.

1646

The following for Olsen forms WRB 76 and is from  
Fehle.

I regret sincerely the tragic news conveyed in  
your 3046 of August 11, No. 70 to WRB. I hope and  
trust that the report received by you proves to have  
been erroneous, and that Vokietaitis will be rescued.  
I want also to take this occasion to congratulate you  
on the imaginative and effective work you are doing  
despite the most forbidding difficulties. We all  
appreciate keenly the initiative and ingenuity that  
you have displayed, as well as the tireless effort to  
which your accomplishments testify.

HULL  
(GLW)

WRB:MMV:KG  
8/17/44

NOE S/CR

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
 TO: American Legation, Bern  
 DATED: August 17, 1944  
 NUMBER: 2834

CONFIDENTIAL

Please transmit the following message to Isaac Sternbuch, St. Gallen, Switzerland:

QUOTE: Reported 7000 Lithuanian Jews evacuated from Kaunas to East Prussian border for slave labor fearful extermination will follow. We ready meet every obligation effect their rescue utilize every appropriate method available save maximum possible number. Contact Intercross urge them send representative intervene for group.

Concerning 1200 endeavoring secure Palestine certificates for them. Urge you do likewise. Necessary also you request Intercross and Swiss government to address appeal to Admiral Horthy to demand repatriation of this group. It is hoped that their transportation to Hungary would be accomplished in conditions insuring survival and that on their trip they would be accompanied by representative of Intercross or Hungarian Redcross to insure such conditions. Also, that upon return to Hungary, they would be treated under terms of relaxed regime pending emigration. Have cabled Wolbe Stockholm to make similar request of Swedish government. Vaad Hahatzala Emergency Committee. UNQUOTE

The following from WRB for McClelland:

Please actively support the above requests to Swiss authorities and Intercross. Developments should be reported.

THIS IS WRB CABLE TO BERN NO. 128

HULL

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: August 17, 1944  
NUMBER: 2836

SECRET

Please transmit the following message to International Red Cross at Geneva, Switzerland:

QUOTE Jewish telegraphic agency reports from Bern that according reliable letters from Hungary last days of July deportations are continuing at night in spite of Horthy's promises. Jewish circles here in great anxiety. Please ascertain facts. Agudas Israel World Organization, Jacob Rosenheim, President. UNQUOTE  
THIS IS WRB CABLE TO BERN NO. 126

HULL

FC-360

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

Bern

Dated August 17, 1944

Received 11:15 a.m.

Secretary of State

Washington

5335, August 17, 1.p.m.

FOR WRB FROM MCCLELLAND

Referring to the Department's 2760, August 10, please see Legation's  
5091, August 7.

HARRISON

WTD  
LMB

NCB-355

This telegram must be  
paraphrased before being  
communicated to anyone  
other than a Government

Bern

Dated August 17, 1944

Rec'd 11:20 a.m.

Secretary of State,  
Washington.

5336, August 17, 2 p.m.

FOR WRB FROM MCCLELLAND

FOR LEON KUBOWITZKI WORLD JEWISH CONGRESS FROM GERHART RIEGNER:

"Your cable No. 119. Reports indicating that deported Hungarian Jews were sent Germany conformity agreement to provide Hungarian workers for German war industry are obviously Hungarian propaganda. We have no knowledge any such agreement. I understood that Hungarian Government in their reply to ICRC asking where deported people had been taken declared they had been sent to Germany for purposes of 'arbeitseinsatz'. Apparently similar communication was made to Swiss Government. I understand furthermore that ICRC then asked Hungarian authorities whereabouts of deported aged people, children, women, etc., but received no answer".

HARRISON

BB

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern  
TO: Secretary of State, Washington  
DATE: August 17, 1944  
NUMBER: 5337

## CONFIDENTIAL

The following message WEB for McClelland, from Rene Bertholet for attention of Frank Kingdon Intl Rescue and Relief Committee.

In order to take special action in France and Hungary I should like to spend \$10,000 with Doctor Tchlenoff of OSE. Your approval via telegraph would be appreciated.

HARRISON

DCR:EBH 8/18/44

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMLEGATION, BERN  
 TO: Secretary of State, Washington  
 DATED: August 17, 1944  
 NUMBER: 5340

## CONFIDENTIAL

This message is from McClelland for WRB.

Reported from Lazagurvic to Leo Wulmann American OSE: I am in contact permanently with the gession of ICRC and am helping in Rumania and Hungary. With the participation of former workers of OSE we are attempting to constitute Rumania as the central children's relief organization. Aractimisura, our prepar institutions, are helping Hungarian refugee children. Transnistrian children (1400) who were resvacuated and earmarked for Palestine have been put in children's home temporarily. We are negotiating with joint since sizeable regular subventions are critically required. In regard to Hungary, we are waiting for details of the possibilities of rescue work, especially medical relief and children emigration. We are preparing, with the participation of joint, considerable transport of restoratives and medicines. Proceed with your effort regarding the Jewish population of freed areas of Eastern Europe and transmit all data possible to us. The diverse possibilities of rescue work in Rumania and Hungary require to be served by funds outside the joint allotment although the latter has been very useful to us in our work. Regards are sent by Professor Strauss of the Resiedstadt.

DCR:EMS  
 8-19-44

HARRISON

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern  
 TO: Secretary of State, Washington  
 DATE: August 17, 1944  
 NUMBER: 5343

SECRET

McClelland sends the following for WRB.

During the past few months regular reports have been received (the most recent dated 28th of July from Budapest) relative to underground rescue work which Jewish Hechaluz organization is carrying on intensively, working out of Bucharest, Bratislava, and Budapest, the latter city in particular. One hundred thousand Swiss francs from WRB funds in early July (\*) Abuted No. 260 from the Department and similar amount to this program on August 10, which has yielded positive results satisfactorily, although it is an expensive mode of rescue costing from one to two thousand Swiss francs to evacuate one person. Have sent this money to Slovakia, Hungary and Rumania. By taking advantage of the willingness of certain Hungarian officials, non-commissioned officers and soldiers in army units along borders of Rumania and Hungary, for example, to help with flight of imperiled Jews, the uneasy breathing spell in Hungary since the July 9 suspension of deportations has been utilized by Hechaluz to the utmost. July 20 report from Bucharest places at 1650 the number of persons evacuated to Rumania already, with 210 waiting to cross the border in the Arad region. On either side of the border at Segesvar and Brasse, and Temesvar and Arad relay points have been set up. Assistance has been given to flight of all categories of endangered Jews, including orphaned children and especially to those who have escaped from Ghetto prisons and military forced labor battalions in the provinces of Hungary. Hechaluz uses funds to obtain collaboration of minor Rumanian and Hungarian officials and to pay transportation maintenance, administrative personnel, and false papers "passeurs". The Rumanians appear to be making no difficulties according to all reports. As long as this program produces results and the fate of Jews in Hungary is uncertain, I will continue to support program if you approve.

Also promoting flight of smaller groups (particularly these who had been there previously) to Slovakia where the situation is less critical.

HARRISON

(\*) Apparent omission (serviced)

DCR:EBH

8/19/44

DCR: IIB: NFB 8/24/44

**CORRECTION OF  
PARAPHRASE OF TELEGRAM RECEIVED**

**FROM:** American Legation, Bern  
**TO:** Secretary of State, Washington  
**DATED:** August 17, 1944  
**NUMBER:** 5343

**SECRET**

In lines seven, eight, and nine delete, "One hundred thousand Swiss francs from WRB funds in early July (\*) ibuted No. 260 from the Department," and insert, "(Department's telegram of July 28, 1944, No. 2603). Early in July contributed one hundred thousand Swiss francs from WRB funds." The lines should then read: "(Department's telegram of July 28, 1944, No. 2603). Early in July contributed one hundred thousand Swiss francs from WRB funds and a similar amount to this program.. "

DCR: IIB: NFB 8/24/44

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTEL No. 268

Information received up to 10 a.m., 17th August, 1944.

1. NAVAL

HOME WATERS. 15th/16th. 1 M.G.B. sunk and 2 M.G.B.'s damaged by under-water explosions in assault area.

BAY OF BISCAY. 15th/16th. M.T.B.'s probably sank enemy trawler off BELLE ILE.

2. MILITARY

N.W. FRANCE. U.S. troops have advanced to DREUX and CHARTRES. Further west stiff enemy resistance continues in ARGENTAN area, but U.S. troops have occupied DOMFRONT and TINCHEBRAY. U.K. troops have advanced eastward to FLEURS and CONDE. Troops of First Canadian Army have captured FALAISE and ground to the E. of it. No report from Southern France.

RUSSIA. Russians have advanced N. and N.W. from PSKOV to within 35 miles of TARTU. Enemy infantry and tank attacks W. of SIAULIAI and E. of PRAGA have been repulsed. Russian bridgehead N.W. SANDOMIERZ extended.

3. AIR

WESTERN FRONT. 16th. Heavy bombers dropped 1,261 tons on 7 aero-engine and assembly plants in Central GERMANY, also 812 tons on 4 synthetic oil plants in LEIPZIG district; both with good results. Enemy casualties 6, 4, 6 by bombers, and 32, 1, 4 by escorting fighters for 23 bombers missing. Enemy aircraft destroyed included 2 jet-propelled.

16th/17th. 1176 aircraft despatched (16 missing). Targets included STETTIN - 461; KIEL - 346; BERLIN - 23; Minelaying - 93; Diversionary sweeps - 145; Leaflets - 24.

SOUTHERN FRANCE. 15th. Fortresses and Liberators dropped 739 tons on beaches, bridges, and gun positions for loss of 5 missing. 892 medium and fighter bombers (6 missing) successfully attacked gun positions, strong points and bridges in assault area.

16th. Fortresses dropped 260 tons on 4 railway bridges in Southern France.

4. HOME SECURITY

During 24 hours ending 6 a.m., 17th, 151 flying bombs plotted.

August 18, 1944

(Dictated in presence of Messrs. D. W. Bell and White, and Mrs. Klotz)

I called on Secretary Hull at 9:45 this morning and told him I wanted to tell him about my trip. First I told him I had called on General Eisenhower and asked him how he felt about the way the Germans should be treated the first few months after we entered Germany, and he said that his impression was that they should be treated sternly and that they should be allowed to stew in their own juice.

Then I told Hull that I had a talk with Churchill, and that I also asked Churchill how he felt, and I got the impression he wanted the Germans treated in a stern manner. I then told him that I had done a lot of probing, and through talking with Winant and with the people who assist Winant, and also based on a memorandum of July 31st, "Report on Reparation and Restitution - Property Rights of Germany," under the chairmanship of Mr. Pasvolsky, I found that from all appearances it seemed that the Germans were going to be treated in a manner so that they could be built up over a number of years to pay reparations, and that at the end of 10 years they would be prepared to wage a third war.

I also told Hull that through questions and direct conversations with Eden at his home and finally in his office, I learned, by having Mr. Eden read from the minutes of the Tehran Conference, that during discussions about Poland the President switched the conversation to a discussion of Germany, and it was then and there decided that Germany should be dismembered in either three or fifteen parts, and that a commission should be appointed to study this question. As a result of this the European Advisory Committee was appointed.

When I made this statement, Mr. Hull literally gasped and he said to me, "Henry, this is the first time I have ever heard this." Then he said, "I have never been permitted to see the minutes of the Tehran Conference," and he kept repeating that over and over again. He said, "I have asked and I have not been allowed to see them, and what you have told me is the first time I have ever heard this." I told Hull that I would keep it absolutely amongst ourselves. I don't want it discussed in your shop, Harry. I have to protect both the President and Hull.

Then I said, "Well, now Pasvolsky has made a study along quite contrary lines, and Winant has also made a study with three people along different lines." I said that when I was in Winant's

office I didn't think he was telling the truth because he first said he was making a report on reparations for Germany, but that about two weeks ago he began to make a new study which would take into consideration the dismemberment of Germany. I really don't think that anybody has made a study along the lines the President and Churchill decided on at Tehran.

When I first mentioned the European Advisory Committee, Hull said, "That has been a complete failure. The trouble is that Winant is trying to do two big jobs and he can't do them both." So I had to treat the next thing very carefully. I said, "I am not quite sure whether at Tehran Winant knew about the clause for the dismemberment of Germany or whether he didn't." I said he was a little bit vague about it, but Winant kept saying right along that he had no instructions. However, at one stage in the game Winant did say that the reason he was hesitating telling me all the facts about this Conference was that Mr. Hull had not seen the minutes at first, but that Hull had subsequently see them. He, Winant, knew about it because he was there in Tehran. He said that he was there, but it put him in a very embarrassing position because he didn't know how much to tell back home, and he didn't know exactly how to handle the situation. Winant left me with the impression that Hull had seen the minutes recently.

The sum and substance of this is that here a meeting takes place sometime last November in Tehran where these three men, Roosevelt, Churchill and Stalin, agree to the dismemberment of Germany, and all these people go ahead and make studies without taking that into consideration and without explicit instructions. It is like telling an architect to build a house and not telling him where it should be built, how it should be built, or how many people it is to house.

Hull was quite upset, so I said to him, "You know, Cordell, Harry Hopkins wanted to see me, but I haven't seen him and I am not going to until I have seen you and the President. I cabled from Europe that I wanted to see you. I am going to see the President tomorrow morning and after that I will see Harry." I said, "I appreciate the fact that this isn't my responsibility, but I am doing this as an American citizen, and I am going to continue to do so, and I am going to stick my nose into it until I know it is all right. I am more interested in my responsibility as a citizen than I am in holding my job, and I am going to continue along those lines, and if I find out anything I will come over and tell you about it." He said that was right.

I said to Hull, "Where to you stand on this?" and he said, "You know the reason I got along so well with the Russians was because when I was in Moscow I told the Russians that I would hold a secret trial before which I would bring Hitler and his gang and Tojo and his gang, and I would shoot them all, and then I would let the world know about it a couple of days later." He said, "That's my position." I asked him what he was going to do about the State of Germany, and he said, "I don't have any chance to do anything. I am not told what is going on. That's on a higher level. I am told that that is a military affair. I have consultations with the War Department every day on the immediate objectives, but when they talk about the State of Germany I am not even consulted." He said, "Here I am waging a battle for the President and I am not told, and this is the first time I have heard this."

Well, I don't know what Hull is going to do, but I am going to continue along these lines.

Then I went on and told him about the plans which the Army is making where we would go into the south of Germany and England in the north of Germany. That is contrary to the way the President wanted it, but the only way they could have carried out the President's wishes would have been to have the two Armies cross each other, so the Army decided to do it the other way.

Then he brought up the Argentine, and I said, "What is the situation in regard to the Argentine?" and he went into his usual tirade that everybody is with him on that except Sumner Welles, and Drew Pearson. Hull said that Welles is going around telling everybody that he (Welles) will be in the saddle right after election and not to pay any attention to anything Hull does. Hull said Welles is for the appeasement of Argentina. Hull told me about how they had wasted thousands of dollars advertising Welles' book, and how Welles had only mentioned Hull once in it. Hull said that all the President would have to do is say one word and it would stop, and, of course, he is right. It is the same thing as I had when I was having trouble with Jimmy Byrnes. If the President had said just one word it would have stopped but he wouldn't do it.

I asked him how England was acting on the Argentine, and he said he had gotten them to withdraw their Ambassador.

Hull seemed to feel very, very badly about the Welles' business.

I told Hull all about my conversation with Sir John Anderson on the financial problems (I have written a complete memo on this conversation and it is on file.)

Then I told Hull what we had been able to do over there in regard to the Hungarian situation, and that DuBois had been most helpful. I said I had discussed it with Churchill and Eden, and I said that they were quite sensitive about the reaction on the Arabs. I told Hull that Churchill had opened up the question by saying he had intended sending in a Jewish Army with a Jewish flag, and I had told Churchill I was opposed to that because it would give Hitler a chance to say that the Jews owed allegiance to a Jewish flag. Churchill said that Bernie Baruch felt the same way about it. Hull said he thought that that matter had been settled months ago. I told him that Churchill was opposed to raising the quota to bring the Hungarian Jews out because he said he had promised the Arabs that while the war was going on they would let the quota stand.

To sum up, if Eden hadn't actually read from the minutes of the Tehran Conference and Hull hadn't told me face to face that he hadn't seen them, I wouldn't believe it.

I also told Hull that Russia had kept completely aloof from the European Advisory Committee, and I told him the reason they were keeping out of it, in my opinion, was because they realized how the American and English delegates were proceeding on this matter, and they wanted no part of it.

From my talk with Hull, I am sure if Hull got a directive on the dismemberment of Germany he would go to town. My trip to Europe was many, many times worth while just for what I learned and what I told Hull, and we will see what happens when I see the President. Hull said he gets exhausted fighting the different people around town, meaning people like Welles, and the President could stop it in a minute if he wanted to do it.

8/18/44-

206 ✓

REMINDER -

Treasury representative at Dumbarton  
Conference.

I made this  
request of Hull  
and he said O.K.  
he would let  
me know.

207  
August 18, 1944  
11:00 a.m.

Operator: Go ahead.

HMJr: Hello.

Eugene Meyer: Good Morning, Henry.

HMJr: Hello, Eugene.

M: How are you? Welcome home!

HMJr: Thank you so much.

M: Did you have a good trip?

HMJr: Wonderful trip.

M: Must have been wonderful.

HMJr: It was a wonderful trip.

M: Uh -- I wanted to know if I, and one or two of my staff ....

HMJr: Yes.

M: .... could have a talk with you and White.

HMJr: Yes.

M: I'd be very pleased to furnish lunch. I have no air-conditioning this year on account of circumstances I do not control, but you and White would be welcome at lunch Tuesday or Thursday of next week if you could do it, and I would have one or two people ....

HMJr: Do you want to talk Bretton Woods? Is that it?

M: Yeah, and anything else you want to talk about in addition.

HMJr: Well, may I let you know a little -- may I accept tentatively for Thursday?

M: Make it tentative for Thursday.

HMJr: Yes.

- 2 -

M: And will you -- would you invite Mr. White for me?  
I haven't the pleasure of knowing the gentleman.

HMJr: I will invite Mr. White, and he is accepting  
now.

M: How's that?

HMJr: I will accept for him.

M: Okay. One o'clock.

HMJr: One o'clock.

M: At the Post.

HMJr: I'll look forward to going there.

M: Well, that's swell. Thanks a lot.

HMJr: Thank you.

August 18, 1944  
12:23 p.m.

Theodore  
Granik:

Hello.

HMJr:

Mr. Granik.

G:

Yes, Mr. Secretary.

HMJr:

How are you?

G:

Very well, thank you.

HMJr:

Mr. Granik, half a dozen of us are sitting around here talking about this program on Tuesday.

G:

Yes, sir.

HMJr:

And I only found out about it when I came home -- that there's a misunderstanding.

G:

Yes, sir.

HMJr:

And the thing that's bothering me is that there's too many loose ends, and I wondered when you would be available for discussion so that we can tie this thing up.

G:

Well, I had -- I was talking to Mr. Luxford about a meeting on Monday at your convenience, Mr. Secretary. I didn't know that you were coming back sooner.

HMJr:

Well, I ....

G:

I'll be back Sunday night in Washington. See you any time at your convenience.

HMJr:

Well, the unfortunate thing is I am here all day tomorrow, but I'll not be here Monday.

G:

Oh, I see.

HMJr:

See?

G:

Well, I could come back ....

HMJr:

What's that?

G:

I'd better come back to Washington tonight.

- 2 -

HMJr: Well, I'll tell you. If you could -- if you could -- I don't know just what your plans are, but if you could be here for a couple of hours tomorrow morning we could settle this thing.

G: Fine.

HMJr: And then, whatever your week-end plans were you could carry on.

G: Well ....

HMJr: Could you do that?

G: I'll come back -- I'll come back tonight.

HMJr: Well, I think any of these things, if we are going to do them, it's only worthwhile doing them well.

G: That is right. You are correct, sir.

HMJr: What?

G: You are absolutely right. I want to do it right.

HMJr: And, of course, if I'd had a chance to be consulted, I would have asked to postpone this thing a little bit, but that's water over the dam. I take it you've announced the program.

G: Oh, yes, quite heavily. . . .

HMJr: Well, then we'll cooperate because I appreciate what you are doing, and could I suggest that you be at my office at nine-thirty tomorrow morning?

G: I'll be at your office at nine-thirty tomorrow morning.

HMJr: And then we will go into this thing, and decide how we can make it a first class program.

G: I'll be very happy to. I'll be at your office at the Treasury at nine-thirty tomorrow morning.

HMJr: Thank you so much.

G: Goodbye, Mr. Secretary.

August 18, 1944  
12:27 p.m.

John  
McCloy: You seem to have jarred 'em loose over there.

HMJr: Do you think so?

M: Gee whiz! You certainly stirred 'em up.

HMJr: Well, I don't know what you mean, but ....

M: I mean you must have -- you -- I understand you are responsible for this Patton drive.

HMJr: Now, listen, Jack ....

M: What?

HMJr: .... don't kid the old man.

M: Well, it occurred just about the time you were there.

HMJr: Well, I'd love to take full credit for it ....

M: Yeah.

HMJr: .... but I'm afraid I can't.

M: How -- did you enjoy your trip?

HMJr: Very much. And any time you've got time, I'd be delighted to see you.

M: I -- I'm going up in a few minutes to see Stimson, who is up in the Adirondacks.

HMJr: Oh.

M: I -- I'll be back Monday, and if we could have lunch some time next week, I'd be tickled to death to hear what you've got to say.

HMJr: Well, I'll -- I'll ....

M: Well, you -- you -- I won't hold you down to it, but just bear it in mind ....

HMJr: I will, and ....

M: .... and if you get some free time, give me a buzz, and I'll come over.

HMJr: If not for lunch, maybe we could have supper together.

M: Right. I'd love to.

HMJr: How would that be?

M: Fine. Better yet.

HMJr: Well, I'll -- why not say Wednesday night for supper?

M: Hold the wire just a second.

(Pause)

M: I got -- Wednesday is the one night I've got tied up.

HMJr: Well, I have nothing Thursday.

M: Tuesday or Thursday, either one or the other.

HMJr: Well, Tuesday we are doing a broadcast....

M: Yeah.

HMJr: .... So I think I'd better make it -- is your Mrs. around?

M: She's away.

HMJr: Well, then, just -- Thursday night.

M: Right. Fine.

HMJr: Thank you.

M: Thursday is all right.

HMJr: Thank you.

M: Yeah. Okay. Uh ....

HMJr: Yes.

M: Why, during the course of these negotiations -- is Dan Bell with you?

HMJr: Yes.

M: You might just hold him a minute because this is something he's interested in.

HMJr: Yes.

M: We have finished these negotiations as he has probably told you.

HMJr: Yes.

M: Uh -- and they are now through -- they're going through the Combined Chiefs-of-Staff. We tightened them up. Uh -- I think we came out all right, all the way along the line. I think he'll tell you so. But there was one thing ....

HMJr: Yeah.

M: .... and that was the so-called Lend-Lease agreement -- the agreement to agree -- the agreement to negotiate for a future Lend-Lease agreement.

HMJr: Yeah.

M: We said in the Army that we didn't think that that should be signed by Eisenhower -- that was a Lend-Lease -- State Department affair.

HMJr: Yeah.

M: They finally agreed to that, and they are about to close it. Now, in the course of our getting an agreement from the French ....

HMJr: Yes.

M: .... to pay in cash for the civilian supplies which the Army had furnished, or would furnish under "Plan A", we've pointed out that they were already in arrears ....

HMJr: Yeah.

M: . . . . in North Africa . . . .

HMJr: Yeah.

M: . . . . as you know.

HMJr: I know, yes.

M: And we said we wanted -- we wanted this gold from them.

HMJr: Yeah.

M: Well, we've got the gold.

HMJr: Yeah.

M: Uh -- then they agreed to do that, but the question of the arrears of the North Africa payment . . . .

HMJr: Yeah.

M: . . . . although it didn't affect my negotiations, I used it as an argument for our needing gold because they had "welshed" somewhat on that.

HMJr: Yeah.

M: I don't know whether it was arranged that before the State Department signed the Lend-Lease agreement . . . .

HMJr: Yeah.

M: . . . . there should be either a pay-up on the North African supplies or another letter saying that they would pay for them. I don't -- it's up -- it's between -- it's between Lend-Lease and -- and the Treasury.

HMJr: Yeah.

M: It isn't something in which the War Department, in these -- course of these negotiations undertook to work out, but the thing came up. And Ball, from the F.E.A., who was sitting around the table, several times said something about getting a letter. . . .

HMJr: Yeah.

M: .... from the French. Now, my specific question is, must the State Department be instructed -- or should the State Department be instructed not to sign this agreement to -- so-called -- to agree....

HMJr: Yes.

M: .... on a future lend-lease agreement until they get such a letter, or can they go right ahead and sign it with all the rest of the agreements? If they don't sign it, there may be some difficulty but I don't know whether that's a Treasury-F.E.A. point and if it is, some -- the relationship with some -- some instruction to the State Department should go out.

HMJr: Will you hold the wire?

M: I'll hold the wire a second. See what Dan's feeling is on that.

HMJr: All right. Just a moment, please.

(Pause)

HMJr: Bell's going to go out and speak to Glasser and he will call you back in a couple of minutes.

M: Fine. Okay.

HMJr: Thank you.

M: See you next week.

HMJr: Right.

M: All right, sir.

August 18, 1944  
4:50 p.m.

Donald  
Nelson: Fine, thank you.

HMJr: Good.

N: Are you going to be in tomorrow?

HMJr: Yes.

N: Well, Pat Hurley and I -- General Hurley, you know....

HMJr: Yes.

N: ....would like to come over and see you. The President has asked us to go to China on a special mission for him.

HMJr: Yeah.

N: And we wanted to discuss some of the phases of it with you, if we might, before we went.

HMJr: How about three o'clock?

N: Well, if you could make it in the morning -- it's all right with me.

HMJr: No, because ....

N: Three o'clock's fine with me. Pat wants to go down to -- has to go down to Camp Meade in the afternoon.

HMJr: I see. Well, the morning is all gone.

N: It is?

HMJr: Yeah.

N: Well, I'll see what -- I'll see what I can do.

HMJr: I'm sorry, but I'm completely tied up in the morning.

N: You are?

HMJr: Yeah.

N: Well, it's perfectly -- three o'clock is all right with me.

HMJr: Well, let's put it three o'clock. If that doesn't work, you let me know.

N: Well, I can come over anyhow at three if he can't.

HMJr: Well, I'd love to do it but I've got appointments I can't change.

N: All right. Well, I'll call Pat and see -- see when he's going down to Camp Meade. If he can't go with me, why, I can come to see you anyhow and then he might see you later.

HMJr: Okay.

N: All right.

HMJr: Thank you.

## TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date  
August 18, 1944

TO Secretary Morgenthau  
FROM Mr. Luxford

For your information

This morning I expressed the view that the public and Congress are ignorant on the subject of Bretton Woods and that it was important that we move forward as rapidly as possible in educating them about the Fund and Bank proposals. I mentioned that one sympathetic Congressman (Voorhis) had told me that "Congress had no opinion on subject because Congress did not understand it."

My attention has just been called to the attached report prepared in OWI entitled "THE PUBLIC IGNORES BRETTON WOODS." This report is based on responses received by wire between July 10-15, 1944 from 40 editors and labor editors in 33 localities, in 23 states. These correspondents serve as regular volunteer public opinion reporters for OWI and are requested "to tell, not their individual views, but the opinions prevailing among the people with whom they have contact."

The following is quoted from the report's summary:

"There is virtually no public opinion about the Bretton Woods conference, according to our correspondents. There is no general discussion of it because there is no interest; and there is no interest because there is no comprehension of the issues involved and the plans proposed, or of their importance. Bankers and business circles are believed to be more informed than the general public, yet even these are often 'surprisingly ignorant' of the subject.

"Much of the ignorance is blamed on inadequate publicity, which is criticized both for quantity and quality. There should have been more, say these correspondents; and it should have been more simple, more direct, more educational, more compelling."

- 2 -

It should, of course, be noted that the editors expressed their opinions between July 10 and July 15 and that probably a more recent survey would disclose more understanding on the part of the public. However, I do believe that we have a long way to go if we actually do intend to educate the public on these issues and that it will require a great deal of time and patience on our part.

Neither am I impressed about giving the "opposition" more time to fight us. We are at a great advantage right now because the "opposition" is disorganized and the political leaders do not know which way to turn. We can capitalize on this situation by seizing this opportunity to educate the public while the opposition is disorganized.

*RR*

Attach.

Division of Research  
Bureau of Special Services

MEMORANDUM

August 16, 1944

To: Mr. James Abramson, War Refugee Board  
From: <sup>EV5</sup> Everett V. Stonequist, Chief  
Subject: Enclosure

Mr. Herbert Little has asked us to forward to you the enclosed report on public opinion about the monetary conference at Bretton Woods. You will note that this report represents opinions during the early stages of the conference, and that the respondents have reported not their own views but the attitudes prevalent among the people with whom they are in contact.

A follow-up study is now being made to discover whether public interest and understanding increased subsequent to the period reported here.

Enclosure

THE PUBLIC IGNORES BRETTON WOODS

Division of Research

Report No. C 36

Bureau of Special Services  
OFFICE OF WAR INFORMATION

July 28, 1944

This report is based on responses received by wire. (with a few supplementary letters), July 10-15, 1944, from 40 editors and labor editors in 33 localities, in 23 states. (States and localities listed in Appendix B).

These correspondents serve as regular volunteer public opinion reporters for the Correspondence Panels Section. They have been asked to tell, not their individual views, but the opinions prevailing among the people with whom they have contact. A distinction is made between "editors" and "labor editors," since their reports very often show consistent differences.

Excerpts are used merely to illustrate or elaborate some of the opinions summarized in the text. They do not necessarily indicate the frequency with which such opinions are expressed.

The wires were in response to the following inquiry, sent out by telegraph on July 8, 1944.

Request just received for prompt information on reactions to Bretton Woods monetary conference. Please give what you can on what is being said about conference and about plans being outlined there for international handling of currency questions and a world bank.

How much is known about the plans proposed, how important are they considered, what hopes or fears are expressed concerning their success or failure?

What is said about the amount to be contributed by this country in relation to the share proposed for others?

Do people think that the United States stands to benefit by such contributions to monetary and exchange stability and long term economic development or that only those countries will benefit which are financially weaker or economically less developed?

Please wire collect not exceeding three hundred words by Monday morning if possible.

This report, in preliminary form, was issued on July 11, while the monetary conference was still in progress. The present version includes later responses and supplementary footnotes.

SUMMARY

There is virtually no public opinion about the Bretton Woods conference, according to our correspondents. There is no general discussion of it because there is no interest; and there is no interest because there is no comprehension of the issues involved and the plans proposed, or of their importance. Bankers and business circles are believed to be more informed than the general public, yet even these are often "surprisingly ignorant" of the subject.

Much of the ignorance is blamed on inadequate publicity, which is criticized both for quantity and for quality. There should have been more, say these correspondents; and it should have been more simple, more direct, more educational, more compelling.

Only a small minority know enough to have any viewpoint at all. These divide between approval of the ends and criticism of the means. On the one hand there is considerable recognition of the need for international collaboration in the interest of full employment, economic stability, and lasting peace. On the other hand there are fears lest the conference come to nothing, because the members cannot "get together," or because its aims are too "ambitious;" there is concern lest the proposed arrangements will lead us into hazardous or unfair obligations. The editors report more explicit criticism of the actual proposals than do the labor editors, while the latter describe more general anxiety about the success or failure of the conference.

Among the minority for whom opinions are reported, belief that the United States stands to gain is far less strong than the conviction that we shall gain nothing, or at least not as much as the others, by contributing to an international fund and a world bank. Corollary to this conviction is a clearly defined apprehension that the United States will be a "sucker" nation, playing "Santa Claus" to the world and "outsmarted" by others, especially by England.

THE PUBLIC IGNORES BRETTON WOODS

MINIMUM OF INTEREST      By and large, our correspondents find no public opinion about the Bretton Woods conference. They report, in fact, that a good many people--even businessmen--do not know it is being held, and that those who do evince a minimum of interest. General discussion of the subject is said to be practically non-existent. A number of respondents are distressed that so momentous an undertaking should remain remote, mysterious, and almost unnoticed.

"Know of nothing creating so little interest as monetary conference." E\*

"Great majority do not even know conference is in session." LE

"Not one in a thousand even knows there is a Bretton Woods Conference. Most of them think it has something to do with fuel question. Sorry but that's facts." E

"Inquiry among my acquaintances has failed to disclose one who has read about the conference or has the slightest idea in the world of what it is about. That's a tragedy when so much is at stake." LE

"To date, Bretton Woods and its swank environment has an aura of mystery, it has sinister implications with a dime novel drop curtain. One of the most important conferences in many years, whose results may have tremendous influence on the shape of things to come, the overwhelming majority of citizens are not the least interested in it." E

MINIMUM OF KNOWLEDGE      Most of those who are aware that an international monetary conference is being held are said to have no conception of the issues involved and the plans proposed--or of their importance. Except in "banking and financial circles"

---

\* In identifying excerpts from respondents' reports, "E" stands for editor, and "LE" for labor editor.

there is no discussion because there is no interest, and no interest because there is no knowledge. The problems being debated are considered technical, esoteric, abstruse-- beyond the scope of the average layman who dismisses them as "something for the experts to bother about." And many who hold degrees--even degrees in law and economics-- appear to rank as laymen in the lore of currencies.

Moreover, while bankers and financiers are said to be somewhat more interested than the general public, and while many assume from the outside that "bankers may know what is involved," a few who have made direct inquiries find that even bankers and brokers show "a startling lack of knowledge" about the actual problems and proposals discussed at Bretton Woods. A confidential report of a meeting of a state banking association describes the members as surprisingly ignorant of the agreement reached. "They recognize importance of stabilization after the war but very foggy as to the details, confusing the 'gadgets' with the over-all policy of international planning affecting exports and imports."

A number of correspondents point out that most people have no notion of the bearing monetary factors may have on national economic conditions and on their own personal fates and fortunes. This ignorance is seen as a two-fold menace. In the first place it prevents full recognition of the importance of the conference and the need for fulfilling its objectives. In addition, it leaves the public vulnerable to specious arguments about the gold standard and the feasibility of "economic isolationism" as well as to "bad propaganda by enemy nations." The need to understand the significance of the agreements reached at the conference is viewed as the more urgent since the issues "will probably be injected into the coming campaign" and become "part of a political controversy."

"I fear Bretton Woods conference too abstruse and involved for average citizen to have any comment one way or the other." LE

"No concept importance of plans nor what about." LE

"General public seems virtually ignorant and disinterested toward monetary conference." E

"Overwhelmingly majority reaction neutral because of ignorance. Typical reply: 'It's too complicated.'" E

"Have met no one who understands issue; Can find no one interested enough to discuss same ...Conference and theme of same about as remote from the general public as price of eggs in Kamchatka." LE

"I doubt whether one person in a hundred thousand has even the haziest idea of the effect of monetary changes on his own private affairs." E

"Few understand relation of monetary factor to clearance of international transactions or latter's relations to national economy. Have only vague notions about currency value in terms of international exchange. Therefore great majority unable to follow proceedings intelligently. Vulnerable to arguments of possibility of more simple and realistic solution to over-all external stabilization." E

INADEQUATE  
PUBLICITY

A large portion of the blame for the almost universal ignorance is laid on defective publicity and the lack of an educational campaign. Responsibility for the informational shortcomings is divided between the media and the government. There is some feeling that "pre-publicity" should have been issued to prepare the public for following the conference with intelligence and interest--stories in the press and on the air, a simple pamphlet for bankers and business groups. Criticisms of current publicity divide between complaints about bad press play and scant radio notice on the one hand, and complaints that the stories released were "tedious" and difficult, dwelling on technicalities rather than on the basic implications for the average citizen. One editor adds that points of disagreement were stressed, rather than the need for reaching agreement.

Simple and understandable accounts are demanded, and some "humanizing" of the proceedings by acquainting the public with the individuals taking part in them. A labor editor asks plaintively if any representatives of the labor press were invited to attend, pointing out that some of them would be particularly well qualified to do the necessary information job. One or two others mention the lack of labor representation more as a slight to labor than as a lost informational opportunity.

The strong emphasis on the informational aspect is the more striking in these brief, telegraphic replies, since no question was asked about publicity; although in large measure this emphasis may be attributed to the fact that the respondents are all newspaper people.

"Whole business is so poorly publicized that those queried frankly stated did not know the complete picture nor what to form opinion on." LE

"Rank and file has not picked up the sessions as a matter of common discussion primarily because the issues have not been clearly explained." LE

"(A local banker) blames government partly for this lack of knowledge (among bankers). Says some U.S. agency should have gotten out brief pamphlet, months ago, distributed to every banker in U.S. outlining simply and clearly the agreement reached by experts and the agenda at Bretton Woods." E

"The thing has never been presented to them simply and sympathetically by any commanding personality of government. It ought to be." E

"People are waiting to have monetary conference issues explained in simple understandable terms." E

"Suggest that news about Bretton Woods conference deal with basic problems of increased foreign trade, reconstruction problems, industrialization of undeveloped countries and such general principles as they will affect American industry and full employment in the postwar period and the necessity for a stable monetary system to make these things possible. When the reports are narrowed down to monetary problems alone there is nothing for the average person to discuss. So far the newspapers have made it a conference of experts and complicated money questions."

"News stories have featured apparent points of disagreement rather than the necessity of getting together on a workable solution of the problems." LE

"The labor papers would work with the government a hundred percent, provided they were drawn into the picture early enough. But they don't get asked except when it is purely labor." LE

GENERAL  
ATTITUDES

The only opinions reported come from a very small minority--a few say chiefly bankers, businessmen, or professional groups. Where opinions are held they are said to be mixed. Occasionally they are described as "following party lines." The few who are equipped to think about the subject apparently appreciate the importance of the conference. Over-all reactions among these few seem to split rather evenly between the favorable and the unfavorable, with the labor editors leaning slightly toward the former and the editors toward the latter. There is a hint, however, that the "antagonistic attitude of bankers" --whose views would be represented by the editors rather than the labor editors--is "slowly being dissolved."

It is chiefly the labor editors who report fear that the delegates will fail to "get together" and a "vague hope" that the conference will succeed. Yet the editors are more articulate in stressing the need for international collaboration in the interest of maintaining full employment, averting economic disaster, and promoting a stable peace. Despite the "appalling ignorance" of the public about the conference and its objectives, there seems to be a widespread recognition of the growing need for international collaboration in general, and a readiness to understand that this collaboration must be economic as well as political. The feeling is, however, that this readiness must be sparked by a comprehension which at present is lacking.\*

"Professional groups lawyers doctors bankers etc. absolutely approve--realize importance of this matter and favor adoption of American plan instead of British." LE

"Fear is expressed that the countries will not unite." LE

---

\*For trends in recent public opinion studies regarding international collaboration, see Appendix A.

"I believe our people are definitely better informed about the need for international cooperation in whatever field is necessary than they were after the first World War." E

"Consensus is that some type of fund is more essential than ever before and that some proposal of the type outlined for a world bank and international handling of currency must be adopted if economic disaster is to be averted. Belief is that international monetary fund will definitely promote exchange stability among the various national currencies and facilitate multilateral payments, thereby encouraging expansion of international trade and resulting in growth of employment and real incomes in member countries." E

"There is a feeling among thoughtful citizens that this conference whatever it is all about is tremendously important and that collaboration with other nations in trying to solve world economic problems must be carried on permanently. Feeling is general that present war is result of failure of nations especially of the United States to work together on world economic problems including monetary." E

"Even if participation in international economic cooperation should be more costly to U. S. in terms of dollars than economic isolation would be--and this is unlikely to be true--the annual cost would certainly not exceed the weekly cost of waging war." E

PRO'S AND  
CONS

It is in keeping with the general dearth of knowledge that remarkably little is said of the actual proposals. It is noticeable too that, whereas approval tends to be attached to the general aims and objectives of the conference, disapproval and misgiving are somewhat more specific and more closely related to the proposed plans.\* Such disapproval

\* Editorial opinion preceding and during the opening days of the conference also showed opposition centering on specific features of the plan rather than on general objectives, with which the majority expressed sympathy. During the period July 3-17, about equal minorities definitely favored and opposed the proposals while a majority viewed them with coolness or suspicion. In the period July 12-20, opposition was voiced by a clear majority, 15 out of 28. See Analysis of Editorial Opinion, No.'s 57, 58 and 59, July 14, July 21, and July 28, 1944; Division of Research, Bureau of Special Services, OWI.

or apprehension is reported more by editors than by labor editors. It may be significant in this connection that business groups are felt to be more versed than the general public in what the plans really are, and that editors are more conversant than labor editors with the opinions of business groups.

Specific approval of the size of this country's contribution comes from several correspondents who say it is considered fair enough, two of them ascribing assent to a feeling of moral obligation. The only other commendation of specific features (as opposed to general objectives) is a statement by a labor editor that the American plan is favored rather than the British.

On the whole the fears are more vocal as well as more explicit than the hopes expressed for the conference. Among adverse comments, one editor reports belief that the amount suggested for the international stabilization fund is too large. Several say that the quota system is felt to place an unfair burden on the United States, but there are fewer expressions of objection than of acquiescence in the size of our quota. Moreover, there is a hint that Russia's desire to increase her quota cast a more favorable light on the size of ours--serving as a reminder that the power of a member nation would be in proportion to the size of its contribution. Other misgivings voiced occasionally are: that the suggested arrangements will "encourage imprudent borrowing by foreign countries at the expense of the United States;" that this country might be let in for "hazardous commitments;" that the plans "might undermine the U.S. monetary system;" that they are over-ambitious for the present; that they are dangerous because the economies of some countries are unsound.

Most of these comments come from editors. One of the few direct criticisms of the proposals reported by a labor editor takes the form of suspicion that the plans are being shaped by financiers who will reinstate the gold standard as a means to implementing monopolies and

cartels. A number of editors, on the other hand, indicate that business and banking interests hope for the return of the gold standard.\*

"I don't believe there is any serious objection to the amount to be contributed by this country; the feeling is that the war has touched us more lightly than other nations, and that our tremendous resources impose an obligation to carry a greater share of the burden than less fortunate nations." LE

"(The bankers') distrust of U. S. contribution to general stabilization fund was partly overcome by news that Russia wanted to increase its contribution, giving them idea that greater the contribution the greater the influence." E

"Prevailing view is that conference is premature and will come to nothing largely because too much is being attempted." E

"Specialized groups mostly banking and world trading circles tend to be critical of Secretary Morgenthau and particularly of Harry White from long-standing antipathy. Therefore most talk to be heard is dubious. These specialized groups fully recognize importance of international handling of currency and benefits to United States thereby. Their doubts concern particular methods proposed. There is considerable feeling that funds will largely be contributed by big powers particularly United States and will drain sieve-like through smaller

---

\* The analyses of editorial opinion referred to above (footnote, p. 6) showed that suspicion of Britain was voiced by some, and desire for the strict gold standard by almost all, of those definitely opposed to the plan. The isolationist press condemned the plan as a scheme to get our gold. A different type of objection, especially in the later editorials, was based on the argument that the problem of exchange stabilization is identical with that of getting individual nations to follow sound money policies and because the plan contains no provisions for compelling the members to follow such policies. More simply stated, they want the gold standard and do not like the monetary and fiscal theories of Baron Keynes which they think the plan encourages.

powers. Numerous specialists feel more basic and fundamental reforms would be attained if internal economies of various countries could be rendered more sound." E

"Suspicion that the international financialists are getting together to retain gains made during war and to reinstitute the gold standard or managed currency system which will implement monopolies and cartels, and be used as a fulcrum to destroy revolutionary and popular movements for social and economic advancement by the working people of the world." LE

"They want return to gold standard and fact that Keynes is willing to use gold as 'yardstick' (though not as base) has mellowed them somewhat." E

WHO STANDS TO GAIN? Less than half of the respondents comment directly on whether the United States stands to gain or to lose by our proposed contribution to an international fund and a world bank. Among this minority the belief that this country will gain as much as others<sup>is</sup> far less frequent than the belief that we shall not gain, or that others will profit more than we do through international economic stabilization and free exchange of goods. Conviction that others will gain more than this country is reported more often by editors than by labor editors.

Belief that we are slated to "pay the lion's share" is not invariably coupled with resentment, since some feel that our greater resources and slighter burden of war make such a balance "morally right." One editor compares attitudes on this score with early attitudes toward lend-lease. There is also some feeling that even though others may gain more than we do, the proposed arrangements are essential to our future welfare.

Acquiescence is by no means predominant, however, among those who feel we shall be "footing the bills of the world." A substantial minority (about one-fourth of the respondents) reports concern lest this country play the role of "sucker" among nations and ruin itself in an attempt to be "Santa Claus" and start a "European WPA." Corollary to this worry is the misgiving that England will "outsmart" us because our representatives are not as sly and as experienced as hers, or that England and Russia will "gang up on us." This note is less conspicuous for its frequency than for the fact that

it is clearcut and definite in the midst of prevailing vagueness. Despite its intensity, it is voiced less often than the conviction that effective international cooperation is imperative for the sake of the postwar economy and the maintenance of peace.

"People believe vaguely the US would benefit by monetary and exchange stability and hope conference succeeds in establishing world bank." LE

"Belief general here that the conference is one of many necessary steps toward laying the groundwork for more lasting peace, that US will share in common economic and political benefits." E

"Have found none who believe this country would benefit. Attitude much like that which first greeted Lend Lease proposal." E

"Popular conviction now as in former years seems to be other peoples will naturally profit more from our cooperation than we from theirs." E

"Cannot find anyone who believes United States will benefit as much as England and therefore is shrugged off as being another of Churchill-Keynes' clever schemes. In fact some think England and Russia ganging up there. All this indicates entire lack of knowledge even among those supposed to be initiators. My belief reason is lack of clear statements to public in advance of meeting and now too late to make proper impression." E

"One or two had idea we would be contributing money to an European WPA system and would prefer we gave it to our own people instead." LE

"The chief danger in any international postwar program is the fear that Uncle Sam will play 'Santa Claus.' I doubt if the war has been brought close enough home to any of our people except those who have lost sons and brothers and husbands to make us as farsighted as we ought to be in postwar dealings." E

"Financial circles generally agree that U.S. stands to benefit by such contributions to monetary and exchange stability and long-term economic development, although fear is expressed by several that England may 'out-trade' U.S. because of former's longer and wider experience in international monetary matters. One reaction was that U S is represented by few outstanding men in financial field, as contrasted with England's delegation, and that England is dictating policies." E

APPENDIX A

Available figures indicate that desire for international economic collaboration after the war lags far behind desire for joint military and political efforts to maintain peace. Public opinion studies during the course of the war have shown a strong and growing majority in favor of an international security organization. Recent studies by the National Opinion Research Center (April, 1944) and the Iowa Poll (July, 1944) show 80% of the respondents favoring active participation by the United States in an international organization to prevent future wars. According to the Fortune Survey of July, 1944, among college youth the approval of such participation rises to 94%.

Far less study has been done of opinions about postwar economic collaboration among nations. According to surveys conducted by the Surveys Division of OWI during 1943, only one-third of the people have held the opinion that we should allow other countries to sell more goods here after the war; and almost half (46%) feel that it is possible for this country to have prosperity at the same time that other countries are having depressions. Studies made in January, June, and November showed this minority remaining almost constant throughout the year. In January, 1943, 61% said we should not try to see that there is no unemployment in other countries after the war (25% said we should; 11% had no opinion). (What the Civilian Thinks, Memorandum No. 82, Surveys Division, Bureau of Special Services, Office of War Information, July 18, 1944.)

Among business executives responding to a Fortune Management Poll (May, 1944) a large majority believed that an international organization to keep the peace would greatly improve prospects for an increase in United States foreign trade after the war. Of these executives, 30% said their own companies would benefit directly by such an increase, 28% said they would benefit indirectly, and 37% said they would not benefit noticeably.

A P P E N D I X B

ANSWERS TO TELEGRAPHIC INQUIRY, BY PANEL, STATE, AND LOCALITY

Total: 40 respondents, from 33 localities, in 23 States

Editors (E): 21 respondents, 20 localities, 18 States

Labor Editors (LE): 16 respondents, 15 localities, 11 States

Alabama	Mississippi
Birmingham (E)	Biloxi (LE)
	Gulfport (E)
California	Missouri
Fontana (LE)	Kansas City (E)
San Francisco (E, LE)	St. Louis (2E, LE)
Connecticut	New Jersey
Hartford (E)	Montclair (E)
District of Columbia	New York
Washington (LE)	Buffalo (E)
Georgia	New York City (2 LE)
Atlanta (E)	Rochester (LE)
	Watertown (E)
Illinois	North Carolina
Chicago (E)	Asheville (E)
Indiana	Ohio
Evansville (LE)	Cleveland (LE)
Michigan City (LE)	
Iowa	Oregon
Des Moines (E)	Portland (E)
Louisiana	Pennsylvania
New Orleans (E)	Philadelphia (E)
Massachusetts	South Carolina
Boston (E)	Greenwood (E)
Michigan	Virginia
Detroit (LE)	Richmond (E)
Minnesota	Washington
Minneapolis (LE)	Spokane (E)
	Tacoma (LE)
	Wisconsin
	Kenosha (LE)
	Milwaukee (LE)

August 18, 1944

Mr. Gaston  
Secretary Morgenthau

I have received your memorandum of August 16th in regard to my using a Coast Guard plane.

Would you please follow through on this for me with Admiral Waesche and Mr. Forrestal. *Furicho -*

August 16, 1944.

Memorandum

TO: Secretary Morgenthau  
FROM: Mr. Gaston

A regulation contained in the Navy Department Bulletin for July 31 seems to require that before using a Navy or Coast Guard plane you would have to apply to the Army and be refused, then apply to the Secretary of the Navy and state that any other form of transportation was unavailable or impracticable. McCaffery called it to my attention and was disturbed about it. I thought it a mere routine order that did not affect your special arrangement and talked with Waesche, who was of the same opinion. However, he talked with Bard and Bard said that the present arrangement would stand at least until Forrestal returns, at which time Waesche will talk to Forrestal to confirm the special arrangement with Frank Knox.

*M.G.*

*764 ...*

*Forrestal.*

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

232 ✓  
*forget -*  
DATE Aug. 18, 1944

TO Secretary Morgenthau

FROM Mr. Shaeffer *C.P.D.*

The memorandum from President Roosevelt to yourself expressing his pleasure over the results of the Fifth War Loan was never made public.

Mr. Hassett's office at the White House refused to cable to the President the changes made in the original statement with the result that Mr. Roosevelt's approval was not received here until August 14, or ten days after the results of the drive had been made public.

The White House would not make the message public, and Mr. Gaston agreed with me that the President might be embarrassed by the belated publicity attending his message.

TO:

233

4-44

Dr. Latta called & saying  
Pres. approved -

Called Bob -

Gaston says too late to  
release.

Fred Smith  
Room 290+

Mr. Maurice Latta

August 4, 1944

Mr. Fred Smith

Attached (exhibit A) is a copy of the memorandum received by the Secretary. Exhibit B is a suggested way of changing it to avoid the difficulties involved in the President's quotation.

The last part of the President's statement cannot be used because it is untrue. The sale of Bonds does not in any way eliminate or reduce the debt which will need to be paid at some future time. The only thing that will reduce post-war debt is increased taxes. Hence, it would seem wise to avoid the entire subject and change the statement in accordance with the suggestion as in exhibit B.

I have just checked with the Secretary, and he agrees with this procedure.

FS:gr

235  
Saturday  
8-3-44

SECRET

The White House

Washington

3 August 1944

MEMORANDUM FOR:

The Secretary of the Treasury

The below quoted message has been received via White House Map Room Communications Channels at 7:50 p.m. for transmittal to you:

"From the President for the Secretary of the Treasury.

"Reference your message of August 2, 1944. I am very happy to hear that the Fifth War Loan has passed the 20 billion mark. This proves that the American people understand the great objective of paying a very large percentage of the cost of this war currently, thereby reducing the debt that must be paid in later years."

Very respectfully,

Henry W. Putnam (signed)

HENRY W. PUTNAM,  
Captain, A.C.

*Lending their own money to pay*

*Send to keep on  
Send from supplied  
with every thing they can  
send to show in the  
in the shortest possible time*

The Secretary of the Treasury, Henry Morgenthau, Jr. today received the following message from the President:

"I am very happy to hear that the Fifth War Loan has passed the twenty billion dollar mark. This proves that the American people understand the great objective of lending their own money to help pay the cost of this war, and to keep the Armed forces supplied with everything they may need to drive on to Berlin and Tokyo in the shortest possible time. Franklin D. Roosevelt."

Ok'd by  
Secy over  
phone

LPTTA  
MORICE

## MEMORANDUM FOR THE SECRETARY.

August 18, 1944.

Mail Report

This week's mail was a repetition of that received last week. Tax mail was light, and bond mail heavy but monotonous. A few questions about tax rulings; one suggestion about the sale of car use stamps; and a number of urgent requests for refunds made up the entire tax correspondence.

Federal Savings and Loan Associations have been carrying on a drive to be allowed the same privileges as banks in cashing bonds over-the-counter. There was one unfavorable comment on this over-the-counter plan -- otherwise, no further reaction to it. Most of the replies to the redemption slip explained personal emergencies. However, one woman stated that she regularly cashes her bonds and deposits the money with the Minneapolis Mutual Life Insurance Company. After a few weeks in which only 30 or 40 bonds were submitted here for redemption, the number has again risen with 69 last week and 76 this. There were 20-odd complaints about delays in handling bonds or in paying interest.

The number of out-of-date checks being sent in continues to increase. Quite a few of these come from service men who have been out of the country for the year which is allowed as the valid period. It would seem that this problem may increase during the coming months.

Only one small donation reached the Treasury directly. However, two others -- one for \$1,600 and one for \$400 -- were submitted through the Navy Department.

There has as yet been no comment on the Secretary's trip or radio speech from abroad.

Gabriele E. Forbes

General Comments

G. M. Wilson, Credit Manager, M. D. Muttart Limited, Distributors of Lumber and Building Supplies, Edmonton, Alberta. We are writing you with reference to \$4,327.16 which is due us on the account of the U. S. Public Roads Administration and the R. Melville Smith Company. \* \*\* We have not heard anything on this account for almost a year, except the odd letter from one Department to another, telling us to write here and write there. Consequently, we have to appeal to you for this balance. It is mainly for money which we paid out to other Sub-Contractors in cash. We are a small firm and right now we desperately need the money. I appreciate the fact that writing to the Head of your Department directly, is probably unorthodox. Nevertheless, we have exhausted almost every other means of getting even a letter back with regard to the balance of this account, and have been unsuccessful. We have sent the account in greatest detail to the various people who have been so good as to request same and see no reason why the account should not have been paid long before this. \* \* \*

E. H. Bruening, Lt. Cmdr. U.S.N.R., American College of Dentists, Tucson, Arizona. Allow me to compliment you and your fellow workers on the very remarkable success of the Bretton Woods conference. This may prove to be the MOST IMPORTANT step toward a foundation for a prolonged peace among the important nations of the earth.

Mrs. Melvin Piff, Chicago, Illinois. Perhaps my request is unusual, but I wonder if you can help me solve a problem. I am a Private's wife, and six months ago I gave birth to a son. \* \* \* I've been managing to get myself back to normal as best as I can on my allotment. But my biggest problem is the necessary dental

- 2 -

care. Is there any way I can get a loan to pay for this care? I have been having my teeth fixed at the North Western Dental Clinic (where the work is done by Army and Navy men). They require you to pay for the work as it is completed, and sometimes there isn't always the necessary funds available. I am sure you can understand that \$80 a month goes so far, and no further. Is there any way I can get a loan to pay for this work? \* \* \* Then, as soon as I get my eyes fixed, I plan on going to work part time in a nearby war plant and repay all my debts. I suppose this all sounds very complicated and stupid. But it boils down to the fact that my teeth and eyes need immediate care and I can't manage it on \$80 a month, so I'm asking for assistance until I can go to work. I don't ask for charity. \* \* \* There are many who can't work that need that money. I can work, and will do so as soon as possible. I am asking only for temporary aid. I have nothing to offer for security - except my husband's position - Private in the United States Army. \* \* \* Thank you kindly for any assistance you may offer.

--We consulted War Department and wrote her we had informal advice from them that she should apply to the Red Cross Chapter in Chicago. She replied--

Thanks for the advice. I contacted the Red Cross. They told me in no uncertain terms they were no loan agency, and if I needed money, I should go to a Local Loan Agency. Sorry I bothered the Secretary, or the Red Cross. War wives aren't supposed to be people, anyway. For the duration I'll hide my head.

- 3 -

Favorable Comments on Bonds

George M. Craig, President, Merchants National Bank, Port Arthur, Texas. I noticed in the paper about a week ago that there was some prospect of your permitting the holders of Series E Bonds to borrow money from banks when they had pressing need. Our observation has been that there are many of these Series E Bonds sold when the owner only requires money for a short time, or only requires a portion of what he has invested. I believe that if banks were permitted to loan on these Series E Bonds, that the holders of them would keep them instead of cashing them in. \* \* \*

- 4 -

Unfavorable Comments on Bonds

Mrs. Charles J. Zurbarik, Bandera, Texas. I am writing you in regard to some bonds I have never received. My husband is now a German prisoner and has been for over a year. He was captured April 24, 1943. He has been putting \$27.50 in bonds monthly since then and has had it arranged so that they were to be sent to me. I have never received any of them as yet. I would like for you to have them traced and sent to me immediately.

\* \* \*

Ople Ann Akers, Postmaster, Lynch, Kentucky. I would like to know if there is any inheritance tax charged when a beneficiary cashes a Series E Bond. There is a rumor circulating in town that there is an inheritance tax of forty percent on each bond cashed by a beneficiary. Almost all bonds written at this office, and over the Company payrolls, have been made "payable on death", and since this rumor has started, everyone wants their bonds changed to "co-owner". I asked the Collector of Internal Revenue from this County, but he was not sure, but thought that there had to be an estate of \$10,000 before an inheritance tax was charged. It is taking quite a bit of our time having these bonds changed from a beneficiary to a co-owner, so will you please tell me something definite?

Vincent A. Galligan, Taunton, Massachusetts. Back in February, 1934, I sent to your Department for payment, the following: W. S. Certificate No. 21503472, Series 1918; 2 registered stamps affixed; reg. #4065; City Hall Annex, New York City; 1 unregistered stamp Series 1919, affixed - mutilated. From your office on March 28, 1934, I was advised these stamps had been received by you on February 5, 1934. I was requested to submit a statement, since the stamp purchased in 1919 was improperly affixed and mutilated, and an affidavit,

- 5 -

properly notarized, showing how this mutilation came about. \* \* \* I wrote your office to the effect that the stamp in question had been mutilated by M. Joseph O'Neill, now deceased, then Assistant Postmaster at Taunton, Massachusetts, he having stated that the 1919 stamp should not have been attached, as was the case. He attempted to remove it, and in so doing, caused the mutilation of the stamp. \* \* \* Since that time, over nine years, I have heard nothing from your office whatsoever, though I wrote you on January 9, 1940, and again on March 5, the same year. I am disinclined to believe that even with a war on, and your Department as busy as the proverbial paper-hanger (and I don't mean Adolf -- God knows he's busy enough), that inefficiency has come so far as to be complete neglect. Your attention to this matter immediately will be very greatly appreciated.

Anonymous - Postmarked Washington, D. C. I return herewith slip which came to me with remittance for Series E War Bonds cashed. I agree with everything on it, but it is your fault, not mine, that these bonds were cashed. It is your red tape. The only reason they were cashed is because they were turned over to me on a debt, and as you will not re-issue bonds in a new name, all I can do is cash them, as otherwise, if I were to die, they would again become the property of the person who turned them over to me, and my estate would have to take anything (or nothing) that the original owner would specify. (They were made to the debtor as owner, with me as co-owner). The debtor will not make them to me as owner in the first place because they are on a payroll plan, and he wants credit for buying them. If you would change your rules so that at least one of the names on a bond could be changed, I would have them re-issued instead of cashing them in. I do not cash any of those I buy directly myself. I know it is wasted time sending this to you as your

- 6 -

organization is full of people who think they know better than anyone else what is good for them, and in true totalitarian style will force it down their throats whether they like it or not, but I say it anyway.

Cloyd R. Bossler, Johnstown, Pennsylvania. I understand it cost \$20,000.00 for the Commander-in-Chief and Candidate for President, to make that little cruise and fishing expedition. Is that what the War Bonds are being used for that we are being urged to buy more of? I would like to see the bond sales chart when that news becomes generally known.\* \* \* Why should the proceeds from War Bonds be used to finance a political campaign? I saw where one news commentator remarked that Mr. Dewey could also make a trip to the Hawaiian Islands. True, he can, but not at the expense of the taxpayer.

- 7 -

Unfavorable Comments on Taxation

Gerald R. Coonradt, Oak Park, Illinois. In the year 1942 I lost about \$1,450 when the U. S. Government, through condemnation proceedings, took from me 40 acres of land I owned in Florida. I had invested about \$1,800 in the property and received about \$350 in return. I did not receive the check in payment until early in 1943 and when about to make out my income tax return for 1942 I asked a Deputy Collector of Internal Revenue if I could deduct the loss from my 1942 income, his answer was that I could not, inasmuch as I did not receive payment for the property until 1943. I then filed a simplified return, not deducting the loss. Later I found that the Deputy was in error and therefore on March 15, 1943, I filed an amended return, and claim for refund of \$70.06. On November 25, 1943, I received a letter from the Collector here saying no action would be taken on the claim until after March 15, 1944. About a month ago I wrote asking what action had been taken, but as yet have received no reply. I have a legitimate claim to a refund and would like to have some action on the matter.

August 18, 1944

My dear Cordell:

Some time ago we sent over to the State Department a proposed statement for the President to issue in regard to taking care of the civilian population in Italy.

I would appreciate hearing from you as to whether or not this proposed statement meets with your approval.

Sincerely yours,

(Signed) Henry

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



## TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



OFFICE OF THE DIRECTOR

August 17, 1944

SECRET

## MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

A requisition has been received for U. S. S. R. for 1,801,900 feet of marine cable at a cost of approximately \$753,000.00.

A. C. Walsh  
Acting Director of Procurement

SECRET

LEND-LEASE  
 TREASURY DEPARTMENT, PROCUREMENT DIVISION  
 STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND  
 DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS  
 AS OF AUGUST 9, 1944  
 (In Millions of Dollars)

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous &amp; Undistributed</u>
Allocations	\$5522.2 (5514.2)	\$2627.0 (2627.0)	\$2257.3 (2257.3)	\$133.9 (133.9)	\$15.9 (15.9)	\$488.1 (480.1)
Requisitions in Purchase	\$ 166.3 ( 150.3)	\$ 21.7 ( 19.8)	\$ 69.2 ( 84.7)	\$ .2 ( .2)	- -	\$ 75.2 ( 45.6)
Requisitions not Cleared by W. P. B.	\$ 85.3 ( 107.6)	\$ 35.2 ( 38.2)	\$ 41.4 ( 49.2)	\$ .1 ( .1)	- -	\$ 8.6 ( 20.1)
Obligations (Purchases)	\$3866.2 (3847.8)	\$1951.2 (1948.4)	\$1564.6 (1554.1)	\$ 63.0 ( 63.0)	\$13.3 (13.2)	\$274.1 (269.1)
Deliveries to Foreign Governments at U. S. Ports*	\$2266.4 (2240.7)	\$1408.9 (1401.1)	\$ 784.7 ( 768.5)	\$ 24.1 ( 24.0)	- -	\$ 48.7 ( 47.1)

\*Deliveries to foreign governments at U. S. Ports do not include the tonnage that is either in storage, "in-transit" storage, or in the port area for which actual receipts have not been received from the foreign governments.

Note: Figures in parentheses are those shown on report of August 2, 1944.

C  
O  
P  
YFEDERAL RESERVE BANK  
OF NEW YORK

August 18, 1944

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

I am enclosing our compilation for the week ended August 9, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Very truly yours,

(Signed) H. L. Sanford

H. L. Sanford,  
Assistant Vice President.

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

encl.

ANALYSIS OF BRITISH AND FRENCH ACCOUNTS  
(In Billions of Dollars)

Week Ended August 9, 1944

Strictly  
Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)									BANK OF FRANCE			
	DEBITS				CREDITS					Net Incr. (+) or Decr. (-) in Funds (d)	Total Debits (e)	Total Credits (e)	Net. Incr. (+) or Decr. (-) in Funds (d)
	Total Debits	Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Gold	Securities (Official) (b)	Transfers from Official Australian Account	Other Credits (c)				
First year of war (a)	1,793.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	416.2	+ 35.0	866.3(f)	1,095.3(f)	+ 299.0
War period through December, 1940	2,782.3	1,425.6	20.9	1,335.8	2,793.1	2,109.5	108.0	14.5	561.1	+ 10.8	578.3	1,098.4	+ 220.1
Second year of war (b)	2,203.0	1,792.2	3.4	407.4	2,189.8	1,193.7	274.0	16.7	705.4	- 13.2	38.9	8.8	- 30.1
Third year of war (i)	1,235.6	904.8	7.7	223.1	1,361.5	21.8	5.5	57.4	1,276.8	+ 125.9	18.5	4.4	- 14.3
Fourth year of war (l)	764.0	312.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3
<u>1943</u>													
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-
November	65.9	42.4	5.9	17.6	89.0	-	-	3.5	85.5	+ 23.1	-	-	-
December	98.1	16.3	-	81.8	134.5	-	-	36.5	98.0	+ 36.4	-	-	-
<u>1944</u>													
January	44.6	23.2	19.6	12.0	127.5	-	-	1.0	126.5	+ 52.7	-	-	-
February	143.6	14.3	2.1	127.4	144.5	-	-	29.0	115.5	+ 0.7	-	-	-
March	152.9	71.1	12.5	69.3	133.3	-	-	24.5	108.8	- 19.6	-	-	-
April	134.8	14.9	-	119.9	122.2	-	-	27.5	94.7	- 12.6	-	-	-
May	125.1	28.8	8.1	88.2	164.7	-	-	37.0	127.7	+ 39.6	-	-	-
June	101.9	24.1	-	77.8	95.7	-	-	28.0	67.7	- 6.2	-	-	-
July	150.9(r)	12.3	7.3	131.3(k)	85.9	-	-	10.0	75.9	- 65.0(l)	-	-	-
August													
<u>Week Ended</u>													
July 19, 1944	12.3	4.7	-	7.6	12.7	-	-	-	12.7	+ 0.4	-	-	-
July 26, 1944	61.4	2.3	7.1	52.0	10.3	-	-	-	10.3	- 51.1	-	-	-
August 2, 1944	18.9	6.5	3.2	9.2	41.0	-	-	-	41.0	+ 22.1	-	-	-
August 9, 1944	10.0	3.2	1.1	5.7	7.3(k)	-	-	-	7.3(k)	- 2.7	-	-	-

Average Weekly Expenditures Since Outbreak of War  
 France (through June 19, 1940) 319.6 million  
 England (through June 19, 1940) 327.6 million  
 England (through June 20, 1940 to March 12, 1941) 354.9 million  
 England (since March 12, 1941) 21.5 million

See attached sheet for footnotes.

- (a) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this Bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1940 amounted to \$334 million.
- (c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the requisitioning of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.
- (d) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (e) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (g) For monthly breakdown see tabulations prior to April 23, 1941.
- (h) For monthly breakdown see tabulations prior to October 8, 1941.
- (i) For monthly breakdown see tabulations prior to October 14, 1942.
- (j) For monthly breakdown see tabulations prior to September 29, 1943.
- (k) Includes \$ 5.5 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports.

**ANALYSIS OF CANADIAN AND AUSTRALIAN ACCOUNTS**  
(In Billions of Dollars)

Week Ended August 9, 1944 Strictly Confidential

PERIOD	BANK OF CANADA (and Canadian Government)								COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)							
	DEBITS				CREDITS				DEBITS				CREDITS			
	Total Debits	Transfers to Official British A/C	Others Debits	Total Credits	Proceeds of Gold Sales	Transfers from Official British A/C	For Own A/C	For French A/C	Other Credits	Net Incr. (+) or Decr. (-) in \$ (Runds)	Total Debits	Transfers to Official British A/C	Others Debits	Total Credits	Proceeds of Gold Sales	Other Credits
First year of war (a)	323.0	16.6	306.4	504.7	412.7	20.9	38.7	32.4	+ 161.7	31.2	3.9	27.3	26.1	30.0	6.1	+ 4.9
War period through December, 1940	477.2	16.6	460.6	707.4	534.8	20.9	110.7	41.0	+ 230.2	57.9	14.5	43.4	62.4	50.1	12.3	+ 4.5
Second year of war (b)	460.4	-	460.4	462.0	246.2	3.4	123.9	88.5	+ 1.6	72.2	16.7	55.5	61.2	62.9	18.3	+ 9.0
Third year of war (c)	525.8	0.3	525.5	566.3	198.6	7.7	-	360.0	+ 40.5	107.2	57.4	49.8	112.2	17.2	95.0	- 5.0
Fourth year of war (d)	723.6	-	723.6	958.8	47.1	170.4	-	741.3	+ 235.2	197.0	155.1	41.9	200.4	-	200.4	+ 3.4
1943																
September	47.2	-	47.2	70.1	-	10.6	-	59.5	+ 22.9	16.8	15.0	1.8	20.0	-	20.0	+ 3.2
October	32.1	-	32.1	71.3	-	-	-	71.3	+ 39.2	42.8	40.5	2.3	26.5	-	26.5	- 16.3
November	15.4	0.1	15.3	95.1	-	5.9	-	89.2	+ 79.7	6.6	3.5	3.1	18.2	-	18.2	+ 11.6
December	146.8	0.3	146.5	55.1	-	-	-	55.1	- 91.7	39.7	36.5	3.2	27.0	-	27.0	- 12.7
1944																
January	32.3	-	32.3	78.5	-	10.6	-	67.9	+ 46.2	6.0	1.0	5.0	11.3	-	11.3	+ 5.3
February	25.4	-	25.4	110.5	23.1	2.1	-	93.3	+ 93.1	31.3	29.0	2.3	28.6	-	28.6	- 2.7
March	30.3	0.5	29.8	88.6	15.0	12.5	-	61.1	+ 58.3	27.6	24.5	3.1	29.9	-	29.9	+ 2.3
April	183.6	-	183.6	96.7	-	-	-	96.7	- 86.9	29.5	27.5	2.0	39.4	-	39.4	+ 9.9
May	154.2	-	154.2	86.3	-	8.1	-	78.2	- 67.9	42.6	37.0	5.6	39.6	-	39.6	- 3.0
June	100.1	0.1	100.0	63.3	-	-	-	63.3	- 36.8	31.4	28.0	3.4	21.8	-	21.8	- 9.6
July	43.7	-	43.7	73.2	-	7.3	-	65.9	+ 29.5	20.4	10.0	10.4	20.6	-	20.6	+ 0.2
August																
Week Ended																
July 19, 1944	4.2	-	4.2	6.6	-	-	-	6.6	+ 2.4	1.9	-	1.9	0.2	-	0.2	- 1.7
July 26, 1944	16.0	-	16.0	23.1	-	7.1	-	16.0	+ 6.3	2.1	-	2.1	3.3	-	3.3	+ 1.2
August 2, 1944	3.6	-	3.6	18.5	-	3.2	-	15.3	+ 14.9	0.3	-	0.3	2.4	-	2.4	+ 2.1
August 9, 1944	7.3 (r)	-	7.3	10.8 (r)	-	1.1	-	9.7 (s)	+ 3.5	1.7	-	1.7	0.7	-	0.7	- 1.0

**Average Weekly expenditures for**

First year of war	6.2 million.
Second year of war	8.9 million.
Third year of war	10.1 million.
Fourth year of war	13.9 million.
Fifth year of war (through August 9, 1944)	16.7 million.

- (a) For monthly breakdown see tabulations prior to April 23, 1941.  
 (b) For monthly breakdown see tabulations prior to October 8, 1941.  
 (c) For monthly breakdown see tabulations prior to October 14, 1942.  
 (d) For monthly breakdown see tabulations prior to September 29, 1943.  
 (e) Reflects changes in all dollar holdings payable on demand or maturing in one year.  
 (f) Does not reflect transactions in short term U. S. securities.  
 (g) Includes \$ 0.9 million deposited by War Supplies, Ltd.  
 and \$ 8.5 million received from New York accounts of Canadian Chartered Banks.

PLAIN

August 18, 1944

CIRCULAR, Eighteenth

To Certain American Diplomatic Officers:

The Radio Bulletin of August 17 contains the joint declaration of the British and United States Governments in response to the offer of the Hungarian Government to permit the emigration of certain categories of Jews from Hungary. As you have done with previous press releases on refugee matters, kindly secure the widest possible distribution for this declaration. The original offer of the Government of Hungary was made public in Switzerland by the Interpress on July 18 as follows:

QUOTE Following steps taken in Budapest by ICRC in Geneva Hungarian authorities have given the committee official assurances that transportation of Jews beyond Hungarian frontiers has ceased and that the ICRC are authorized to furnish relief of Jews who are interned or in forced residence in Hungary. The committee are furthermore empowered to cooperate in the evacuation of all Jewish children under ten years of age who are in possession of visas to reception countries and all Jews in Hungary holding entrance visas to Palestine will receive permission from the authorities to leave for that country.  
UNQUOTE

HULL  
(GLW)

Send to AMLEGATION Bern, Switzerland  
 AMPOLAD Caserta Italy  
 AMEMBASSY Madrid, Spain

AMLEGATION Stockholm, Sweden  
 AMEMBASSY Lisbon, Portugal  
 AMEMBASSY Ankara, Turkey

WEB:GLW:KC 8/17/44

SE WE RE NOE

August 18, 1944

MEMORANDUM

TO: Mr. Warren  
FROM: Mr. Pehle

In order that our missions in London, Ankara and Stockholm may be fully informed regarding the Hungarian situation, I think that we should repeat to all three missions as soon as possible cable No. 5197 of August 11 from McClelland in Bern. The text of our reply to this cable once it has been agreed upon should also be communicated at the same time. You will recall that with my memorandum of August 17th to Mr. Stettinius, I sent a proposed reply to McClelland for State Department clearance.

I assume that these three as well as other missions have received copies of the joint statement of the British and American Governments concerning the acceptance of the so-called Horthy offer.

(Signed) J. W. Pehle

A--388

PLAIN

6:35 a.m.

August 18, 1944

American Embassy,

San Jose,

Department's despatch no. 607, July 24, 1944.

Celia Mandelbaum, number seven on the list under reference should read Sylvia Helena Mandelbaum.

HULL

ae c

SWP:RCE:FAH

8/16/44

WRB

FROM: Ciudad Trujillo, D.R.

DATE: August 18, 1944

Rec'd: August 21, 1944 p.m.

255

**SECRET**

The Secretary of State  
Washington, D. C.

A-397, August 19, 1944, 10:30 a.m.

Department's secret instruction no. 21 of August 11,  
1944.

I have spoken to Foreign Minister Pena Batlle regarding the possible issue of Dominican documentation to European refugees. The Minister is studying the letter sent on August 10 to Ambassador Copello by Mr. Hooker; he stated that he would confer in the premises with President Trujillo this week-end, and hoped to be able to give me his Government's reply "within the next four or five days".

Although the decision will be made by President Trujillo, it was obvious that the Foreign Minister is far from enthusiastic. While stating that he fully recognizes the humanitarian aspects of the proposal and also emphasizing the role which his Government has already played "in comparison with other governments of the new world" in taking steps on behalf of European refugees, he cited a number of difficulties such as the temptation to corruption in the issue and handling of documents and the problem inherent in trying to establish controls sufficient to safeguard this country against the entry of undesirables. He appeared to be fully aware of the conduct of numerous Latin-American diplomatic and consular officers in the past few years, and the notorious visa racket which has flourished side by side with sincere humanitarian efforts.

Although hitherto Pena Batlle has always referred favorably to Jewish refugees now here, in recent conversations he has differentiated between those at the Sosua colony (my despatch no. 205 of August 8, 1944) and about 500 other Jewish refugees alleged to be in the capital and vicinity "competing with Dominican enterprises".

Pena Batlle also once more brought up the question of Spanish refugees (my telegram no. 368 of August 7, 1944 and previous correspondence) remarking, albeit with a certain amiability, on the cancellation of the Panamanian visas as having been done at the instance of the American Government, and complaining that the Governments of other Caribbean countries and Mexico now are willing to take "only the good ones, leaving us with the bad ones".

It is clear

Page two. A-397 from Ciudad Trujillo, D.R., dated August 18, 1944.

It is clear therefore that his views on our current "letters of protection" project are being considered in relation to the refugee problem as a whole, insofar as the latter affects the Dominican Republic. It is inevitable that this should be the case, and I hope therefore that the foregoing may be useful as background in such further conversations as may be held with Ambassador Copello.

In general it has been President Trujillo's policy to go along with us on all of these matters, but the Foreign Minister is now apparently asking himself such questions as, Why doesn't the United States issue letters of protection; Why is the Dominican Government singled out for the experiment when it has already done more than most American Republics on behalf of refugees, et cetera.

Also the Foreign Minister apparently does not clearly understand that procedure can be adopted respecting applications for the proposed "letters of protection" and how they can be delivered to the individuals concerned without encouraging a renewal of the flagrant abuses of a few years ago.

I shall report further as soon as the Foreign Minister has consulted with President Trujillo.

BRIGGS

gkg  
EOB/mg

AIRGRAM

FROM: Ciudad Trujillo, D.R.

DATED: August 18, 1944

Rec'd: August 23, 1944 4 p.m.

a

UNRESTRICTED

Secretary of State

Washington, D. C.

A-401, August 21, 1944, 10:30 a.m.

Department's circular telegram of August 12, 1944, 8 p.m. regarding refugee children.

Foreign Minister Pena Batlle states that there will be no objection in principle to including children from Hungary and that he will send me a note to that effect.

BRIGGS

848  
EOB:len:eng

KD-731

PLAIN  
LONDON  
Dated August 18, 1944  
Rec'd 11:12 a.m.

Secretary of State  
Washington

6668, Eighteenth

London papers this morning carried declaration  
identical with that quoted in Embassy's 6609 sixteenth.

WINANT

CSB

MAE-973

PLAIN  
London  
Dated August 18, 1944  
Rec'd 11:59 p.m.

Secretary of State,

Washington.

6710, Eighteenth

Embassy will be represented at informal conference to be held  
afternoon of August 21 with representatives Foreign Office and IOC  
to discuss means of implementing acceptance of Hungarian offer to release  
Jews. Please endeavor have any instructions or comments reach here  
by morning that day.

WINANT

HTM

CABLE TO AMEMBASSY LONDON

Please forward the following message to Mr. Joseph Linton,  
77 Gr. Russel Street, London, WC1:

QUOTE Yours 28/7 to Goldmann. One Understand that Paraguay  
offered to exchange Vittel holders of Paraguayan passports  
for German civilians and that no German answer received.  
Two Understand German Nationals from Netherlands East Indies  
are in Colombo, Ceylon. Three Please inform fully on action  
regarding Belgian veteran lists. World Jewish Congress.  
A. Leon Kubowitzki. UNQUOTE

August 18, 1944  
3:50 p.m.

BAksin:ml 8/17/44

CABLE TO AMEMBASSY, LONDON, ENGLAND

With reference to your 17252 of August 2 please inform IGC that American Minister at Bern was instructed on April 10 to request Swiss to inform Germans that all Jews holding Latin American documents are eligible for exchange against Germans in Western hemisphere. Germans have already included some such persons in exchange groups and probably will continue to do so. All such persons are accepted by this Government in actual exchange. Inclusion of specific names in American exchange proposals has been deemed pointless by American authorities in charge of exchange arrangements since neither party selects exchange groups in accordance with other party's suggestions, but makes its own selections among all eligibles. Furthermore, in view of manner in which such documents were issued, information as to identity of persons holding them and names in which they have been issued is fragmentary.

While eligibility of these persons for exchange is thus known to Germany, your and IGC's attention is drawn to passage in IGC's communication regarding acceptance by Berlin of list for repatriation of group to Palestine and regarding lack of confirmation thereof by London. It is hoped that such confirmation has since been obtained.

For your information, Amlegation Bern is being instructed to protest sharply against the deportations reported by IGC. A special ground for protest is present by reason of formal assurances given by German Foreign Office to Swiss Legation Berlin on May 11 to the effect that beginning that date all persons holding Latin-American passports in civilian internment camps reserved for nationals of American continent would be treated as American nationals notwithstanding any doubt as to the validity of their documents. Copy of instruction to Bern is being repeated to you, for your and IGC's information. Parallel protests and public statements by British officials would be appreciated.

9:25 a.m.  
August 18, 1944

BAkzin:ml 8/16/44

MS-301

PLAIN

LONDON

DATED August 17, 1944

Rec'd 6:30 a.m.

Secretary of State,  
Washington.

US URGENT

6625, Seventeenth

FOR PEHLE WAR REFUGEE BOARD FROM DUBOIS

Please acknowledge at once receipt of the two  
urgent messages sent to you yesterday.

WINANT

RR

CABLE FROM WAR REFUGEE BOARD TO CHAPIN FOR SAXON IN ALGIERS

Please refer to your 2583 of August 4 requesting instructions whether you are authorized to accept, chargeable to the War Refugee Board, messages from private relief organizations for transmission to the United States and other destinations.

Since the Executive Order establishing the War Refugee Board authorized cooperation with private relief organizations, our practice has been and is to make our wire facilities available to them when for some compelling reason they cannot send their messages through private cable companies or it is not feasible to do so. However, the private relief agencies and not (repeat not) the War Refugee Board are expected to pay the cable charges for such messages. Accordingly, you are instructed to follow our practice.

THIS IS WRB CABLE TO ALGIERS NO. 45

August 18, 1944  
3:40 p.m.

MSargoy:dh 8/18/44

AIRGRAM TO AMEMBASSY, PANAMA

References made to your 84 of July 14.

Please inform the Foreign Minister of Panama that the Department and War Refugee Board appreciate the offer of economic aid in the emergency refugee sheltering program made by Panamanian note 961 of July 10.

9:30 a.m.  
August 18, 1944

BAkzin:ml 8/16/44

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Consulate General, Jerusalem  
DATED: August 18, 1944  
NUMBER: 136

CONFIDENTIAL

Please deliver the following message to Heshel Frumkin-Goldie Myerson, 115 Allenby, Tel-Aviv, Palestine, from Israel Mereminski:

"Confidential yours July 29 discussed fully WRB who submitting first part your important war information competent authorities. Suggest your end negotiate directly appropriate Polish groups simultaneously destruction gaschambers, crematories, etc. Cable details amount necessary and manner transmission rescue thousands mentioned LVOV letter. WRB dealing energetically four Redcross points. No indications here that Hungarian deportation not stopped. WRB doing everything possible deal with Hungarian situation including question children. American Jewish organizations constantly activizing Hungarian Jews here lines similar your suggestions. Contacting various organizations concerning Polish Government broadcasts from here appealing Poles save Jews last moment and provide Polish Embassy here with lists Poles active rescue work demanded by American public opinion. Beleive it will work. All concerned interested you provide me immediately information plans detailed suggestions for immediately increasing number small boats possible mobilize Palestine neighboring countries islands etc. All ready help this most vital urgent problem cable same way without delay"

CABLE TO AMBASSADOR NORWEG AT LISBON AND DEXTER FROM THE DEPARTMENT AND THE WAR  
REFUGEE BOARD

(1) In order to take all possible advantage of report set out in item 1 of Department's 2118 of July 28, WRB's 62, this Government is prepared to take similar action on behalf of relatives of American citizens and resident aliens entitled under the law to nonquota or preference quota immigration status.

(2) Accordingly, consular officers in Portugal are hereby authorized to issue immigration visas to any alien who is the husband, wife, parent, or unmarried minor child of an American citizen and on whose behalf nonquota or first preference status has been established by the approval by the Department of Justice of a petition filed by such citizen relative, or who is the wife or unmarried minor child of an alien lawfully admitted into the United States for permanent residence and as such is entitled to second preference immigration status. The issuance of visas is subject to the proviso, however, that (a) such person other than a child under 16 years of age is found upon telegraphic reference to the Department for security check not to be the subject of an adverse report or to be open to reasonable suspicion because of the circumstances of the case such as those attending the release of a male applicant of military age, (b) such person is not affirmatively found by the consul to be inadmissible into the United States under the war, or (c) the consul does not consider that the case is one which should be recommended for consideration under the committee procedure.

(3) Consular officers in Switzerland, Sweden, Turkey, and Spain are similarly authorized and you should advise the Foreign Office that the Swiss Government is being requested to advise enemy governments, particularly Hungary and Germany, that American consular officers in neutral countries have been authorized to issue an immigration visa to the alien husband, wife, parent, and unmarried minor child of an American citizen, and the wife and unmarried minor child of an alien resident of the United States who has been in an area controlled by Germany or any of Germany's allies, provided that such person presents himself to an American consular officer and is found not to be disqualified for a visa. At the same time, please attempt to secure the prompt agreement of the Portuguese Government to advise enemy governments of Portugal's willingness to permit the entry into Portugal of persons falling within the categories described above. You may assure Portuguese officials that any such persons so admitted will be adequately maintained and that any who may be found not (repeat not) to be qualified for the issuance of a visa will be evacuated as promptly as possible. Similar requests are being made of Switzerland, Spain, Sweden, and Turkey.

(4) Appropriate private agencies are being advised of the foregoing so that the filing of petitions by citizens and resident alien relatives of victims of persecution may be expedited, and names of persons whose status within the categories above mentioned is established will be cabled to you from time to time. If any persons within such categories should arrive in Portugal after Portugal has advised enemy governments in accordance with item 3 above, but prior to any notification to you of the establishment of their

-2-

status, please advise Board promptly of their names and of the names and addresses of relatives claimed in the United States.

(5) Please keep Department and Board advised of any developments in this program.

THIS IS WRB LISBON CABLE NO. 78

August 18, 1944  
3:35 p.m.

LSLesser:tmh

8/17/44

**GEM-865**  
Distribution of  
true reading only by  
special arrangement.  
(SECRET W)

Lisben

Dated August 18, 1944

Rec'd 5:20 p.m.

Secretary of State,  
Washington.

2554, August 18, 1944 5 p.m.

THIS IS WRB 157 CN FOR BRAGO UNITARIAN BOSTON FROM  
ELIZABETH DEXTER USC 315

Please arrange someone meet Alice Moura and two  
daughters sailing August 19 on SS SANTOME for Philadelphia.  
Husband Joao Pires Moura seaman United States Navy,  
US SATRONE Three c/o Fleet Post Office. In view above  
suggest Philadelphia Red Cross Home Service Section for meeting.

They are to stay with friends Jose Rodrigues 195  
Jefferson Street, Newark, N.J.. Notify them also of  
Moura family's coming. Mouras speak only Portuguese.

NORWEB

BB

CABLE TO OFFICER IN CHARGE, AMEMBASSY, MADRID FROM THE DEPARTMENT AND THE WAR  
REFUGEE BOARD

(1) In order to take all possible advantage of report set out in item 1 of Department's 2126 of July 28, this Government is prepared to take similar action on behalf of relatives of American citizens and resident aliens entitled under the law to nonquota or preference quota immigration status.

(2) Accordingly, consular officers in Spain are hereby authorized to issue immigration visas to any alien who is the husband, wife, parent, or unmarried minor child of an American citizen and on whose behalf nonquota or first preference status has been established by the approval by the Department of Justice of a petition filed by such citizen relative, or who is the wife or unmarried minor child of an alien lawfully admitted into the United States for permanent residence and as such is entitled to second preference immigration status. The issuance of visas is subject to the proviso, however, that (a) such person other than a child under 16 years of age is found upon telegraphic reference to the Department for security check not to be the subject of an adverse report or to be open to reasonable suspicion because of the circumstances of the case such as those attending the release of a male applicant of military age, (b) such person is not affirmatively found by the consul to be inadmissible into the United States under the law, or (c) the consul does not consider that the case is one which should be recommended for consideration under the committee procedure.

(3) Consular officers in Switzerland, Sweden, Portugal, and Turkey are similarly authorized and you should advise the Foreign Office that the Swiss Government is being requested to advise enemy governments, particularly Hungary and Germany, that American consular officers in neutral countries have been authorized to issue an immigration visa to the alien husband, wife, parent, and unmarried minor child of an American citizen, and the wife and unmarried minor child of an alien resident of the United States who has been in an area controlled by Germany or any of Germany's allies, provided that such person presents himself to an American consular officer and is found not to be disqualified for a visa. At the same time, please attempt to secure the prompt agreement of the Spanish Government to advise enemy governments of Spain's willingness to permit the entry into Spain of persons falling within the categories described above. You may assure Spanish officials that any such persons so admitted will be adequately maintained and that any who may be found not (repeat not) to be qualified for the issuance of a visa will be evacuated as promptly as possible. Similar requests are being made of Switzerland, Turkey, Sweden, and Portugal.

(4) Appropriate private agencies are being advised of the foregoing so that the filing of petitions by citizens and resident alien relatives of victims of persecution may be expedited, and names of persons whose status within the categories above mentioned is established will be cabled to you from time to time. If any persons within such categories should arrive in Spain after Spain has advised enemy governments in accordance with item 3 above, but

-2-

prior to any notification to you of the establishment of their status, please advise Board promptly of their names and of the names and addresses of relatives claimed in the United States.

(5) Please keep Department and Board advised of any developments in this program.

August 18, 1944  
3:35 p.m.

LSLesser:tnh

8/17/44

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

SECRET "W"

August 18, 1944  
7 p.m.

AMEMBASSY,  
MADRID  
2294

Please refer to the Department's No. 207 January 25 in regard to the establishment of the War Refugee Board. The Executive Director of the Board, John W. Pehle, has informed the Department that in conformity with the President's Order of January 22, the Board proposes to appoint Mr. James H. Mann, representative of the War Refugee Board in Madrid, as the Special Representative of the Board with the designation by the Department as Special Attache to the Embassy on war refugee matters. The President's Order provides that the State Department shall appoint such Special Attaches on the recommendation of the Board, that they shall have diplomatic status, and that their duties and responsibilities shall be defined by the Board in consultation with the State Department.

It is assumed that there will be no objection, although you may in your discretion approach the Spanish authorities informally if you consider it necessary or advisable to do so. You are requested to confirm by telegram Mann's designation or to advise us promptly if there is any reason why the designation should not be effective at once.

You should advise Mann that "

(a) He is charged with the duty and responsibility of carrying out the Board's policies and programs in Spain;

(b) He is responsible to the Ambassador and should discuss his activities and problems with him regularly and fully;

(c) The Embassy will provide him with the necessary communications facilities in carrying on his official duties;

(d) He shall extend all possible assistance to the Ambassador in carrying out the instructions contained in the Department's reference telegram;

(e) He shall work with and give all possible assistance to public and private agencies operating in Spain in this field regardless of whether such organizations are American, foreign or international;

(f) He shall develop and assist in the development of programs and implementation of measures for the rescue, transportation, maintenance and relief of refugees;

(g) He shall forward to the Board recommendations and frequent reports on progress of work and difficulties encountered;

(h) In so far as the Trading with the enemy Act is concerned, the Secretary of the Treasury has vested in the War Refugee Board and its representatives in the field full authority to communicate with enemy territory to carry out the purposes of the Order. The Secretary of the Treasury has also delegated

-2- # 2294, August 18, 7 p.m., to Madrid.

to the War Refugee Board and its representatives the power to authorize any public or private agencies, who may be subject to the provisions of our Trading with the enemy Act, to communicate with enemy territory for the purpose of carrying out the Order. Mann is authorized to act accordingly.

After receipt of confirmation of Mann's designation further detailed instructions will follow from time to time.

In anticipation of your agreement to the foregoing appointment as indicated in your recent conversation with Assistant Secretary Shaw, Mr. Mann is preparing to depart for Madrid as soon as travel arrangements can be made.

HULL  
(GLW)

WRB:GLW:KG  
8/17/44

S/CR

WE

A-S

MAE-726  
 Distribution of true  
 reading only by special  
 arrangement (SECRET W)

Stockholm  
 Dated August 18, 1944  
 Rec'd 10:42 a.m., 25th

Secretary of State,  
 Washington.

3153, August 18, 3 p.m.

THIS IS OUR NUMBER 73 FOR WRB

Rumanian Government has now replied to overtures reported in our number 62 for WRB (Legation's 2920 of August 3, 3 p.m.) and affirms that it is receptive to these proposals of facilitating evacuation of Jews from Rumania either through making certain vessels in Rumania available or the Bessarabia and Transylvania. As a preliminary, however, they request written guarantees as to expenses and information as to who will be the guaranteeing party. Pursuant to your instructions, local Rumanian Minister is being advised by Swedish Section of World Jewish Congress that it has in the meantime received information that active discussions are being held in Ankara regarding these transportation problems and that it appears best that entire negotiations be carried out from there.

Rumanian Government also passed along the following information.

That approximately 1000 Rumanian Jews were evacuated in small vessels to Palestine during April and May.

B. That approximately 8000 Hungarian Jews were expected at Constanza this month from which point they would be evacuated to Turkey on the SS SMYRNA.

C. That Rumanian decree ordering Hungarian Jews to be shot at Rumanian border was simply to prevent mass flight which in fact would greatly endanger their lives. Actually it is stated border guards have been instructed privately to shoot no one and not a single Jew has been shot fleeing across the border.

Rumanian Government has been assisting Jews in Hungary with Rumanian passports and has taken special measures to get them into Rumania.

JOHNSON

WTD

CABLE TO MINISTER JOHNSON AT STOCKHOLM FOR OLSEN

PERSONAL FROM PEHLE

I regret sincerely the tragic news conveyed in your 3046 of August 11, No. 70 to WRB. I hope and trust that the report received by you proves to have been erroneous, and that Vokietaitis will be rescued. I want also to take this occasion to congratulate you on the imaginative and effective work you are doing despite the most forbidding difficulties. We all appreciate keenly the initiative and ingenuity that you have displayed, as well as the tireless effort to which your accomplishments testify.

THIS IS WRB STOCKHOLM CABLE NO. 76.

11:45 a.m.  
August 17, 1944

LSLesser:tmh 8-16-44

CABLE TO MINISTER JOHNSON AT STOCKHOLM AND OLSEN FROM THE Dept. and the War  
Refugee Board.

(1) Please express Department's and Board's appreciation to Foreign Office for action reported in your 3074 of August 12, No. 71 to WEB. In order to take all possible advantage of report set out in item 1 of Department's 1501 of July 28, WRB's 58, this Government is prepared to take similar action on behalf of relatives of American citizens and resident aliens entitled under the law to nonquota or preference quota immigration status.

(2) Accordingly, consular officers in Sweden are hereby authorized to issue immigration visas to any alien who is the husband, wife, parent, or unmarried minor child of an American citizen and on whose behalf nonquota or first preference status has been established by the approval by the Department of Justice of a petition filed by such citizen relative, or who is the wife or unmarried minor child or an alien lawfully admitted into the United States for permanent resident and as such is entitled to second preference immigration status. The issuance of visas is subject to the proviso, however, that (a) such person other than a child under 16 years of age is found upon telegraphic reference to the Department for security check not to be the subject of an adverse report or to be open to reasonable suspicion because of the circumstances of the case such as those attending the release of a male applicant of military age, (b) such person is not affirmatively found by the consul to be inadmissible into the United States under the law, or (c) the consul does not consider that the case is one which should be recommended for consideration under the committee procedure.

(3) Consular officers in Switzerland, Turkey, Portugal, and Spain are similarly authorized and you should advise the Foreign Office that the Swiss Government is being requested to advise enemy governments, particularly Hungary and Germany, that American consular officers in neutral countries have been authorized to issue an immigration visa to the alien husband, wife, parent, and unmarried minor child or an American citizen, and the wife and unmarried minor child of an alien resident of the United States who has been in an area controlled by Germany or any of Germany's allies, provided that such person presents himself to an American consular officer and is found not to be disqualified for a visa. At the same time, please attempt to secure the prompt agreement of the Swedish Government to advise enemy governments of Sweden's willingness to permit the entry into Sweden or persons falling within the categories described above. You may assure Swedish officials that any such persons so admitted will be adequately maintained and that any who may be found not (repeat not) to be qualified for the issuance of a visa will be evacuated as promptly as possible. Similar requests are being made of Switzerland, Spain, Turkey, and Portugal.

(4) Appropriate private agencies are being advised of the foregoing so that the filing of petitions by citizen and resident alien relatives of victims of persecution may be expedited, and names of persons whose status within the categories above mentioned is established will be cabled to you

-2-

from time to time. If any persons within such categories should arrive in Sweden after Sweden has advised enemy governments in accordance with item 3 above, but prior to any notification to you of the establishment of their status, please advise Board promptly of their names and of the names and addresses of relatives claimed in the United States.

(5) Please keep Department and Board advised of any developments in this program.

THIS IS WRB STOCKHOLM CABLE NO. 77

August 18, 1944  
3:40 p.m.

LSLesser:tmh 8-17-44

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Stockholm  
TO: Secretary of State, Washington  
DATED August 18, 1944  
NUMBER: 3166

## SECRET

From a confidential source I was informed this afternoon that recently he had seen a personal friend, whom he characterized as entirely reliable, a Swede connected with the Swedish Legation in Budapest who had been here on a visit. This friend told him that with his own eyes he had seen the following.

Approximately 20,000 Hungarian Jews, children, men and women, had been concentrated in the open air for 4 or 5 days with nothing even to sit on except the ground. Then they had been herded into boxcars 80 persons per car, the car then nailed up and sent off to foreign destinations. The people are packed in the cars like sardines with no possibility of sitting or even moving. Many must have been dead on arrival. The friend was specifically asked by this source if the Germans were instrumental in this operation and he was assured by his friend that the people handling this affair were not Germans but Hungarian Gendarmes.

This report bears out others coming to the Legation from different sources that in the main the Hungarian Police have themselves been the instrument for arresting and deporting Jews from Hungary under conditions which are tragically cruel.

JOHNSON

CABLE TO MINISTER HARRISON AND McClelland, Bern, Switzerland

Reference is made to your 4604 of July 19 and 5040 of August 5.

1. In addition to taking action requested in Department's 2715 of August 7, please express to the Foreign Office the appreciation of this Government for the information contained in your 4604 and 5040. In order that the Swiss Government may be fully advised as to the attitude of this Government on this subject, you may make available to appropriate officials of the Foreign Office the text of the reply given by this Government on August 11 to Intercross in accordance with Department's 2657 of August 2 and 2715 of August 7.

Please request the Swiss Foreign Office to inform Hungarian authorities that although this Government has taken note of the communication reported in your 5040, it does not accept the reasoning therein contained and reserves the right to return at a later date to the purported facts therein related. Hungarian authorities should further be informed that the limited assurances contained in such communication serve only to prompt a reiteration of this Government's warning that all those who share the responsibility for the persecution of Jews and other minorities will be brought to justice. Hungarian authorities should also be informed that it is this Government's strong view that the deportation of any category of Jews comes within the foregoing and that permission freely to emigrate and Red Cross supervision of treatment and living conditions must as a minimum be extended to all categories of Jews.

2. A wide discrepancy is noted to exist between various communications and reports regarding Hungarian Government's offer relating to treatment of Jews. For obvious reasons, this Government bases its position on version communicated through Swiss Foreign Office and contained in your 4604, and proposes to continue to do so. Nevertheless, it is anxious to ascertain the precise nature of the Hungarian offer and attitude. Please, therefore, without departing from the above stated position of this Government, make discreet and informal inquiries from such sources as are available to you concerning following principal uncertainties:

Have deportations been definitely stopped for all categories or only suspended, and if so, for how long and for what categories?

To what extent will Jews in Hungary be permitted and in fact enabled to procure food and other necessities through ordinary, commercial channels and aside from Intercross action?

To what extent is it possible to expect that stoppage of deportations and other forms of actual danger to life would continue even in the absence of actual sizeable emigration of Jews from Hungary during hostilities?

To what extent is emigration to countries other than Palestine permitted to Jews over ten years of age?

Could emigration

-2-

Could emigration be conducted in such a way as to prevent breaking up of families, with children under ten separated from parents?

To what extent, in view of internal situation in Hungary, is it possible to count on Hungarian promises being made effective and continuing up to the termination of hostilities?

Please advise Department and Board as soon as possible of answers to any of above questions.

3. In the light of military and political situation, it appears here that main emphasis should be placed now on inducing appropriate Hungarian circles to maintain and strengthen the newly reported relaxation of Jewish regime in Hungary and to apply such relaxation to all categories of Jews in Hungary. Preventing deportations and assuring tolerable living conditions for all Jews in Hungary, if feasible, seems more important than assistance in clandestine escape of individuals and groups. Please advise of any information and developments on this point.

4. With reference to 230 from Amembassy London to you, the broad program envisaged above and in Department's 2657 might be jeopardized by limited scope of approach suggested by said 230 from London. Therefore, it is not (repeat not) thought advisable that you limit any of your demarches to children under ten and the supply problem which are the only items dealt with in 230 from London. But you are authorized, of course, to give the assurance concerning availability of supplies for Hungarian refugees through blockade in line with 230 from London.

Repeat to Amembassy London.

THIS IS WRB BERN CABLE NO. 129

9:30 a.m.  
August 18, 1944

BAkzin:ml 8/16/44

CABLE TO MINISTER HARRISON AND McCLELLAND, BERN, SWITZERLAND

1. Reference is made to your 5040 of August 5 section 3 near end.

The following is the substance of similar information contained in note of Hungarian Legation, Stockholm, to Swedish Foreign Office: QUOTE it was further ordered that future deportees for labor service will have right of supervision by Hungarian Red Cross representatives in order to avoid further charges of brutality. UNQUOTE

2. In view of issue involved, i.e. possible extermination of 400,000 Jews already said to have been deported, please suggest to Intercross the urgency of contacting Hungarian authorities and Hungarian Red Cross over all camps to which Jews from Hungary have been deported in the past as well.

3. Please request Swiss Foreign Office to transmit to appropriate Hungarian officials a message in the following vein: QUOTE With further reference to Hungarian communication (referred to in your 5040 of August 5), the Government of the United States notes the explanation contained in said communication regarding Jews deported from Hungary to the effect that they have been INNERQUOTE placed at disposal of German Government as workers as was case for years for tens of thousands of workers of Hungarian nationality and Christian faith. END OF INNERQUOTE

In view of the policy of the German Government with regard to Jews, which, the U.S. Government assumes is well-known to Hungarian Government,

the Government of the United States would appreciate a statement of such measures which have been taken and are being taken by Hungarian authorities to insure humane treatment of Jews placed at Germany's disposal and to safeguard them against starvation and other forms of persecution.

The Hungarian authorities will readily perceive that unless such measures are taken with respect to all Jews INNERQUOTE placed at disposal of German Government END OF INNERQUOTE the explanation offered would appear to be at utter variance with the facts and any cases of abuse will be imputed to those Hungarian authorities responsible for placing such Jews at Germany's disposal.

Prompt response to the inquiry herein made is being awaited by the Government of the United States with extraordinary interest. UNQUOTE You may, of course, in transmitting the foregoing to Swiss Foreign Office adjust language in your discretion.

THIS IS WRB CABLE TO BERN NO. 130

9:30 a.m.  
August 18, 1944

BAkzin:ml 8/17/44

CABLE TO MINISTER HARRISON AT BERN AND McCLELLAND FROM THE DEPARTMENT AND THE  
WAR REFUGEE BOARD

(1) Reference your 4983 of August 3, Section 2. It is not (repeat not) the policy of this Government to deal in specific numbers. You may in your discretion, however, authorize the Swiss Foreign Office to reply to inquiry of German Legation, Budapest, by referring to the position of this Government as indicated by items 2 and 3 of Department's 2605 of July 28, WRB's 94, Department's \_\_\_\_\_ of \_\_\_\_\_, WRB's 122, and Department's 2657 of August 2 and item 3 below.

(2) Notwithstanding recent developments as indicated in your 5197 of August 11, this Government intends to pursue further the reported offers of Hungarian authorities as typified by your 4604 of July 19.

(3) Accordingly, please request appropriate officials of the Swiss Government to advise enemy governments, particularly Germany and Hungary, that American consular officers in neutral countries have been authorized to issue an immigration visa to the alien husband, wife, parent, and unmarried minor child of an American citizen, and the wife and unmarried minor child of an alien resident of the United States who has been in an area controlled by Germany or any of Germany's allies, provided that such person presents himself to an American consular officer and is found not to be disqualified for a visa. At the same time, please attempt to secure the prompt agreement of the Swiss Government to advise enemy governments of Switzerland's willingness to permit the entry into Switzerland of persons falling within the categories described above. You may assure Swiss officials that any such persons so admitted will be adequately maintained and that any who may be found not (repeat not) to be qualified for the issuance of a visa will be evacuated as promptly as possible. Similar requests are being made of Sweden, Spain, Turkey, and Portugal.

(4) Consular officers in Switzerland are hereby authorized to issue immigration visas to any alien who is the husband, wife, parent, or unmarried minor child of an American citizen and on whose behalf nonquota or first preference status has been established by the approval by the Department of Justice of a petition filed by such citizen relative, or who is the wife or unmarried minor child of an alien lawfully admitted into the United States for permanent residence and as such is entitled to second preference immigration status. The issuance of visas is subject to the proviso, however, that (a) such person other than a child under 16 years of age is found upon telegraphic reference to the Department for security check not to be the subject of an adverse report or to be open to reasonable suspicion because of the circumstances of the case such as those attending the release of a male applicant of military age, (b) such person is not affirmatively found by the consul to be inadmissible into the United States under the law, or (c) the consul does not consider that the case is one which should be recommended for consideration under the committee procedure.

-2-

Appropriate private agencies are being advised of the foregoing so that the filing of petitions by citizen and resident alien relatives of victims of persecution may be expedited, and names of persons whose status within the categories mentioned above is established will be cabled to you from time to time. If any persons within such categories should arrive in Switzerland after Swiss have advised enemy governments in accordance with item 3 above, but prior to any notification to you of the establishment of their status, please advise Board promptly of their names and of the names and addresses of relatives claimed in the United States.

(5) Please keep Department and Board advised of any developments in this program. Reference your 5042 of August 5 and your 5248 of August 12. Please express to M. Pilet Golaz the appreciation of Department and Board.

THIS IS WRB BERN CABLE NO. 133.

August 18, 1944  
3:50 p.m.

LSBesser:tmh 8/17/44

CABLE TO MINISTER HARRISON AND McCLELLAND, BERN, SWITZERLAND

Please transmit the following message to Dr. Gerhard Riegner, 37 Quai Wilson, Geneva:

QUOTE Approached by Belgian Legation, ICRC stated its inability to again ask Germans for authorization to visit Jewish camps in Belgium. ICRC fears that a new request would endanger sending foodstuffs these camps.

It is our conviction that by stressing repeatedly the right interned Jews the treated civilian internees by analogy Geneva Convention, the Red Cross could only improve their situation. Energetic action Red Cross Hungarian Jews proves authority this Committee could still achieve much, especially at this stage of the war. Besides, wonder whether foodstuffs really reach Jewish internees Belgian camps. Please intervene, wire. World Jewish Congress. A. Leon Kubowitzki. UNQUOTE

THIS IS WRB CABLE TO BERN NO. 131

9:30 a.m.  
August 18, 1944

BAkzin:ml 8/16/44

CABLE TO MINISTER HARRISON, BERN, FOR MCCLELLAND FROM WAR REFUGEE BOARD.

Please deliver the following message to Mrs. Fanny Hirsch, Comite Refugies Intellectuels, 7 Rue Gautier, Geneva, from Fred S. Weissman of Selfhelp of Emigres from Central Europe, Inc.:

"Your message of July 28th reports credit of 21 (?) Swiss francs. This is not understandable. We transmitted four times \$3,000, on March 8, April 13, May 1, and July 10, and \$5,000 on June 14. Transferring another \$3,000 today. Hoping that your work is continuing. Enlist cooperation of Pierre Levi Legrand-Schwarz, Hotel Russie, Geneva and Leopold Ettliger, c/o Schaub, Pestalozzistr. 35, Zurich. Expecting further reports."

THIS IS BERN CABLE NO. 132

12:10 p.m.  
August 18, 1944

RDrury 8/18/44

FG

DEPARTMENT

PLAIN

August 18, 1944

AMLEGATION,

BERN.  
2843, Eighteenth

Your despatch no. 8466, June 12, 1944.

Celia Mandelbaum, number 125 on the list under  
reference should read Sylvia Helena Mandelbaum.

HULL  
(AEC)

SWP:RCE:FAH S/CR

8/16/44

WRB

EOC-15  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Ankara

Dated August 18, 1944

Rec'd 6:45 a.m. 19th

Secretary of State,

Washington.

1514, August 18, 3 p.m.

Prior to the receipt of Department's 685, August 7 WRB 94 had already taken up with the Turk Ministry of Foreign Affairs as reported in my 1430, August 5 the matter of the issue of Turk transit visas to persons in Hungary holding Palestinian certificates or American immigration visas issued on or after July 1, 1941. The Secretary General assured me that his Government would be glad to take the action requested at once and subsequently the Embassy was informed that instructions had been issued to the Turk Consul in Budapest to issue transit visas on application to any number of Jews who applied for them provided they held one of the following documents: (one) an American immigration visa issued on or after July 1, 1941; (two) a letter from the Jewish Agency in Istanbul certifying that the holders has been granted a Palestinian immigration certificate; (three) a certificate issued by Kraus the Jewish Agency representative in Budapest to the effect that the bearer is a Jew; (four) an appropriate certificate issued by the Swiss Legation or an endorsement on a child's passport under the "five thousand" scheme. At the same time Turk Consuls at Burgas and Constanza were authorized to grant between them up to 400 visas every ten days to persons bearing one of the documents mentioned above.

I have taken no action on London's 46 of July 29. After consultation with my British colleague I informed London that we were agreed that no action should be taken pending further instructions in view of the fact that the Swedish Minister had informed us that the Swedish Government had announced that it was prepared to receive in Sweden Jewish children from Hungary. I stated that the British Ambassador was reporting this decision to London in response to instructions which he had received from the Foreign Office. I further informed our Embassy in London that the Turk Government had already agreed to issue instructions to their representatives in Hungary authorizing them to issue transit visas to all refugees in the possession of Palestinian certificates or American immigration visas issued on or after July 1, 1941.

KELLEY

CSB

LL-261  
Distribution of  
true reading only by  
special arrangement.  
(SECRET W)

Ankara

Dated August 18, 1944

Rec'd 5:52 p.m., 19th.

Secretary of State,

Washington.

1515, August 18, 4 p.m.

FOR PEBLE WRB FROM HIRSCHMANN.

Ankara's 134

In view of the opportunities that appear to be developing to rescue and ameliorate the condition of the Jewish population in Bulgaria we are of the opinion that every available resource should be utilized to achieve that end. In view of the above, it would be helpful in my opinion if Mr. Seckel who has had wide experience in Bulgarian matters and has wide acquaintance with Bulgarian personalities whose aid would be helpful could proceed to Istanbul to assist us in these efforts. If you agree I should appreciate your making the necessary arrangements for Seckel to proceed to Turkey, provided that he can travel as an American citizen and that he can arrive here without delay.

A very recent arrival from the States who knows Seckel confirms this view.

KELLEY

WFS  
WMB

BCC-6  
 Distribution of  
 true reading only by  
 special arrangement  
 (SECRET W)

Ankara  
 Dated August 18, 1944  
 Rec'd 3:47 a.m. 19th

Secretary of State,  
 Washington.

1516, August 18, 5 p.m.

FOR PEHLE FROM HIRSCHMANN WRB (Ankara No. 135)

Bagrianoff in his speech to Parliament on August 17, referred to the Jewish question stating that "the Jewish question must be liquidated and that this can be achieved without causing new and useless conflicts and sufferings either to the Bulgarian people or to its comrades." It is reported here that the abrogation of the anti-Jewish laws will be recommended by Bagrianoff and that a measure to that effect will be introduced in Parliament in the course of the next few days.

It is strongly urged that the WRB without delay issue propaganda and take appropriate measures designed to encourage the Bulgarian Government to take the desired steps and to induce it to take immediate action.

Bagrianoff is eager to secure a favorable reaction in and the good will of the United States. It is urgent that this opportunity be exploited to the utmost.

It is also suggested that an appropriate message (Bagrianoff's) from the Board to me to be read to Balabanoff or Simond would be especially helpful at this moment.

KELLEY

DU

WFS

CABLE TO OFFICER IN CHARGE, AMEMBASSY, ANKARA, AND HIRSCHMANN, FROM THE DEPARTMENT AND THE WAR REFUGEE BOARD

(1) Please express Department's and Board's appreciation to the Secretary General of the Ministry of Foreign Affairs for attitude reported in your 1430 of August 5. In order to take all possible advantage of report set out in item 1 of Department's 665 of July 28, WRB's 83, this Government is prepared to take similar action on behalf of relatives of American citizens and resident aliens entitled under the law to nonquota or preference quota immigration status.

(2) Accordingly, consular officers in Turkey are hereby authorized to issue immigration visas to any alien who is the husband, wife, parent, or unmarried minor child of an American citizen and on whose behalf nonquota or first preference status has been established by the approval by the Department of Justice of a petition filed by such citizen relative, or who is the wife or unmarried minor child of an alien lawfully admitted into the United States for permanent residence and as such is entitled to second preference immigration status. The issuance of visas is subject to the proviso, however, that (a) such person other than a child under 16 years of age is found upon telegraphic reference to the Department for security check not to be the subject of an adverse report or to be open to reasonable suspicion because of the circumstances of the case such as those attending the release of a male applicant of military age, (b) such person is not affirmatively found by the consul to be inadmissible into the United States under the law, or (c) the consul does not consider that the case is one which should be recommended for consideration under the committee procedure.

(3) Consular officers in Switzerland, Sweden, Portugal, and Spain are similarly authorized and you should advise the Foreign Office that the Swiss Government is being requested to advise enemy governments, particularly Hungary and Germany, that American consular officers in neutral countries have been authorized to issue an immigration visa to the alien husband, wife, parent, and unmarried minor child of an American citizen, and the wife and unmarried minor child of an alien resident of the United States who has been in an era controlled by Germany or any of Germany's allies, provided that such person presents himself to an American consular officer and is found not to be disqualified for a visa. At the same time, please attempt to secure the prompt agreement of the Turkish Government to advise enemy governments of Turkey's willingness to permit the entry into Turkey of persons falling within the categories described above. You may assure Turkish officials that any such persons so admitted will be adequately maintained and that any who may be found not (repeat not) to be qualified for the issuance of a visa will be evacuated as promptly as possible. Similar requests are being made of Switzerland, Spain, Sweden, and Portugal.

(4) Appropriate private agencies are being advised of the foregoing so that the filing of petitions by citizens and resident alien relatives of victims of persecution may be expedited, and names of persons whose status within the categories above mentioned is established will be cabled to you

-2-

from time to time. If any persons within such categories should arrive in Turkey after Turkey has advised enemy governments in accordance with item 3 above, but prior to any notification to you of the establishment of their status, please advise Board promptly of their names and of the names and addresses of relatives claimed in the United States.

(5) Please keep Department and Board advised of any developments in this program.

THIS IS WRB ANKARA CABLE NO. 102

August 18, 1944  
3:40 p.m.

LSI:tmh 8-17-44

Caracas, August 18, 1944

CONFIDENTIAL

NO. 6374

Subject: Venezuela agrees to admit Jewish  
refugees from Hungary.

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

Sir:

I have the honor to report that I was today informed by Mr. Albert J. Feinquinos, of the Venezuelan Jewish Association, that following the receipt on August 12, 1944 of a cable from the HIAS-ICA Emigration Association, 396 Fourth Avenue, New York City, stating that the Hungarian Government is prepared to permit the departure of all Jews able to obtain visas for any other country, he and four associates took up with President Medina the possibility of entrance into Venezuela. President Medina was asked to allow entrance visas into Venezuela for (a) children under ten years of age and (b) adults under temporary visas for the war's duration to be quartered in free camps similar to those in the United States, England and Canada.

Mr. Feinquinos informed me that as a result of the discussions which the group of five including himself had with President Medina, the Venezuelan Government yesterday sent cabled instructions to its Legation at Lisbon authorizing it to grant visas to Jewish refugees who apply, regardless of age and without restrictions.

Respectfully yours,

Joseph Flack  
Charge d'Affaires ad interim

JF:JF

NOT TO BE RE TRANSMITTEDSECRETOPTEL No. 269

Information received up to 10 A.M. 18th August 1944.

1. NAVAL

Attacks by human torpedoes took place yesterday morning off British sector NORMANDY BEACHES. About 18 accounted for including nine destroyed by aircraft. One 5,000 ton ship already aground was hit and one A.A. landing craft was sunk.

Southern France Bombardments of enemy concentrations north of CAP NEGRE by a British Cruiser and a U.S. Cruiser, took place on 15th. The British Cruiser and a U.S. Destroyer also bombarded north side of PORT CROS island.

2. MILITARY

Polish armour thrusting southeastwards beyond TRUN have joined U.S. units and thus cut off German forces in the Salient. Pressure has been maintained against all sides of the area surrounded. In the West a British armoured formation has driven 7 miles into the German positions while U.S. forces have made successful attacks from the south.

Southern France Only slight opposition encountered on the beaches and in coastal area immediately behind; considerable progress made. U.S. troops of the three divisions which landed between AGAY and CAVALIÈRE have reached THEOULE on the right, have made contact with the airborne troops north of LE MUY and have also made contact with French Commando troops which landed at CAP NEGRE and are now within one mile of PIERREFELI pushing north and west from the assault area forward elements have been reported at DRACIGNAN, LORJUES and LE LUC. French troops began unloading on the beaches on 16th. Prisoners to midnight 16th/17th 2,500.

Russia Russians reached East Prussian frontier at point 40 miles W.S.W. KOVNO; they also repulsed German attacks east of PRAGA.

3. AIR

Western Front 16th/17th. 1,371 tons STETTIN, 900 KIEL, and 527 sea mines laid.  
17th. 54 Halifaxes dropped 265 tons on shipping at BREST and all returned safely. 486 aircraft attacked transport N.S. FRANCE and BELGIUM destroying 309 units rolling stock 28 locomotives, 21 oil tanker and three bridges. 299 bombers attacked bridges over River RISLE dropping 470 tons. Fighter bombers destroyed three headquarters buildings North of LACLEUX. 189 fighters destroyed 59 motor vehicles in the battle area.  
17th/18th. 37 Mosquitoes MANNHEIM, 106 aircraft other tasks. All returned safely.

Germany Liberators dropped 190 tons on a hydrogen plant near FRIEDRICHSHAFEN with good results; two bombers, one fighter missing.

Italy and Southern France 16th. 138 medium and light bombers with 711 fighters attacked communications etc; one bomber, one fighter missing.

Rumania 17th. 288 escorted Liberators dropped 501 tons on three oil refineries PLOESTI. Enemy casualties 2:1:0 ours 17 bombers, one fighter missing.

German Activity During 24 hours ending 6 A.M. 18th, 116 flying bombs plotted.