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August 28, 1944
9:31 a.m.

Operator: Go ahead.

D. W. Bell: Good morning.

HMJr: Hello, Dan.

B: Are you up yet?

HMJr: What do you mean, am I up yet?

B: (Laughs) I thought you were going to rest and sleep long hours.

HMJr: Well, I have been. I've been sleeping from ten-thirty to seven, which, for me, is

B: That's long hours, huh?

HMJr: long hours.

B: That's right.

HMJr: Plus a nap in the afternoon, so

B: Well, that ought to do you.

HMJr: I've -- but I -- on account of this important stuff happening at Cabinet, I did want to explain this thing to the group.

B: All right.

HMJr: And, inasmuch as I'm expecting White to carry the ball

B: Yeah.

HMJr: would you mind putting him on?

B: Not at all. He's right here. There's Pehle and Bob McConnell, Joe O'Connell and Gaston.

HMJr: All right.

Harry White: Hello. Good morning.

HMJr: Harry.

W: Good morning.

HMJr: Good morning. You're not suffering from indigestion of too much rich food, I hope.

W: (Laughs) No, I - no, no. That's quite a swell place.

HMJr: Oh, yeah. What -- did you have any fun?

W: It was very pleasant, and I had a chance to talk about a lot of Allied things. I came home Saturday night, because I wanted to spend Sunday at home, but it was -- it was worthwhile, I think.

HMJr: Good. Now, Harry, this is sort of hard to explain, because so much happened, but you remember I saw the President Friday morning.

W: Yes, I knew that you were going to.

HMJr: Let me -- now, let me just review this thing in my own mind, see? And I did bring up and did leave with him at that time -- I may be repeating, but it doesn't make any harm -- do any harm -- that so-called book of the Army, you know.

W: Yes, the directives. Did you leave -- you left the big book there?

HMJr: The big book there with the summary

W: Yes.

HMJr: and I wanted to take it away and the President just -- well, he had lunch with Stimson, and evidently he discussed it with him. I - I changed my mind and I - I did take it there, you see, I told you that I wasn't going to.

W: Yes.

HMJr: What is the book called? Something

W: Well, it's the -- it's based on the directive -- it's the - the text of invasion. I don't remember

HMJr: Handbook, is the word.

W: Handbook. That's right.

HMJr: Now, the President brought it to Cabinet.

W: Huh!

HMJr: And discussed it there, and said that this is the kind of thing that they're doing, see?

W: Yes.

HMJr: And then he asked me to find some good examples in the book, and which I didn't have time to, and he said have the memorandum, but he did bring the book to Cabinet and he did use it. Then Stimson evidently had worked on him at lunch to appoint this committee of Hull, Stimson and myself to prepare plans once we got into Germany. And Hull, of course, didn't like it worth a damn. And in the morning when I had suggested the same thing, the President said, "Well, Hull doesn't like it -- these kinds of committees". But, when I had lunch with Stimson, I had made the suggestion for this committee and asked him whether he wouldn't work on the President and he evidently did, and my having made the suggestion, the President did appoint the committee. I mean, the whole idea was mine. Now, we've got a committee. And, riding up with Stimson in the plane, Stimson, quite frankly, has not given an awful lot of thought to them -- whatever he has, has been good -- and one of the thoughts he got, on the plane up, was that we should take all of the members of the S.S. troops and put them in the same concentration camps where the Germans have had these poor Jewish people, you see, and make an exhibit of them to the whole world. And -- but much beyond that, he just hasn't thought. Now, he said to us that he was going to be up in the Adirondacks for a week, and he just didn't know what was going to -- felt kinda badly about it. But, I thought that after this conversation, I wish that you would call up Jack McCloy, who Stimson has designated to carry the ball while he's gone -- hello?

W: Yeah. We're all listening.

HMJr: And as I am designating you to carry the ball, plus the assistance of the people in the room there. Now, I think that you should immediately call McCloy and get together with him, and my suggestion

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HMJr: (cont'd)

is that you people should see Hull, with the idea that everything should be reviewed by Sunday what is up to date and then make new suggestions. Now, at - at Cabinet, Hull said, well, as far as he was concerned, he had suggested bringing these people before a drum-head or court martial and so forth and so on. And then he referred to his papers he is studying in State. I said, "Well, Cordell" -- I interrupted him -- " if you would read the memorandum of Mr. Pasvolsky of July 30th, you will see that Mr. Pasvolsky's study and your feelings are as far apart as the North and South Pole". And Stimson told me afterwards that he was awfully glad I said it, because Hull keeps referring to these things, which, he says, he doesn't think Hull has ever read, himself. Hello?

W: Yeah. We're all listening, yes.

HMJr: Now, I think the quicker you can get together with McCloy, the better. And see Hull. Now here's another thing: I don't know when Stimson's coming back; I will be back on the farm this Saturday, but you and McCloy should arrange for an appointment for the three of us to meet and to get to the source of the thing either next Monday or Tuesday. Hello?

W: I'm listening.

HMJr: I don't know whether Monday is a Treasury holiday or not -- a government holiday, is it?

W: I don't think so.

HMJr: But either Monday or Tuesday, because we have only got that week that follows -- next week, beginning Labor Day Monday -- in order to reach the President, if you get what I mean.

W: Yes.

HMJr: Before he has another important meeting, see?

W: I see. All right.

HMJr: Now, wait a minute. You've got this week to do your preparation, Monday and Tuesday to make a

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HMJr: (cont'd) report to us, and then we've got only the fol -- the week ending the 10th to get it to the President. Now the President is hungry for this stuff, because every time I tell him anything, or any time I do anything, he immediately uses it. Like the pamphlet, see?

W: Yes.

HMJr: Now, just one second. I made some notes and I want to see if I've covered everything. Now my own thought is, and I told this to Pehle - I don't know whether you were there - there must be some of these very able refugees around that we can bring in and ask for some ideas.

W: Well, we'll canvass. There are a lot of them around.

HMJr: And -- this thing is so much a - a psychological matter, it's a question of how to handle the Germans who have been inculcated with this fanaticism, and it really needs a psychologist. I don't know whether there's any very famous German psychologist who would come out.

W: Well, there must be some.

HMJr: But if there are any, I really wish you would telegraph them and bring them down.

W: All right. We'll get a group down.

HMJr: Of treating the mind rather than the body, Harry.

W: Yes.

HMJr: And, we just don't have people, but there must be people who have been in Germany who have come out and have suffered and been tortured, and who know the German mind.

W: Well, we'll -- won't spare any expense.

HMJr: No, and - but, as I say, it's a question of attacking the German mind, and, also, how to bring up the next generation of children.

W: Well, what we might

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HMJr: Harry, may I just say this?

W: Yes.

HMJr: That I think when it gets down to it, it may be a question of taking this whole S.S. group, because you can't keep the concentration camps forever and deporting them somewhere -- out of Germany to some other part of the world. Just taking them bodily. And I wouldn't be afraid to make the suggestion just as ruthless as it is necessary to accomplish the act.

W: All right.

HMJr: Let somebody else water it down.

W: All right.

HMJr: Now, I can't be reached by mail. I've come up from Malone; I've driven up here, and if it's important enough, I can come, because this is the most important thing that I'll ever handle while I'm in government service.

W: Yes. Well, I suppose we can always reach you by cable.

HMJr: Hello. I say everything else is - is very secondary.

W: Well, I'm sure everybody will put all their time on that because of the shortness of the time.

HMJr: I mean, if it's a question of consultation, don't hesitate to -- I'll be glad to come to the phone.

W: Well, we'll probably get in touch with you as soon as there is a crystallization sufficiently to indicate

HMJr: You might

W: what - what we had in mind.

HMJr: night, by mail, as to what you've accomplished. Now Hull is going to be difficult. He doesn't like this.

W: Now - if - apparently it's not your thought to wait until Hull calls this group together.

HMJr: Oh, he'll never call this group together.

W: I see.

HMJr: He wouldn't -- I mean, the President was more firm about this opposite Hull than I've ever seen him, and so was Stimson. It was all -- oh, I mean, to give an example, Stimson addresses Hull as "Mr. Secretary", but he was very -- this time he was much more firm than I've ever seen him, and he told me he hated to bring up anything that had to do with foreign affairs at Cabinet with Hull.

W: Yes.

HMJr: It was very embarrassing to him as former Secretary.

W: Hull didn't name anybody who was

HMJr: Not a word!

W: to carry the ball for him.

HMJr: No, he simply said that he had all these studies made and everything was done, and then I - I just put a pin in it and exploded it.

W: Yes.

HMJr: And -- I'm not sure that - that Winant shouldn't be brought back, and I'll tell you why because somebody's being very unfair to Winant. I mean, they're sort of blaming him, and I think it's Hopkins, you see, that he hasn't done anything on this European Advisory Council. Well, we know he couldn't do anything, because he had no instructions.

W: Well, when you're suggesting that he ought to be brought back, are you suggesting that we make that suggestion to somebody?

HMJr: Well, if you think well of it. If you think he could make a contribution.

W: Well, not if we only have a week. He won't

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HMJr: Well, he could come back in twenty-four hours.

W: Yeah.

HMJr: I mean, if you think he could make a contribution.

W: Well, I think the reason why it might be helpful to have him around might be: (a) that he might make a contribution, but what is at least as important is that if he's in sympathy with whatever you finally end up with, well, then he's the man who can do a good deal of the necessary selling in England.

HMJr: That's right. And another thing, I - there - Hopkins, for some reason, is sort of torpedoing him, and if he's discredited, God knows who will take his place. And Hull is inclined to discredit him. Well, we know he had no instructions.

W: Well, ah

HMJr: Well, you think

W: Yes, I don't know quite how to suggest -- to whom to suggest having him back.

HMJr: Well, think it -- I'm not -- I'm just raising the question.

W: Yes.

HMJr: And the other thing -- the one thing I have definitely convinced the President, and that was very hard, too, that unless he moves, this handbook goes into effect, you see?

W: Yes. That's good.

HMJr: But that I got across.

W: That's true. Well, I think -- one of the things I think we've got to do, then, in addition to what you've suggested to minor order, is - is to keep Hillaring here, because if that handbook is going to be revised, it will have to be revised very quickly

HMJr: Oh, yes.

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W: and there - that's under his jurisdiction.

HMJr: Yes.

W: And he was leaving, I think, today for England. I may be wrong, but I got that impression

HMJr: Well, I think that

W: I'll mention that to McCloy.

HMJr: What?

W: Shall I mention that to McCloy?

HMJr: Yeah. And would Bernstein be of any use?

W: Oh, sure!

HMJr: What?

W: Sure he would.

HMJr: Well, I'd have him come right back.

W: Should I mention that to McCloy?

HMJr: Tell him I'd get him a cable to come back at once.

W: All right. I'll tell him that you asked it.

HMJr: Yeah. Because we got most of that stuff from Bernstein, didn't we?

W: Well, he gave us the directive, yes.

HMJr: Yeah.

W: Yes. Without him I don't think we'd had it.

HMJr: Well, I wouldn't hesitate -- I mean, anybody that can be useful -- we've got to move so fast, and there's been eight or ten months wasted.

W: All right.

HMJr: And if -- in order - in order to keep -- not to make it embarrassing to Bernstein, to bring Holmes along with him.

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W: All right.

HMJr: See, then - then the whole thing is here and then can rewrite the damn thing right here.

W: Well, I think that's a good suggestion.

HMJr: I mean, I'd bring Holmes and Bernstein over.

W: I think that's a good suggestion.

HMJr: Otherwise, if -- Holmes will get his

W: Yeah. That's right. Yeah.

HMJr: If we handle Holmes right, he is not difficult to handle.

W: No, apparently not, and then I think that would be able to accomplish the very thing you say -- that if Holmes is here, this handbook is written under his, I think either wholly or at least partly, under his jurisdiction. The man above him is Wickersham, and Wickersham, I think, is supposed to be merely a temporary appointment.

HMJr: Well, I wouldn't worry about Wickersham, but I think I would bring back Holmes and Bernstein.

W: All right. Then I'll - I'll relay that to McCloy.

HMJr: Of course, if you insist on bringing back Colonel Foley.

W: Well - ah - I'll tell you -- well, shall I put it in a nut shell? Foley is here. The Colonel is here.

HMJr: He is?

W: (Laughs) Yeah. He's come back on some important business.

HMJr: Did he use me as an excuse again?

W: No - I don't -- no, he came back with Secretary Forrestal -- on the plane with him.

HMJr: I see.

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W: And

HMJr: Well, it shows his sister has a lot of influence.

W: No, it shows he's got important business.

HMJr: Well, I, seriously, I don't want him in on this. Hear? I was just kidding.

W: Yeah.

HMJr: Now, don't - don't bring him in on this, please.

W: All right.

HMJr: No. He - I don't - he doesn't - I was just being

W: I don't think he's in that field -- in that

HMJr: Well, I - I was just being funny.

W: Yeah.

HMJr: It's not very funny at that.

W: Okay. He was here

HMJr: Now, does anybody else want to talk to me?

W: I'll find out. (Pause)
Dan says he presumes that we ought to take up the -- and go ahead with the discussion of using the - the dollar in Germany. We're push - pushing that.

HMJr: Well, that would be part and parcel of the same thing.

W: Oh, I see, you want to make that part of the general recommendation.

HMJr: Oh, yes. Well, the President's weakened a little bit on it already.

W: Oh, he has?

HMJr: He kinda now -- he's got it out of his system, and now his attitude is, well, kinda study the thing.

W: I see. So, it's - it's still open?

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HMJr: I would say so.

W: Yes.

HMJr: But, as I told McCloy, I saw him at the airport, and I told him -- he was fussing with me then -- I said, "Jack, I told you this morning I was fishing for much bigger fish, and I caught the fish, and this thing is very unimportant". And Stimson said "That's right". "Oh", he said, "It's terrible. It's terrible". I said, "Now, Jack, just decide on this thing -- we're after the bigger thing". Now

W: It isn't terrible, you know, really.

HMJr: What?

W: It isn't terrible; it's just a little expensive.

HMJr: Well, I would study it as part and parcel of the whole business.

W: All right.

HMJr: But I - I don't want -- I mean, if we go up against the President again and he again says it, "I'll have to think that over, but just find out how expensive it is.

W: We can present him with the -- that and one we think is the best alternative and give him the pros and cons.

HMJr: I think we've got to notify the English and the Russians, though, about this suggestion of the President. We can't wait a week.

W: Yes.

HMJr: Hello?

W: That was intended.

HMJr: Pardon?

W: We intended to do that.

HMJr: Yeah, I'd go on the theory that this is what the President wants.

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W: All right.

HMJr: And we -- and that's what I told McCloy.

W: All right.

HMJr: Now - ah - if that's what the President wants, I want to do it, and if during the week -- the next two weeks -- we find we can't do it, we can always tell him. But we can do it if he insists.

W: All right. Well, we can

HMJr: I mean, after all, supposing it is a little expensive, but I - I accomplished what I wanted and that's the big thing, and McCloy's fussing about a little pin prick.

W: It's -- it's only a matter of expense, but if you ignore the expense, it will help you achieve your objective.

HMJr: That's right.

W: We can put the pros and cons on and give him the alternatives.

HMJr: But I mean, I want to go ahead as though the President -- that the President told us to do this and let's try and do it.

W: All right, sir.

HMJr: See?

W: All right. I think we have the picture as you've given it.

HMJr: All right. Anything else?

W: (Talks aside) Just -- Dan was commenting that McCloy was much opposed to it.

HMJr: Well, that's unimportant.

W: All right, sir. Anything else?

HMJr: No, I mean, after all -- hello?

W: We're listening.

HMJr: McCloy can't -- Stimson can't get -- wash their hands of the fact that if we hadn't gone to Europe and dug this stuff up, that handbook would have gone into effect.

W: Well, yes. I suppose particularly if things move fast it would have.

HMJr: Yes.

W: Yes. Yes, it was the last word, and they had no

HMJr: Well, that seems to be the President's attitude now.

W: I see. Did you get the impression that he glanced at some of the provisions that you had listed in the memorandum?

HMJr: Yes. Definitely. He -- well, he read them while I was there.

W: Oh, yes.

HMJr: While I was there, he read them.

W: I see. There's no way of getting that handbook back, is there, to your knowledge? It's the only one we've got and the only one we can get.

HMJr: Look. I thought that over. It's worth its weight in gold. We'll let the President have it there and show it to different visitors that come in.

W: I see.

HMJr: And when Bernstein comes, send him a message to bring a couple more with him.

W: All right, sir.

HMJr: But what the President will do -- I know him -- everybody comes in, he'll show them this.

W: All right.

HMJr: And let Bernstein bring over a couple more.

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W: All right. Anything else?

HMJr: No. I've got some messages for Mrs. Klotz, if she'll go to her room, please.

W: All right. Good-bye.

HMJr: Hello?

W: Hello.

HMJr: One thing: just let me talk to Pehle a minute.

W: Here, John.

John
Pehle: Hello.

HMJr: John.

P: Yeah.

HMJr: I'm not very far from Oswego, here, if I wanted to drop in to that camp, how much notice would I have to give you?

P: Oh, just a few hours, because we'll just talk to Interior and they have a man - camp manager there. I'm sure he'd be glad to see you.

HMJr: Well, I may -- I may decide to go there, myself.

P: Well, you just let me know.

HMJr: Okay.

P: All right, sir.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE August 28, 1944

TO Secretary Morgenthau
FROM Mr. White

1. We are arranging to have some Germans come to the Treasury to discuss the matter with us. We feared having a large number come because of the possible unfortunate consequences of publicity at this time.

2. I spoke to Mr. McCloy this morning. He doesn't feel that he wants to call back General Holmes and Colonel Bernstein at this time. He said neither of them in his judgment could contribute much to decisions which need to be made at the high policy level. General Holmes, he said, was also very busy on some French matters. He thinks that the military people will be able to work out a satisfactory handbook after a policy decision has been made here in Washington.

I transmitted your message about getting in touch with Hull and he said that he didn't feel that Hull is very enthusiastic about it so he spoke to Harry Hopkins last night and Harry Hopkins said that he would try to push the matter. He advised me to get in touch with Harry Hopkins at once. I talked it over with some of the people here and we decided not to.

3. We spent most of the day discussing the problem and are trying to formulate a program. We will continue working on it.

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You may be interested in glancing at the enclosed memoranda, one prepared by Mr. Nathan, and the other of somewhat different recommendations prepared by Mr. Bitterman. Others are in preparation. These will form a basis for discussion.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE August 28, 1944

TO Mr. White

FROM Mr. Bittermann

Subject: Proposal for the Division of Germany as a Preventive of Military Recovery

1. The basic consideration in these proposals is that the industrial means for military aggression should be removed from German jurisdiction.
2. The population should be divided so as to leave the northern German population together and to place the southern German population in a separate unit, if possible.
3. The U.S.S.R.'s insistence upon the Curzon Line as the eastern border of Poland with the promise of giving Poland compensation in the west must be recognized. The U.S.S.R. has also recently made claims to the ice-free port of Koenigsberg. In the maps accompanying this report, these factors have been taken into consideration.

Plan I. Division of Germany with cession of territory to the Netherlands, Belgium and France.

Boundaries

It is proposed that the new north German state be bounded on the west by the west border of the old state of Oldenburg excluding however the port of Wilhelmshaven and adjacent territory and follow roughly the line of 7°30' east to the Rhine at the city of Neuwied. The boundary continues along the Rhine to Mainz. The southern boundard is along the Main River and the old Bavarian border to the Czechoslovak border. The east boundary beginning at the city of Stettin proceeds south along the Oder River to its junction with the Weisze, following the Weisze to the Czechoslovak border in the vicinity of Goerlitz. The north border would be changed to transfer the province of Schleswig and part of Holstein to Denmark. The line would run approximately between Lubeck and a point in the Elbe opposite the town of Stade.

These lines of demarcation would have the following effects on the military and economic situation of Germany. The Kiel Canal would be in Danish territory with ample space for its protection to the south. The line of 7°30' and the Oldenburg borders would exclude the Ruhr valley with

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all of its industrial installations from the German state. The Dortmund-Enns Canal would also be outside of German territory, since this canal is essential to supplying the iron ore to the Ruhr steel works. The south border follows approximately the borders of the old states of Baden, Wuerttemberg and Bavaria while the eastern burder provides for the compensation in territory to be given to Poland as a result of Russian appropriation of the White Russian and Ukranian segments of old Poland. In the map Silesia is given to Poland.

It is proposed to erect a new south German state to be composed of the Republic of Austria and the former states of Bavaria, Wuerttemberg and Baden and the portion of Hessen-Darmstadt on the right bank of the Rhine. Those parts of Bavaria west of the Rhine are to be excluded. It has been agreed among the Allied powers that Austria will be re-established as a separate state but no boundaries have been set. The old Austrian Republic, however, had an unbalanced economy since the city of Vienna was too large for the relatively poor agricultural hinterland. The new state would combine the rich agricultural land of Bavaria with the Austrian state so as to produce a more balanced economic unit. It would have important industrial centers at Munich, Vienna, Stuttgart and Mannheim, but little heavy industry.

It is proposed to extend the French borders to the Rhine to the city of Coblenz. This would given France the Saar Basin and so would supplement the industry of Lorraine. The Ruhr valley is divided between the Netherlands and Belgium. It may be possible to draw a border midway between the Ruhr cities in which the lower section going to Belgium would include Dortmund, Essen, Elberfeld and Düsseldorf. The northern section parallel to the Netherlands border would include Ruhrort, Gelsenkirchen, Hamm and Muenster. The line could be drawn so as to divide Krefeld and Muenchen-Gladbach. These industrial cities could then be given to the Netherlands and Belgium, respectively, or combined with either segment so as to give a more balanced industrial unit. Further investigation would be required on this division of the Ruhr territory. The city of Aix-la-Chapelle would be in the Belgian section.

Economic Consequences of the Division

The proposed partition would leave the north German state with a predominantly agricultural territory. It would include, however, the manufacturing industries of Berlin, Dresden and Leipzig. It would contain the important seaports of Hamburg, Bremen and Lübeck. This north German state would lack heavy industry (steel), particularly since the Silesian industrial and mining district has been allocated to Poland under this proposal. The south German state would contain the important industrial centers of Vienna, Munich and Mannheim. This area would also not have extensive heavy industries.

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The important industrial and mining areas under this proposal are divided among small nations, except for the Saar Basin, going to France. At the present time the Netherlands contains little heavy industry and lacks supplies of coal and steel. The addition of the northern part of the Ruhr territory and the agricultural land adjacent to the Netherlands would supplement the requirements of the Netherlands economy. Belgium already has a considerable heavy industry but the addition of this territory would make Belgium industrially stronger. Poland as constituted before the war had important industrial centers in Warsaw, Posen and Lodz. The new alignment would add the industrial city of Breslau while the port of Danzig could again be used by Poland to supplement the facilities of Gdynia. By securing all or most of Silesia, Poland would have a productive industrial area added which would give its economy greater balance. It might be desirable in view of the location of rivers and the use of the Oder as a border of the new Poland to internationalize the port of Stettin. The present proposal has not suggested any change in the borders of Czechoslovakia. It might be desirable to give Czechoslovakia a portion of Silesia so as to add to Czechoslovakia's industrial strength.

Population

Germany before the war contained a population of 66 million. As the map is divided here, the north German state would contain a population of approximately 30 million of whom from 10 - 12 million would be in cities over 50,000 population. The guess may be hazarded that approximately half of the population would be engaged in agriculture and the remainder in manufacturing and trade. The south German state would contain a population of approximately 20 million, of whom 5 million would be in larger cities. Vienna alone has a population of almost 2 million while Munich has a population of 700,000.

The area given to France would contain approximately 2 million; to Poland 6 million; and to the Netherlands and Belgium 12-13 million.

This distribution of population raises certain serious political questions. The land assigned to France would create no special problem since the 2 million would be small in comparison to the French population. The addition to the Netherlands and Belgium, however, would be serious since the territory given to the Netherlands would contain almost as many people as the Netherlands proper did before the war. Five million would be added to Belgium's population of 8 million. These minorities would be so large as to create political instability in the countries to which they were added, particularly in view of their conflicts over minority problems in the period preceding the war. Moreover, there is the danger that these populations, if aligned with groups in the original state, might assume a dominant role in the political life of the countries

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to which they were attached. They might even have the effect of drawing Belgium and the Netherlands into the general orbit of German political thinking. This constitutes the greatest weakness of the proposal submitted. These difficulties could be avoided only by a wholesale transfer of populations from the ceded areas.

Social Considerations

The proposed south German state would be culturally fairly homogeneous. The population speaks a group of related high German dialects, the dialects of Austria and Bavaria being partly identical. The south German state would be predominantly Catholic with, however, large Protestant enclaves in Wuerttemberg and parts of Baden. The north German state suggested here would be culturally less homogeneous. The south portion is essentially high German in dialect, whereas the north portion speaks low German. The area is predominantly Protestant, though there would be considerable Catholic minorities scattered about.

The principal problem arises with the territory separated from Germany and added to other countries. The population detached would most probably be too large to make possible a transfer to the new German states. Moreover, the industry of the Ruhr and the Rhineland could not be continued without a large population. These areas added to the Netherlands, Belgium, and France are among the more prosperous parts of Germany. The population would probably prefer to continue in its old location rather than to move. In this case, Belgium, Netherlands, and France would be confronted with serious problems of linguistic minorities. While the population added to the Netherlands in the territory west of Odenburg does not differ greatly in dialect from the eastern Netherlands, both areas speaking low-Saxon dialects, the Ruhr area would constitute an entirely foreign population. It would also add to the difficulties which the Netherlands has had with its minority groups, particularly in the southeastern section, who have been politically inclined toward Germany. There would be further religious complications in that there would be considerable additions to the Catholic minority in the Netherlands. The area added to Belgium would be predominantly Catholic and so would not add religious difficulties to the Belgian situation. It would, however, add a considerable German minority and Belgium has for many years had its conflict between the French-speaking and Flemish-speaking parts of its population. In the case of Poland, a large German-speaking population would be added to Poland. This would undoubtedly create difficulties because of the strong opposition of the two groups. The German population added would also be largely Protestant whereas the effect of applying the Curzon Line to Poland would be to eliminate from the Polish state almost entirely the non-Roman Catholic sections of its population.



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Longitude East of Greenwich

Scale 1:6,000,000; one inch to 94 miles.
Goode Projection

From Goode's School Atlas, pages 125-127

Regraded Unclassified

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE August 28, 1944

TO Mr. White

FROM Mr. Nathan

Subject: Partition of Germany

The purpose of partitioning Germany into several autonomous states is to make it difficult for her to use again her economic potential for aggressive purposes. An attempt must be made therefore to arrange the partition in such a way that the several new states will not want to reunite when military occupation is withdrawn.

To accomplish this objective the following principles should guide the partition:

1. The new states should be as homogeneous in themselves as possible, either ethnically or religiously. If that were possible, it could be hoped that the new states would develop into conscious entities, held together by certain common bonds, and would not seek reunion with each other as they otherwise might.
2. The partition should be so arranged that the new states do not depend upon each other economically. This means that industries which have been built up in dependence upon each other -- such as the coal and iron industries in the west of Germany -- be not separated politically. If they were separated the two states would want to work out an economic arrangement between themselves and would tend to reunion.
3. Any attempt toward economic self-sufficiency of the new states should be discouraged. They should depend on buying industrial and agricultural raw materials from the world outside of old Germany. That would make sure that their economies would be geared to participation in world trade. Even if they were to reunite later, they could obtain greater economic self-sufficiency for war only after many years of preparation. Custom union among the several states should, of course, be forbidden, to make sure that the new states do not automatically develop into an economic unity and build up their economies adjusted to each other. Similarly, the tariffs on

- 2 -

agricultural raw materials such as wheat and rye should be removed to prevent self-sufficiency in food of each individual state and of the several states together should they ever reunite.

4. In determining the partition, it should be seen to it that the economic potentials of old Germany be so distributed and the new states be economically so balanced that, after several years of readjustment and reorganization, they may achieve a certain level of prosperity and a fairly tolerable standard of living. If they would not do so, political unrest is bound to develop; the urge for reunion may then become so intense that only military intervention could prevent it. Whether military intervention for that purpose could be expected years after the war, is, in the light of previous experience, very doubtful.
5. The partition should be so arranged that typically and genuinely German territories be attached to neighboring states as sparingly as possible. In the case of annexation, it cannot be assumed that voluntary mass migration into the remnants of Germany would take place to a sufficiently large extent. Many people would want to stay where their forefathers and they themselves have lived for many years. Others would want to stay for political reasons in the hope to work for reunion with Germany. The political problems created by minorities separated from the country to which they want to belong are too well known to need elaboration. Compulsory migration of all people of decidedly German origin would not solve all political problems and create difficult economic problems. Moreover, should migration take place, it might be difficult for the annexing countries to find a sufficient number of people to operate the industries in the annexed territories.

No partition could be devised that would be compatible with all these principles. The problem is to find an optimum solution. It appears to this writer that the partition suggested by Mr. Sumner Welles in his recent book "The Time for Decision" has many merits in this respect and may be used as a basis of discussion. Mr. Welles suggests that no territory be detached from Germany and annexed to neighboring countries except East Prussia; and that in return for East Prussia, a small part of western Poland be added to the pre-1939 Germany for reasons of economic stability. Germany would be divided into three parts, one part comprising the entire south with the extreme west of the country, a second part comprising the extreme north and all the central parts of Germany roughly west of the river Elbe, and a third part comprising the

Division of Monetary
Research

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entire east and southeast. In the discussion that follows the three parts will be designated in the order just mentioned, I (south), II (west), III (east).

"I" would comprise the territory covered so far by Bavaria, Wurttemberg, part of Hessen, the Saar, and part of the old Prussian Rheinprovinz west of the Rhine. II would comprise the Rheinprovinz east of the Rhine, the other part of Hessen, Hessen-Nassau, Thuringia, Westphalia, Hanover, Oldenburg, Hamburg, Bremen, Schleswig-Holstein, the Prussian province Saxony, Lippe, Brunswick, and Anhalt. III would include the Prussian provinces Silesia, Brandenburg with Berlin, and Pomerania, and, furthermore, the states of Mecklenburg and Saxony. Added to the territory of III just described would be a strip of land taken from western Poland; the eastern border of that strip would run about parallel with the 1939 eastern border of Germany, reaching east almost to Danzig.

No partition could be suggested that would be in harmony with the first principle stated above. For no partition can be thought of that would carve out ethnic or religious entities. However, Mr. Welles' suggestion seems to answer the purpose as well as at all possible. "I" would constitute both politically and religiously a fairly homogeneous state. It would include all the old south German states which have felt for many decades closer to each other than to the rest of Germany. The whole state would be fairly homogeneous religiously since a very large part of the population of that territory is Catholic. No such positive statement regarding homogeneity could be made about either II or III. The northern parts of both II and III might be considered ethnically fairly homogeneous. But other parts are added to both II and III which present many differences among themselves, religiously, ethnically and according to their economic structure. It should be added, however, that no other division could be suggested that might correspond to the first principle stated above more closely than Mr. Welles' proposition.

Except for a few cases, Mr. Welles' suggestion would not change administrative and state borders. This seems to be a wise approach since some kind of unity exists in each of the old separate provinces and states; and it would not prevent the political decentralization of the Prussian state which Mr. Welles does not recommend, which, however, would be highly desirable.

As far as the economic structure of the three parts is concerned the partition, as suggested, seems to be fairly consistent with the principles laid down above. Each of the three parts is a mixture of agriculture and industry. None is self-sufficient. Many adjustments

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Research

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would be necessary. But it can be hoped that after a number of years, they would be able to develop into fairly well integrated economies. Industries which have grown up in dependence upon each other would, by and large, not be separated by political frontiers. The urge for reunion would hence not be stimulated by immediate economic interests. The following table gives some rough indication about the population and about the economic resources of the three different states. More detailed material, particularly about the production of raw material in each of the three territories and about the productive capacity of various industries, was not available either in the Treasury Library or the Library of Congress.

Population and Resources of Germany, after partition

<u>Population (1933)</u>	<u>I</u>	<u>II</u>	<u>III</u>
in millions	18.3	22.1	23.9

Natural Resources

in percent of total available resources:

anthracite	24	70	6
soft coal	30	20	50
iron ore	20	80	-

Agricultural Production

in percent of 1936 totals:

wheat	35	45	20
rye	18	34	48
potatoes	25	32	43

The partition, as suggested, would leave the Ruhr industry almost completely in state "II". (The industry west of Rhine would belong to "I". However, the bulk of what is called the "Ruhr" with all the dependent industries is east of the Rhine and would hence belong to "II"). This writer feels that, in view of the objectives laid down above, this would be the most commendable solution. If the Ruhr industry would be divided, say, between I and II, large parts of it would either have to be destroyed completely -- which, from the point of view of European reconstruction, would be a senseless thing to do -- or the different parts would tend to close economic arrangements among themselves. Close economic ties would hence develop immediately between the two states. To prevent Germany from using her industrial potential for preparation of another war is to a large extent a political and not an economic

- 5 -

problem. Political and military control is necessary (1) to prevent clandestine war preparation in industrial equipment, (2) to suppress certain industries completely (airplane, synthetic oil and rubber, etc.), (3) to regulate the importation of raw materials. In addition, the nationalization of the coal and iron and steel industries should be seriously considered. The United Nations could control the industries more easily if they were owned by the states themselves and could prevent more readily clandestine preparation for war. Since the coal industry provides many other industries in the neighboring districts which are important for war preparations (chemical industries!) with indispensable raw materials, government ownership in the coal industry (as also in the iron and steel industry) might be very helpful.

As mentioned before, Mr. Welles' scheme of partition is suggested here merely as a basis for discussion. The need for several qualifications is obvious. The annexation of the Saar by France and of Upper Silesia by Poland which might be feasible without creating difficult political problems would tear off Germany important raw material and manufacturing industries and would weaken her considerably should the three parts ever reunite. Similarly, the annexation of the extreme north by Denmark should be considered for strategic purposes. The partition of the old Prussian Rheinprovinz into I and II would need careful scrutiny. It may be possible to devise a scheme that would take some parts of the Ruhr into I, weakening thereby the Ruhr as an entity in itself.

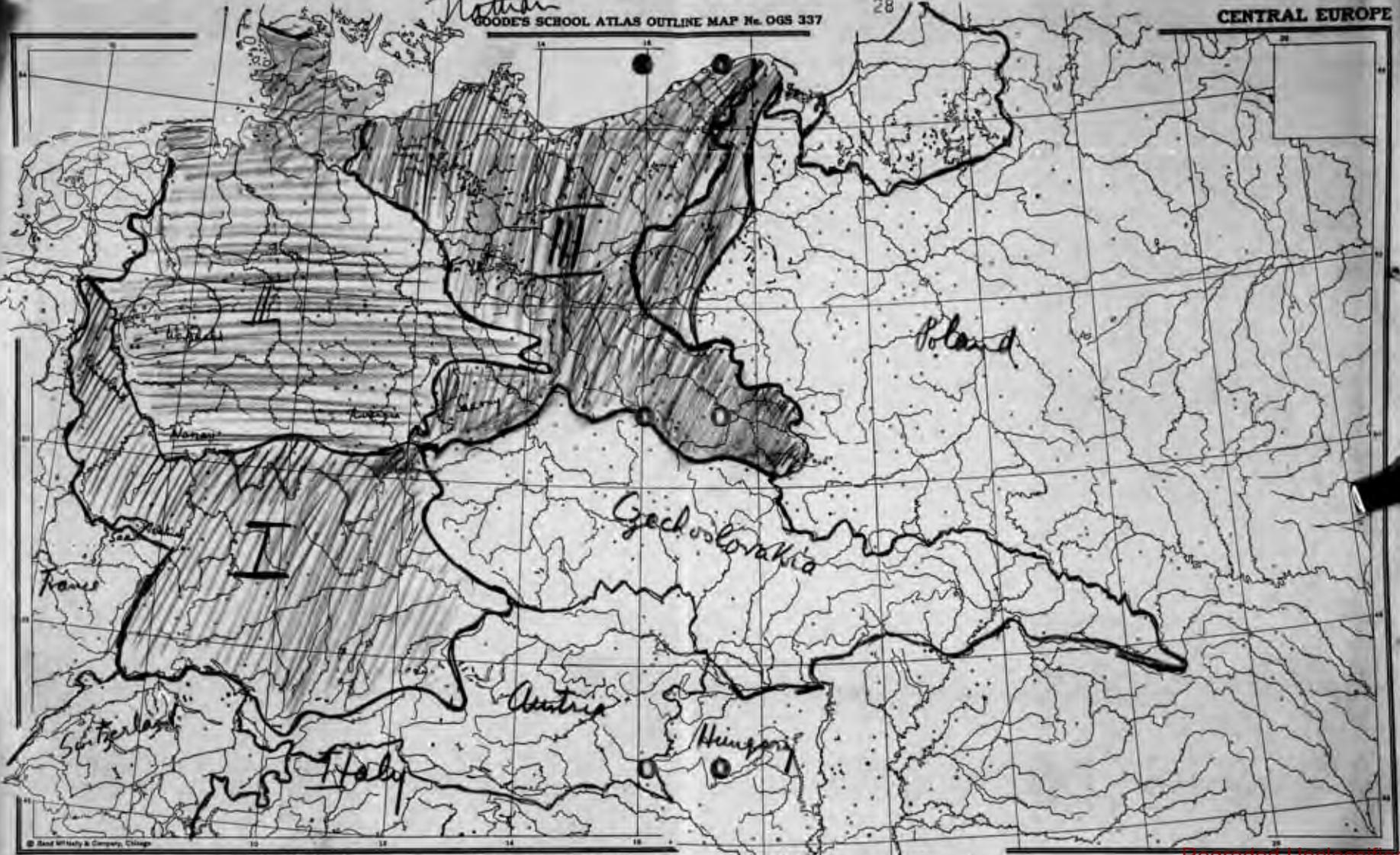
It may be noted that Mr. Welles does not suggest to add Austria to I, the south of Germany. This is in line with the declaration of the United Nations at the Teheran Conference.

Nathan

GOODE'S SCHOOL ATLAS OUTLINE MAP No. OGS 337

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CENTRAL EUROPE



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Scale 1:6,000,000; one inch is 99 miles.
Contour Projection

Regraded, Unclassified

Treasury Department
Division of Monetary Research

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Date Sept. 5, 1944

To: Mrs. McHugh

The Secretary may be interested
in the second paragraph of this letter.

H.D.W.

MR. WHITE
Branch 2056 - Room 214½



TREASURY DEPARTMENT
WASHINGTON 25



AIR MAIL

AIR POUCH

August 28, 1944

NO. 66

PERSONAL AND CONFIDENTIAL

Dear Mr. White:

There is enclosed, for your information, a copy of the "work program for the next three weeks" which has just been issued by Col. Bernstein's branch of the new German group. In this connection, I would very much appreciate your sending me information at the earliest possible date as to what is happening with regard to the civilian and military personnel for the new German work which was discussed with you during your recent visit. Any action which you can produce along this line will be much appreciated.

For your information, Col. Bernstein is working intensely and with great vigor in producing converts up and down the line, and in influencing the revision of documents, in connection with the new German program. We hope to send you some illustrative documents in the very near future. We are all most anxious to hear of the course of events in this regard in Washington since your return.

Just a word concerning the cable which we sent yesterday, August 27, - No. 6971 - concerning the pressure on the part of the British business and financial interests to get back into France and its possible relationship to Hoffman's mission. This cable was prepared in collaboration with Col. Bernstein and was cleared with the Ambassador. The information relative to the pressure on the part of the British business men came through SHAEF channels. The suggestion for sending the two Army officers originated with the British. Col. Bernstein suggested that if the Army officers were to go into France in advance of the SHAEF mission, they should be accompanied by civilian representatives. SHAEF still has this matter under consideration. We thought we ought to present this picture to you as we knew it in order that you could consider all relevant factors in making a decision. The Ambassador was anxious that you should not get the impression that any decision or policy had been reached at high British Government levels to allow British business men and financial

-2-

interests to reenter France at this point. He felt sure that no such decision would be reached except in common with the United States. We told him that we did not think the cable carried any implication which would mislead you into believing that any policy decision had already been reached by the British to allow such interests to reenter France. (Mr. Phillips was not here at the time that the cable was transmitted).

For your confidential information, I am pleased to report that the Ambassador called me into his office yesterday for a meeting with himself, Sir William Strang, Playfair of the British Treasury, and Moseley (whom you met during your recent visit). The subject of the meeting was the Armistice terms with Bulgaria. A draft of the terms had been agreed upon only the day before and submitted to the respective Governments. The British Treasury had subsequently suggested the addition of a clause providing for the furnishing by Bulgaria of such supplies, services and facilities as the Allies may require, and for the redemption and handing over to the Allies of any currency which they may issue in Bulgaria. In order to meet anticipated objections from the Russians (who are anxious in this case to avoid catch-all clauses which may have the effect of turning the Armistice into an unconditional surrender and thus jeopardize the chances of its immediate acceptance), the meeting agreed on language which would, in substance, limit the right on the part of the Allies to require such supplies, etc., to supplies, services and facilities as may be required for use of their forces or missions in Bulgaria, or for the prosecution of the war. It was also agreed to delete the provision requiring the Bulgarians to redeem currency which the Allies may issue. The British Treasury also proposed a clause, to which the meeting agreed, giving the Allies a veto power over all transfers of Bulgarian assets. The sense of the meeting was to be transmitted to the State Department for approval. My general attitude was that Bulgaria should be made to pay as much of the cost of the war as possible; that I was not, of course, in a position to weigh the desirability of these clauses against the political factors involved, but saw the necessity of accommodating our demands in some measure to the desires of the Russians; and (although I did not so state) that in the end these clauses would not have much meaning insofar as the United States is concerned because of the small likelihood that we would have any troops or substantial interests in Bulgaria.

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I also enclose a memorandum concerning a conference at the British Treasury on the currency problem in Alsace-Lorraine.

Sincerely,

L. C. Aarons
L. C. Aarons,
U.S. Treasury Representative

Mr. Harry D. White,
Assistant to the Secretary,
Treasury Department,
Washington 25, D. C.

Attachments.

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

1627 K ST. N. W.
WASHINGTON 6, D. C.
METROPOLITAN 0010

THEODORE GRANIK
DIRECTOR

August 28, 1944

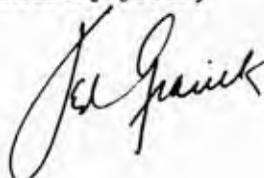
The Honorable
Henry Morgenthau, Jr.
The Secretary of the Treasury
Washington 25, D.C.

Dear Mr. Secretary:

I was delighted to receive your kind and gracious letter. It was a privilege to plan and develop the program with you and your associates, and I am happy to report that all the comments I have heard from various parts of the country indicate that it proved most successful.

I am looking forward eagerly to the pleasure of meeting with you again in the near future.

Sincerely yours,



TG/p

THE FIRST NATIONAL BANK OF CHICAGO
CHICAGO, ILLINOIS

EDWARD E. BROWN
PRESIDENT

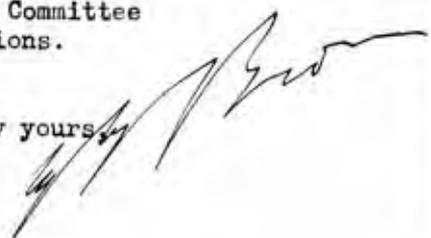
August 28, 1944

My dear Mr. Secretary:

Thank you very much for your letter of the twenty-fifth, stating that you are sending me a copy of the broadcast given last Tuesday night on the American Forum of the Air. I shall be very glad to have it.

I am going to spend the first week of next month in New York City talking with a number of bankers there, as well as before the Executive Committee of the Council on Foreign Relations.

Sincerely yours,



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

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



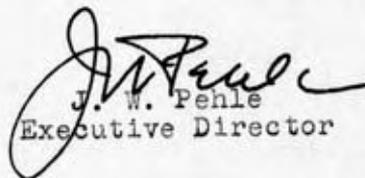
OFFICE OF THE
EXECUTIVE DIRECTOR

AUG 28 1944

My dear Mr. Secretary:

I am enclosing herewith a copy of the report of the War Refugee Board for the week of August 14, to 19, 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 August 14, to 19, 1944

SITUATION IN HUNGARY

United States and Great Britain Accept Horthy Offer

On August 16 we were advised that the British had finally agreed to join the United States in accepting the Horthy offer, and on August 17 the following joint statement was issued by the two governments:

"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 overwhelmingly 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."

Conditions in Hungary

It may well be that the action with respect to the Horthy offer will prove to be fruitless. Board Representative McClelland advised us of reports which had just reached Switzerland from reliable Jewish sources in Budapest giving additional information on the present situation of Jews in Hungary. In spite of the preliminary reassuring news of the agreement between the International Red Cross and the Hungarian Government for emigration of Jews to Palestine and elsewhere and for relief to Jews remaining in Hungary, it now seems that ranking Gestapo agents sent to Budapest

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to direct deportations of Jews have no intention of permitting them to emigrate freely, especially to Palestine, if they can prevent it. After the attack on Hitler and following the rapid worsening of the German military situation, the Gestapo in Budapest shifted their interest from the ideological aspect of Jewish extermination to the purely material benefits in goods, labor, and money to be derived therefrom. Their attitude is revealed in a declaration, made by the Gestapo head to one of the sources of McClelland's information, that he wished to pump out the necessary labor from Hungarian Jewry and sell the balance of valueless human material against valuable goods.

On the other hand, the Hungarian Government, led by Horthy, apparently has been frightened not only into stopping deportation, but also into trying to make up, by favoring an emigration and relief program, for the unsavory role it has already played in the persecution and deportation of Jews. The Director of the Budapest Office of the Jewish Agency for Palestine has been permitted to set up an office in the Swiss Legation, where active preparation is being made for the emigration to Palestine of the 8700 families previously mentioned.

In connection with the statement contained in the Hungarian Government's reply to our note of June 26, 1944, to the effect that the Hungarian Red Cross will be permitted supervision of deportation of Jews for work abroad, we advised Minister Harrison and Board Representative McClelland in Bern of the substance of similar information contained in a note from the Hungarian Legation in Stockholm to the Swedish Foreign Office. In view of the possible extermination of 400,000 Jews said to have been already deported, we requested that they suggest to the International Red Cross the urgency of contacting the Hungarian authorities and the Hungarian Red Cross with a view to establishing immediate Red Cross supervision over all camps to which Jews from Hungary have been deported in the past. We also asked that the Swiss Foreign Office be requested to transmit to appropriate Hungarian officials a message along the following lines: referring to the statement in the Hungarian Government's reply to our note that Jews deported from Hungary had been "placed at the disposal of the German Government as workers"; requesting that, in view of the policy of the German Government with regard to Jews, which the United States Government assumes is well known to the Hungarian Government, we be furnished with a statement of measures which have been 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 persecution; and stating

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that any cases of abuse will be imputed to those Hungarian authorities responsible for placing such Jews at Germany's disposal.

Visas for Refugee Children from Hungary

United States consular officers in Switzerland, Spain, and Portugal have now been authorized to issue visas to refugee children arriving in Switzerland from Hungary. Previous instructions concerning 5,000 United States visas which had been made available for refugee children from France were amended to include the issuance of such visas to refugee children from Hungary.

The Governments of Honduras and Ireland have consented to extend to refugee children from Hungary their acceptance in principle of our proposal with respect to refugee children from France.

Reports on Rescue Work in Hungary

Representative McClelland advised of reports recently received concerning underground rescue work which the Jewish Hechaluz organization is conducting intensively, working out of Bucharest, Bratislava, and, particularly, Budapest. While the mode of rescue is expensive, requiring funds to obtain the collaboration of minor Rumanian and Hungarian officials and to pay transportation and maintenance costs, administrative personnel, and false paper "passeurs," it has yielded positive results. By taking advantage of the willingness of certain Hungarian officials, non-commissioned officers, and soldiers in army units along the borders of Rumania and Hungary to help with the flight of imperiled Jews, the uneasy breathing spell in Hungary since the July 9 suspension of deportations has been utilized to the utmost. Relay points have been set up on either side of the border at Segesvar, Brassó, Temesvar, and Arad, and assistance has been given to the flight of all categories of endangered Jews, including orphaned children, and especially to those who have escaped from ghettos, prisons, and military forced labor battalions in the provinces of Hungary. One report from Bucharest places at 1,650 the number of persons already evacuated to Rumania, with 210 waiting to cross the border in the Arad region.

Efforts are also being made to assist the flight of smaller groups to Slovakia, where the situation is less critical.

Reports from Turkey

Board Representative Hirschmann advised us of reports through reliable sources out of Hungary that the warning emanating from the Board and transmitted by radio to the Hungarians

has had a salutary effect and that the Hungarians are beginning to show some signs of resistance to the Germans.

Hirschmann also reported information received from an authentic source that the Catholic Church has taken an active part in rescuing many Hungarian Jews by means of conversion of Jews to Christianity. Nazi attempts to oppose these measures have met with the response that the church has authority to baptize immediately any person who is in imminent danger of death. Groups of Hungarian Nazis entered churches and broke up religious classes which were being held for Jews, with the result that most of the baptisms now take place in air raid shelters where hundreds of Jews are baptized during air raids. It is reported that more Jews have been converted to Christianity in the past month than during the last fifteen years.

At a meeting arranged by International Red Cross Representative Simond for Hirschmann with Baron Thierry, Counselor of the Hungarian Legation at Ankara, the latter, who is reportedly sympathetic to the cause of the minorities, read a Hungarian Government decree dated July 18, concerning the amelioration of the conditions of some members of the Jewish community in Hungary. He then declared that there have been no persecutions and no maltreatment of Jews within Hungary, and that the Hungarian authorities only assisted in a routine way and not on their own initiative in the former deportations, to both of which statements Hirschmann took exception.

Baron Thierry further states that efforts should be made to determine the practicability of the steps provided in the decree before attempting to introduce broader measures, and that congestion of rail traffic on the one railroad leading from Budapest to Istanbul would unquestionably delay the proposed refugee movement by this route. In view of the latter, Hirschmann recommended that consideration be given to the proposal that the United States supply railroad cars possibly available in the Middle East for transporting refugees from Budapest to Istanbul and suggested an alternate route via Belgrade and Svfilengrad, circumventing Rumania.

In response to Hirschmann's request that, in view of the Hungarian Government's reported adoption of an independent political position vis-a-vis the Nazis, the July 18 decree be broadened to improve the condition of additional categories of Jews in Hungary, Baron Thierry suggested that recommendations concerning this possibility be presented by "official bodies" to the Hungarian Government which, he was confident, would be sympathetic and open to any recommendations. He requested that his name not be disclosed in connection with the interview, to which he had agreed on his own initiative without consulting his superior, the Hungarian Minister to Ankara, who is said to be notoriously pro-Nazi.

FOOD PARCELS PROGRAM UNDER WAY

During the past week a meeting between representatives of the American National Red Cross and the War Refugee Board resulted in an agreement that the former would arrange all the details in connection with the packing and shipping of three-kilo parcels to unassimilated persons in camps in enemy Europe under the International Committee of the Red Cross' supervision. The War Refugee Board made the necessary arrangements with the Executive Office and the Bureau of the Budget for the allocation of funds to cover the costs involved.

Taking advantage of shipping space made available by the American National Red Cross, the War Refugee Board, in the interest of despatching parcels immediately to these beneficiaries, arranged for the packing of 15,000 three-kilo parcels commercially. These parcels have gone forward on the S.S. Gripsholm for Gothenburg, Sweden, from which point they will be distributed by delegates of the International Committee.

Likewise, the War Refugee Board has consummated arrangements with the American National Red Cross and the International Committee of the Red Cross for the purchase of 56 tons of salvaged supplies from the S.S. Christina. These consumable goods will be packaged by the International Committee in Geneva into three-kilo parcels and will go forward from that point to unassimilated persons in camps.

EVACUATIONS THROUGH TURKEY

Representative Hirschmann reported that 308 refugees who had arrived in Istanbul aboard the "Marina" proceeded by rail on August 9 to Syria. The group included 177 children up to 18 years of age, of whom 171 were orphans from Transnistria, the remainder with their parents.

Hirschmann advised that he is attempting to secure priority, in whatever additional emigration from Rumania it may be possible to effectuate, for approximately 1300 orphans from Transnistria who he has learned are still in Rumania.

Report on Details of Sinking of "Mefkura"

Hirschmann informed us that 395 passengers from the "Bulbul" and five from the ill-fated "Mefkura," including 214 men, 137 women and 44 children, had arrived in Istanbul, where they were quartered in a school. The initial stage of the trip from Igneada was made over the mountains with the women and children riding in oxcarts, the men walking the distance of

40 miles to Vize; from there they were taken by trucks to Cherkaskoy, thence by train to Istanbul. Two women and two children, the latter accompanied by their mothers, were hospitalized in Istanbul. The remainder were scheduled to proceed by rail to Palestine on August 15. The rescue operations were conducted under the supervision of the Turkish Red Crescent.

Concerning the sinking of the "Mefkura," Hirschmann advised us that the survivors reported that shortly after midnight on August 5 the vessel was approached by three surface craft, about the length of two railway cars and armed with small cannon and machine guns, similar in appearance to German boats which had been seen in the Constanza harbor. The three boats opened fire on the "Mefkura" with cannon and machine guns. One of the first shots exploded the machinery in the machine room, and the boat was set afire by incendiary bullets. A large number of the passengers were wounded on the ship by gun fire; others was caught in the flames or injured by flying bits of machinery. Machine guns continued to fire upon many of the passengers after they had donned life preservers and jumped overboard.

Contrary to first reports that the "Bulbul" was also attacked, it was not in sight of the "Mefkura" during the attack. Later it was approached by the armed boats and its engines shut down, but for some unaccountable reason the boats left without firing on the "Bulbul". The latter stood by until daylight, picked up the five survivors of the "Mefkura" who could be found, and continued its voyage to within 300 meters of the Black Sea entrance of the Bosphorus but because of the stormy seas it could not enter and had to turn back to Ignesda. It was believed that had it not been for the storm which was raging, a larger number of passengers might have been saved.

SITUATION IN BULGARIA

We cabled Ambassador Harriman that 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 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. We advised him that Board Representative Hirschmann recently conferred with Balabanoff, the Bulgarian Minister to Turkey, and requested, among other things, that the Bulgarian authorities take steps to cease

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persecution of Jews in Bulgaria and to afford them protection in that country, thus obviating the necessity for involuntary emigration; that Balabanoff had indicated to Hirschmann that he believed the Bulgarian authorities would be favorably disposed to taking such action and stated that the Bulgarian Government is on excellent terms with the Soviet Government and would exert any reasonable effort to please the Soviets. We requested him to approach appropriate Soviet officials, if he considers it desirable to do so, 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. We advised Hirschmann of this request.

EVACUATIONS TO SOUTHERN ITALY

Approach to Italian Officials

The Board requested Representative Ackermann, who is presently in Naples, to discuss with appropriate Italian officials in Rome, if there is no objection from competent Allied Military authorities, the Board's 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.

Intergovernmental Committee Program

Ambassador Winant forwarded to us the substance of a telegram which the Intergovernmental Committee had received from Heathcote-Smith concerning Papal intervention on behalf of non-Italian refugees in Northern Italy. The message indicates that, as a result of separate audiences which Myron Taylor and Heathcote-Smith had with the Pope, the latter will ask the German Ambassador to try to stop additional deportations and to supply the Vatican with figures on the numbers of Jews and others still awaiting deportation in Northern Italy. It will also be suggested by the Pope that the Axis should allow these people to reach some asylum. These petitions will be made as though the Pope himself originated them. To Heathcote-Smith the Pope made the statement that neither his conscience nor history would forgive him if he failed to make this attempt. A report from the Papal Nuncio in Switzerland reached Heathcote-Smith to the effect that fifty Jews in a concentration camp near Modena were murdered on July 31 by Axis officials.

Ambassador Winant advised us that the Intergovernmental Committee communicated the foregoing telegram to the British

Foreign Office which replied in substance that the British High Commissioner in Rome had been requested to advise what accommodations might be found for these refugees in freed Italy, but that resources there are greatly strained and military officials insist that there is a definite limit to the number of refugees which can be brought in. The Foreign Office in effect stated that the proposal was advanced without adequate information concerning such problems as the likelihood of a substantial influx of refugees from the Balkans and the considerable difficulties being encountered in connection with arrangements for supplies and medical personnel, and that until a solution can be found for these problems, military officials are not apt to agree to the maintenance of many thousands of refugees in Italy.

We cabled Ambassador Winant that we are shocked by the position which the Foreign Office is taking, that while we do not know whether any real possibilities exist for rescuing any Jews who may still be alive in Northern Italy, we feel strongly that every effort should be made to effect a rescue if this is possible. We expressed our confidence that, should the attitude of the German Government be such as to make it possible to effect the rescue of any of these people, which is doubtful, the resources and ingenuity of the American and British Governments are such as to avoid a situation in which these human beings, who otherwise would be rescued, would be consigned to deportation and death.

Accordingly, we requested Ambassador Winant to press the British Government to join the American Government in a request to the Pope to appeal to the German authorities that rescue be permitted, with assurances that any persons rescued will be received and cared for by Allied authorities.

Report on Hungarian-Yugoslav Situation

After a trip to Bari, where he surveyed the Hungarian-Yugoslav situations, Board Representative Ackermann cabled that discussions with the British, Americans, and Partisans indicate that possibilities for evacuations from Hungary are not presently favorable because the Yugo-Hungarian border is too well guarded. He was informed that the Partisans now control an isolated region on their side of the Drava River where Hungarians are safe but which they must reach by their own efforts. A handful have arrived there in the last few months. Allied and Partisan forces in this area are not even sufficient for intelligence purposes, but the situation is expected to improve.

There is some improvement in the Yugoslav situation. Over 2,500 refugees were evacuated in July--900 orphan children by air from the interior, the remainder old men, women, and children by boat from the coast.

There is an immediate and great need for supplies to be brought into liberated areas to prevent several million people from starving or freezing to death. Medicine and food, particularly dry and condensed milk for nursing mothers and children, are urgently needed. Approximately four million people are homeless and many are without proper clothing. Tents would aid tremendously but require plane transport. Allied authorities confirmed the statement by Partisans that small boats are available from time to time to take clothing to Vis for distribution from there by young men who regularly evade guards. Stating that much difficulty is envisaged to obtain transport for supplies but that he believes there will be space occasionally for small amounts, Ackermann urged that a stockpile be created so that, if transport becomes available or the Germans pull out, aid of this nature could be provided immediately. He indicated he would discuss this matter with Ambassador Murphy, Army officials, and the United Nations Relief and Rehabilitation Administration representative in the near future.

RECOGNITION OF LATIN AMERICAN PASSPORTS

We were advised by Board Representative McClelland in Bern that certain qualified relief organizations are being contacted for the purpose of securing lists of individuals in enemy controlled territory in whose names Latin American papers have been issued but who do not possess these papers. McClelland stated that too extensive an inquiry of this kind is not recommended, however, since it may result in the compilation of unlimited lists of individuals for whom it will be claimed that such papers were issued in the past but could not be transmitted to them.

In this connection McClelland referred especially to the hundreds of so-called "nationality" papers, usually pre-dated, issued by the Salvadoran Consulate General at Geneva, and stated that in his opinion the forwarding of such papers into Hungary should not be continued since such documents apparently have no value for entry into El Salvador, they deceive neither the Germans nor the Hungarians, and no preferential recognition is accorded their bearers. Several cases were reported from Hungary where the possession of false Salvador papers caused the immediate arrest by Hungarian officials of the persons carrying the documents, a precisely opposite effect from that desired.

McClelland indicated that it would be inadvisable, in view of the position which the Salvadoran Government has taken with respect to these false papers, to sanction them officially by submitting them to the Swiss Federal Political Department, especially when there is the feeling that any extensive increase in the number of false Latin American papers, if directed to the attention of the German Government, may immediately endanger

- 10 -

the already precarious status of thousands of holders of all such papers who are presently in German hands and who hitherto may have been saved from deportation primarily because the Germans chose to accord recognition to their papers and put them in regular civilian internment camps for American nationals. It is probable that the Germans will continue to honor any false Latin American papers so long as they feel that there exists the possibility of a practical exchange.

PROPOSAL TO CLOSE CAMP MARECHAL LYAUTEY

With the agreement of the Department of State and the Foreign Economic Administration, the Board requested Ambassador Winant to make known to the British Government and the Intergovernmental Committee the view of the United States Government that now would be a highly inopportune time to close Camp Lyautey and that such action while the British and American Governments have under consideration the Hungarian proposal to permit thousands of Jews to emigrate from Hungary might well prove tragic in its consequences, for in the eyes of the Hungarian Government it might easily throw open to question the sincerity of the professed willingness of the British and American Governments to receive on United Nations' territory Jews and other victims of enemy oppression. Furthermore, in view of these promises, all possible havens must be held available for any eventuality that may occur.


J. W. Pehle
Executive Director

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 28, 1944
NUMBER: 6904

SECRET

FROM WAR REFUGEE BOARD.

Please deliver the following message to Sir Herbert Emerson of the Inter-Governmental Committee from Paul Baerwald of the American Jewish Joint Distribution Committee:

QUOTE REPORTS HAVE COME TO US THAT CREDIT OPERATIONS IN HUNGARY NOT POSSIBLE DUE APPARENTLY COMPLETE EXPROPRIATION PROPERTY OF JEWS. SALLY MAYER ABLE PURCHASE PENGOES IN SWITZERLAND WHICH HE SEND INTO HUNGARY. VIEW GREAT NEED BRING RELIEF MANY THOUSANDS JEWS CONCENTRATION CAMPS, GHETTOS, WE URGENTLY SUGGEST YOU CONSIDER FAVORABLY OUR AUTHORIZING SALLY MAYER PURCHASE PENGOES SWITZERLAND UP TO 300,000 DOLLARS FOR AID IN HUNGARY FOR ACCOUNT INTER-GOVERNMENTAL COMMITTEE. HOPE YOU WILL DISCUSS THIS SUGGESTION WITH JOSEPH SCHWARTZ. UNQUOTE

Following for Sir Herbert Emerson from War Refugee Board:

QUOTE WAR REFUGEE BOARD STRONGLY SUPPORTS FOREGOING REQUEST OF JDC. UNQUOTE

HULL

A I R G R A M

Dispatched:

From: American Embassy near
the Government of
Greece.

RESTRICTED

Dated: August 28, 1944.

Received: September 2, 12 p.m.

Secretary of State
Washington

A-58, August 28, 1944, 10:00 a.m.

The following communication has been received from
the Greek Foreign Office.

No. 17124.

AIDE-MEMOIRE

"The Royal Hellenic Ministry for Foreign Affairs
present their compliments to the Embassy of the
United States of America and have the honour to bring
to their knowledge the following:

"Since the establishment of the Allied occupation in
Southern Italy, refugees from the opposite Albanian coast
have begun to arrive at Bari. There are amongst them
many Albanian subjects of Greek origin, inhabitants
of Southern Albania, who flee from these regions in
order to escape the persecutions of the Germans as much
as those directed against them by the various Albanian
political organisations. Without us wishing to examine
here the degree of the real contribution of these Albanian
organisations to the struggle against the common enemy,
that is the Germans, they are unquestionably always in
full agreement in the purpose of persecuting the Greek
Christians whom they have set as their goal to exterminate.

"The Royal Ministry have received with much regret
the information that these Greek refugees, in arriving
in Bari, are the object of a strange and sometimes un-
friendly treatment from the various Allied Services in
that town, as soon as they declare that they are Hellenes
and not Albanians. This treatment naturally arouses in
them feelings of dismay and bitter grievances towards
those with whom they have sought refuge and whom they
have always willingly served in fighting and sacrificing
themselves for Greece and consequently for the Allied
Cause.

A-58, August 28, 1944

From: American Embassy
near Government of
Greece

- 2 -

"This situation has arisen from the fact that these Allied Services employ as informers and in various other capacities a number of fanatical Albanians, who are thus in an advantageous position for calumniating in every possible way all refugees of Greek origin, as a means of preventing the ascertainment that Southern Albania is largely peopled by Greeks.

"A great many Allied Services have thus formed regrettable and erroneous opinions about these Greek refugees.

"The greatest proof that they are inspired by mal-
evolent reports of the Albanian employees, and that the refugees of Greek origin are patriotic Greeks and loyal Allies, can be found in the fact that whereas if they declared themselves to be Albanians, they would have received excellent treatment and would not have been conscripted, thus having no more to do than wait to reap the benefit of the struggle and sacrifice of others, these refugees insist in claiming that they are Greeks and demand to be enlisted in the Hellenic Forces of the Middle East in order to fight the Germans.

"In view of the above, the Royal Hellenic Ministry for Foreign Affairs feel that it is of the highest importance and urgency to request the Embassy of the United States of America kindly to inform their services in Italy that in the region commonly called Southern Albania, which is historically, ethnologically and geographically the northern part of Greek Epirus, there live since the dawn of history, dense Hellenic populations, who are now subjects of the Albanian State, but are Greeks by origin and convictions, and that such people are entitled to be treated as Greeks and Allies. Amongst the many recognitions of the Hellenic character of these populations, this Royal Ministry wishes to recall the decisions of the American Senate on May the 17th 1920, which states that Northern Epirus, (so-called Southern Albania) is peopled in majority, by Greeks, and ought to be returned to Greece.

A-58, August 28, 1944

From: American Embassy
near Government
of Greece

- 3 -

"The Royal Hellenic Ministry for Foreign Affairs thank the Embassy of the United States of America in anticipation for their intervention in this grave matter, which will undoubtedly contrive to protect the Greek refugees from Albania from unjust and unfriendly treatment, and will avert the fostering of justified grievances against those from whom they are entitled to expect understanding, support and sympathy.

Cairo, August the 23rd, 1944."

A copy of this airgram has been sent to Ampolad, Caserta, and any comments the latter may wish to make thereon to assist the Embassy in replying to the Foreign Office will be appreciated.

Shantz

WB/hem

AIRGRAM

NO. A-395TIME: 4:00 p.m.

August 28, 1944

AMERICAN LEGATION

BERN

NICARAGUAN INTERESTS - FRANCE

Reference Legation's despatch 8466, June 12.

Following, transmitted for Legation's information, is Embassy, Managua's A-347, August 17.

"Reference Department's instruction no. 1286 of July 24.

The Nicaraguan Government has sent the following telegram (in translation) to the Swiss Foreign Office:

"I respectfully request you to communicate urgently with the German Government that my Government confirms the validity of the Nicaraguan passports held by Amalia Frucht, Boris, Cipa, Myrian, Alejandro Lisowoder and requests that they be returned to the concentration camp at Vettel in reciprocity for treatment of German nationals in this hemisphere. I request also that you extend this request to cover all internees who are the bearers of Nicaraguan passports.

Accept, Excellency, the renewed assurances of my highest consideration."

Department's instruction no. 1286 referred to above transmitted list of persons claiming Nicaraguan nationality named in enclosure to Legation's despatch under reference.

HULL

aec

740;00115EW/8-17-44

SWP:RPC:IMN

8/23/44

CCA

WRB

HIS-706

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

Managua

Dated August 28, 1944

Rec'd 7:58 p.m.

Secretary of State,

Washington.

538, August 28, 4 p.m.

Foreign Office in note dated August 25, 1944, states that it has no objection to the 100 visas authorized for refugee children (see my 271, May 5, 4 p.m.) being issued to either Hungarian or French children. Reference Department's circular telegram of August 12, 8 p.m.

STEWART

RR

RESTRICTED

AIRGRAM

AMERICAN EMBASSY, Consular Section,
Lisbon, Portugal

Date: August 28, 1944

Received: September 1, 5 p.m.

Secretary of State,

Washington.

A-715, August 28, 3:00 p.m.

The Consular Section refers to the Department's telegram number 2118 (NRB) of July 28, 1944, and respectfully requests an advisory opinion in the case of Henri Denis Barbet, a French national, who claims that BC forms were filed in his behalf in September or October, 1942, by Logan Cresap, Walbrooke Circle, Scarsdale, New York, and by William Roberts, 19 Morris Lane, Scarsdale, New York.

Barbet claims to be the President of Albert Godde Bedin, Inc., 244 Madison Avenue, New York, which is said to be a subsidiary silk concern of the same name in Lyon, France.

Barbet, who has been a resident of Lyon, claims that he last entered the United States on August 22, 1942, and departed therefrom on October 18, 1942. On November 4, 1942, he resumed residence in Lyon and continued to live there until June 29, 1944. He then managed to leave France on exit visas issued to him by the French Prefect of Rhone at Lyon and by the German Embassy at Vichy on April 8, and April 18, 1944, respectively.

Upon being asked how he was able to induce the French and especially the German authorities to issue him these exit visas, Barbet explained that he contrived to obtain from the French Department of Finance an assignment to come to Lisbon to organize the distribution of fancy silk goods in Portugal in order to establish a credit balance in Portuguese escudos, which was to be used by the French Red Cross for the purchase of food for the French people. Barbet claims that when he first approached the Germans with this assignment they refused to grant him the exit visa, saying that such silk as was available in France was required by the German troops. After six months' effort, however, he finally was able to persuade the Germans to grant him an exit visa which permitted him to be absent from France until August 15, 1944. He claims that the Germans would never have permitted him to leave France had they known of his business connections in the United States, and yet he carries on his person business cards showing that he is the President of Albert Godde Bedin, Inc., at 50 Cours Morand, Lyon, and at 244 Madison Avenue, New York, with mills at DePew and Andover, New York.

RESTRICTED

August 28, 1944

- 2 -

Barbet claims that he obtained the French Department of Finance's assignment to Lisbon for the express purpose of getting out of France and returning to the United States. However, he still has a wife and three grown daughters in Lyon, and upon being asked if he was not afraid that these relatives would be subjected to persecution or intimidation by the Germans when his subterfuge was discovered, he replied that he and his family had encountered danger before.

Barbet said that he first entered the United States on October 26, 1926, and maintained an uninterrupted residence there until August 2, 1939. His last place of residence in the United States was given as 21 Lockwood Road, Scarsdale, New York.

Barbet said that he was born on July 18, 1888, at Macon, France. His wife, three daughters and a son were also born in France. The son was said to be serving with the Free French Forces in Italy.

The Embassy's Security Section advises that the Office of Strategic Services may be able to furnish the Department with further information concerning Barbet.

A reply by airgram would be appreciated.

NORWEB

File No. 811.11

KVP/and

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

Regraded Unclassified

RA-796

PLAIN

Lisbon

Dated August 28, 1944

Rec'd 1:08 a.m., 29th

Secretary of State

Washington

2643, August 28, 1 p.m.

FOR RAYMOND BRAGG BOSTON FROM ELISABETH DEXTER WRB.
165 ESC 3321.

Liberation France makes additional refugees from France or eastward unlikely and alters needs here. An airmailing letter describing situation and possibilities progressive liquidation including best utilization staff. Important you send me soonest general indication committee plans and wishes other European centers even if still only tentative. I realize your present difficulties. Your telegram regarding Brooks just received; deeply sympathetic.

NORWEG

RR

CABLE FROM WAR REFUGEE BOARD TO AMERICAN CONSUL, JOHANNESBURG, UNION OF SOUTH AFRICA.

Please refer to your airgram A-27 of July 25 explaining the interest of the South African Red Cross and the South African Jewish War Appeal in the efforts of the War Refugee Board for the relief of Jews in Romania.

Please advise the above two organizations that among the Board's activities on behalf of the Jews in Romania are the following:

- (1) Arranging, organizing and implementing programs of private agencies for the relief of Jews in Romania:
- (2) Encouraging programs for the rescue of Jews in Romania, including their transportation to safe areas and the finding of temporary havens of refuge for the duration of the war:
- (3) Adopting measures designed to induce the Romanian Government to desist from further persecution of its Jewish minority.

If the above named organizations are prepared to cooperate in any way with the Board's program, we will be pleased to receive such cooperation.

2:40 p.m.
August 28, 1944

MSargoy:dh 8/28/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 28, 1944
NUMBER: 2971

SECRET

FOR MCCLELLAND, FROM WAR REFUGEE BOARD.

Please deliver the following message to Rene Bertholet,
Waserstrasse 14, Zurich, from the International Rescue and
Relief Committee:

QUOTE APPROVE TEN THOUSAND DOLLARS FOR RESCUE
ACTION FRANCE AND HUNGARY WITH DOCTOR TEHLENOFF OSE.
ALSO CONTACT LEON DENENBERG AMERICAN CONSULATE ISTANBUL
ABOUT RESCUE HUNGARY. NO CABLES FROM YOU SINCE END JUNE.
UNQUOTE

This is WRB cable to Bern No. 146.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 28, 1944
NUMBER: 2972

SECRET

FOR MCCLELLAND FROM WAR REFUGEE BOARD.

Reference your No. 4904 of July 31, and Department's No. 2895 of August 23, 1944, (WRB No. 138).

Board assumes that any work you are doing for relief of families of the Maquis is closely coordinated with OSS and that in areas where Army takes over our activities will cease. Foregoing is our understanding with War Department here.

THIS IS WRB BERN CABLE NO. 147.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 28, 1944
NUMBER: 2973

SECRET

FOR MCCLELLAND FROM PEHLE.

For your personal and confidential information.

Special fund of \$250,000 sent to you in two installments of \$125,000 each was made available by the JDC which has been kept advised of your reports on the use of such fund. JDC approves such expenditures ~~and the~~ continued use of the fund for the programs mentioned by you.

THIS IS WRB CABLE TO BERN NO. 148.

HULL

CABLE TO MINISTER HARRISON FOR MCCLELLAND, BERN, SWITZERLAND

Reference is made to your 5068 paragraph two. We assume that your reference to Italian Slovakian rescue plans refers to your 4666 of July 21 and 5079 of August 7. If assumption incorrect, please clarify.

We approve of your support (including financial aid) of project described in your 4666 and you are authorized to continue such support at your discretion.

Regarding your 5079 please refer to Department's 2817 of August 16.

THIS IS WRB BERN CABLE NO. 150.

2:45 p.m.
August 28, 1944

BAK:ih:FHodel:ar 8/26/44

CABLE TO MINISTER HARRISON AND MCCLELLAND, BERN, SWITZERLAND

Reference is made to Department's 2877 of August 21, WRB 122.

Please inform Swiss Government that Ireland extended in principle its offer of refuge to 500 children to cover children from Hungary as well as those from France. Likewise Honduras extended its offer of refuge to 50 children to cover children from Hungary.

If you believe that it will be helpful, the above information may be transmitted to Hungarian authorities through official Swiss or Inter-cross channels.

THIS IS WRB BERN CABLE NO. 151

Repeat to Amembassy, London, for information of Ambassador and for transmission to IGC.

4:30 p.m.
August 26, 1944

BAKzin:ar 8/26/44

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

August 28, 1944

5 p.m.

AMEMBASSY,
ANKARA.
752

The cable below is WRB 105.

Reference is made to your 1514 of August 18 to Department and your 34 of August 8 to Amembassy, London.

In accordance with Department's 665 of July 28 paragraph numbered 3, 685 of August 7 last paragraph, and circular cable of August 18, you are requested to continue your efforts to persuade Turkish authorities to receive Jews of all categories released by Hungary, notwithstanding reports of Swedish Government's consent to receive Jewish children from Hungary.

With respect to statement in your 1430 of August 5 to Department regarding Turkish transit visas to refugees who QUOTE hold UNQUOTE American immigration visas and similar statements in your 1514 to Department and 34 to Amembassy, London, please note that persons intended as beneficiaries of procedure developed in paragraph numbered four of Department's 665 of July 28 are those whose American visas were authorized subsequent to July 1, 1941, as well as those to whom such visas were actually issued. Please explain this point to Turkish authorities and request that they instruct their consuls in Hungary and elsewhere in enemy-held territory to issue transit visas to persons to whom American visas were authorized as well as to those to whom American visas were actually issued. In cases where applicants will not be able to furnish evidence of authorization, such evidence will presumably be available at local Swiss legation or consulate. In addition, efforts will be made to send a list of visa authorizations to you for transmission to Turkish Foreign Office which, it is hoped, will forward it to various Turkish consulates in enemy-held territory.

HULL
(GLW)

WRB:MMV:KG
8/24/44

VD

NE

SE

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: American Consul, Istanbul
 DATED: August 28, 1944
 NUMBER: 363

SECRET

FROM WAR REFUGEE BOARD.

Please deliver the following message to Leon P. Denenberg from International Rescue and Relief Committee:

QUOTE BERTHOLET WORKING WITH OSE ON SPECIAL ACTION
 HUNGARY CONTACT HIM 14 WASERSTRASSE ZURICH. NOTE OUR NEW
 ADDRESS 103 PARK AVENUE. UNQUOTE

HULL

UNCLASSIFIED

DEPARTMENT OF STATE
DIVISION OF

SEP 1 1944

COMMUNICATIONS
AND RECORDS

83
SEP 1 1944
AUGUST 31, 1944

Secretary of State
Washington

A-1048, August 28, 1944

For the Secretaries of State and Treasury

Paul Vinzig in his Lombard Street column of the Financial News of August 28 compared clause IV B of the "Joint Statement" and Article VII 3b of the "Final Act" and asserts that the latter "materially limits the right of deficit countries to safeguard their position." His argument is that "before benefiting by VII 3b, the deficit countries will have to allocate indiscriminately their entire reserve in the scarce currency. As soon as their inflow of that currency begins to exceed the demand they have to resume indiscriminate and unrestricted allocation".

He further suggests that restrictions could not be imposed under VII 3b so long as a gold reserve is available to a deficit country. Vinzig also says that it should be made clear "whether possession of other strong currencies would also preclude us benefiting by VII 3b", because, unless a deficit country is obliged to pay out, say dollars, so long as it possesses any currencies convertible into gold, there would be nothing to prevent it from ridding itself of all holdings of dollars as soon as the fund had declared them scarce, in order to be able to apply restrictions. Further, he says:

"Likewise, the deficit countries would be able to deny the intention of the Final Act to

prevent

Regraded Unclassified

A- 1048 LONDON

prevent them from replenishing their reserves out of current export surpluses, so long as the dollar remained declared scarce. There would be nothing easier than to convert any current dollar surplus into gold or strong currencies, in order to avoid having to allocate the dollars for the import of luxuries. This would be a real escape clause within the escape clause that has been weakened by the Bretton Woods conference. It seems strange that this point has not been made clear by the experts. "

BT:1048

IC:1048:1048

NOT TO BE RETRANSMITTEDSECRETCopy No. 11OPTEL No. 280

Information received up to 10 A.M. 28th August 1944.

1. NAVAL

Home Waters 26th/27th. M.T.B.'s had a sharp engagement with about 5 enemy minesweepers off IJMUIDEN. One Minesweeper was sunk. A British Destroyer, a British Frigate and three groups of MTB's engaged force of 8 Tank Landing Craft off CAP d'ANTIFER. 4 T.L.C.'s believed sunk and 1 driven ashore. The Destroyer slightly damaged by shore batteries.

27th. Two of H.M. Minesweepers were sunk while sweeping off CAP d'ANTIFER and another damaged and taken in tow, some survivors picked up. 27th/28th. Patrols off CAP d'ANTIFER engaged 2 enemy convoys. No further details.

28th. One of H.M. Destroyers bombed and damaged off FECAMP. 2 killed, 12 wounded and ship returning to port reduced speed. Ships can now enter locks and berth in CAEN Canal as far as end of OUISTREHAM jetty.

MEDITERRANEAN. On 24th/25th Coastal forces torpedoed and sank a ship off GENOA.

EAST INDIES. Early 24th aircraft from two of H.M. Aircraft Carriers attacked cement works near PADANG and EMMAHAVEN, the port of PADANG. Complete surprise achieved, moderate A.A. met and little air opposition. No attack on carriers or covering ships of Eastern Fleet. 1 of our aircraft lost. Heavy bombs hit cement works and 2 ships of about 3,000 tons set on fire. Harbour installations bombed and PADANG airfield attacked by fighters. During passage of convoy to North RUSSIA aircraft from two of H.M. Aircraft Carriers made 23 U-boat sightings, 14 of which were attacked, all between 40 and 75 miles from convoy. Swordfish from one sank 1 U-boat and another was possibly sunk. 1 German aircraft shot down by Wildcats.

2. MILITARY

FRANCE. 2nd British Army has increased its bridgehead at VERNON and repulsed 2 counter-attacks. 1st Canadian Army crossing SEINE at PONT DE L'ARCHE and ELBEUF and are closing in on SEINE nearer coast where fighting is going on in the FORET DE LA LONDE. 3rd U.S. Army have retaken TROYES. PARIS, including BOIS DE BOULOGNE, cleared of enemy, and all SEINE bridges reported intact.

SOUTHERN FRANCE. U.S. troops continue their advance towards NICE. North of MONTELIBAR they have driven off counter-attack. N.E. of AVIGNON U.S. reconnaissance troops are advancing towards ORANGE. French have occupied AVIGNON. Mopping up continues in MARSEILLES. TOULON captured and enemy now holds only ST. MANDRIER Peninsula.

ITALY. Our offensive towards Gothic line was resumed on 26th. On right of 8th Army our forces have captured FANO and crossed METAURO River further west with steady advances. East of FLORENCE gains of between 3 and 4 miles have been made.

RUSSIA. Russians have captured FOSCANI and GALATZ and are along east bank of PRUTH between CAHUL and RENI.

3. AIR OPERATIONS

WESTERN FRONT. 26th/27th. Bombing well concentrated KIEL 1920 tons and KOENIGSBERG 460.

27th. Without loss, Bomber Command aircraft, escorted by Spitfires, attacked HOMBERG oil plant - 770 tons; a long range weapon installation - 800; and shipping at BREST - 130. Results: HOMBERG - some cloud, but bombing considered well concentrated. Weapon site - tunnel entrances identified visually and accurately marked, bombing well concentrated.

Escorted Fortresses and Liberators found bad weather over GERMANY and bombed targets of opportunity - 420 tons. Operations by medium and fighter bombers included attacks on motor transport concentrations near ROUEN - 210 tons, fuel dumps near LAON - 70; and a W/T station BOULOGNE - 40. Incomplete reports state following destroyed: 105 locomotives, 166 oil tank wagons, 115 railway wagons, 7 tanks, 104 M.T., 10 barges and 2 boats laden with troops. German casualties in action 4, 1, 1 and on the ground 15, 0, 4. Ours - 16 aircraft missing.

27th/28th. Aircraft despatched: MANNHEIM - 30 Mosquitoes. Other tasks - 111.

GERMANY. 27th. Fortresses from Mediterranean (6 missing) bombed North Synthetic Oil Refinery BLECHHAMMER - 355 tons, while Liberators (10 missing) bombed South Refinery - 425 tons. Good to excellent results reported.

ITALY AND SOUTHERN FRANCE. 25th/26th. Heavy bombers attacked RAVENNA railway centre and Canal Terminus - 185 tons.

26th. 924 medium and light bombers and fighters attacked gun positions RATTENAU Island off MARSEILLES and close support targets in battle areas.

27th. Liberators from Mediterranean (3 missing) bombed railway bridg FERARRA - 120 tons, with excellent results and viaducts at AVISIO and VENZONE - total 140 tons with good to excellent results.

4. HOME SECURITY

During 24 hours ending 6 a.m., 28th, 33 flying bombs plotted. All shortly after dawn 27th.

The New York Times
Times Square

ARTHUR HAYS SULZBERGER
PUBLISHER

August 29th, 1944.

Dear Henry:

Mr. Luxford and his associate, Mr. Bernstein, lunched with us today. They came at one o'clock and left a little after four. Also Mr. Hazlitt of our staff has agreed to go down to Washington as soon as our vacation strain is over and spend a day with them in the Department talking things over still further. I am sure that the meeting was useful.

Yours,



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

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TREASURY DEPARTMENT

WASHINGTON 25

August 29, 1944



MEMORANDUM TO THE SECRETARY

I am enclosing a list of the special items valued in excess of \$50,000 as of August 28, 1944.

E. L. Olrich

E. L. Olrich
Assistant to the Secretary

Enclosures

PROPER FOR DISPOSAL

SPECIAL ITEMS, COST TO GOVERNMENT IN EXCESS OF \$50,000

AS OF AUGUST 28, 1944

	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST TO GOVT.</u>
1. <u>Automotive Products</u>			
<u>Disc Wheels for Gun Carriages</u>	8800.	\$28	\$246 400
Artillery wheels, with special tires. Wheels worthless; several bids up to \$9.00 each have been received from bidders interested in the tires.			
<u>Tires and Tubes, Truck and Bus</u>	99,000		\$1 309 336
New and used. Pro-rata offerings to manufacturers are being accepted and any left overs will be absorbed by those who make original purchases.			
<u>Spare Parts, automobile, new and used</u>			2 000 000

Majority are used parts, taken from used motors and put in stock. The bulk of the new parts are obsolete, or are parts for discontinued military vehicles. Inspection, boxing, and listing by manufacturers is going forward prior to offering them to manufacturers.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Automotive Parts, new</u>	3,851,329		\$ 4,178,838.

Recent declarations of parts in varying quantities in many locations. As distinct from previous declarations these parts are new, small parts; not obsolete and used bodies, tanks, etc. such as we have had before. Clerical and inspection personnel lacking to handle large quantities of paper and material.

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Group 2. Textiles and Wearing Apparel

<u>Magazine Belts</u>	45,626		102 818
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New declaration. Web belt with six magazine pockets. Sample just received. Special selling necessary.

<u>Mosquito Bars, with rods</u>	669,000		3,947,100
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Rectangular tents of mosquito netting. About 300,000 reported as new turned out to be used and patched. Moderate orders for new "bars" at \$1.50 are being received regularly. 100,000 sold to Sears-Roebuck, in addition to other sales made in small lots.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Slide Fasteners</u>	8,500,000	\$.19	\$ 1 615 000

Manufacturers will probably repurchase at cost price. Inventory being taken to determine identify of manufacturers and will be completed this week. Army asked additional week to complete inventory.

<u>W.A.C. Caps</u>	76,712	\$ 2.20	168 766
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Contacts have been made with uniform houses. An item difficult to sell.

<u>Gloves, rubber, anti-gas</u>	742 000	1.00	742 000
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Gauntlet type. We have been advised unofficially by Army that they are withdrawing this item.

<u>Hats, Army Service</u>	45,928	\$ 3.00	137 784
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The old-style, broad brimmed campaign hat. Of original amount of 91,000, half have been sold. Negotiations in process for balance.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Leggings</u>	213,280 Pr.		\$ 109 833
World War I stock, good only for salvage. Now being authorized for sale by Regions.			
<u>Belt pocket for Cartridge Clips</u>	1,000,000	.10	100 000
Web pocket with fastener. Radio advertiser is taking quantities under option as requests from program develop. Price received \$.06.			
<u>Shoe pacs</u>	10,000 pr.	5.50	99 044
<u>Felt innersoles</u>	55,000	.75	
Shoe-pacs are rubber shoe with leather top declared by Navy. The Army intends to requisition shoe-pacs and 10,000 of the innersoles.			
<u>Netting, mosquito, cotton</u>	4,906,500 Yds.		888 040
Olive drab. New. Rolls. Negotiation under way to sell entire lot to Navy contractor.			

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
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3. Machinery

<u>Construction Machinery, heavy</u>	4809	\$1,000 (av.)	\$4,809,000
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All in inventory; all used. The general condition of the equipment is poor. Sales are being made regularly but inventory mounts. Machinery from Alcan Highway turns up in Kansas City from Army Engineers' repair shops. All in poor condition.

<u>Ice Grousers, new</u>	76,726 pcs.	2.70	207 160
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Ice gripping shoes to be attached to special rubber tired treads of high speed military tractors. Each weighs 6 lbs. A tractor needs 296 pieces. There is no known application on standard machines; no market, except for scrap.

<u>Shoes for Tractor Treads</u>	43,853	3.00	131 559
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New "grousers" (shoes to be bolted to the flat tracks of crawler type tractors to give traction). These are standard replacement parts - enough for 700 tractors. Have been offered to mfr. of tractor for which they are designed.

QuantityUnit CostCost to Govt.4. FurnitureMattresses, new and used

1,042,705

\$ 5.50

\$ 5,734,877

175,723 new; 866,982 used.
Used mattresses are sold only
to salvage the materials. Closing
deal this week for 250,000 used
mattresses.

Pillows, new and used

726 030

.73

530 000

Some cotton, some feather,
some mixed, 105,710 new;
620,320 used.

Bed Parts

65,000

Springs, heads, feet, and side
rails; unassembled. Negotiating
with bed mfrs. regarding repurchase.

5. HardwareScabbards, bolo

114,290

1.60

190,864

Obsolete item. No bolos available
to fit them. Bolos (curved machetes)
are largely used in the Philippine
Islands.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Imprinting Machines, new</u>	52,636	\$21.95	\$1,052,720

An Addressograph-plate press, portable, designed for Army identification purposes. Manufacturer's representative asked another 10 days to determine possible uses. Also requested that we stop negotiating with oil companies. Addressograph wants to make the sale as additional quantities of machines will be needed, a supply of plates obtained, and service contract arranged.

<u>Spurs, new and used</u>	261,000 Pr.	1.40 (Av.)	365,400
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Waiting radio advertisers decision to take balance for novelty "give-away". Word of final sale still awaited from Chicago office.

<u>Rafts, pneumatic life</u>	2185	\$200.	437 000
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5-man rafts, completely equipped. Price has been set - \$99.50 to retailers, \$84.50 to wholesalers. There is a big demand for sport purposes. Advertising has gone out. Sales have been made. Regions to report progress within week.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Markers, mine field</u>	11,378 Sets	\$ 6.85	\$ 77 937
Web fabric carrying case containing 30 metal pins (18 in.) with 4" x 4" metal flag marked danger. A small pocket contains two rolls of narrow, yellow tape. New : declaration, being analyzed.			
<u>Skiis, new and used</u>	12,000 Pr.	14.50	174 000
7' and 7½' hickory, ridge-top skiis with steel edges. Painted white. 10,000 pairs have been set aside for the Norwegian Purchasing Commission. Inspection under way.			
<i>Ps. Norway will take 13 000 pair (including 1000 pair just received. Chile is also interested)</i>			
<u>Snowshoes, used</u>	11,745	9.00	105,654
Serviceable, trail and bear paw type snowshoes.			
<u>Snowshoes, emergency</u>	22,837 Pr.	4.25	96,915
Paratroopers' special type, of no value for sport purposes. Have offer for portion at \$1.00			

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Plates, Vitrified China</u>	1,367,809	\$0.17 (av.)	\$ 231 486
<p>All with Medical Corps Insignia. Excellent quality, good looking. Large quantities are to be withdrawn by Army and transferred to the Veteran's Administration. Lend-Lease and Maritime are still interested in substantial quantities. We anticipate that all will be transferred to Government Agencies.</p>			
<u>Hose, rubber, used</u>	5,000	\$33.50	167 500
<p>25 Ft. lengths; 2½" inside diameter rubber hose. Inspection by several rubber companies now under way.</p>			
<u>Covers and Seals, rubber</u>	27-3/4 tons		169 245
<p>3/4 Tons rubber seals; 27 tons rubber seal covers. Obsolete material. Samples have been requested.</p>			
<u>Shotguns, double barrel, new and used</u>	11,924	\$40 (av.)	476 960

A great variety of guns (all popular makes). Inspection in process. Disposal instructions have been issued to Regions, to sell through wholesalers.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Lanterns, oil-burning, deck</u>	34,460	\$3.00	\$ 107 316
<p>The New York regional office has been given permission to affect disposal to a tax-supported body. (Deal fell through)</p>			
<u>Incinerators, new</u>	34	\$9,818.	333 812
<p>Designed for human excretion but can be used for other purposes. A hospital and a park system each have a slight interest. Apartment house use may develop. News release has brought in several offers considered too low.</p>			
<u>Smoke Generators</u>	67,600	3.50	236 600

Obsolete, individual smoke pots with chimneys. Has been on bid with no offer over \$0.11 each. They consume too much oil and make too much smoke for use as smudge pots for agricultural use. Recent deal fell through.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Sirens, new</u>	28,638	\$ 6.00(approx.)	\$ 174 569
Hand warning device for combat use. In canvas case with shoulder strap. Have had offer of \$1.00 each-refused because too low. (An offer of \$2.00 has just been received)			
<u>Smoke Generator Parts (Vehicular)</u>			277 000
Small metal parts (valves, fittings). Many are special and new uses will have to be found.			
<u>Wood Screws, Brass, New</u>	300 Tons 1634 Items		357 000
Only 4 bids received - none for complete lot. All rejected and screw industry is being circularized again at its own request.			
<u>Bolts, Miscellaneous</u>	8, 103, 482		2,053,399
All sizes and kinds including drift bolts, carriage and machine bolts, etc. Material frozen pending plan of distribution.			

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
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6. Medical and Hospital Supplies

<u>Dressings, first-aid packages</u>	34,100,000		4,000,000
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New declarations. Samples awaited.
About 1,600,000 are definitely a commercial product. Army has withdrawn 3 million of original lot, probably because of Red Cross manufacture.

<u>Flask, with Cup</u>	200,000	\$.33	66,000
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Laboratory equipment. Samples awaited.

<u>Medicines and Antiseptics</u>			5,800,000
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This listing covers many declarations recently declared by Army. It is made up of 12 types of preparations of highly technical nature, in great quantities. All are on new declarations. Samples are being obtained and will be tested to determine quality.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Petri Dishes, with Cover</u>	230,000	\$0.27	\$ 62,100.
Laboratory dish for making germ cultures. Sample awaited.			
<u>Sterilizers, new and used</u>	1381	\$300 (Av.)	495 037
Considered unsafe for medical department use by Army. Negotiations with manufacturer in process.			
<u>Adhesive Plaster</u>	154,000 rolls		184 800
Standard 12" wide rolls to fit hospital hand reel. May be withdrawn by Army for ordnance use.			
<u>Test Tubes, Glass</u>	4,670,000	\$.03	140 100
Samples awaited.			
<u>Talc, (decontaminating Agent)</u>	2900 Tons		100 000
Packaged. Region has been instructed to dispose of this remainder by end of this month. Any part unsold will probably be destroyed.			

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Suture, Silk, Dormal</u>	1,865,142 Pkgs.		\$ 140 066

Strands of threadlike silk used for sewing after minor surgery, largely external. Must be cataloged and are being offered to other government hospital agencies.

Surgical and Dental Instruments, Medicines and Supplies

1,846,000

Mostly non-standard, obsolete, or deteriorated. Includes \$52,228 in N. Y. Depot, \$250,000 in Louisville Depot, and \$100,000 dental supplies at Perry Point, Md. Bid invitations are being prepared for Louisville stock. Disposal policy for non-standard items is being formulated.

<u>Suture, catgut</u>	8,041,140		1,600,057
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Strand of catgut used in surgery for sewing after operations, largely internal. Must be cataloged and are being offered to other government hospital agencies.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Boxes, Tablet</u>	320,000 cartons	\$.40	\$128 000
500 boxes in a carton. Believed to be World War I stock. Samples awaited.			
<u>Floss, Silk</u>	510,000 spools		173 400
Samples awaited			
<u>Bandages, muslin</u>	134,584 Doz.		128 034
Samples awaited.			

7. General Products

<u>Cameras, Aircraft</u>	96		307 386
Each camera has great variety of collateral equipment. Obsolete type. Physical inspection being made. Informal negotiations with Fairchild Camera Co. in process.			
<u>Drums, 55 gallon, used</u>	95,273	2.50	237 182

130,000 declared by Army cannot be located physically. Scattered throughout country. Survey being made on condition of drums.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Gasoline cans, 5 and 7½ Gal.</u>	1,600,000	\$ 2.00	\$ 3,200,000

One million are "Jerricans" made after German model with spout that farmers like better than our regular Blitz can. The 7½ gal. square cans are suitable for shipping paint. Circular letter to trade on "Jerricans" going out this week. Sales of about 41,000 at an average price of \$.77 reported for last week

<u>Ammunition Boxes, new, metal</u>	103 373	\$ 0.55	56 855
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Hinged metal boxes for carrying small arms ammunition into combat. We have prospective purchaser for entire quantity for over-counter sale as utility box.

<u>Crates, Wood, used</u>	129 540	\$ 1.50	220 319
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Have been used for packing guns. Awaiting inspection and appraisal report.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Batteries, dry cells and packs</u>			\$ 150 000
Overage for Army use. Quantity increase from new declarations, just received.			
<u>Platform Trucks, Steel, New</u>	13,287	\$ 75.	\$ 996 525
Steel trucks on casters, designed to move airplane engines undergoing repairs. Bids are in at several regions and sales are being made.			
<u>Diesel Engines, Complete</u>	131		2,300,000
Being transferred to R.F.C.			

8. Paper and Office Equipment

. None

Total. \$ 56,539,793

SURPLUS USED CARS REPORT

For 7 days and Period Ended August 26, 1944
(Period Began January 1, 1944)

7 Days to August 26, 1944 PERIOD TO DATE

Total Used Cars Declared		<u>63</u>		<u>3772</u>
Less Declarations withdrawn	<u>9</u>		<u>98</u>	
Less Loans to Other Federal Agencies	<u>0</u>		<u>19</u>	
Less Transfers to Other Federal Agencies	<u>2</u>	<u>11</u>	<u>554</u>	<u>671</u>
Net Used Cars Declared for Sale		<u>52</u>		<u>3101</u>
Less Used Cars Sold		<u>110</u>		<u>2315</u>
Balance of <u>Used Cars</u> on hand				<u>786</u>

ANALYSIS OF INVENTORY

Inspected and ready for sale		<u>612</u>
Not inspected		<u>174</u>
		<u>786</u>

ANALYSIS OF DISPOSAL ACTIVITY

	<u>DECLARATIONS</u>	<u>DISPOSALS</u>	<u>INVENTORY END OF PERIOD</u>	<u>INVENTORY CHANGE</u>
Period Ending July 1st	2864	2013	851	✓ 14
4 Weeks Ending July 29th	624	610	865	✓ 14
4 Weeks Ending Aug. 26th	284	363	786	- 79

SURPLUS TRUCK REPORT

For 7 Days and Period Ended August 26, 1944
(Period Began January 1, 1944)

	<u>7 Days to August 26, 1944</u>		<u>Period to Date</u>
Total <u>Trucks</u> Declared		<u>728</u>	<u>23926</u>
Less <u>Declarations</u> withdrawn	<u>15</u>		<u>973</u>
Less <u>Loans</u> to Other Federal Agencies	<u>0</u>		<u>145</u>
Less <u>Transfers</u> to Other Federal Agencies	<u>46</u>	<u>61</u>	<u>2804</u>
			<u>3922</u>
Net <u>Trucks</u> Declared for Sale		<u>667</u>	<u>20004</u>
Less <u>Trucks</u> Sold		<u>697</u>	<u>16753</u>
Balance of <u>Trucks</u> on hand			<u>3251</u>

ANALYSIS OF INVENTORY

Inspected and ready for sale	<u>2043</u>
Not Inspected	<u>1208</u>
	<u>3251</u>

ANALYSIS OF DISPOSAL ACTIVITY

	<u>DECLARATIONS</u>	<u>DISPOSALS</u>	<u>INVENTORY END OF PERIOD</u>	<u>INVENTORY CHANGE</u>
Period Ending July 1st	20311	10300	10011	
4 Weeks Ending July 29th	1738	5308	6441	- 3570
4 Weeks Ending Aug. 26th	1877	5067	3251	- 3190

SURPLUS MOTORCYCLE REPORT

For 7 Days and Period Ended, August 26, 1944
(Period Began January 1, 1944)

	<u>7 Days to August 26, 1944</u>		<u>Period to Date</u>
Total Motorcycles Declared	<u>1095</u>		<u>7582</u>
Less Declarations withdrawn	<u>0</u>	<u>1</u>	
Less Loans to Other Federal Agencies	<u>0</u>	<u>0</u>	
Less Transfers to Other Federal Agencies	<u>0</u>	<u>210</u>	<u>211</u>
Net Motorcycles Declared for Sale	<u>1095</u>		<u>7371</u>
Less Motorcycles Sold	<u>114</u>		<u>5104</u>
Balance of Motorcycles on hand			<u>2267</u>

ANALYSIS OF INVENTORY

Inspected and ready for sale	<u>1446</u>
Not Inspected	<u>821</u>
	<u>2267</u>

ANALYSIS OF DISPOSAL ACTIVITY

	<u>DECLARATIONS</u>	<u>DISPOSALS</u>	<u>INVENTORY END OF PERIOD</u>	<u>INVENTORY CHANGE</u>
Period Ending July 1st	4518	4102	416	
4 Weeks Ending July 29	1126	636	906	/ 490
4 Weeks Ending August 26	1938	577	2267	/ 1361



TREASURY DEPARTMENT

WASHINGTON 25

August 29, 1944



MEMORANDUM TO THE SECRETARY

Attached is a copy of the Analysis of Acquisitions, Disposals, Inventory Balance of the twenty-five largest classifications on our inventory. This covers the period of August 1 to 15, 1944.

E. L. Olrich

E. L. Olrich
Assistant to the Secretary

Attachment

REPORT NO. 15

ANALYSIS OF

1. ACQUISITIONS
2. DISPOSALS
3. INVENTORY BALANCE

(25 LARGEST CLASSES)

PERIOD OF AUGUST 1 TO 15, 1944

PREPARED BY
CONTROL & REPORTS BRANCH
AUGUST 26, 1944

DISTRIBUTION
MR. OLRICH
MR. ATCHESON
MR. FREY
MR. WIDMANN
MR. DUNCAN

ANALYSIS OF ACQUISITIONS
AUGUST 1 TO 15, 1944
(25 LARGEST CLASSES)

DESCRIPTION	CLASS	APPRAISED VALUE	% OF TOTAL	RELATIVE POSITION 7/31
1 MOTOR VEHICLES	45	1 897 660	24.8	1
2 LEATHER	11	682 276	8.9	NR
3 END PRODUCTS OF METAL INDUSTRIES, EXCEPT MACHINERY & EQUIPMENT	75	596 851	7.8	2
4 FABRICATED TEXTILE PRODUCTS, EXCEPT APPAREL	69	568 164	7.4	7
5 FURNITURE & FIXTURES	54	535 166	7.0	3
6 APPAREL EXCEPT FOOTWEAR	67	353 064	4.6	4
7 FOOTWEAR	68	330 820	4.4	14
8 PROFESSIONAL & SCIENTIFIC INSTRUMENTS & APPARATUS, EXCEPT INDICATING, RECORDING AND CONTROLLING	58	323 969	4.2	24
9 MISCELLANEOUS END PRODUCTS OF MANUFACTURING INDUSTRIES	79	275 787	3.6	15
10 MISCELLANEOUS TRANSPORTATION EQUIPMENT	49	212 011	2.8	NR
11 CONSTRUCTION, MINING, EXCAVATING AND RELATED MACHINERY	36	157 889	2.1	11
12 PARTS	94	137 565	1.8	5
13 TRACTORS	37	132 206	1.7	NR
14 FABRICATED METAL BASIC PRODUCTS	25	120 451	1.6	16
15 AIRCRAFT	42	119 917	1.6	NR
16 MISCELLANEOUS EQUIPMENT	59	106 287	1.4	NR

**ANALYSIS OF ACQUISITIONS
AUGUST 1 TO 15, 1944
(25 LARGEST CLASSES)**

	DESCRIPTION	CLASS	APPRAISED VALUE	% OF TOTAL	RELATIVE POSITION 7/31
17	RUBBER END PRODUCTS, NATURAL & SYNTHETIC, EXCEPT FOOTWEAR & CLOTHING	74	100 569	1.3	6
18	DRUGS AND MEDICINES	65	99 918	1.3	13
19	CHEMICALS	19	79 576	1.1	18
20	TEXTILE BASIC MANUFACTURES	15	71 947	.9	9
21	ELECTRICAL MACHINERY & APPARATUS	32	67 350	.9	12
22	NONMETALLIC MINERAL BASIC PRODUCTS - CHIEFLY STRUCTURAL	26	56 862	.7	25
23	FERRO AND NONFERROUS ADDITIVE ALLOYS	38	56 475	.7	NR
24	LIVE ANIMALS	01	56 362	.7	NR
25	CONVERTED PAPER PRODUCTS AND PULP GOODS	72	53 306	.7	NR
	ALL OTHER		455 813	6.9	
	TOTAL ACQUISITIONS		7 648 261	100.	

NR - NOT INCLUDED IN JULY 31 REPORT

ANALYSIS OF DISPOSALS
AUGUST 1 TO 15, 1944
(25 LARGEST CLASSES)

DESCRIPTION	CLASS	APPRAISED VALUE	% OF TOTAL	RELATIVE POSITION 7/31
1 MOTOR VEHICLES	45	2 200 478	53.7	1
2 APPAREL, EXCEPT FOOTWEAR	67	428 604	10.5	2
3 FABRICATED TEXTILE PRODUCTS, EXCEPT APPAREL	69	234 334	5.7	5
4 FURNITURE & FIXTURES	54	190 306	4.6	9
5 LEATHER	11	157 660	3.9	8
6 END PRODUCTS OF METAL INDUSTRIES, EXCEPT MACHINERY & EQUIPMENT	75	91 215	2.2	4
7 NONMETALLIC MINERAL BASIC PRODUCTS - CHIEFLY NONSTRUCTURAL	27	64 509	1.6	24
8 FABRICATED METAL BASIC PRODUCTS	25	63 310	1.6	17
9 TEXTILE BASIC MANUFACTURES	15	59 978	1.4	7
10 LIVE ANIMALS	01	56 967	1.3	NR
11 END PRODUCTS OF LEATHER, EXCEPT APPAREL, FOOTWEAR AND LUGGAGE	71	47 869	1.2	16
12 TOILETRIES, COSMETICS, SOAP, AND HOUSE- HOLD CHEMICAL PREPARATIONS	66	46 968	1.2	NR
13 RUBBER END PRODUCTS, NATURAL & SYNTHETIC, EXCEPT FOOTWEAR & CLOTHING	74	43 193	1.1	NR
14 FINISHED WOOD PRODUCTS, EXCEPT FURNITURE & MILLWORK	76	40 312	1.0	19
15 CONSTRUCTION, MINING, EXCAVATING & RELATED MACHINERY	36	34 564	.8	18

ANALYSIS OF DISPOSALS
AUGUST 1 TO 15, 1944
(25 LARGEST CLASSES)

DESCRIPTION	CLASS	APPRAISED VALUE	% OF TOTAL	RELATIVE POSITION 7/31
16 FOOTWEAR	68	32 362	.8	3
17 TRACTORS	37	28 350	.7	NR
18 MISCELLANEOUS BASIC MATERIALS	29	24 331	.6	NR
19 GENERAL PURPOSE INDUSTRIAL MACHINERY AND EQUIPMENT	31	21 492	.5	15
20 METALWORKING MACHINERY	34	21 338	.5	25
21 ELECTRICAL MACHINERY & APPARATUS	32	21 154	.5	NR
22 WOOD BASIC MATERIALS, EXCEPT PULPWOOD	13	15 312	.4	NR
23 SPECIAL INDUSTRY MACHINERY	33	12 625	.3	11
24 CHEMICALS	19	11 044	.3	NR
25 STEEL	22	10 089	.2	NR
ALL OTHER		137 359	3.4	
TOTAL DISPOSALS		4 095 723	100.	

NR - NOT INCLUDED IN JULY 31 REPORT

INVENTORY OF SURPLUS PROPERTY
25 LARGEST CLASSES
AUGUST 15, 1944

	DESCRIPTION	CLASS	APPRAISED VALUE	% OF TOTAL	RELATIVE POSITION 7/31
1	MOTOR VEHICLES	45	4 294 388	13.1	1
2	FURNITURE AND FIXTURES	54	2 989 901	9.1	2
3	LEATHER	11	2 319 854	7.1	5
4	FABRICATED TEXTILE PRODUCTS, EXCEPT APPAREL	69	2 269 608	6.9	4
5	END PRODUCTS OF METAL INDUSTRIES, EXCEPT MACHINERY AND EQUIPMENT	75	2 180 724	6.7	6
6	APPAREL, EXCEPT FOOTWEAR	67	2 109 091	6.4	3
7	FOOTWEAR	68	1 403 660	4.3	9
8	MISCELLANEOUS END PRODUCTS OF MANUFACTURING INDUSTRIES	79	1 395 544	4.3	8
9	FABRICATED METAL BASIC PRODUCTS	25	1 197 894	3.7	7
10	END PRODUCTS OF LEATHER, EXCEPT APPAREL, FOOTWEAR, & LUGGAGE	71	890 737	2.7	10
11	PROFESSIONAL & SCIENTIFIC INSTRUMENTS & APPARATUS, EXCEPT INDICATING, RECORDING AND CONTROLLING	58	887 802	2.7	12
12	RUBBER END PRODUCTS, NATURAL AND SYNTHETIC, EXCEPT FOOTWEAR & CLOTHING	74	726 780	2.2	11
13	CONSTRUCTION, MINING, EXCAVATING AND RELATED MACHINERY	36	718 641	2.2	13
14	MISCELLANEOUS EQUIPMENT	59	598 865	1.8	18
15	AIRCRAFT	42	581 030	1.8	19

INVENTORY OF SURPLUS PROPERTY
25 LARGEST CLASSES
AUGUST 15, 1944

	DESCRIPTION	CLASS	APPRAISED VALUE	TOTAL	RELATIVE POSITION 7/31
16	SMALL ARMS & COMPONENTS	81	573 552	1.8	14
17	ELECTRICAL MACHINERY & APPARATUS	32	553 358	1.6	15
18	TEXTILE BASIC MANUFACTURES	15	522 994	1.6	17
19	CHEMICALS	19	402 811	1.2	24
20	DRUGS AND MEDICINES	65	371 585	1.1	22
21	PARTS	94	371 311	1.1	NR
22	MISCELLANEOUS ORDNANCE & ORDNANCE MATERIEL	89	354 530	1.1	23
23	GENERAL PURPOSE INDUSTRIAL MACHINERY & EQUIPMENT	31	348 455	1.1	21
24	PLUMBING & HEATING EQUIPMENT	51	331 411	1.0	16
25	METALWORKING MACHINERY	34	315 323	1.0	25
	ALL OTHER		4 077 316	12.4	
	TOTAL INVENTORY		32 787 165	100.	

NR - NOT INCLUDED IN JULY 31 REPORT



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25

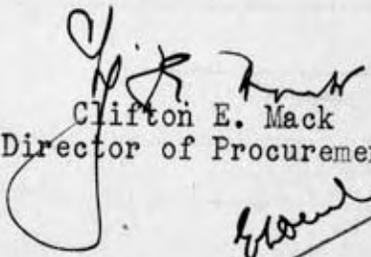
**SECRET**

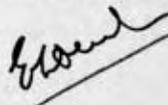
August 29, 1944

MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

A requisition has been received for 4,000,000 square yards of translucent cloth to be used for replacement of windows for blitzed houses in the United Kingdom.


Clifton E. Mack
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 23, 1944
 (In Millions of Dollars)

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous & Undistributed</u>
Allocations	\$5522.5 (5522.2)	\$2627.0 (2627.0)	\$2257.3 (2257.3)	\$133.9 (133.9)	\$15.9 (15.9)	\$488.4 (488.1)
Requisitions in Purchase	\$ 149.9 (167.6)	\$ 30.9 (27.8)	\$ 45.4 (66.1)	\$ 2.1 (.2)	- -	\$ 71.5 (73.5)
Requisitions not Cleared by W. P. B.	\$ 122.9 (72.3)	\$ 56.5 (30.9)	\$ 55.2 (30.4)	\$.1 (.1)	- -	\$ 11.1 (10.9)
Obligations (Purchases)	\$3925.3 (3909.2)	\$1961.4 (1957.8)	\$1607.4 (1597.5)	\$ 62.5 (63.1)	\$13.4 (13.3)	\$280.6 (277.5)
Deliveries to Foreign Governments at U. S. Ports*	\$2305.7 (2284.0)	\$1419.4 (1414.2)	\$ 812.5 (796.5)	\$ 24.4 (24.1)	- -	\$ 49.4 (49.2)

*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 16, 1944.

SECRET

EXPLANATION OF DIFFERENCE

The decrease in Obligations for China is a result of refunds of overpayments by contractors.

APOSTOLIC DELEGATION

2339 Massachusetts Ave.

No. 581/42

August 29, 1944.

My dear Mr. Stettinius:

With reference to your esteemed letter of June 24, 1944, regarding the status of Jews interned in Germany and other Axis-controlled countries, I wish to inform you that I have received the following report from the Secretariate of State:

On the twenty first of August the Apostolic Nunciature in Bucharest sent a communication to the effect that the Rumanian Government declared that it is disposed to grant the request regarding the treatment of Jews but the Government likewise points out that concentration camps for Jews are no longer in existence there.

With sentiments of esteem and every best wish, I remain

Sincerely yours,

/s/ A. G. CICCOGNANI
Archbishop of Laodicea
Apostolic Delegate

The Honorable
Edward R. Stettinius, Jr.
Under Secretary of State
Department of State

CONFIDENTIAL

No. 2053

Quito, Ecuador, August 29, 1944

**Subject: Ecuadoran Response to Proposal to Receive Refugee Children
from Hungary**

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Department's telegram No. 680 of August 10, 1944, I have the honor to enclose a copy and translation of an aide memoire from the Ministry for Foreign Affairs concerning its acceptance in principle of the proposal with respect to refugee children from Hungary.

It will be noted that the Ecuadoran Government has once again failed to indicate specifically the number of children which it would be prepared to receive. However, a high official of the Ecuadoran Foreign Office in conversation with an officer of the Embassy today stated that his Ministry was awaiting communications in the matter from two other interested Government departments and hoped to be able to provide the Embassy with a definite figure within two or three days. The Embassy will, of course, cable this information to the Department as soon as it is received.

Respectfully yours,

Enclosures:

1. Copy of aide memoire.
2. Translation

SM:1
CGR:nt

Enclosure No. 2 to despatch No. 2053 of August 21, 1944, from American Embassy, (Quito, Ecuador.

TRANSLATION

REPUBLIC OF ECUADOR
Ministry for Foreign Affairs
Diplomatic Department

CONFIDENTIAL

AIDE MEMOIRE

The Ministry for Foreign Affairs has studied with the greatest care and with real interest the contents of the aide memoire presented by the Embassy of the United States of America on August 21.

Ecuador, which on July 21 last made known its intention of receiving immediately a small group of orphaned or abandoned European children, takes pleasure in informing the American Embassy that it would be disposed to amplify considerably the pre-established quota for receiving children from Hungary and France provided that the War Refugee Board would furnish the necessary funds for the maintenance and education of these children.

Consequently, Ecuador will be able to determine exactly the number of children that it will be disposed to receive when the War Refugee Board directly or through the American Embassy notifies it of the amount of money that it would be disposed to furnish for each child.

The Ministry for Foreign Affairs agrees to the necessity of considering jointly with other nations, should the case arise, plans for the possible undertaking of a large scale immigration of refugee children. But until it comes to such planning, which perhaps world events of the near future will render unnecessary, Ecuador is disposed to treat this matter with a very high criterion as befits the humanitarian nature of the negotiations.

Quito, August 24, 1944

TR:CGH:st

Miss Channoy (for the Sec'y), Abrahamson, Aksin, John, Drury, DuBois, Friedman, Garton, Hedel, Laughlin, Lesser, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Weinstein, Cable-Control-Files

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: August 29, 1944
NUMBER: 7023

CONFIDENTIAL

We have not been able to identify Romy Goldmuntz's address, and the London office of the World Jewish Congress knows neither the name nor the address. Clarification from you is requested.

WINANT

MS-966

PLAIN

LONDON

DATED August 29, 1944

REC'D 3:10 p.m.

Secretary of State,
Washington.
7053, Twenty-ninth

At plenary session IGC August 15 United States was unanimously elected to membership. New executive committee director IGC now requests that he be informed of name of person who will represent our government on executive committee. He also suggests we may wish to nominate a substitute in case our representative unable attend a particular meeting.

Instructions are requested.

WINANT

LMS

LC-996
 Distribution of
 true reading only by
 special arrangement.
 (SECRET W)

Lisbon

Dated August 29, 1944

Rec'd 4:30 p.m.

Secretary of State,
 Washington.

2657, August 29, 1944 noon (SECTION ONE OF TWO)

Referring first paragraph agree that rescue operations through Spain and Portugal now unnecessary and unwise. Have communicated your decision all private organizations concerned and they all state that no further efforts will be made to rescue either children or adults from France through Spain and are so notifying their representatives. Reurtel 2331 WRB 81, August 24. THIS WRB 166 FOR PEHLE FROM DEXTER.

Answering your inquiry unfinished tasks before WRB here are (A) evacuation Spanish Republican refugees from Portugal on which mere beginning has been made. Reurtel 1819, June 24 and following telegrams same subject. Mexico City and Washington both dilatory. If political situation should change this task unnecessary. Should not take more than three months if responses come quickly. Procedure once established by Board might be left to consular section in less than three months. (B) War Refugee Board should help with evacuation to Palestine of Jewish refugees now in Spain and Portugal. Indications now are that ship may be available October. (C) WRB should probably be represented here as long as Lisbon remains headquarters for Europe for private American agencies. All agencies planning to leave but time for departure will depend on when they can enter France or Switzerland. (D) While Government has feelings with Portugal if every effort were made within next few weeks to evacuate as many as possible of refugees now here and to see that best possible arrangements were made for care of residue. In view various notes sent Portuguese Government at instigation of WRB, Board has moral if not legal obligation to assist every way possible.

NORWEB

EDA

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

LC - 989
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 special arrangement.
 (SECRET W)

Lisbon

Dated August 29, 1944

Rec'd 5:03 p.m.

Secretary of State,

Washington.

2657, August 29, noon (SECTION TWO)

(E) In view Embassy's assurances to Portuguese Government, arrangements should be made for any Hungarian Jewish refugees who arrive here. Very doubtful their arrival however.

Believe all above could be accomplished or put in trains or that they could be cared for by regular diplomatic staff within three months possibly two.

Suggest that Dexter and Widen could at end of that period or possibly before (one) go to France representing WRB if Mann's negotiations admit that possibility; (two) accept any assignment elsewhere which WRB or Department makes; (three) if Unitarian Service Committee desires their services here or elsewhere they could return to previous employment; (four) if no longer needed in Europe by WRB, Department or USC they be returned home and resign from service. Urge once more importance of American representative in France whether under WRB or other auspices as soon as possible to prevent duplication of refugee situation that occurred in Italy. Hope Mann's trip England will result in staff going there soon.

(END OF MESSAGE)

NOR/EE

WFS

EH

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

MAE-975
Distribution of true
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arrangement. (SECRET W)

Lisbon

Dated August 29, 1944

Rec'd 5:20 p.m.

Secretary of State

Washington.

2659, August 29, 5 p.m.

Sending note Portuguese Foreign Office embodying
substance DEPTTEL 2332, August 24, This WRB 168. Also
making necessary detailed arrangements consular Section
and advising private agencies here.

NORWEB

WES

KEC

HIS - 105

PLAIN

Lisbon

Dated August 29, 1944

Rec'd 12:53 a.m., 30th

Secretary of State,

Washington

2662, Twenty-ninth, 7 p.m.

FOR LEAVITT FROM SCHWARTZ JDC 59 WRB 169

View your cable and similar message from WRB we have instructed our representatives Spain discontinue further efforts to bring out either adults or children from France through Spain. We are in agreement with the decisions taken in this matter. Are now ~~conducting~~ conducting our efforts transport to Palestine visa holders in Iberian Peninsula and Tangiers, especially the children and young people who arrived in recent months from France. In this connection we have possibility of Spanish ship to Palestine sometime in September concerning which will advise more fully next days also continue negotiations for Portuguese steamer which will transport balance Palestine certificate holders these areas and make possible complete evacuation all Palestine visa holders. There are in Bergenbelsen about 155 Sephardic Jews having Spanish passports whose entry into Spain has been promised by the Spanish Government and for whom we understand exit permits are now available. We believe it of utmost importance that American Embassy, Madrid, intervenes vigorously with Spanish Government to effect release of these people and their admission into Spain. In order de this it may be necessary give guarantee to Spanish Government that this group will be removed from Spain within reasonable time. We urge you undertake all necessary steps your end. We doing everything possible from here.

NORWEB

EEC

CSS-55
Distribution of true
reading only by special
arrangement. (SECRET W)
Secretary of State,
Washington,

Lisbon

Dated August 29, 1944

Rec'd 9:35 p.m.

2663, August 29, 7 p.m.

First consignment of food packages for Yugoslavian labor camps has been sent through Intercross from Switzerland and further shipments are to be expected. This is last paragraph our No. 42, August 3. This is WRB 170 FROM SCHWARTZ FOR LEAVITT #DC 60.

Penultimate paragraph follows. 22,700,000 Chinese dollars were sent for July, 16,300,000 in June and 11,800,000 in May. July budget was 30,000,000 the equivalent of approximately \$34,000.

NORWEB

FMH

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

August 29, 1944

2 p.m.

AMCONSUL

JOHANNESBURG

274

The following is from War Refugee Board in reference to your airgram A-27 of July 25 explaining interest of South African Red Cross and South African Jewish War Relief in efforts of Board for relief of Jews in Rumania.

Kindly inform the above organizations that the following are among the Board's activities on behalf of Jews in Rumania.

- (1) Organizing, arranging and implementing programs of private agencies for the relief of Jews;
- (2) Encouraging rescue programs, including transportation of Jews to safe areas and finding of refuge havens for war's duration;
- (3) Advancing measures designed to induce the Rumanian Government to cease further persecution of Jews.

The Board will be pleased to receive the cooperation of the above named organizations, if they are prepared to cooperate with its program in any way.

HULL
(GLW)

WRB:MMV:EG
8/29/44

BC

SE

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 29, 1944
NUMBER: 2978

CONFIDENTIAL

Reference is made to Department's 2877 of August 21, WRB 122.

Please inform Swiss Government that Ireland extended in principle its offer of refuge to 500 children to cover children from Hungary as well as those from France. Likewise Honduras extended its offer of refuge to 50 children to cover children from Hungary.

If you believe that it will be helpful, the above information may be transmitted to Hungarian authorities through official Swiss or Intercross channels.

This is WRB Bern Cable No. 151.

Repeated to Amembassy, London, as No. 6920 for information of Ambassador and for transmission to IGC.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 29, 1944
NUMBER: 2979

CONFIDENTIAL

Cable to McClelland.

Reference is made to your 5068 paragraph two. We assume that your reference to Italian Slovakian rescue plans refers to your 4666 of July 21 and 5079 of August 7. If assumption incorrect, please clarify.

We approve of your support (including financial aid) of project described in your 4666 and you are authorized to continue such support at your discretion.

Regarding your 5079 please refer to Department's 2817 of August 16.

This is WRB Bern Cable No. 150.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 29, 1944
NUMBER: 2981

CONFIDENTIAL

Please transmit the following message to Sternbuch:

QUOTE Please request Intercross to call attention
its Delegation, Hungary, to 500 children beneficiaries
of Tangier visas awaiting evacuation. Names and addresses
known to Genne Reichman, Tangier, and presumably to
Spanish Legation, Budapest. Vaad Hahatzala Emergency
Committee. UNQUOTE

THIS IS WRB CABLE TO BERN NO. 149.

HULL

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

Please deliver the following message to Saly Mayer from
M. A. Leavitt, American Jewish Joint Distribution Committee:

QUOTE PLEASE CONTACT MEXICAN LEGATION BERN REGARDING
INSTRUCTIONS THEY RECEIVED FROM MEXICAN GOVERNMENT TO OBTAIN
FROM YOU LIST OF 400 OUTSTANDING HUNGARIAN JEWISH COMMUNAL
LEADERS, RABBIS ETC. TO WHOM DOCUMENTS WILL BE ISSUED BY
SWEDISH LEGATION BUDAPEST ON BEHALF MEXICAN GOVERNMENT STOP
THESE DOCUMENTS WILL ENTITLE THESE HUNGARIAN JEWS TO PROTECTION
OF SWEDEN AS PROTECTING POWER FOR MEXICAN NATIONALS STOP
ASSUME YOU WILL COMPILE LIST OF OUTSTANDING PERSONALITIES
BASIS YOUR OWN KNOWLEDGE AND AFTER CONSULTATION WITH WHOMEVER
YOU BELIEVE DESIRABLE UNQUOTE

THIS IS WRB CABLE TO BERN NO. 152

3:15 p.m.
August 29, 1944

RDrury 8/24/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Montevideo
TO: Secretary of State, Washington
DATED: August 29, 1944
NUMBER: 817

CONFIDENTIAL

Reference is made herewith to Department's Airgram of April 15 and Embassy's cable of May 6, No. 427.

The Government of Uruguay has agreed formerly to the admittance of 500 refugee children. By airmail we are sending details.

DAWSON

DCR:VAG:MEM 9/1/44

EMBASSY OF THE
UNITED STATES OF AMERICACONFIDENTIALMontevideo, Uruguay
August 29, 1944No. 4743

Subject: Uruguay agrees to Admit 500 Refugee Children from Europe.

The Honorable
The Secretary of State,
Washington.

Sir:

1/ In confirmation of the Embassy's telegram no. 1817 of August 29, 11a.m., 1944, I have the honor to transmit herewith a copy of the note of the Minister for Foreign Affairs, in which he states that authorization will be granted for the issuance of visas to 500 refugee children from Europe, in accordance with the conditions set forth in this Embassy's memorandum of May 4, 1944, (copy enclosed), which was based on the Department's circular airgram of April 15, 7 p.m., 1944.

2/

Respectfully yours,

For the Ambassador:

Edward J. Sparks
I Secretary of Embassy

Enclosures:

1. Note from Minister for Foreign Affairs dated August 28, 1944.
2. Embassy's note to Foreign Office dated May 4, 1944.

EJS
EJS:led(To Department in single
copy for Osalid)

Enclosure no. 2 to despatch no. 4743 dated August 29, 1944 from American Embassy, Montevideo, Uruguay.

MEMORANDUM

CONFIDENTIAL

The Department of State has authorized the consular officers of the United States in Switzerland to issue up to 4,000 immigration visas to refugee children up to sixteen years of age, under exceptionally liberal conditions. The purpose of this authorization is to facilitate the escape to Switzerland of orphaned or abandoned children by giving assurances to the Swiss Government that these children will not remain in Switzerland after the termination of hostilities in Europe. The authorization contains provisions for the continued renewal of the visas until such time as adequate transportation facilities to the United States become available.

If there are private agencies in Uruguay willing and able to undertake a program for the care of refugee children, the War Refugee Board is confident that it can make arrangements to provide those agencies with adequate funds for the maintenance, education and welfare of as many children as the Government of Uruguay will be willing to admit. Should it prove necessary, funds would undoubtedly be available to meet transportation expenses from Switzerland to Uruguay. It is conservatively estimated that there are in France alone eight to ten thousand abandoned or orphaned refugee children.

If the Uruguayan Government should be willing to take similar action it is requested that it give assurances to the Swiss Government, through its diplomatic mission in Bern, that it will accept up to a fixed number of refugee children in a manner similar to that of the Government of the United States. It is further requested that the Ministry of Foreign Affairs authorize its Chief of Mission in Bern to issue the appropriate number of immigration visas and to maintain their validity until suitable transportation facilities from Switzerland to Uruguay become available. The special representative of the War Refugee Board attached to the American Legation in Bern will be glad to cooperate with the Uruguayan diplomatic and consular officers in this as well as in all other refugee matters.

Montevideo, May 4, 1944.

EJS:led

cc: Miss Gannery (Private)

SECRET

OPTEL No. 282

Information received up to 10 a.m., 29th August, 1944.

1. NAVAL

On 27th/28th a French Destroyer, one of H.M. Frigates and M.T.B.'s attacked convoy of two coasters, three trawlers and some R-boats off CAP D'ANTIFER. The two coasters were sunk and two other ships damaged.

BRITTANY. FINISTERRE. Reported that LOCTUDY, BENODET and CONCARNEAU are clear of enemy and that the Germans are concentrating in the CROZON Peninsula.

2. MILITARY

FRANCE. Continued good progress by U.S. forces south and east of PARIS where they are now closing up to MARNE on the 50 mile stretch between CHATEAU THIERRY and PARIS. Advanced elements are across MARNE and on line of AISNE from SOISSON eastwards, while other columns are within 20 miles of CHALONS SUR MARNE. U.K. and Canadian forces are strengthening and expanding their bridgeheads over the SEINE. In the coastal sector Canadians are pushing the Germans into the great loops of the SEINE and have captured ROUTOT and QUILLEBEUF. U.S. forces are making some headway at BREST against determined opposition.

SOUTHERN FRANCE. Forces are working up the RHONE Valley. They have already cleared east bank as far as DONZERE. Slight expansion of bridgehead to north and east where line has reached River VAR.

ITALY. Slight progress in ADRIATIC Sector. Patrols have reached outskirts of URBINO, both from east and south.

RUSSIA. Russians report progress S.E. of VALKA and have captured OSTROW-MAZOWIECKA, 30 miles S.S.W. LOMZA. In the south they have advanced further northwest of ADJUD, have captured BRAILA and completed the liquidation of the remaining German forces surrounded S.W. of KISHINEV. Ships and landing units of the Black Sea Fleet have forced the DANUBE and captured TULCEA and the Naval Base of SULINA.

3. AIR OPERATIONS

WESTERN FRONT. 28th. Bomber Command aircraft dropped 471 tons on 12 flying bomb launching sites; 115 on coastal battery near ST. BRIEUC and 99 on shipping at BREST. Bombing was concentrated.

U.S. Fighters attacked railways and roads in North East FRANCE, the Low Countries and near Franco-German boundary, destroying or damaging 377 locomotives, 1,847 railway wagons and 298 other vehicles.

A.E.A.F. medium bombers dropped 285 tons on four ammunition and fuel dumps in North East FRANCE and 106 on Duclair Ferry near ROUEN. 595 fighters attacked German transport destroying many motor vehicles and several tanks.

German casualties 29, 1, 8. Ours, 1 medium bomber, 24 fighters.

28th/29th. 66 aircraft despatched including 35 Mosquitoes ESSEN. All returned.

ITALY AND SOUTHERN FRANCE. 26th/27th. Bombers dropped 207 tons on troop concentrations PESARO area and 68 light bombers attacked communications Northern Italy.

27th. 189 medium bombers attacked gun positions on RATENNEAU Island and 403 aircraft attacked communications and defensive positions Northern Italy. A 7,000 ton ship at IMPERIA was set on fire. 28th. 89 heavy bombers (6 missing) dropped 74 tons on Avisio viaduct and 152 on Ora railway bridge, Brenner Pass.

CENTRAL EUROPE. 28th. Heavy bombers from Mediterranean dropped 357 tons on oil refinery near VIENNA, 218 on oil refinery 45 miles N.W. BUDAPEST; 172 on SZOLNOK railway bridge and 226 on MISROLE railway centre.

Fair

W.S.H.
JWS

August 30, 1944

MEMORANDUM FOR SECRETARY MORGENTHAU

From: Assistant Secretary Sullivan
Commissioner Nunan

We have conferred with several people in the Treasury and in the Bureau and we are all in accord that no satisfactory speech or statement can be written in answer to any possible charges that Governor Dewey can make against the Treasury on the tax front until we have read the charges.

However, we have scanned the possibilities and it appears to us that if charges are made they will involve:

1. Excess profits taxes,
2. Corporate income taxes,
3. Renegotiation,
4. Individual tax rates, exemptions and credits,
5. The failure to enact a Federal sales tax,
6. Excise taxes, and
7. Complications of the form filed in March of 1944.

Accordingly, we have assembled the pertinent statistics and arguments on each of these points so that a defense and explanation of those items of which Governor Dewey is critical can be readily assembled.

It is our opinion that the general public is unaware of the tremendous job that has been done in the administration of taxes in the last five years--a period in which we have collected more taxes than had been collected in the previous 150 years. We believe the public should be told of the tremendous increases in returns and revenue yields in this five-year period. We also believe that the public should be congratulated upon their splendid response to the fiscal demands of the country. Accordingly, we are attaching a proposed opening paragraph for any statement to be made in response to Governor Dewey's criticism of the administration of taxes.

Attachments

Excess-Profits Tax

An objective which has had the full sympathy of all parties concerned with tax matters is the prevention of excessive war profits. Government policy in this respect has been based on a number of social and economic considerations. Of prime importance has been fairness in the distribution of wartime sacrifices. This had to be considered in conjunction with the need for adequate incentives for increased production and for effective measures to combat inflation.

In this war, as in the first World War, the chief instrument for preventing excessive profits has been the excess-profits tax on corporations. Enacted under the Second Revenue Act of 1940, it provided for a tax on income in excess of a credit based either on invested capital or average earnings during the 1936-39 base period.

The original rates were graduated from 25 to 50 percent, but the tax was subsequently increased to a flat rate of 90 percent in the 1942 Act and 95 percent in the 1943 Act. However, under these latter rates, a postwar credit equal to 10 percent of the excess-profits tax has been allowed. In addition, a limit was placed on the excess-profits tax so that, when added to the normal tax and surtax, the combined liability was not to exceed 80 percent of corporate surtax net income. Abnormal situations have been recognized by various relief provisions, and a method of averaging income and excess profits has been provided through the two-year carry-backs and carry-forwards.

It cannot be said that the excess-profits tax has been wholly successful in recapturing excessive war profits. While its yield is substantial — 1944 liabilities are estimated at \$9 billion after the 10-percent postwar refund —, corporate profits after taxes have increased enormously. Comparing the calendar year 1943 with 1939, the excess-profits tax, together with the additional normal tax and surtax on corporations, has recovered about two-thirds of the increase in corporate profits before taxes (but after renegotiation of war contracts). This one-third of additional profits which corporations have been allowed to keep is one and one-half times as large as the 1939 level after taxes.

Aside from the reduction of excessive corporate profits, the excess-profits tax has played a key role in the integrated program to finance the war without danger of inflation. The heavy taxation of profits is essential to the maintenance of price ceilings and wage and salary stabilization.

Corporation Income Taxes

The joint effect of rate increases and the enormous expansion of corporate profits boosted corporation income tax liabilities from \$1.2 billion in 1940 to an estimated \$4.4 billion in 1944.

Substantial reliance on increases in the corporate normal tax and surtax was necessary because of the unavoidable imperfections in the excess-profits tax law. At best, it is extremely difficult to single out excess profits and war profits by legal definition. The corporate normal tax and surtax afforded an instrument for tapping war profits that were not defined as excess profits in our tax law. Furthermore, not all excess profits can be taken by taxes without impairing managerial incentives. Additional income taxes offered assurance that all corporations which had benefited from the war would make an additional tax contribution.

At the same time Treasury policy regarding corporate income taxes has been tempered by the necessity for keeping corporations in a sound financial condition for the postwar conversion. That this objective has been achieved is indicated by the large amounts of liquid assets which corporations have been able to accumulate during the war.

Prior to 1940, the corporation income tax was levied at 19 percent when net incomes exceeded \$25,000 with lower rates for small corporations. The normal rate was raised to 24 percent in 1940 and stabilized at that level. In the following years, however, increases in the corporation income tax came by way of a surtax in lieu of a further increase in the 24 percent normal tax which would have accrued to the advantage of holders of partially tax-exempt securities. The present combined normal tax and surtax on net incomes over \$50,000 of 40 percent was enacted in the 1942 Act.

Renegotiation

The belief that excessive profits should not be made on war contracts found Congressional expression in the profit-limitation provisions of the Vinson-Trammell Act of 1934. These provisions were suspended, however, upon enactment of the excess-profits tax in 1940. Its suspension was motivated by the belief that the Act was discriminatory in its coverage, that it was based on an arbitrary formula for reasonable profits, and that it created an impediment to prompt placement of contracts.

The suspension of this Act and its replacement by the excess-profits tax could only partially cope with the problem of securing reasonable prices on war contracts, particularly in view of the authorization given to the military establishment in 1940 to negotiate contracts rather than to award them by competitive bidding. At that time, the dominating consideration was speed rather than cost. Accordingly, in early 1942 the War Department instituted a procedure for renegotiation of contracts which was embodied in subsequent legislation applicable to contracts and subcontracts entered into by the Governmental procurement agencies.

Estimated renegotiation recoveries during 1942-44 on goods already delivered at the time of renegotiation amount to \$4 billion. In addition, renegotiation has reduced the prices of goods yet to be delivered at the time of renegotiation — an effect which is at least as important as recoveries of payments for goods already delivered, and has resulted in lower prices in new contracts. Therefore, even though a substantial portion of renegotiation recoveries would have been taken by taxes, renegotiation has reduced excessive profits more than taxes could have and has achieved a significant lowering of contract prices.

Treasury Department, Division of Tax Research

August 26, 1944

Individual Income Tax

Expansion of the individual income tax accounted for one-half (\$17,280 million) of the total increase (\$34,800 million) in internal revenue collections from the fiscal year 1940 to the fiscal year 1944. In the latter year individual income taxes yielded \$18,260 million. Under the stimulus of lowered exemptions and expanded incomes, the number of taxpayers increased more than tenfold from 1940 to 1944.

Despite the unprecedented growth of the individual income tax, collections failed to keep pace with the wartime growth in individual income. Even after deduction of all personal taxes, income payments to individuals rose from \$68 billion in the calendar year 1939 to \$124 billion in 1943. Net savings during this period rose from \$6 billion to \$33 billion. These figures indicate, first, that the wartime increases in the individual income tax were, in the aggregate, well within the limits of ability to pay and, second, that these increases, while contributing heavily to the stabilization program, left greatly expanded spending power in the hands of consumers.

The heavy reliance on the individual income tax in wartime is an acknowledgement of its ability to raise huge revenues in a way that meets the demands of equity and reduces inflationary pressure. Its personal exemptions protect minimum living standards and recognize differences in family responsibilities. The combination of exemptions and progressive rates has distributed financial burdens according to ability to pay without impairing the incentives to exert a maximum effort in war production. Strengthened by the shift to current payment, the income tax has been effective in withdrawing vast sums that might otherwise have been spent in an inflationary way.

Personal exemptions were progressively reduced from a level of \$2,500 for married couples and \$1,000 for single persons in 1939 to a uniform \$500 exemption for the taxpayer, for his spouse, and for each of his dependents under the Individual Income Tax Act of 1944. The credit for dependents, formerly \$400, was reduced to \$350 in 1942, and was replaced by the uniform \$500 exemption in 1944. The sharp reduction in the level of exemptions during the war provided the broad tax base needed to raise large amounts of revenue and to make the income tax more effective as a stabilization measure. The changes in the exemption system in 1944 also contributed substantially to the simplification of the income tax.

Rates were sharply and steadily increased during the defense and war periods, from a range of 4 percent to 75 percent in 1939 to a range of 23 percent to 94 percent in 1944. In 1939 the normal tax was 4 percent, and the surtax began at 6 percent after an exemption of \$4,000 of surtax net income. In 1944 the normal tax had become a special tax of 3 percent, and the surtax began at 20 percent on the first dollar of surtax net income. The high wartime individual income tax rates, like the high corporation rates, limited the possibilities of war profiteering. The very high rates on the upper brackets have ample justification in circumstances where starting rates of 23 percent are needed to raise the requisite revenue.

The 3-percent normal tax now in effect is a substitute for the wartime Victory tax, which had been added to the regular income tax by the Revenue Act of 1942. It was in effect only for the income year 1943 and applied at a rate of 3.75 percent to single persons and 3 percent to married persons (less .1 percent for each dependent) on income in excess of \$624 per income recipient. It was repealed by the Individual Income Tax Act of 1944.

The great wartime expansion of the individual income tax called for a revision of payment methods and for simplification. The Treasury proposed current collection at source as early as 1941, and this device was applied to wages and salaries for Victory tax purposes by the Revenue Act of 1942 and extended to the regular income tax by the Current Tax Payment Act of 1943. By this means a convenient method of payment was provided for the millions of wage-earners accustomed to weekly and monthly budgets. In addition, the Current Tax Payment Act provided for current payment of liabilities on incomes not subject to withholding, by means of current quarterly payments. The individual income tax was thus strengthened as an instrument of war finance not only because it was made easier to pay but because the withdrawal of purchasing power was accelerated and the tax was made more immediately responsive to changes in the national income.

As the individual income tax grew to embrace approximately 50 million taxpayers, it became imperative to simplify tax compliance. Several simplifying changes were made in 1942 and 1943. Through the cooperative work of the Treasury and the Congressional Committees, a plan for further simplification was developed and put into effect through the Individual Income Tax Act of 1944. This act set up a system under which 30 million wage and salary earners can use their withholding receipt as a simple tax return, with the collector of internal revenue computing their tax and either issuing an assessment or a refund; 10 million taxpayers can file a simple return and compute their tax from a tax table; and the remaining 10 million taxpayers can use substantially simplified returns.

Excise Taxes

In the excise tax field, the Treasury has attempted to steer a course which would contribute to the wartime revenue goal and at the same time be conducive to an efficiently operated war economy.

Successive upward revisions of rates in each year's revenue act and the introduction of several new excises boosted the yield of these taxes from \$1,870 million in the fiscal year 1940, to \$2,380 million in 1941, \$3,120 million in 1942, \$3,790 million in 1943, and \$4,460 million in 1944.

In addition to raising substantial amounts of much needed revenue, the new excise taxes were first designed to discourage the consumption by civilians of goods requiring materials and facilities needed for war production. Accordingly, the Revenue Act of 1941 increased the taxes on tires and tubes, radio sets and parts, and mechanical refrigerators, and imposed new imposts on electric, gas and oil appliances, photographic apparatus, and many other commodities. As production and consumption became subject to more direct controls, additional excise taxes were selected on the basis of their effects on the cost of living, business costs, and other phases of the wartime stabilization program. These considerations were found to permit a gradual strengthening of such excises as the liquor, tobacco, and admissions taxes and the retail levies on cosmetics, furs, jewelry, and luggage, which applied in only minor respects to commodities which are necessities of life and which entered into business and farm costs to only an insignificant extent. These same considerations entered into the Treasury's policy of opposing a general sales tax.

Treasury Department, Division of Tax Research

August 26, 1944

Federal Sales Tax

The Treasury has consistently opposed enactment of a Federal sales tax. This policy was dictated by several considerations.

In the first place, it was believed that the imposition of a substantial sales tax would run the risk of upsetting the Government's stabilization program. General commodity taxation and price and wage controls do not go together. A sales tax would have raised living costs at a time when vigorous action was being taken along many fronts to keep prices down. It would most certainly have been the signal for higher wages and farm prices which, if allowed, would have resulted in large additional costs to the Government and increases in the cost of living over and beyond the amount of the tax. The Treasury's position on this matter was emphatically supported by the Office of Price Administration and the Office of Economic Stabilization.

Secondly, it would have encroached upon the living standards of the many low-income consumers who have not shared in the wartime expansion of incomes. Applying as it would to the bulk of consumer purchases, it would not have given these groups any real choice, such as is given them under selective excises, between paying the tax and escaping it by cutting their taxable purchases.

Thirdly, a Federal sales tax would have entailed a disproportionate administrative and compliance effort, particularly if an attempt were made to exempt food or otherwise to give the lower income earners some relief from the harsh effects of a general sales tax.

Analysis of the revenue potentialities of a Federal retail sales tax indicated that the exemption of necessities would have reduced the yield substantially. It was estimated that a 10-percent levy, a rate over three times as high as the rate in force in any State, would have raised about \$6 billion at 1944 levels of business, assuming that there were no exemptions for necessities. If food, medicine, and clothing were exempted, the yield would have been cut to \$2.6 billion. Of that amount, however, \$1.2 billion would have come from goods and services already subject to Federal excise taxes. Moreover, a substantial part of the remainder would have come from the sale of equipment and materials used in business and entering into business operating costs.

Treasury Department, Division of Tax Research

August 26, 1944

Internal Revenue Collections, Fiscal Years 1940-1944

Fiscal year	: Corporate : income : taxes	: Excess : profits : taxes	: Individual : income : taxes	: Excise : taxes	: Employ- : ment : taxes	: All : other	: Total : Collections
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(Millions of Dollars)

1940	1,121	---	982	1,867	834	520	5,323
1941	1,852	164	1,418	2,381	926	611	7,352
1942	3,069	1,618	3,263	3,123	1,185	771	13,030
1943	4,521	5,064	6,630	3,795	1,499	861	22,369
1944	5,284	9,345	18,261	4,461	1,738	1,029	40,120

Percentage Distribution

1940	21.1	-	18.4	35.0	15.7	9.8	100.0
1941	25.2	2.2	19.3	32.4	12.6	8.3	100.0
1942	23.6	12.4	25.0	24.0	9.1	5.9	100.0
1943	20.2	22.7	29.6	17.0	6.7	3.8	100.0
1944	13.2	23.3	45.5	11.1	4.3	2.6	100.0

Treasury Department, Division of Tax Research

August 26, 1944

Source: Bulletin, Treasury Department July - August 1944, Annual Reports Commissioner of Internal Revenue.

MEMORANDUM

September 2, 1944.

MR. SULLIVAN:

It appears to me if the Republican candidate for President were to talk and take the Treasury Department or its policies to task such subject would be along the line wherein he first of all would criticize the tremendous increase in revenue and the resultant spending thereof, that he would further say that our tax system was archaic, cumbersome and overlapping. As one of the reasons supporting this he would point to the forms used last March and the confusion existing among the taxpayers at that time.

As to the first, it does not appear to me that this is a matter of whole concern to the Treasury, but rather a matter for Congress. As to the second, I am pondering whether it would not be a good thing if the Secretary should issue a statement saying he has asked the committee studying post war taxes to also make a further study of proposed changes in the tax law which might simplify same. (When I say "pondering" such a suggestion, I do so because such a move on the part of the Secretary might be an indication that he also thinks our tax system is burdensome.) As to the last, namely the criticism against the form, the answer to this would be in my opinion, that it was necessary because of the transition from the former system of paying taxes to the "pay-as-you-go" system, and as proof of this we might point to the simplified forms now being issued by the Bureau.

If, as suggested by Mr. Blough at the recent conference, Professor Crum is advising the Republican candidate, Mr. Blough might possibly know the Professor's likes and dislikes regarding the present set-up and anticipate what the Professor might suggest.

Speaking in the City of _____ on the _____ day of _____ 1944, the Republican candidate for the Presidency made certain charges against this administration based upon its administration of Internal Revenue taxes. It is apparent from the candidate's speech that he has either been deliberately misinformed or is making these charges on the basis of the same sort of rumor which led him to criticize the great international conference at Dumbarton Oaks before that conference had ever met. It is obvious that the Republican candidate is not even slightly aware of the magnitude of current tax problems.

In the five years from July 1, 1939 to July 1, 1944, the Internal Revenue Bureau collected more than \$87 billion. Its total collections in the previous 150 years were less than \$84 billion. The largest amount collected in any one year previous to 1939 was in 1938 when our collections totalled \$5,854 million. In the year just closed, the Internal Revenue Bureau collected \$40,121 million.

The largest number of returns filed in any one year prior to 1939 was 8,097,254 filed in the year 1923.... This year there were filed 44,609,000 individual and corporate income and profits tax returns. A fair appraisal of the efficiency and the economy with which the Bureau of Internal Revenue has administered taxes can be found in the fact that while the number of returns increased eight-fold and the amount of collections had increased eight-fold, the total personnel of the Bureau of Internal Revenue was only doubled. On July 1, 1939, the Bureau employed 22,623 people. On

- 2 -

the first of July 1944, it employed 46,755 people.

This tremendous job that the Bureau of Internal Revenue has done during the last five years of the administration of President Roosevelt was possible because of the truly fine response of the American people to the fiscal requirements of the nation. The American people knew in what jeopardy our country had been placed by the threats of the aggressors. The American people knew how much was at stake and they realized that no price was too great to pay to defend American liberty and American freedom. Through the acceptance of necessarily great tax burdens and through the voluntary purchase of astronomical amounts of War Savings Bonds, they demonstrated the united and whole-hearted support of the Commander-in-Chief by 135,000,000 American citizens. Never in the history of the world have a people been so completely in partnership with their government in financing a war as the American people have been in partnership with the United States Government in World War II.



MUTUAL BROADCASTING SYSTEM *Inc.*

New York Office: 1440 Broadway

PENNSYLVANIA 6-9600

August 30, 1944

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

Dear Sir:

Mr. Miller McClintock is out of the city and will not return until September 5. I know that he will be very pleased, however, upon his return to find your kind letter of August 25 regarding the American Forum of the Air program.

Sincerely yours,

Emma S. Puryear
Secretary to Mr. McClintock

ESP:frd

Treasury Department
Division of Monetary Research

132

Date August 30, 1944

To: Secretary Morgenthau

Appended is a summary of the
London Embassy's "Labor Letter No. 5",
which you may find of interest.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE August 30, 1944

TO Mr. White

FROM Mr. Casaday

Subject: Summary of London Embassy's "Labor Letter No. 5 (1944)",
July 31, 19441. Rusholme By-Election

In the first by-election since D-day the Government (Conservative) candidate held the seat with 8,430 votes against 6,670 for his Commonwealth opponent and 734 for an Independent. The Conservative majority in this constituency fell from nearly 8,000 in 1935 to approximately 1,000 in 1944; thus the Rusholme election continues the tendency away from an overwhelming Conservative majority exhibited in by-elections earlier in the year. However, none of the Labor or Liberal M.P.'s who supported Independents in the earlier 1944 contests came out at Rusholme — an indication that Party discipline has been tightened up.

2. Left-Wing Election Plans

The Left-Wing "splinter" parties (Communist, Commonwealth, I.L.P.) are all planning to contest a considerable number of seats in the next general election. Each has urged a "united front" of Labor Party and other progressives but each wants such unity only on its own terms. The Labor Party will not consider the united front and there is no prospect that the "splinter parties" can unite among themselves. The seats these parties plan to contest are largely already held by Labor. The result may be a splitting of the Labor vote and a larger Conservative majority nationally.

3. T.U.C.'s Post-War Plans

The General Council of the T.U.C. will soon publish a long report on post-war industrial reconstruction. Its recommendations will deal with full employment policies, nationalization of selected industries, degree of public control over other industries and the degree of public control over raw materials, quality, prices, wages, hours and trade unions.

The T.U.C. has already announced that it wants the 40-hour week with no reduction in pay as soon as possible after the war. It wants this established by statute and, when privately negotiated, made legally enforceable by law. T.U.C. expects difficulty from three sources: (a) open opposition on the part of a large element in Parliament and from industry, the export trade and a large part of the press; (b) some trade unions who will press for continuing the "guaranteed week" whether or not 40 hours are worked; (c) some unions who will decry the Parliamentary remedy, preferring to depend solely on collective bargaining.

Division of Monetary
Research

- 2 -

4. Parliamentary Crisis on Town and Country Planning Bill

The Uthwatt Committee was appointed in January 1941 to report "as a matter of urgency" on the post-war use of land. The Committee's report, issued in September 1942, evoked a Government promise of a comprehensive land policy and program. The Bill finally presented 22 months later fell far short of the recommendations of the Report and was opposed by members of all parties. Had the criticisms (which cannot be adequately summarized here) been confined to back-benchers the Government might have bludgeoned the House into submission but as it was the Bill was narrowly passed only on a Government promise that major amendments would be entertained at the second reading.

For the first time in Labor Party history its members (except those in the Government) abstained from voting. The Party felt that to vote against the Bill would embarrass the Labor Ministers (as in the case of the Beveridge Report) and yet members felt they could not follow these Ministers in support of the Bill until they had seen it in drastically amended form. This unprecedented action suggests that the Labor Party is by no means in the pockets of its present Cabinet Ministers, a circumstance which may affect the possibility of continuing a Coalition Government after the war.

FBM

PLAIN

August 30, 1944

AMEMBASSY,

BUENOS AIRES.

1357, Thirtieth

Your 2230, August 28.

Priority should be granted to Tarzakower
whose travel is sponsored by War Refugee Board.

HULL

(JDW)

810.79611 Reservations 8/28/44

AD:JOB:HMK

8/29/44

WRB

AIRGRAM

From: American Embassy, Habana, Cuba

Dated: August 30, 1944

Rec'd: August 31, 5 p.m.

SECRET

Secretary of State

Washington, D.C.

A-1927, August 30, 2:10 p.m., 1944

Reference Department's airgram 1229, July 21,
5:40 p.m., 1944.

Embassy has made several efforts to ascertain from Foreign Office whether the instructions mentioned in Embassy's airgram 1294 of June 16 were sent to Madrid or to Bern. Unfortunately these efforts have not up to the present time met with success; the Foreign Office continues reluctant to show much initiative in this matter.

I shall not fail to inform the Department if any further information is forthcoming from the Cuban Government.

NUFER

GGA/ase

711 Refugee Exchange

Miss Chauncey (For the Sec'y), Abrahamson, Aknin, Cohn, Drury, DuBois, Friedman, Gaston, Hodal, Laughlin, Lesser, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Weinstein, Cable Control.

DRAFT OF CABLE TO LONDON

Reference is made to the Department's telegram No. 2518 of March 31, 1944, relative to issuance by Treasury of license No. W-2153 to United Czechoslovak Relief, New York City. You are informed and requested to notify Mr. Frantisek Nemeš and Mr. Jan Bocko that United Czechoslovak Relief has been reorganized and is now known as American Relief for Czechoslovakia, Inc., in view of which Treasury has amended license No. W-2153 to show the name of license as American Relief for Czechoslovakia, Inc., New York City. Such license shall be deemed to be in full force and effect under same terms and conditions and shall govern operations of American Relief for Czechoslovakia, Inc., as though such license was originally issued in its name.

9:35 a.m.
August 30, 1944

RBParke:jfh 8/26/44

CABLE FROM THE WAR REFUGEE BOARD AND THE DEPARTMENT TO AMBASSADOR WINANT,
LONDON, ENGLAND.

Please refer to your 6952 of August 26.

The proposed action of the British Foreign Office meets with the approval of the War Refugee Board and the Department. Please advise the British Foreign Office that Myron Taylor is being advised to join with his British colleague in taking the steps suggested by the Foreign Office.

9:00 a.m.
August 30, 1944

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 30, 1944
NUMBER: 6968

CONFIDENTIAL

Please refer to your 6952 of August 26.

The proposed action of the British Foreign Office meets with the approval of the War Refugee Board and the Department. Please advise the British Foreign Office that Myron Taylor is being advised to join with his British colleague in taking the steps suggested by the Foreign Office.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 30, 1944
NUMBER: 6969

SECRET

Reference is made to the Department's telegram No. 2518 of March 31, 1944, relative to issuance by Treasury of license No. W-2153 to United Czechoslovak Relief, New York City. You are informed and requested to notify Mr. Frantisek Nemes and Mr. Jan Becke that United Czechoslovak Relief has been reorganized and is now known as American Relief for Czechoslovakia, Inc., in view of which Treasury has amended license No. W-2153 to show the name of licensee as American Relief for Czechoslovakia, Inc., New York City. Such license shall be deemed to be in full force and effect under same terms and conditions and shall govern operations of American Relief for Czechoslovakia, Inc., as though such license.... was originally issued in its name.

HULL

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

August 30, 1944

7 p.m.

AMPOLAD,
CASERTA.
85

The following for Ackermann is WRB 46.

Please refer to our 431 of August 4, 1944.

For your information the British have agreed to a joint approach to the Pope to request him to appeal to the German authorities to release refugees deported from Allied Italy, if he has not already done so, and to assure him that Allied authorities will receive and care for all such persons released by the Germans. The text of the cable received from Ambassador Winant is as follows:

QUOTE Attention of the War Refugee Board.

This morning discussed with refugee section of the Foreign Office the Papal intervention on behalf of refugees of northern Italy.

Sir Noel Charles' reply to inquiry as to accommodations was received this morning by the Foreign Office. According to Charles' report, an additional five thousand refugees may be accommodated in liberated Italy and use of North African camps was also suggested.

It is the understanding of the Foreign Office that there are far more than five thousand refugees north of the battle line, but since it believes the military situation is changing so rapidly that the problem of accommodating this five thousand additional will not arise, it feels that it will be safe to give assurances of accommodation without numerical limitation. The Foreign Office, however, does not know whether or not the Pope has already appealed to German authorities and presuming we will take parallel action, they will take the following steps:

Issue instructions to Charles to ascertain whether or not an appeal has been made by the Pope. Provided he has not, to request him to do so with assurances that the persons rescued will be cared for and received by Allied authorities. Provided he has made an appeal, to suggest that these assurances be repeated by him.

It is hoped by the Foreign Office that this action will meet with the approval of WRB and that appropriate instructions will be issued to our representative in Rome. UNQUOTE

S

-2- #85, August 30, 7 p.m., to Caserta.

We have advised the British ~~NS~~ that this proposal is satisfactory to the Board and the Department and instructions have been cabled to Myron Taylor to join with his British colleague along the lines suggested in the above quoted cable.

HULL
(GHW)

WRB:MMV:KG

SE

BC

8/30/44

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

Please refer to our 431 of August 4, 1944.

For your information the British have agreed to a joint approach to the Pope to request him to appeal to the German authorities to release refugees deported from Allied Italy, if he has not already done so, and to assure him that Allied authorities will receive and care for all such persons released by the Germans. The text of the cable received from Ambassador Winant is as follows:

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It is the understanding of the Foreign Office that there are far more than five thousand refugees north of the battle line, but since it believes the military situation is changing so rapidly that the problem of accommodating this five thousand additional will not arise, it feels that it will be safe to give assurances of accommodation without numerical limitation. The Foreign Office, however, does not know whether or not the Pope has already appealed to German authorities and presuming we will take parallel action, they will take the following steps:

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It is hoped by the Foreign Office that this action will meet with the approval of WRB and that appropriate instructions will be issued to our representative in Rome. UNQUOTE

We have advised the British that the proposal is satisfactory to the Board and the Department and instructions have been cabled to Myren Taylor to join with his British colleague along the lines suggested in the above quoted cable.

THIS IS WRB CABLE NO. 46
9:35 a.m.
August 30, 1944

MSargoy:dh 8/29/44

CABLE FROM THE DEPARTMENT AND THE WAR REFUGEE BOARD TO MYRON TAYLOR.
VATICAN CITY.

Please refer to your 237 of July 17, the Department's No. 16 of July 24, and your 267 of August 5.

As a result of negotiations with the British, the following cable was received from Ambassador Winant at London:

QUOTE Attention of the War Refugee Board.

This morning discussed with refugees section of the Foreign Office the Papal intervention on behalf of refugees of northern Italy.

Sir Noel Charles' reply to inquiry as to accommodations was received this morning by the Foreign Office. According to Charles' report, an additional five thousand refugees may be accommodated in liberated Italy and use of North African camps was also suggested.

It is the understanding of the Foreign Office that there are far more than five thousand refugees north of the battle line, but since it believes the military situation is changing so rapidly that the problem of accommodating this five thousand additional will not arise, it feels that it will be safe to give assurances of accommodation without numerical limitation. The Foreign Office, however, does not know whether or not the Pope has already appealed to German authorities and presuming we will take parallel action, they will take the following steps:

Issue instructions to Charles to ascertain whether or not an appeal has been made by the Pope. Provided he has not, to request him to do so with assurance that the persons rescued will be cared for and received by Allied authorities. Provided he has made an appeal, to suggest that these assurances be repeated by him.

It is hoped by the Foreign Office that this action will meet with the approval of WRB and that appropriate instructions will be issued to our representative in Rome. UNQUOTE

The above action suggested by the British is satisfactory both to the War Refugee Board and the Department. Accordingly, please join with your British colleague in taking the action called for in the above quoted cable.

9:35 a.m.
August 30, 1944

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

August 30, 1944

7 p.m.

AMDEL,
ROME.

114

The cable below is for Taylor.

Please refer to your 237, of July 17, the Department's
No. 16 of July 24, and your 267 of August 5.

As a result of negotiations with the British, the following
cable was received from Ambassador Winant at London:

QUOTE Attention of the War Refugee Board.

This morning discussed with refugee section of the
Foreign Office the Papal intervention on behalf of refugees of
northern Italy.

Sir Noel Charles' reply to inquiry as to accommodations
was received this morning by the Foreign Office. According to
Charles's report, an additional five thousand refugees may be
accommodated in liberated Italy and use of North African camps
was also suggested.

It is the understanding of the Foreign Office that there
are far more than five thousand refugees north of the battle
line, but since it believes the military situation is changing
so rapidly that the problem of accommodating this five thousand
additional will not arise, it feels that it will be safe to
give assurances of accommodation without numerical limitation.
The Foreign Office, however, does not know whether or not the
Pope has already appealed to German authorities and presuming
we will take parallel action, they will take the following
steps:

Issue instructions to Charles to ascertain whether or
not an appeal has been made by the Pope. Provided he has not,
to request him to do so with assurance that the persons res-
cued will be cared for and received by Allied authorities.
Provided he has made an appeal, to suggest that these assur-
ances be repeated by him.

It is hoped by the Foreign Office that this action will
meet with the approval of WRB and that appropriate instructions
will be issued to our representative in Rome. UNQUOTE

-2- #114, August 30, 1944, 7 p.m. to Rome.

The above action suggested by the British is satisfactory both to the War Refugee Board and the Department. Accordingly, please join with your British colleague in taking the action called for in the above ~~quoted~~ quoted cable.

HULL

(GLW)

WRB:MMV:KG

SE

BC

8/30/44

EMBASSY OF THE
UNITED STATES OF AMERICA

CONFIDENTIAL

No. 2990 Madrid, Spain, August 30, 1944.

Subject: Transmitting Copy of Embassy's Note Verbale to Ministry of Foreign Affairs Requesting Facilitates for Entry into Spain of Certain Categories of Aliens Eligible for Immigration to the United States

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Department's telegram No. 2363 of August 24, 1944, 10 p.m., authorizing the issuance of immigration visas by American Consular Officers in Spain to certain relatives of citizens and alien residents of the United States proceeding from areas controlled by Germany and its allies, I have the honor to enclose a copy of the Embassy's Note Verbale No. 3012 of this date to the Ministry of Foreign Affairs requesting, in accordance with instructions contained in that telegram, that the Spanish Government consent to the temporary entry of such persons into Spain and that it make known this consent to the German, Hungarian and other enemy Governments. A copy of the Embassy's Note Verbale No. 2908 of August 11, 1944, to which reference is made in the enclosed Note Verbale, was transmitted to the Department under cover of the Embassy's despatch No. 2905 of August 14, 1944.

American Consular Officers in Spain are being duly advised of the foregoing authorization, although it is believed that whatever applicability this program might once have had in Spain will have been largely obliterated by the return of southern and southwestern France to Allied control and the consequent disappearance of a common Spanish frontier with German-controlled territory.

Respectfully yours,

For the Ambassador:

W. Walton Butterworth
Counselor of Embassy

Enclosure:
To Foreign Office,
No. 3012, August 30, 1944.

File No. 811.11
WWD/jc
Original to Department
Copies to Lisbon and Barcelona

Copies to Lisbon and Barcelona

COPY

Enclosure to despatch No. 2990 dated August 30, 1944 from Carlton J. H. Hayes, American Ambassador, at Madrid, Spain on subject of Facilitates for Entry into Spain of Certain Categories of Aliens Eligible for Immigration to the United States.

No. 3012

NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and, with reference to its Note Verbale No. 2908 of August 11, 1944, requesting the cooperation of the Spanish Government in facilitating the entry into Spain, in transit to further destinations, of Jewish refugees proceeding from Hungary to whom United States immigration visas were issued on or after July 1, 1941 but who by reason of transportation difficulties and the advent of war have not been able to make effective use of such visas, has the honor to inform the Ministry that it has now been instructed by its Government to request that the Spanish Government accord similar facilities to persons proceeding from German-controlled territory who fall within the following categories: (1) alien wives, husbands, parents and unmarried minor children of citizens of the United States, and (2) wives and unmarried minor children of alien residents of the United States, consular officers of the United States in Spain and other neutral countries having been authorized, subject to certain specified conditions, to issue immigration visas to such persons upon personal application.

The Swiss Government is being requested to inform the German, Hungarian, and other enemy Governments of the foregoing authorization, and the Embassy would express the hope, on behalf of its Government, that the Spanish Government will see fit to notify such enemy Governments of its willingness to permit the temporary entry of such persons into Spain, it being understood that any such persons so admitted will be adequately maintained without expense to the Spanish Government while on Spanish soil and evacuated with the least possible delay, and that any who may be ~~and associated with the least possible delay, and that any who may be~~ found not to be eligible for admission into the United States will be removed from Spain as promptly as possible to alternative destinations.

Madrid, August 30, 1944.
mm/jr

7/31

cc: Miss Gurney (For the Secretary), Ambassador, Mexico, City, Mexico, D.C.;
Friedman, German, Madrid, Legation, Mexico, City, Mexico, D.C.;
F. J. P. [unclear], Legation, Mexico, City, Mexico, D.C.

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

August 30, 1944

6 p.m.

AMLEGATION,
STOCKHOLM.
1739

The following for Olsen is WRB 79.

1. Please convey to Government of Sweden Department's and Board's utmost appreciation of their invaluable humanitarian services rendered in connection with Hungarian situation.

At present juncture, to forestall any last-minute renewal of deportations on the excuse that no sufficient arrangements have been made for evacuation of Jews from Hungary, please suggest to the Swedish Government that it might advise German and Hungarian authorities that Sweden is willing to have a Swedish boat call at any German port chosen by these authorities for purpose of transporting to Sweden Jewish children from Hungary, and that such sailings will be repeated as long as necessary.

The foregoing suggestion specifies children since Swedish Minister, Ankara, advised Amembassy there that Swedish Government has announced that it was prepared to receive in Sweden Jewish children from Hungary. Even if this information inexact, it is hoped that you will persuade Swedish authorities to undertake this step. In view of circumstances, it is not anticipated that the number of children actually evacuated in this manner would be large. At any rate, this Government, singly or in cooperation with British, will guarantee costs of maintenance of such children in, and their earliest possible evacuation from, Sweden.

It is thought that obstacles to making a Swedish boat available for sailings to Haifa, referred to in your 3091 of August 14, might not (repeat not) apply to the short route between Germany and Sweden.

Should the project materialize, it is hoped that evacuation from Hungary could be supervised by representatives of Intercross, Swedish Red Cross, or Swedish Government, to prevent abuse and death en route.

2. With respect to statement in your 3074 of August 12 regarding authorization of Swedish visas to QUOTE Jews holding American immigration visas issued on or after July 1, 1941 UNQUOTE, please note that persons intended as beneficiaries of procedure developed in paragraph numbered two of Department's 1501 of July 28 are those whose American visas were authorized subsequent to

~~SECRET~~
-2- #1739, August 30, 6 pm, to Stockholm

July 1, 1941, as well as those to whom such visas were actually issued. Please explain this point to Swedish authorities and request that they instruct their consuls in Hungary and elsewhere in enemy-held territory to issue visas to persons to whom American visas were authorized as well as to those to whom American visas were actually issued. In cases where applicants will not be able to furnish evidence of authorization, such evidence will presumably be available at local Swiss Legation or consulate. In addition, efforts will be made to send a list of visa authorizations to you for transmission to Swedish Foreign office which, it is hoped, will forward it to various Swedish consulates in enemy-held territory.

HULL
(GLW)

WRB:MMV:KG
8/26/44

NCE VD SE

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

Reference your 5588 of August 26, 1944. Please express to Saly Mayer the Board's appreciation for the excellent manner in which he is handling a most difficult task.

The Board is in full accord with your view that it is of the utmost importance that every effort must be made to extend the period of negotiation and thereby gain time. The Board is confident that by adroit handling Saly Mayer can take further steps without entering into any irrevocable engagement, and can minimize the danger of negotiations being broken off. It should be made clear to Mayer that there is no possibility of obtaining any material of any military value. Mayer, however, is in a position to indicate that there are funds amounting to at least \$2,000,000 in the United States available to him, and it is suggested that negotiations looking toward the payment of monetary consideration be extended as long as possible in order to gain time. However, no commitment to make any such payment can be entered into without approval here. Solely from the standpoint of saving lives, and aside from any other consideration, we are not at all convinced that large monetary payments to the German Government would be successful, and under present circumstances, we could not approve any such commitment.

Saly Mayer should inform the conferees that he can not (repeat not) hope to secure any authorization for Switzerland or any other neutral country to deliver additional goods to Germany without a more precise definition of the nature and quantity of the goods desired. Thus, he may properly ask them to submit, as you suggest, a list of their desiderata, so that he may be placed in a better position to negotiate for the necessary authorizations. This procedure should afford at least one and, if the conferees are not prepared to submit such a list at once, possibly two additional adjournments. When such a list is submitted, Saly Mayer can prolong the negotiations by opening discussions looking toward the removal from the list of articles for which he may claim to have no hope of securing authorizations. He may also request more details concerning other articles, and by placing the discussions on a technical basis, require the conferees to withdraw to consult with colleagues having more technical knowledge. The foregoing are but suggestions, and the Board relies on Saly Mayer guided by you to employ every possible dilatory tactic to prolong the negotiations.

* * * * *

THIS IS WRB BERN CABLE NO. 153.

It will be appreciated if you will arrange for prompt clearance and dispatch in cipher of the attached cable to Minister Harrison at Bern and McClelland, from the War Refugee Board.

4:50 p.m.
August 30, 1944

LSL:eser:tmh 8/30/44

BJR - 537
This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Ankara

Dated August 30, 1944

Rec'd 10:03 am. 31st

Secretary of State,

Washington,

1593, August 30, 1 p.m.

FOR PEHLE WRB. ANKARA's 142

It is reliably reported August 28 in Istanbul that "all restrictions imposed upon Jews in Bulgaria have been abolished. All decrees published on August 29, 1942 are considered null and void. Beginning as of August 28, 1944 all Jews may exercise any profession and may circulate in the same way as the rest of the population. Reserve Colonel Taggeras representative of the Jewish community has been informed of this resolution".

Confirmation of the above has not as yet been received. As soon as the text of the decree is received it will be telegraphed.

STEINHARDT

BB

BJR-323
This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Ankara
Dated August 30, 1944
Rec'd 6:40 p.m.

Secretary of State,

Washington.

1594, August 30, 2 p.m.

FOR PEHLE WRB FROM THE AMBASSADOR AND HIRSCHMANN
ANKARA'S 143.

In connection with the rapid developments in the situation relating to the Jews in Bulgaria in our opinion measures for their emergency relief should be made available as soon as possible particularly as such assistance will obviate the necessity for removing many of these individuals from the Balkans. We have discussed this possibility with Charles Passman who is now representing the JDC in Istanbul succeeding Resnik. Passman is in agreement that emergency relief should be extended to those Jews in Bulgaria requiring the same provided the Board and the State Department approve.

STEINHARDT

JMS:WFS

EE-346

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

Ankara

Dated August 30, 1944

Rec'd 7:30 p.m.

Secretary of State

Washington

1595, August 30, 3 p.m.

FOR THE WRB

Ankara's 144.

During the past few months a total of approximately 800 Jewish refugees from Greece and the Greek islands have entered Turkey without Turkish visas or other documents through small ports on the Aegean en route to Palestine. These refugees have been promptly transported to Palestine with the assistance of the Turkish authorities who while not formally consenting to the movement have nonetheless facilitated the same. These 800 refugees are in addition to all others reported by me as having transited Turkey en route to Palestine and are not (repeat not) included in the number reported as having entered through the port of Izmir.

STEINHARDT

RR

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Moscow
 TO: Secretary of State, Washington
 DATED: August 30, 1944
 NUMBER: 3223

CONFIDENTIAL

I have waited approaching the Foreign Office again on the subject of pressure by the Soviet Government on the Jewish question in view of the fact that developments regarding Bulgaria have been moving so rapidly since Department's cable of August 16, 1944, No. 1955, from War Refugee Board, has been received. It is felt by me that it would not be useful to make an approach here at the present time. It is assumed that such matters can now be taken up direct with Bulgarian Government representatives who are to meet with us to discuss an armistice and that the Soviet observer would be kept advised and asked to support us. Of course, I will gladly press the Soviet Government here in addition for its cooperation if, on the other hand, it develops that there is need for such action.

HARRIMAN

DOR:IIB:NEFR 9/1/44

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

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

156
DIVISION OF
COMMUNICATIONS
AND RECORDS

GEM-473

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

Dated August 30, 1944

6:39 a.m., 31st.

Secretary of State,

Washington.

495, August 30, 4 p.m.

Referring to despatch No. 726, August 25 (repeat August 25) from New Delhi quoting remarks of Shroff and Chetty at Karachi on their return from Bretton Woods Conference. The press quoted Shroff as follows: "Indians are living in a fool's paradise if they think Americans will do anything for India." This remark has been commented upon frequently by the Bombay newspapers and has put the United States in an unfavorable light.

The Consulate's aigram A-107, August 24 (repeat August 24) refers to the TIMES of India's account of Shroff's statement which more nearly approximates what he actually said. Shroff informed this office yesterday that the majority of newspapers had misquoted him and that what he had actually said was "are living in a fool's paradise if they think Americans will help

India to

-2-#495, August 30, 4 p.m., from Bombay.

India to obtain political freedom". Shroff has informed Consulate that he will correct this erroneous report when he meets press representatives August 31 at Bombay.

Repeated to Delhi as my No. 107, August 30.

DONOVAN

RR

SECRET

OPTEL No. 283

Information received up to 10 a.m., 30th August, 1944.

1. NAVAL

Germans reported to have evacuated ST. GILLESSURVIE, 40 miles S.W. NANTES yesterday morning. Further south all bridges blown at SABLES D'OLONNE and harbour entrance partly blocked. NOIRMOUNTIER Island still occupied. Bombardments by Allied warships TOULON, MARSEILLE and NICE areas continued 25th. Carrier-borne fighter bombers attacked bridges RHONE Valley, motor transport and troop concentrations. Sweeping of Channel PORT DE BOUC finished and port partly established. On 25th/26th in GULF OF GENOA coastal forces torpedoed a Destroyer.

2. MILITARY

FRANCE. Further sweeping advances east of PARIS by 3rd U.S. Army whose troops have reached VITRY, CHALONS-SUR-MARNE and EPERNAY. They have captured SOISSONS and are also in RHEIMS. Limited advances reported north of PARIS. On British front an armoured thrust N.E. of VERNON has made good progress and is approaching GOURNAY. South of ROUEN Canadians have captured BOOS while between ROUEN and the coast they are closing in on Germans in three loops of the SEINE.

SOUTHERN FRANCE. Germans in TOULON and MARSEILLE have surrendered unconditionally and the German Admiral Commanding Naval Forces, S.E. France, has been captured. East of CANNES U.S. Forces have crossed the VAR about 10 miles inland. In the RHONE Valley U.S. attacks on MONTELMAR have penetrated into the town and a strong French reconnaissance force has cleared the west bank of the river northwards to PONTST ESPRIT and westwards to NIMES.

ITALY. On the right Poles have pushed the enemy back to the Gothic Line while Indian troops have captured URBINO. East of FLORENCE our troops have advanced at PONTASSIEVE and in the BIBBIENA Area.

RUSSIA. Russians report continued progress S.E. of VALKA. In the south they have captured BUZAU, west of IZMAIL they have forced the DANUBEN, advanced southwards and occupied a number of places in Northern Dobrudja. In cooperation with the Black Sea Fleet they have captured CONSTANZA.

3. AIR OPERATIONS

WESTERN FRONT. 29th. Medium bombers dropped about 100 tons on an ammunition dump near AMIENS. Fighters which attacked road and rail transport in N.E. FRANCE, Low Countries and along Franco-German border claim to have destroyed 68 locomotives, 262 railway carriages and wagons, 26 motor, 40 armoured and 45 horse-drawn vehicles. Coastal Command aircraft sank an R-boat off LE TOUQUET and off HELIGOLAND set fire to four ships in a five-vessel convoy. German casualties 21, 0, 7 on the ground. Allied - 9 aircraft missing.

29th/30th. 897 aircraft despatched:

STETTIN	404
KOENIGSBERG	189
Sea-mining	43
BERLIN and HAMBURG	53 Mosquitoes
Other missions	208

Three aircraft missing, and from STETTIN and KOENIGSBERG 38 outstanding, probably missing.

4. HOME SECURITY

During 24 hours ending 6 a.m., 30th, 153 flying bombs plotted.

August 31, 1944
9:25 a.m.

D. W.
Bell: Good morning.

HMJr: Hello, Dan.

B: How are you?

HMJr: I'm all right.

B: Got good weather up there?

HMJr: Today, we have.

B: Gee, it's swell down here. Just like

HMJr: What?

B: Just like October down here.

HMJr: Well, it's beautiful here.

B: It's grand here too.

HMJr: When I get through talking on this other stuff,
I'd like to talk to you and Gamble on this
phone, see?

B: All right. You mean hook 'em up with Gamble
over -- ah -- hook up with Gamble over at the
other place, huh? Don't have him come over?

HMJr: No - no - no. Just hook up on the phone.

B: All right.

HMJr: And -- now, is White around?

B: White's right here. Do you want him?

HMJr: Yeah, and then when I get through I want to
talk -- the others can go -- and just Mrs. Klotz,
and I want to talk to you and Gamble.

B: Okay. Harry's right here.

Harry
White: Good morning.

HMJr: Hello, Harry.

- 2 -

W: Good morning, sir.

HMJr: What do you know?

W: Well, there's been

HMJr: You'll have to talk louder.

W: There's been no special developments within the Treasury. We're going ahead and we'll have a draft of a memorandum, such as you wanted, and a draft of the directives, for consideration by the -- your committee here. That is the -- they haven't considered it yet. On -- as far as other departments are concerned, I called Jack McCloy, who said that he had already called Hull

HMJr: Yeah.

W: and that Hull was agreeable to go ahead and named one of his men, Matthews -- Dunn is busy at Dunbarton Oaks -- and said that he was ready to participate, and McCloy said that he would call a meeting, and I should wait until I heard from him.

HMJr: Yeah.

W: I haven't heard from him. I was going to call him again this morning. And, I also mentioned the -- the meeting on Tuesday with Hull, and he said that he was going to make certain that Stimson was going to be in then -- I think he had some doubt -- and then he said that he would arrange the meeting, and would let me know at once, but that was

HMJr: Well -- hello?

W: Yes.

HMJr: Stimson should be back by Tuesday. I went up with him. There's no reason why he shouldn't be back.

W: Yes. Well, then, if I don't hear from him this morning, I'll call up, myself, and make the appointment.

HMJr: And it's ridiculous.

W: Yeah.

HMJr: Now -- ah

W: But that's, of course

HMJr: Now, look

W: Yes.

HMJr: whatever memorandums you can get out by Friday night to send to Fishkill, please give it to my office to send up to me.

W: By Friday night? Oh, we can easily do that. We can send out something tonight, if you want to.

HMJr: Now, another thing. Now -- no, I'm trying to say something. I read those two memorandums, see?

W: Yes.

HMJr: That you sent me

W: Yeah.

HMJr: now, those boys have got nothing new.

W: No, that's

HMJr: Now, wait a minute, Harry, please. I'm trying to say something, if you'll let me.

W: All right. Yeah.

HMJr: I wish that your men would attack the problem from this angle, that they take the Ruhr and completely put it out of business. Now, have you got it? That's one thing -- and also the Saar. Now, the reason I say particularly the Ruhr, you can find out very easily what their production of coal and steel and that sort of thing is, and consider what it would do in the way of helping England and Belgium if they stage a come-back, because, after all, the Ruhr -- it was partly responsible for the great unemployment in England, and one of our problems is to put England back on its feet. And both of these studies and all other studies that I've ever seen are contemplating keeping the Ruhr in existence. And I'd

- 4 -

HMJr:
Cont'd.

like to approach the thing from -- just putting the whole Ruhr out of production. And also, as a separate thing, what would happen if we put the Saar out of production? Now, I'd like some studies made on that as fast as possible.

W: All right.

HMJr: Hello?

W: I'm listening.

HMJr: Now, have you got that thought?

W: Yes.

HMJr: And, also, as I say, what competition the Ruhr gave to both the Belgian coal and steel and England coal and steel, and an estimate to guess how long it would take before Russia could be in production and that she could take care of the customers -- I mean, England, Belgium and Russia could take care of the customers that Germany used to have -- with coal and steel.

W: All right.

HMJr: Now, another thing: I am confident that this man who says that Johns Hopkins has been making studies along these lines for the President on the question of "how can we get them" -- now, I think the committee is headed up by Stettinius -- hello?

W: I'm listening.

HMJr: Because this group that went with Stettinius to England -- this man who is this great geographer -- and I am confident there are studies there, and I -- you might try to find out from State if they have them.

W: Bowman, yes. Yeah. All right, we'll do that.

HMJr: Now, what do you think of that thought of mine, of approaching this thing of putting both -- first the Ruhr out, and then, possibly, the Saar?

W: Well, we would -- we talked at some length last night about putting the Ruhr out. Nobody has mentioned putting the Saar out. That will be -- the motives that you're suggesting, we'll consider. I think that they are quite subsidiary to the major problems, but we'll consider them and get the kind of study you want.

HMJr: Right. And the other thing is: that's all an economic approach; the other thing, I hope -- you've come through -- your people have come through with is the studies of how we're -- what we're going to do with -- with these

W: Eighteen million people that you'd put out if you

HMJr: No - no - no.

W: put the Ruhr out.

HMJr: No - no, the people who are Nazi-minded.

W: Oh, that. Well, we're -- I think we're -- I think what we've -- what we've got here will be satisfactory to you on that. I don't know how far you'll get with it, but I think that -- well, what we propose to do, in brief, would be satisfactory. But it

HMJr: But the two things: one is economic and what we're going to do with these people

W: Yes.

HMJr: who have been inculcated with Nazism

W: Yes.

HMJr: and what are we going to do with them until they die out, and what are we going to do with their children?

W: Well, that -- well, we'll give it some thought. We haven't given any thought to children so far. Well

HMJr: All right -- if you would.

W: All right.

HMJr: And whatever you could get off in the afternoon mail, Friday, to the farm, I would appreciate.

- 6 -

W: Yeah. Well, we can get you off a bunch of stuff then.

HMJr: And, Harry, you see what McCloy is doing -- he's trying to protect Stimson, so that Stimson doesn't have to come down, but Stimson should be down there Tuesday morning.

W: Yeah. Well, I didn't think he had any doubts. He just wanted to check and make sure, but I'll -- I'll make certain that that appointment will be made for Tuesday.

HMJr: Now, Mrs. Klotz tells me that Hopkins tried to get me this morning.

W: I see.

HMJr: And what I think I'll do is, when I get through, I'll ask whether he wants to speak to me.

W: Yes.

HMJr: And that might solve the thing.

W: All right.

HMJr: And - and whatever the answer is, I'll get you the message.

W: Okay.

HMJr: Are you at all encouraged that we can get somewhere?

W: Well, we can get somewhere in the Treasury. I think that what we'll end up with, you'll have to fight for, but how much, I don't know, because we're following your instructions; that is, these lower down, at any rate. It hasn't come up to your higher committee yet -- lower down we're following instructions and are being very -- very tough. There are some very difficult problems. This Ruhr is the most difficult problem. You see

HMJr: Well

W: crushing it, as you say, presents us with about fifteen million out of eighteen million people who -- who will have absolutely nothing

W:
(Cont'd)

to do, and it's trying to -- some of the boys say that we shouldn't concern ourselves with that; just shove 'em into Germany. Others feel that we'd never get away with it, politically. That -- that's the problem with the Ruhr. If you internationalize it, it has other problems. You can't give it to France; it's too big. You can't give it to Belgium and Holland; it will swallow Belgium and Holland. It's -- it's the most difficult problem, and we'll -- we'll work along the lines that you're suggesting. I think that the question of how it will help Britain and France in the post-war period, if you've said to demolish it, will be a good selling argument, but it certainly oughtn't to be the decisive consideration as to what to do, but it will be a very valuable selling argument to those countries. But we'll investigate it.

HMJr: I can tell you this: that if the Ruhr was put out of business, the coal mines and the steel mines of England would flourish for many years.

W: Well, it -- it certainly would -- they certainly would benefit. No question about it, because it's been a producing -- important producing area for Europe. But -- and, as I say, that point will be one of the added advantages. But I don't know whether it's decisive, but we'll certainly go into it more. We haven't -- we finished talking about that last night about half-past ten, and we left it over for this morning, because we couldn't agree on what to do with the Ruhr.

HMJr: Well, the way I feel

W: Ah -- I don't think we'll agree this morning either.

HMJr: the Ruhr ought to be put out of business.

W: All right. Well, that's -- of course, we were going to do that, in part, anyway, by dismantling a good deal of it, but we'll work along the lines you've suggested and see where we get.

HMJr: Yeah, and don't forget there's a psychological attitude -- I mean, what we can do to -- with these people whose brains have been so poisoned.

W: Well, that we've made very little progress on, but one of the Germans who is coming down today is a psychologist and we'll sound out what he -- he might suggest on that, because that's a problem that's

HMJr: Anybody in this -- in the room there who didn't read the New York Times' dispatch

W: What's that?

HMJr: about the man found in Poland

W: Yeah. Well, I know that some of us did. I don't know -- maybe all of them did

HMJr: Well, anyway

W: they're all nodding their heads, so I guess they all did.

HMJr: Well, everybody should read that, and then if anybody has any doubts -- ah -- they don't belong in the Treasury.

W: Well, if they give voice to any, I'm sure they'll give them to you, directly. The -- you might be interested in reading -- well, you're not where you can get it -- there's a little book put out -- maybe you've read it -- by five Dutchmen?

HMJr: I gave that to you.

W: Oh, did you?

HMJr: That can wait until I get back.

W: Yeah. Well, it's just along similar lines of what you've been

HMJr: Harry, there's this book called "An International T.V.A." -- somebody wrote it

W: No, I haven't heard of it.

HMJr: well

W: Is that the title?

HMJr: how we could take different towns in the world and do these enormous reclamation projects.

W: Would it have a bearing on this problem of -- you mean

HMJr: Yes, I was thinking, possibly, you could take a couple of million Germans -- here was a problem -- a question of taking Central Africa

W: Oh, you mean taking German labor and building material?

HMJr: Yes, these reclamation projects.

W: Oh, that's an idea.

HMJr: Hello?

W: That's an idea.

HMJr: Central Africa where they would take -- oh, I don't know -- go over those mountains.

W: Is that in the title?

HMJr: I think it's called "An International T.V.A."

W: All right. We'll look it right up.

HMJr: Yeah.

W: We'll look it right up.

HMJr: And it's taking waste places where it would take millions of people to do the thing.

W: I see. Now, let me make one thing clear. If -- whatever we emerge with in the Treasury, if we can sell it to the other two, we'll try our best....

HMJr: That's right.

W: but if we can't, we won't proceed from our position until you come.

HMJr: Well, that -- yes. That's right.

W: Okay.

HMJr: And have you -- has Lauch Currie been over with his eighty people?

W: (Laughs) No, I spoke to him yesterday at noon. I'm not quite sure how it will work out. I think maybe we're working on -- on different periods.

HMJr: You ought to tell him the old French box car was forty men and twenty horses.

W: Eight horses.

HMJr: And this -- this makes -- eighty men would make sixteen horses, huh?

W: Sixteen horses, what?

HMJr: Well, I mean, eighty men -- you'd have room for sixteen horses.

W: I wasn't sure what part you meant. I get you.

HMJr: And I was being a little careful of a certain part of the horses.

W: I see.

HMJr: I was talking of the rear end, basically.

W: I see. Apparently you've forgotten the old Washington slogan: that's the one city where there are more ends than horses.

HMJr: Yeah.

W: All right. Who did you want to talk to? Mrs. Klotz has just come in. Oh, excuse me, she's been here right along. (Laughs) Who did you want to talk to next? Dan?

HMJr: I want to talk with Dan and -- about War Bonds -- and you can ask Mrs. Klotz to stand by, please.

W: Yes.

D. W. Bell: Hello.

HMJr: Yeah.

B: You want Ted on now, huh?

- 11 -

HMJr: Please.

Operator: Operator.

B: Would you put Mr. Gamble on the phone too?

Operator: All right.

HMJr: Hello. Mrs. Spangler.

B: She's getting Mr. Gamble.

HMJr: Yeah. I was just going to tell her that -- all right.

B: I think there's a dead-line on this project

Operator: Hello. Mr. Bell, Mr. Gamble's not in his office. I might get him at home. I'm not sure.

HMJr: Well, never mind. I'll tell Mr. Bell what I want.

Operator: Right.

HMJr: Dan. Hello?

B: Yes.

HMJr: The main thing is, I want this man that does this research work for us on war bonds

B: You mean the -- agricultural man?

HMJr: The agricultural

B: His name

HMJr: I want him to be studying what will happen if and when firing stops in Germany, see?

B: Yep.

HMJr: I mean, we've got to have an entire new approach, and I want to know or study the thing -- how can we -- what can we use to interest these people in buying their bonds and in holding their bonds.

B: Uh - huh.

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HMJr: See?

B: Yep.

HMJr: And this fellow ought to start studying it, and he ought to run a continuous study until the thing happens.

B: Well, now, he's a -- can't think of his name for the moment -- but he's the survey man.

HMJr: That's right.

B: Now, should he -- Likert

HMJr: Likert.

B: Yeah -- should he go out and talk to people about that?

HMJr: Yeah -- yeah. Just the way he made the survey at the end of the Fifth War Loan.

B: Yeah, I remember.

HMJr: He's got several references to it in there.

B: Has he?

HMJr: Yeah.

B: I haven't seen that last one.

HMJr: Yeah. He's already gone part way and I want him to go much further.

B: I see. All right. We've -- we've been discussing that a little in our own conferences -- the Haas group and so forth

HMJr: All right. All right.

B: They're trying to write a memorandum on the basis that this German war is going to be over, and I question it a little, 'cause -- well, I don't know whether it's better to discuss it on that basis and tell them that -- ah -- or discuss it on the basis that the war is going to continue and what we're getting here is money to last us for the next few months, after November 1. Now, whatever happens in Germany,

B: (cont'd) we'll need what we're asking for

HMJr: Yes.

B: and if there is a collapse in Germany, we'll tell you what we'll need for the following three months, say, from February on

HMJr: Yeah.

B: and do it that way, or try to carry the program through to June, on the basis that Germany will collapse by the end of the year and then we go from there on. I question that latter approach. It seems to me we ought to only probably go up to December 31.

HMJr: That's good enough.

B: Then stop there with our financing program, and then say that at that time and in view -- in the light of the military situation, we'll talk to you again, and that will be the bankers and the chairmen.

HMJr: I think December 31 is far enough -- that anybody can think ahead.

B: That's right. I think whatever we do we'll be wrong, probably, on that front.

HMJr: Let me ask you this: Has George Haas heard from either the Secretary of War or Navy? I wrote them a letter for him to get certain information.

B: I don't know, but

HMJr: Well, you might ask him and if he hasn't heard, you might tell Mrs. Klotz and she'll call up both the offices and try to get an answer.

B: All right.

HMJr: It was in order to get statistics on cancellations of contracts.

B: I see.

HMJr: Yeah.

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B: All right. I see.

HMJr: Thank you.

B: I just wanted to tell you that -- started to tell you a while ago that I think the deadline on this matter you're working on is probably the tenth.

HMJr: I know that.

B: You know that.

HMJr: That's why I want Stimson back.

B: Yeah. Okay.

HMJr: Right.

B: All right.

HMJr: Now -- hello?

B: Yes.

HMJr: Is -- is Mrs. Klotz just there alone?

B: Right here. Well, she and I are alone.

HMJr: Hello?

B: Yes.

HMJr: Alone with you?

B: Yeah.

HMJr: Well, I don't worry.

B: You don't worry, huh? (Laughs)

HMJr: I trust both of you.

B: Our respective husbands and wives, I guess, won't either.

HMJr: What's that?

B: Our respective husbands and wives -- husband and wife won't either.

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HMJr: Won't worry?

B: Worry. No.

HMJr: Now, if she would stay there, I'm going to try to get Hopkins and then she can stay there and listen, you see?

B: Okay. Fine. Good-bye.

HMJr: Good-bye.

Mrs. Klotz: Hello.

HMJr: Hello.

K: Yeah. You want Hopkins?

HMJr: Yeah, I

K: I'm just

HMJr: I thought you might stay there, you see?

K: Yeah. Mrs. Spangler.

Operator: Yes.

K: The Secretary would like you to try to get Mr. Hopkins and he wants to talk to him.

Operator: Right.

HMJr: I don't hear terribly well.

K: You don't? Any better now....

HMJr: Yeah.

K: Uh - huh.

Operator: All right, I'll get him right on.

HMJr: Yeah, I can hear Spangler.

Operator: Right.

K: Well, I can talk louder too.

HMJr: Well, while he's on if you'd listen.

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K: All right.
HMJr: If you please.
K: Thank you.
HMJr: I'll stop talking now.
K: Yeah.

(Pause)

Operator: Hello.
HMJr: Hello.
Operator: Mr. Hopkins is out of his office for a little while.
HMJr: Well, you just leave word to tell him that I'll be back on the farm Saturday if he wants to talk to me.
Operator: All right.
HMJr: But, in the meantime, if he has anything -- well, I'll be back on the farm Saturday, I guess that's the way to leave it.
Operator: All right.
HMJr: Because I don't expect to call up again unless it's a real emergency.
Operator: I see.
HMJr: And if this -- unless it's a real emergency, I don't expect to call up again until I get to the farm Saturday.
Operator: I see. All right.
HMJr: Now could I have Mrs. Klotz?
Operator: She's right on the phone.
Mrs. Klotz: Hello. Yeah.

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HMJr: Hello.

K: Yes.

HMJr: I said I would stop talking. I don't know how it sounded.

K: What do you mean?

HMJr: I don't know whether -- how it sounded -- I didn't -- hope it didn't sound that you should stop talking.

K: Oh, no - no - no. No, oh, I see what you mean.

HMJr: I don't know -- I mean it -- are we still making a record?

K: Yeah. Wait a minute. I'll -- I'll cut it all off.

August 31, 1944

Memorandum for the Secretary's Files

The Treasury Department participated in the discussion of the German reparation problem through its participation in the Executive Committee on Economic Foreign Policy. This committee prepared several reports while the Secretary was at Bretton Woods. Mr. Glasser and Mr. Ness at different times represented the Treasury at the meetings. A final report was ready the week after Bretton Woods, at which time I first became acquainted with the result of the discussions which had been going on for a number of weeks. I was not in agreement with the recommendations in the report and I felt that it was not in line with the Secretary's views. Knowing that the Secretary was interested in the subject and not wanting to take any action until he had had an opportunity of going over the report, I instructed the Treasury delegates to reserve the Treasury's position on the report at the next committee meeting.

En route to England I called the Secretary's attention to the report. He read it and disapproved of its recommendations. Upon arrival in England, Colonel Bernstein described to the Secretary the directives which were being prepared for the occupation of Germany. The Secretary regarded them as reflecting the wrong policy decisions. His later discussions of the post-surrender terms followed from the necessity of taking a position on the committee report referred to above.

H. D. White

A177

ASSISTANT SECRETARY OF STATE
WASHINGTON

August 31, 1944.

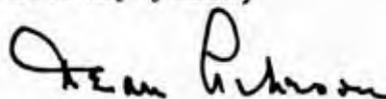
Dear Henry:

Thank you very much indeed for your letter of August 25. I was very happy to have the opportunity to participate in the broadcast, and I am confident that it was a helpful beginning in the process of educating the public as to the purpose and meaning of the Fund and the Bank.

I am delighted indeed to have the records of the broadcast, which I received yesterday. You were very thoughtful and generous to send them, and I am deeply appreciative of your kindness.

With warm regards.

Sincerely yours,



The Honorable
Henry Morgenthau, Jr.,
Secretary of the Treasury.

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

August 31, 1944

CONFIDENTIAL

Received this date from the Federal Reserve Bank of New York, for the confidential information of the Secretary of the Treasury, compilation for the week ended August 23, 1944, showing dollar disbursements out of the British Empire and French accounts at the Federal Reserve Bank of New York and the means by which these expenditures were financed.

EmB

FEDERAL RESERVE BANK
OF NEW YORK

August 30, 1944

CONFIDENTIAL

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

I am enclosing our compilation for the week ended August 23, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Very truly yours,

/s/ H. L. Sanford,
H. L. Sanford,
Assistant Vice President

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

Enclosure

C O P Y

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

Week Ended August 23, 1944

Strictly
Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)					BANK OF FRANCE			Net Incr. (+) or Decr. (-) in \$ Funds (d)	Total Debits (e)	Total Credits (e)	Net. Incr. (+) or Decr. (-) in \$ Funds (d)	
	D E B I T S				Total Credits	C R E D I T S							
	Total Debits	Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits		Proceeds of Sales of Gold	Securities (Official) (b)	Transfers from Official Australian Account					Other Credits (c)
First year of war (g)	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	2,752.3	1,425.6	20.9	1,335.8	2,793.1	2,109.5	106.0	14.5	561.1	+ 10.8	878.3	1,098.4	+ 220.1
Second year of war(h)	2,203.0	1,792.2	3.4	1,407.4	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	21.6	5.5	57.4	1,276.8	+ 125.9	18.5	4.4	- 14.1
Fourth year of war(j)	764.0	312.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3
1943													
September	47.4	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	-	-	-
1944													
January	44.0	21.2	13.6	12.0	127.5	-	-	1.0	126.5	+ 62.7	-	-	-
February	147.0	14.7	2.1	127.4	144.5	-	-	29.0	115.5	+ 0.7	-	-	-
March	152.9	71.1	12.5	59.3	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	28.6	8.1	88.2	164.7	-	-	37.0	127.7	+ 39.6	-	-	-
June	101.5	24.1	-	77.8	95.7	-	-	28.0	67.7	- 6.2	-	-	-
July	150.9	12.3	7.3	131.3	85.9	-	-	10.0	75.9	- 65.0	-	-	-
August													
Week Ended													
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	-	-	-	7.3	- 2.7	-	-	-
August 16, 1944	7.5	5.9	-	1.6	5.0	-	-	-	5.0	- 2.5	-	-	-
August 23, 1944	58.8(1)	2.5	-	56.3(1)	9.4(k)	-	-	-	9.4(k)	- 49.4	-	-	-

Average Weekly Expenditures Since Outbreak of War

France (through June 19, 1940) \$19.6 million
 England (through June 19, 1940) \$27.6 million
 England (through June 20, 1940 to March 12, 1941) \$54.9 million
 England (since March 12, 1941) 21.6 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 \$ 4.0 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports, and \$ 3.0 million in connection with the expenses of our armed forces abroad.
- (l) Of which \$ 50.1 million represents cost of gold purchased for export.

ANALYSIS OF CANADIAN AND AUSTRALIAN ACCOUNTS
(In Millions of Dollars)

Week Ended August 23, 1944

Strictly
Confidential

PERIOD	BANK OF CANADA (and Canadian Government)									COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)						
	DEBITS			CREDITS			Net Incr. (+) or Decr. (-) in \$ Funds (e)	DEBITS			CREDITS					
	Total Debits	Transfers to Official British A/C	Others Debits	Total Credits	Proceeds of Gold Sales	Transfers from Official British A/C		Total Debits	Transfers to Official British A/C	Other Debits	Total Credits	Proceeds of Gold Sales	Other Credits	Net Incr. (+) or Decr. (-) in \$ Funds (e)		
First year of war (a)	321.0	16.6	306.4	504.7	412.7	20.9	38.7	32.4	+ 181.7	31.2	3.9	27.3	36.1	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	958.6	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	26.3	-	26.3	- 16.3
November	19.4	0.1	19.3	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	+ 5.8
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	20.3	0.5	19.8	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	-	8.2	-	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																
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	-	7.3	10.8	-	1.1	-	9.7	+ 3.5	1.7	-	1.7	0.7	-	0.7	- 1.0
August 16, 1944	3.9	-	3.9	6.3	-	-	-	6.3	+ 2.4	0.2	-	0.2	0.4	-	0.4	+ 0.2
August 23, 1944	2.5 (f)	-	2.5	7.3 (f)	-	-	-	7.3 (g)	+ 4.8	0.1	-	0.1	3.6	-	3.6	+ 3.5

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 23, 1944) 16.1 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 \$ 1.3 million deposited by War Supplies, Ltd. and \$ 4.3 million received from New York accounts of Canadian Chartered Bank.



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

OFFICE OF THE
EXECUTIVE DIRECTOR

August 31, 1944

TO: Secretary Morgenthau
FROM: J. W. Pehle

I am sure you will be interested in the attached excerpts from two confidential letters I have recently received from Iver C. Olsen, our representative in Stockholm.

A handwritten signature in cursive script, appearing to read "J. W. Pehle".

EXCERPTS FROM LETTER OF AUGUST 10, 1944, FROM IVER C. OLSEN,
WAR REFUGEE BOARD REPRESENTATIVE IN STOCKHOLM.

"With the longer nights now arriving, my Baltic operations are beginning to show results, although they are very difficult. As I cabled you, I lost my man Vokietaitis, which upset me very much, and had a most serious effect on our Lithuanian operations, to say nothing of losing our best source of Baltic intelligence. He had shipped into Lithuania to complete all the rescue arrangements personally, and the first hint of bad news came when he or anyone else failed to show up at the appointed place when the boat went after him the following week. The same thing happened when the boat went the next week, and it was on the third trip that the evacuees reported he had been captured and shot by the Germans. He was a hell of a fine, fearless fellow and the most skillful operator I had. There are several things I could do to try and rescue him, but I am afraid to do it in case (a) he is simply caught behind the lines for the time being, in which case anything I did to stir things up would only focus attention on the fact that he is over there, or (b) he is in a German prison, in which case anything I did might blow the story he has told the Germans, and get him shot straightaway. Consequently, all I can do just now is to keep the boat going, with the hope he will show up. There is a tremendous number of political, religious and racial refugees hiding in the Lithuanian woods in the greatest possible peril, and these next two weeks are about all we have to work on.

"The Estonians are doing very well, and I'm damned pleased with them. They are excellently organized with very good technicians and equipment, including radio, and know their business. Through secret arrangements with the General Staff, which avoided a few score years of imprisonment for espionage, I spent several hours at their operations base in restricted territory on the Baltic coast, and must say I was impressed. They have already gotten about 100 people out of Estonia, and through their excellent organization have made it possible for 2 or 3 hundred others to get out on boats - not ours. I have been getting a list of the persons gotten out and without question they are people who are much wanted by the Germans. Those who are not politically compromised with the Germans are intellectuals who are certainly worth saving. As a rule, however, most of them have had very active connections with the recently organized Estonian National Committee which not long ago declared war on both Russia and Germany. This has somewhat complicated the picture, but I have continued operations on the basis that these persons are most seriously compromised with the Germans - over 700 of them have already been arrested and/or shot by the S.S. and Gestapo. The Estonian operation looks like it will last the longest, which hardly can be more than a month.

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"The Latvian operation is not going very well, although it is just now starting to show a few results. This is due in large part to the fact that there are very few Latvians in Sweden, as a result of which it has been impossible to recruit thoroughly competent crews to carry out the operations. Also, I continue to be very uncertain of Salnais, both as to his point of view and ability, which situation I have made quite clear to him with the hope that he would make every effort to show me that I was 100 percent wrong. We can expect some results, but they will not be remarkable. The Latvian show will also, in all probability, be washed up in a couple of weeks or so.

"With the Finnish situation looking quite optimistic, I am not pushing our program in that area any more, except that I got a promise from the Swedish Foreign Office that whenever they undertake to evacuate the Swedes from Finland (they have made very complete plans), they would include in their transportation plans the evacuation of the Finnish Jews. Heretofore, however, I have had some hot going on the Finnish program, and temporarily had almost the entire Jewish community in Sweden mad at me. The truth of the matter was that they were dragging their heels in the most unconscionable way, on one pretext or another. The following is for your information only, but it is only too true that the Swedish Jews don't want any more Jews in Sweden. They are very comfortably situated here, have no anti-semitic problems, and are very much afraid that an influx of Jews will not only be a burden to them, but will create a Jewish problem in Sweden. Consequently, you will find them very interested in Jewish rescue and relief operations, so long as they do not involve bringing them into Sweden. For example, the fact that thousands of Jews got out of Denmark was due to a boldly conceived and executed plan of the Swedish Socialstyrelsen - the Swedish Jews were most apathetic. In the case of the Norwegian Jews, they were even frigid, since all these were of the poorer classes. They consider themselves a sort of Jewish aristocracy and they do not want it watered down. No more striking example could be found than the fact that a year or so ago about thirty Jewish children, orphans, arrived from Central Europe - finally were taken into Christian homes. The Swedish Jews did not want to be bothered. This was again illustrated in connection with my recent cables regarding the possibility of getting some Jewish children out of Finland - less than fifty. The local community did not want to take any steps until full guarantees of American financial support were supplied. There should have been five hundred comfortable Jewish homes here available without a moment's hesitation for these children on a temporary basis. Their disinterest may be further suggested by the fact that not to this date has a representative of the Jewish community ever been down to the pier to receive any of the evacuees from Finland as they dribbled in. All of this has been done by Filseth of my office, including getting them through immigration, customs, the Socialstyrelsen, and then to camp. Only Filseth has been to the

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camp to see how they are getting along.

"Another headache has been the Wolbe group, genuinely well meaning but the most hopelessly helpless group that I have worked with. All they can talk about is Shanghai and Ecuadorian passports, despite my assurances that the War Refugee Board is exploring all possible bets in that connection, and that their big task is to devise something that will help in Lithuania. Wolbe's comprehension of the urgency of this problem perhaps best may be suggested by the fact that the day after he received \$10,000 for Lithuanian rescue operations he went off on a month's vacation and I haven't seen him since. This vacation item, by the way, is something that the Swedes take very seriously, and is no laughing matter if you are trying to get something done during that period.

"The Hungarian situation looks much better, although I do not believe that rescue or evacuation operations will be of any consequence, at least those requiring German transit visas. It looks like the old game of the Germans permitting their satellites to make a fine variety of gestures for the record, but clamping down themselves at whatever point they become involved. However, the situation is much better inside Hungary wherever the Hungarian authorities have contact, but the trouble is that in too many places the Germans have control and the Jews are simply disappearing. I talked with a chap from Hungary yesterday who had tried to find some Jewish families. He said that the Jews are moved from camp to camp until trace of them is lost. He said an awful lot of young Jewish children, particularly girls 14 and 15, are being stolen on the streets and completely disappear. As you know, anybody has authority over them. The Jews are so terrified that they now are simply hiding in their homes. He believed that if the Jews weren't so terrified, the best thing they could do would be to take off their yellow stars en masse, which would cause so much confusion, particularly because of the air-raids around Budapest, that many of them could escape out into the country where they could be hidden. He said that about 80 percent of the Hungarian metropolitan population are quite unmoved by the Jewish persecutions, and simply shrug their shoulders. The others are too frightened to help. In the country, however, things are much better.

"I get the impression indirectly that the Swedish Foreign Office is somewhat uneasy about Wallenberg's activities in Budapest, and perhaps feel that he has jumped in with too big a splash. They would prefer, of course, to approach the Jewish problem in the finest traditions of European diplomacy, which wouldn't help too much. On the other hand, there is much to be said for moving around quietly on this type of work. In any case, I feel that Wallenberg is working like hell and doing some good, which is the measure. In a week or so the Swedish Red Cross is sending three men delegates to Budapest to construct camps for

- 4 -

the Jews, which I think is the most tangible thing that can be done for the moment. I have a stake in this program. I have also arranged with Count Bernadotte that the Swedish Red Cross handle all negotiations with Kleist and Boening with regard to the evacuation to Sweden of approximately 4,500 Jews in Germany with South American visas. It is understood that Berlin has agreed in principle to the idea, but the nature of the proposition involved will not be available for a few days. I certainly hope that it is something that can be considered, since it would be a substantial accomplishment, but am rather dubious.

"It seems to me that I must have run down a thousand or so straw possibilities in trying to obtain concrete results, and wish that more of them could have panned out. You might be interested in one of them, which I did not report for certain reasons. As you know, Goering's first wife (her second marriage) was the Swedish Countess von Rosen, through which marriage Goering acquired a step-son, now a strapping, nice chap of about 25, who is the apple of his eye. This step-son, who lives in Sweden (Swedish citizen, of course) visits Goering periodically and, in fact, has his own flat in Goering's home. It is also a well-known fact, even told to me by Jews who knew Goering personally, that Goering has been greatly opposed to the Jewish persecutions but has not been strong enough to stop them. Consequently, just before this step-son went to visit Goering in the latter part of June, I had him over to my flat and had a very strong talk with him. I pointed out that Goering would soon be on trial for his life and, after Amsterdam, Rotterdam, Warsaw, etc., he would not exactly have many people on the other side of the fence who will testify as to his beautiful soul. I suggested that both from the point of view of his own Swedish humanitarian instincts, as well as his affection for his step-father, he should urge him in the strongest possible manner to do what he could to ease Jewish persecutions in the Balkans, Poland, Theresienstadt, and elsewhere, and to urge him to take steps that would permit young children and old people to get out of Europe. This chap seemed very impressed and said that he would press the matter with Goering to the best of his ability. I haven't seen him since, but without anything to base it on, I believe that some good has been done.

"I am keeping very careful records of the funds you have sent me to be used in my discretion, and am now thankful that I have them. I will be able to account for all of them, and I have receipts for virtually the full amount. This is also true with respect to my Baltic operations, where I have been able to get excellent accounting and receipts against a large proportion of the expenditures. Out of the funds which you have placed at my disposal the following are the more important outlays, actual and proposed:

- 5 -

(A) Wallenberg left in a hell of a hurry with no instructions and no funds for preliminary expenditures, such as purchase of easily carried barter articles for Hungarian relief. I placed 10,000 kronor at his disposal. In order to channel it through an organization so I could get a good receipt, I gave it to his Aunt, Countess Bonde, who is head of the "Committee for Aid to Belgian Children," earmarked for "Special Hungarian Relief Activities."

(B) On the basis of several urgent requests that Chief Rabbi Ehrenpreis received from Bucharest for relief funds, I gave the Executive Committee for Relief of European Jews 25,000 kronor. They were able to get about 12,000,000 lei for this, which will do a lot of good. The need of Rumanian Jews for food and clothing is really desperate and it would be impossible to do enough. Excellent channels are available from Sweden.

(C) I am trying to get 25,000 to Wallenberg through intermediaries who are in a position to obtain favorable pengo rates on a satisfactory basis.

(D) I turned over 2,000 kronor to Mrs. Andersen for "special translating work and other services" with which she hired a Latvian fishing boat to go over and pick up 20 anti-Nazis in hiding. This seemed a very cheap gamble and I will know the outcome in a few days.

(E) I informed Count Bernadotte that the War Refugee Board was very interested in the proposal of constructing camps for Hungarian Jews, and that we would donate 50,000 kronor to further the program when all details were worked out. They were most appreciative and it will help push early action.

(F) I have told Mr. Cedergren's Committee, "Hjalp Krigeis Offer," that I would place at their disposal a special fund of 5,000 kronor which can be used to send food packages to families in concentration camps of refugees here in Sweden who are penniless and have no means of sending packages. This will be a strong morale boost both to these people and their families."

EXCERPTS FROM LETTER OF AUGUST 14, 1944, FROM IVER C. OLSEN,
WAR REFUGEE BOARD REPRESENTATIVE IN STOCKHOLM.

"Since writing the foregoing letter, I had lunch with the First Secretary of the Swedish Legation in Budapest, who is here for a short while. He is a fine chap and had many interesting comments to make. He said Wallenberg is working very hard and doing everything possible, which items he has also emphasized to the Foreign Office. He considers the situation in Hungary far from settled but he is confident that the Hungarian Government will continue to ease the Jewish situation so long as control is in their hands and not in German hands. This is, however, the big question. He is very skeptical as to the possibility of bringing to Sweden the 2,000 odd Jews who, up to now, have been issued Swedish papers. He stated that both the Hungarians and the Germans had agreed to provide transit visas (actually the German Legation in Budapest gave him personally the official assurances), but later the Germans said these must be a quid pro quo, which was that the rest of the Hungarian Jews of working age must be delivered to German labor camps. This chap is positive that the only real constructive move to be made just now is to get as many Jews as possible into Swedish camps, and then extend the Swedish protection to as many others as possible. I thoroughly agree and that is why I am so anxious to press the Swedish Red Cross in this matter. He also indicated, and please keep this as personal, that we should not take without a grain of salt the hopeful enthusiasm of the I.R.C. man there, who apparently drinks a lot and has delusions of grandeur, but very little in the way of practical judgment in approaching the problem.

"He said that even he did not believe some of the atrocities until he himself was an eye-witness. He went over to a brick factory where they had over 10,000 Jews herded in an area so small that they were forced to stand up closely packed together for five days, old people and young children alike, without any sanitary facilities. He saw them himself standing there, and also being loaded into box cars, eighty (he said eighty were counted out very carefully) into each car, after which the doors were nailed shut. He said many died just standing in the brick factory. He also said that young girls of 14 and 15 were being stolen on the streets, taken into other areas where they had "war whore" tattooed on their arms. Some of them, young Hungarian Jewesses of good family, had been observed as far away as Hamburg. He lamented very much the total lack of

- 2 -

courage among the Hungarian Jews, since they could do so much to help themselves even when they knew it was only a matter of a short time before they would be killed. He said it was very difficult to escape into Rumania or Yugoslavia because the country was too open and the Jews are too terrified. He mentioned that all Hungarian Jews escaping into Rumania are greeted with open arms by the Rumanian authorities, sign long statements as to how badly the Hungarians treated them, and how well the Rumanians greeted them. The Rumanians will produce these after the war."

CABLE TO AMEMBASSY, LA PAZ, BOLIVIA

The following message of August 9 has been received from Amembassy, Madrid:

QUOTE In response to Embassy's representations Foreign Office has formally expressed willingness of Spanish Government to cooperate in bringing to successful conclusion proposed arrangements for exchange on Spanish territory of German nationals in Paraguay and Bolivia for persons in German-occupied territories bearing documentation of those countries but has informed Embassy orally that it is not yet in receipt of representations on this subject from Paraguayan and Bolivian Governments whose representatives in Madrid are still without instructions. UNQUOTE

In view of earlier promises given to you in this respect and reported in your A-288 of June 27, please urge Bolivian officials to take speediest action necessary to enable Spain to bring to conclusion said exchange arrangements. In this connection, you may repeat assurances given in Department's A-221 of June 2 stating that QUOTE In contemplating such exchange negotiations, it is not expected that the government to which you are accredited will physically admit any such persons into its territory even on a temporary or tentative basis. This Government is prepared to take full responsibility for all arrangements necessary to route these persons to places elsewhere. UNQUOTE

4:25 p.m.
August 31, 1944

BAkzin:ar 8/30/44

CABLE TO AMEMBASSY, HABANA, CUBA

1. Reference is made to Department's A-1229 of July 21. The clarification requested therein is still awaited.

2. Amlegation Bern cabled that Julian Gelernter, a Cuban, born on February 21, 1905, in Warsaw, Poland, has been moved by Germans authorities from internment camp Clermont. It is believed that German authorities will consider him a stateless Polish Jew and condemn him to deportation and death.

7/ In view of promises given to you and reported in your A-1294 of June 16, please endeavor to obtain specific request of Cuban Foreign Office to Swiss authorities to demand for Gelernter and any other persons similarly situated treatment to which Cuban nationals are entitled.

The assurances given by this Government in Department's Circular Airgrams of March 31 and April 11 will apply to the case of Gelernter and all other persons similarly situated.

5:00 p.m.
August 31, 1944

BAksin:ar 8/31/44

CABLE TO AMEMBASSY AT LONDON, ENGLAND

The following cable is for Mann from Pehle:

We are transferring ten thousand dollars to you for use at your discretion in furthering the program of the War Refugee Board. These funds are not subject to usual government disbursement procedure and you will be responsible to me alone for their expenditure. You should, however, keep careful record of expenditure and obtain receipts where possible.

4:25 p.m.
August 31, 1944

DWhite:dm 8/28/44

FROM: London
Dated: August 31, 1944
Rec'd: September 5, 5 p.m.

UNRESTRICTED

Secretary of State

Washington.

A-1065, August 31, 1944.

Reference is made to Embassy's telegram No. 6664 of August 17 reporting proceedings of second sitting of Plenary Meeting of Intergovernmental Committee on Refugees. In ninth paragraph of this telegram it was stated that meeting had adopted a resolution to refer study of drawing up form of travel documents for stateless persons to a commission of experts to be appointed at invitation of Director by Governments of Argentina, Belgium, Brazil, Chile, Czechoslovakia, France, Poland, United Kingdom and United States.

In accordance with this resolution Sir Herbert Emerson, Director, in a letter to this Embassy dated August 30, has invited the United States Government to appoint a member to the commission of experts. He suggests that the person selected be one who has studied the question or has had experience of the practical side of the problem. He also points out that the examination of the subject must have regard to security considerations and in this connection suggests that our Government may wish to associate with its member a representative acquainted with the security aspect.

The Director adds that it is hoped to convene the commission early in October and that he would therefore appreciate being informed as soon as convenient of the name of the American member and that of his associate should we desire to nominate one.

Instructions are respectfully requested.

WINANT

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 31, 1944
NUMBER: 7017

SECRET

Please refer to your 6289 of August 5 concerning Beckelman's proposal to close Camp Lyautey.

Inasmuch as Camp Lyautey is still under the joint jurisdiction of the British and American Governments, (Department's 6456 August 15 to Reed from FEA) Beckelman's proposal must of necessity be passed upon by the two Governments.

It is the United States Government's view that now would be a highly inopportune time to close Camp Lyautey. Beckelman's statement that few newcomers are expected at Lyautey indicates that he is unaware of the Horthy offer (your 5956 of July 27 and our 6096 of August 2). The closing of Camp Lyautey at a time when the British and American Governments have accepted the Hungarian proposal to permit certain categories of Jews to emigrate from Hungary might well prove tragic in its consequences, for in the eyes of the Hungarian Government it might easily throw open to question the sincerity of the British and American Governments in accepting the Hungarian Government's offer. Obviously all possible havens must be held available for any eventuality that may occur from accepting the Hungarian Government's offer.

It would be appreciated if you would make known to the British Government and the IGC the United States Government's view concerning Beckelman's proposal to close Camp Lyautey at this time. This cable has been cleared with the Department, FEA and WRB.

HULL

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.

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 31, 1944
NUMBER: 7035

CONFIDENTIAL

You are informed that Mann is departing for London today for a temporary sojourn to inquire into problems regarding refugee matters.

Foregoing has reference to Department's cable of August 25, 1944, No. 6809.

HULL

WRB:MMV:KG

Paraphrase: DCR:VAG:MLM 9/5/44

CABLE TO AMERICAN LEGATION, TANGIER, FROM WAR REFUGEE BOARD.

Reference Department's no. 97, July 20, and your no. 221, July 25. Please advise whether Mrs. Reichman has received any information concerning possibility of delivery of food parcels to Camp Satoraljaujhily in Hungary.

10:30 a.m.
August 31, 1944

FH:lab 8/25/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: Amalgation, Tangier
DATED: August 31, 1944
NUMBER: 122

SECRET

FROM WAR REFUGEE BOARD

Reference Department's no. 97, July 20, and your no. 221, July 25.
Please advise whether Mrs. Reichman has received any information concerning possibility of delivery of food parcels to Camp Satoraljaushily in Hungary.

HULL

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

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Consulate General, Jerusalem
 TO: Secretary of State, Washington
 DATED: August 31, 1944
 NUMBER: 123

CONFIDENTIAL

With reference to cable No. 84 of June 26, for first seven months of 1944 the total Jewish immigration to Palestine was 9348. 5290 from Europe were included in this figure. As of July 31, state of white paper quota was as follows: Vacancies amounted to 18,000 against which there were approximately 12,000 commitments, leaving approximately 6000 actual vacancies. The 12,000 commitments consisted of approximately 5000 for unused past quotas (including 2000 reserved provisionally for wives of soldiers, deserters from armies REC), 2000 reserved for next sixty days for persons escaping from Rumania, and 5000 certificates allotted to protecting power for veteran Zionist party members. Individuals from liberated areas and safe countries, including North Africa, Portugal and Spain allowed to enter only in unusual separate instances approved in Jerusalem, although refugees continue to be allowed to enter without limitations as to numbers through Turkey. As Jewish Agency understands Ador. Government may return Yeminite refugees to Yemen unless provision is made for their upkeep (which the Joint Distribution Committee has arranged for up to this time), the Jewish Agency continues to urge allotment covering such refugees now in Aden. The Jewish Agency has been advised by Joint Distribution Committee that after September 3, it will be unable to continue.

20,000 illegal immigrants and 37,000 legal immigrants were charged against quota of 75,000 to July 31.

PINKERTON

DCR:GPW 9/2/44

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

4:25 p.m.
August 31, 1944

200

CABLE TO AMEMBASSY, ASUNCION, PARAGUAY

1. Reference is made to previous communications relative to Jewish victims of Nazi oppression holding Latin-American passports.

The following message of August 9 has been received from Amembassy, Madrid:

QUOTE In response to Embassy's representations Foreign Office has formally expressed willingness of Spanish Government to cooperate in bringing to successful conclusion proposed arrangements for exchange on Spanish territory of German nationals in Paraguay and Bolivia for persons in German-occupied territories bearing documentation of those countries but has informed Embassy orally that it is not yet in receipt of representations on this subject from Paraguayan and Bolivian Governments whose representatives in Madrid are still without instructions. UNQUOTE

In view of earlier promises given to you in this respect and reported in your A-139 of April 22, in your A-148 of April 29, and in enclosure to your 2163 of June 8, please urge Paraguayan officials to take speediest action necessary to enable Spain to bring to conclusion said exchange arrangements. In this connection, you may repeat assurances given in Department's A-118 of April 11 stating that QUOTE In contemplating such exchange negotiations, it is not expected that Paraguay will physically admit these holders of Paraguayan passports into Paraguay even on a temporary or tentative basis. This Government is prepared to take full responsibility vis-a-vis Paraguay for all arrangement necessary to route these persons to places outside Paraguay. UNQUOTE

2. The following is the substance of a message received from Amlegation Bern:

QUOTE I recommend that you urge the Paraguayan Government in particular (see our cable of July 14, 1944, No. 5418) to give the Spanish Government authority to extend through its Embassy at Berlin the shortly expiring Paraguayan passports which persons, especially those in Bergen Belsen camp, are holding. Several Jewish organizations and individuals have addressed to me desperate appeals calling to our attention the fact that Paraguayan passports held by many in Bergen Belsen were issued originally in 1942 and are due to expire soon.

With respect to the general question of representation by Spain of Paraguayan interests in German territory, it is claimed by Sternbuch of Union of Orthodox Rabbis that a telephone conversation with the Spanish Embassy in Berlin in mid-July revealed that even at that late date that Embassy had no knowledge of removal from Vittel of any persons holding documents issued by Paraguay. While we have not confirmed this fact, it seems fairly clear that the Spanish have never protected with much despatch or energy the holders of Paraguayan documents who are in German territory. UNQUOTE

Please take appropriate action.

3. Appreciation is expressed at information contained in your 2302 of July 21. This information is being forwarded to Amembassy Madrid for supporting action.

BAkzin:ar 8/30/44

CABLE TO AMBASSADOR NORWEB FOR DEXTER FROM PEHLE

The Board has given consideration to the amount of 22,604.90 escudos advanced by you to purchase furniture for the reception center at Pasco d'Arcos. Since it appears probable that there will be little or no rescue activity to be carried out from Portugal in the future, the Board is anxious to get its accounts in shape. Accordingly, you should request repayment of the advance from the Lisbon representative of the World Jewish Congress, and upon his repayment, confirm that title to such furniture is vested in him.

Please discuss this matter with the local representative of the World Jewish Congress and advise as soon as possible whether he is willing to repay the above-mentioned advance.

THIS IS WRB CABLE TO LISBON NO. 85

9:15 a.m.
August 31, 1944

JHMann:JWP:dg

8/30/44

CABLE TO AMBASSADOR NORWEB AND DEXTER, LISBON, PORTUGAL

A communication from Amembassy, Caracas, August 22, states that the Venezuelan Government has authorized its legation at Lisbon to visa the passports of Jewish refugees, especially children, who are traveling to the American continent, even though they may not be proceeding to Venezuelan territory.

You may find the foregoing helpful in inducing Portuguese authorities to grant large numbers of transit visas to Jews in Hungary and other German-controlled territories. Please consult Venezuelan Legation and Portuguese authorities and advise of opportunities in this respect.

THIS IS WRB CABLE TO LISBON NO. 86

4:25 pm
August 31, 1944

BAkzin:ar 8/30/44

AIR MAIL
No. 914

Embassy of the
United States of America

Lisbon, August 31, 1944

CONFIDENTIAL

Subject: Granting of Visas for Certain Categories of
Aliens from Enemy Countries

The Honorable
The Secretary of State
Washington

Sir:

I have the honor to transmit herewith a copy of the Embassy's Note Verbale, No. 515, August 31, 1944, to the Ministry of Foreign Affairs on the above subject. This Note was sent in accordance with the Department's telegram No. 2332 of August 24. It will be observed that in the Note the Ministry has not been asked to advise foreign governments of Portugal's willingness to allow persons falling within these categories to enter Portugal. It seemed wisest to obtain the permission first and then to request the Portuguese Government to notify the governments with which the United States is at war.

The substance of the Department's telegram has been made available to the Consular Section of the Embassy and the provisions for the issuance of the visas in question thoroughly discussed. All necessary arrangements are being made in accordance with instructions and the Embassy awaits notification by telegram of the names of persons for whom petitions have been filed.

Representatives of private agencies in Portugal have also been apprised of the contents of the telegram and will inform the Embassy if they knew of any individuals coming under the categories mentioned who enter Portugal. If the Embassy learns of any such persons, either directly or through the private agencies, it will, as requested, notify the War Refugee Board immediately. The Embassy will advise the Department and the Board of any developments that may occur in connection with this program.

It is assumed that the War Refugee Board will be interested in this despatch and the enclosed copy of the Note Verbale, and if the Department perceives no objection, it is requested that they be transmitted to the Board.

Respectfully yours,

For the Ambassador:

Charles E. Dickerson, Jr.
First Secretary of the Embassy

Enclosure: Copy of Note
XD:ew Verbalé No. 515

204

Enclosure to despatch No. 916, August 31, 1944, from
the Embassy at Lisbon.

Copy of Hete Verbaie No. 515

The Embassy of the United States of America presents its compliments to the Portuguese Ministry of Foreign Affairs and has the honor to inform the Ministry that the United States Government has authorized its Consular officers in Portugal to issue immigration visas to aliens who are the parents, husbands, wives or unmarried minor children of American citizens and to alien wives and unmarried minor children of aliens who have been lawfully admitted into the United States for permanent residence. Those arrangements are, of course, subject to the ordinary restrictions of the immigration laws of the United States.

The Swiss Government is being requested to advise the Governments with which the United States is at war, particularly Hungary and Germany, that American Consular officers in Portugal and other neutral countries have been authorized to issue immigration visas to the above classifications of individuals who have been in an area controlled by Germany or any of Germany's allies, provided that such individuals are able to present themselves to American Consular officers and are found not to be disqualified for a visa.

The Embassy therefore requests the Ministry that it be kind enough to use its good offices in arranging for the entry into Portugal of persons falling within the categories described above. The Embassy assures the Ministry that any such persons who may be admitted will be adequately maintained and that any who may be found not to be qualified for the issuance of United States immigration visas will be evacuated as promptly as possible. Similar requests have been directed to the Governments of Turkey, Sweden, Switzerland and Spain.

This action of the United States Government is made solely for humanitarian purposes and the Embassy is confidently relying on the generosity of the Government of Portugal to assist in every way possible.

Lisbon, August 31, 1944.

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

August 31, 1944

8 p.m.

AMEMBASSY,

LISBON.

2391

The following for Dexter from Pehle is WRB 85.

The Board has given consideration to the amount of 22,604,90 escudos advanced by you to purchase furniture for the reception center at Paço d'Arcos. Since it appears probable that there will be little or no rescue activity to be carried out from Portugal in the future, the Board is anxious to get its accounts in shape. Accordingly, you should request repayment of the advance from the Lisbon representative of the World Jewish Congress, and upon his repayment, confirm that title to such furniture is vested in him.

Please discuss this matter with the local representative of the World Jewish Congress and advise as soon as possible whether he is willing to repay the above-mentioned advance.

HULL
(GLW)

WRB:MMV:KG
8/31/44

WE

KEM - 659
Distribution of true
reading only by special
arrangement. SECRET W)

Lisbon

Dated August 31, 1944

Rec'd 6:44 p.m.

Secretary of State,

Washington.

2691, August 31, 6 p.m.

THIS WRB 171. FOR RAYMOND BRAGG, BOSTON, FROM
ELISABETH DEXTER UNITARIAN 323

Seriously disturbed nonreceipt August remittance
for Spanish Republicans in Portugal. This fund now \$1200
overdrawn and current expenditures over 3000 per month as
you will see from monthly reports. Until these people
actually leave for Mexico, need will increase although
after that occurs will be less. Over one hundred individuals
face possible starvation and imprisonment, some death,
if returned to Spain, unless funds are forthcoming.

NORWES

WFS JMS

CABLE TO AMEMBASSY, MADRID, SPAIN

- 1. Reference is made to your 2753 of August 9. Information therein contained is being communicated to Amembassy, Asuncion.
- 2. The following is the substance of a message received from Amlegation Bern:

QUOTE With respect to the general question of representation by Spain of Paraguayan interests in German territory, it is claimed by Sternbuch of Union of Orthodox Rabbis that a telephone conversation with the Spanish Embassy in Berlin in mid-July revealed that even at that late date that Embassy had no knowledge of removal from Vittel of any persons holding documents issued by Paraguay. While we have not confirmed this fact, it seems fairly clear that the Spanish have never protected with much despatch or energy the holders of Paraguayan documents who are in German territory.

UNQUOTE

Please make energetic representations with a view to obtain more satisfactory attitude of Spanish officials in Madrid and in Berlin in discharge of this humanitarian duty voluntarily undertaken by Spain.

3. As a specific example, Amlegation Bern cabled that Swiss Legation Berlin referred to Spanish Legation Berlin the case of Josef Rappaport or Jose Frappaport, a Paraguayan, born on July 28, 1910 in Sanok, Poland, and moved by German authorities from internment camp Clermont. Please ascertain what Spanish officials in Madrid and Berlin are doing in his case and in that of other Jewish holders of Paraguayan documents.

4. Amembassy Asuncion reports that Paraguayan Government has requested Spanish Government to take appropriated steps in its name with a view to permitting commissioners of Intercross to visit concentration camps ~~in~~ in German-controlled territory in which persons claiming Paraguayan nationality are held and to which Intercross had in the past no or little access. Please take appropriate action in support of Paraguayan request.

4:25 p.m.
August 31, 1944

BAkzin:ar 8/26/44

CABLE TO MINISTER HARRISON AND MCCLELLAND, BERN, SWITZERLAND

1. Reference is made to your 4223 of July 3 section four (F). Anembassy Port-au-Prince informs Department that instructions regarding status and treatment of holders of Haitian documents in German-controlled territory were transmitted by Haitian government to Bern on July 31.

2. Reference is made to your 5398 of August 19. Information contained therein is appreciated and steps are being taken in Asuncion and Madrid.

THIS IS WRB CABLE TO BERN NO. 154

9:15 a.m.
August 31, 1944

BAkzin:ar

8/26/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: Amlegation, Bern
DATED: August 31, 1944
NUMBER: 3005

SECRET

FOR MCCLELLAND, BERN, SWITZERLAND.

1. Reference is made to your 4223 of July 3 section four (F).

Amembassy Port-au-Prince informs Department that instructions regarding status and treatment of holders of Haitian documents in German-controlled territory were transmitted by Haitian government to Bern on July 31.

2. Reference is made to your 5398 of August 19. Information contained therein is appreciated and steps are being taken in Asuncion and Madrid.

THIS IS WRB CABLE TO BERN NO. 154

HULL

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

CABLE TO BERN

FROM WAR REFUGEE BOARD TO HARRISON

Please deliver the following message to Bishop Marius Besson, Fribourg, from Monsignor O'Boyle, Executive Director of the War Relief Services - National Catholic Welfare Conference:

"KINDLY FURNISH US MORE DETAIL ON NEEDS POLISH REFUGEES HUNGARY AND FRANCE ESPECIALLY FUNDS REQUIRED PER MONTH STOP ALSO IDENTIFY JANUSKOWSKI IN RELATION TO REFUGEES AND HIS COOPERATION WITH SWISS CATHOLIC MISSION STOP RESPECTS"

THIS IS WRB CABLE TO BERN NO. 255.

2:45 p.m.
August 31, 1944

FH:lab 8/31/44

CABLE TO MINISTER HARRISON AND MCCLELLAND, BERN, SWITZERLAND.

The following message dated August 22 has been received from
Ambassy, Caracas:

QUOTE I have just been informed in strict confidence by
the Foreign Office in response to representations made under in-
struction above cited that the Venezuelan Government has requested
the Swiss Federal Political Department to extend the protection of
Venezuelan interests to Hungarian territory and other countries
of Central and Eastern Europe, for the purpose of aiding the bearers
of Venezuelan passports in those regions. UNQUOTE

THIS IS WRB CABLE TO BERN NO. 156

4:25 p.m.
August 31, 1944

BAkzin:ar 8/30/44

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

August 31, 1944

6 p.m.

RESTRICTED

The President's War Relief
Control Board,
Washington Building,
Washington, S. D. C.

AMLEGATION

BERN

SOOL

Department would appreciate being brought up to date on activities of Swiss Refugee Advisory Commission, formation of which was reported your 1130 February 24. It would also be helpful to the Department to have your evaluation of the Commission's effectiveness in coordinating and implementing the work of the various organizations handling refugee matters in Switzerland.

HULL
(EIK)

SWP:VHM:ang 8-29-44 WRB CH
Send at request of War Relief Control Board.

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

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: August 31, 1944
NUMBER: 5689

SECRET

In connection with first paragraph of Department's message of July 13, No. 2407, the following is contained in notice from Swiss dated August 26.

The difficulties encountered in efforts to safeguard bearers of identity documents issued in name of Latin American countries were described in recent report on situation in Germany concerning such individuals from Swiss Legation Berlin.

In particular, it seems that officials of Germany are starting to discriminate between passports issued for the purpose of safeguarding Jews against steps which might be taken against them and those held by individuals having citizenship of nations in question by birth.

The German authorities refuse right of interested individuals to claim Latin American citizenship not because of expiration validity of passports but because antecedents of Jews involved and type of identity papers which they have constitute adequate evidence that they obtained these papers "ad hoc" in the view of such authorities.

The continuation of these passports "ad hoc" is not the essential matter in the opinion of the Swiss Legation. They express the belief that it is fundamental that information as to the presence of these Latin American nationals who are not listed on its registers be furnished the Legation in some way. Inasmuch as holders of identity papers of this nature in many instances have not been reported to Swiss Legation, in the event German officials should ask if particular individual is among those protected by it, it might happen that the Swiss Legation would be unable to supply data concerning nationality claimed by interested individual.

In order to expedite its representations to Government of Germany, Swiss Legation suggests that lists as complete as possible of bearers of these papers be prepared by governments in whose name identity papers are issued, accompanied with statement that these individuals are recognized as their citizens by these governments.

HARRISON

DCR:GPW:CR
9/1/44

Bern

HSC-612

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

Dated August 31, 1944

Rec'd 4:40 p.m.

Secretary of State,

Washington.

5697, August 31. 2:00 p.m.

FOR WRS FROM MCCLELLAND

For Lee Nulman, American OSE, 24 West Fortieth Street, New York, from Gurvitch:

"Undertaking all measures reestablish our organization France along previous lines with branch offices throughout the country. Minkovski's address 130 Boulevard Mont Parnasse, Paris. Dr. Jannu, President 'Save The Children' organization 14 Orheistrada. He is ready to transfer his organization into Rumanian OSE. Possibilities emigration children from Hungary uncertain and meeting serious difficulties. New relief possibilities urgently require fresh funds outside joint allocations.

Please cable." 2605.

HARRISON

JT

MAB-730

PLAIN

Bern

Dated August 31, 1944

Rec'd 9:55 p.m.

Secretary of State

Washington

5700, thirty-first

FOR NRB FROM MCCLELLAND

For Leland Rex Robinson American Committee for
Christian Refugees from Adolf Freudenberg:

"Please convey our warm thanks to Methodists their
generous gift for Hungarian Jews. Major portion used by
special Hungarian Reformed Church committee, minor portion
for Hungarian Jews in Switzerland. In view destitution
those people additional funds offered would be most
welcome." 9.55

HARRISON

JT

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: August 31, 1944
NUMBER: 5707

CONFIDENTIAL

MCCLELLAND SENDS THE FOLLOWING FOR THE WAR REFUGEE BOARD.

In your discretion please transmit the following from Bojanic and Cukovac to General Velebit, representative of the Yugoslav ~~army~~ of National Liberation in London.

Two emissaries representing the Committee of National Liberation in Switzerland are departing for France to organize return of civilian and military Yugoslav refugees who wish to fight against the enemy. Emissary Latinovic, accompanied by an officer is charged with arranging transit of 1500 men from France. Latinovic and companion will have to go on as far as Bari. Kindly support their action and advise Subasic asking for his personal aid.

HARRISON

DCR:VAG:MLM

9/2/44

Miss Chauncey (For the Sec'y), Abrahamson, Aksin, Cohn, DuBois, Drury, Friedman, Gaston, Hodel, Laughlin, Lesser, Mann, Mannon, Marks, McCormack, Pehle, Sergoy, Standish, Weinstein, Cable Control Files.

KD-817

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

Ankara

Dated August 31, 1944

Rec'd September 1, 6:35 a.m.

Secretary of State

Washington

1600, August 31, 1 p.m.

FOR PEHLE WRB FROM HIRSCHMANN.

Ankara's No. 145.

It is now reported on reliable authority that the Bulgarian anti-Jewish laws have been set aside by a decree of the regents. While this decree must be approved by Parliament, the Bulgarian authorities decided not to press the issue with Parliament which was recently in session as that body had originally passed the decrees. When the new Parliament meets, the decrees abrogating the anti-Jewish laws will be confirmed pro forma.

A commission has been appointed in the Ministry of Finance to study the property question with the view to restoration to the original owners so far as it is possible.

STEINHARDT

BB

ED-816
Distribution of true
reading only by special
arrangement. (SECRET-W)

Ankara

Dated August 31, 1944

Rec'd September 1, 6:36 a.m.

Secretary of State

Washington

1601, August 31, 2 p/m

FOR FEHLE WRB FROM HIRSCHMANN

Ankara's No. 146.

WRB. Nicolas von Farman is completely unknown in informed circles in Istanbul and his name does not appear among more prominent persons associated (REDEPTEL 734, August 23) with Hungarian Czechoslovakian Industrial Bank which closed in 1939. I recommend that inquiries be made via Switzerland.

STEINHARDT

BB

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

Ankara

Dated August 31, 1944

Rec'd. 6:37 a.m., September 1

Secretary of State,

Washington.

1602, August 31, 3 p.m.

FOR FILE WRB FROM HIRSCHMANN ANAKRA'S NO. 147

Referring to the Embassy's 1472, August 11.

Reports reaching us indicate that under renewed German pressure there is a possibility that deportations from Hungary will be resumed. It is suggested that warnings similar to those emanating from the board and other sources, which are reported to have had a salutary effect, be urgently and strongly repeated.

STEINHARDT

WSB

NOT TO BE RE-TRANSMITTED

SECRET

OPTEL NO. 284.

Information received up to 10.0 a.m. 31st August, 1944.

1. Naval.

Carrier-borne aircraft again attacked TIRPITZ 29th in Alten Fjord; ship was hidden by smoke and results not seen. Subsidiary targets in the Hammerfest area were attacked by fighters. During period 21st to 24th, 4 hits and 1 possible with 500-pound bombs on TIRPITZ were claimed and 2 possibles with 1000-pound bombs. Each time ship hidden by smoke. Other objectives attacked included aircraft and hangars, R.D. stations and shipping, 7 aircraft missing in all. On 29th/30th, one of H.M. frigates and one of H.M. destroyers engaged convoy of L.C.T's and R-boats moving North from Fecamp. Shadowing convoy to Dieppe, the frigate drove off 3 E-boats eastward, herself going under heavy fire from the shore. By 29 D plus 83, number of men landed Normandy reached 2 million, of whom approximately 800,000 British and 1,200,000 U.S. Entrance to Toulon Harbour blocked, but can be cleared, 6 berths will be available after repairs. On 27th, a fishing vessel captured containing 50 U-boat officers and men attempting escape from Toulon; 18 prisoners also taken from 2 motor boats.

2. Military.

France. U.S. troops have recaptured Rheims and are East of Marne between Vitry and Chalons. All bridgeheads between Paris and Rouen linked up and now present a continuous front. United Kingdom troops have made substantial advances and are approaching Beauvais and Gournay. Canadians have made good progress North of the Seine, South of the river remaining German detachments liquidated.

Southern France. Heavy fighting between Loriol and Livron where U.S. troops have inflicted heavy casualties on Germans trying to cross river Drome with pontoon bridges. U.S. troops are mopping up Montelimar and have gained further ground North-East of the town. French troops West of Rhone have reached Bagnols and Uzès.

Italy. 8th Army has reached River Foglia on a broad front and patrols have crossed. Our troops also continue to make progress North of Bibbiena and North of Pontassieve.

Russia. Russians have captured Ploesti and are within 20 miles of Bucharest.

3. Air.

Western Front. 29th/30th. Stettin: 1341 tons dropped, some cloud, marking punctual and accurate, good bombing concentration, fierce fires reported. Many fighters over Denmark and Stettin, 2 enemy aircraft claimed destroyed Koenigsberg; 493 tons, moderate cloud, marking fairly well placed and fair concentration achieved. Several large fires, fighters active, 38 aircraft confirmed missing.

30th. U.S. heavy bombers dropped 495 tons on 8 launching sites Pas de Calais, 471 on Bremen and 616 on Kiel; all aircraft returned safely. 30 medium bombers attacked a battery near St. Malo, and 104 Spitfires operated in the Calais/Ghent areas.

30th/31st. 52 aircraft despatched, including 36 Mosquitos Frankfurt,

Central Europe. On 29th, heavy bombers from Mediterranean dropped 381 tons on railway centre and industrial area Moravska-Ostrava, 107 on 2 oil refineries, and 475 on a railway bridge in Hungary and railway centres at Szeged and Szolnok. 14 bombers missing. 30th. 96 Mustangs attacked airfields, destroying 12 enemy aircraft on the ground.

Italy. 29th. Heavy bombers dropped 59 tons Salcano and 118 railway bridge Ferrara, Lightnings bombed a railway bridge and destroyed 6 locomotives and 5 grounded aircraft. 751 other bombers attacked dumps communications and positions in Gothic Line.

Yugoslavia. On 29th and 30th, heavy bombers dropped 305 tons on railway bridges.

4. Home Security.

During 24 hours ending 0600 31st, 44 flying bombs plotted.