

DIARY

Book 800

November 29-30, 1944

| | Book | Page |
|--|------|------|
| Army-Navy Football Game | | |
| Gronyko invited to occupy HMJr's box - 11/29/44..... | 800 | 13 |

Financial Activities (Foreign)
 See Foreign Financial Activities

Financing, Government
 War Savings Bonds
 Combat Personnel (Returned): Appearance at rallies
 discussed in FDR-HMJr-Navy (Forrestal) correspondence -
 11/29/44..... 71

Foreign Economic Policy Committee
 See Foreign Financial Activities

Foreign Financial Activities (Foreign Financial Policy Board;
 " Economic Policy Committee)
 FDR's desire for coordination of - 11/29/44..... 95
 Conference to discuss; present: HMJr, D.W. Bell, White,
 O'Connell, Luxford, and DuBois - 12/13/44: See Book 802,
 page 200

- a) "Unification of Financial Policy" memorandum
 considered
- b) Difference in set-up as proposed by State and
 Treasury explained by DuBois: Book 802, page 203
 - 1) Treasury proposes Cabinet Committee
 - 2) State proposes an Executive Committee
- c) Hull-HMJr conversation July 9, 1943 recalled by
 HMJr: Book 802, pages 205, 211

Conference; present: HMJr, D.W. Bell, White, O'Connell,
 Luxford, and DuBois - 12/13/44: See Book 802, page 217

- a) Agencies to be represented on committee discussed
- b) "Establishment of a Foreign Financial Policy Board" -
 DuBois memorandum considered: Book 802, page 223

Stettinius-HMJr conversation - 12/13/44: Book 802, page 225

- a) Hull's memorandum sent to FDR some three months ago
 setting up committee to handle international finance
 discussed

Conference; present: HMJr, D.W. Bell, O'Connell, Pehle,
 Luxford, and DuBois - 12/18/44: See Book 803, page 245

Committees as proposed by State Department - 12/18/44:
 Book 803, page 315

State-Treasury conversation - agenda for: Book 803, page 319

Stettinius quotes Acheson: "State Department always heads
 finance committees dealing with foreign governments" -
 HMJr-Bell conversation - 12/19/44: Book 804, page 1

- a) Bell asked to review past years and ascertain truth
 of this
 - 1) Bell's report - 12/20/44: Book 804, page 124

Foreign Financial Policy Board
 See Foreign Financial Activities

- G -

| | Book | Page |
|----------------------------------|------|------|
| Germany See Post-War Planning | | |

- H -

| | | |
|---|-----|----|
| Hull, Cordell HMJr's letter upon Hull's resignation as Secretary of State - 11/29/44..... | 800 | 93 |
| a) Hull's reply - 12/2/44: See Book <u>301</u> , page 34 | | |

- L -

| | | |
|---|--|-----|
| Lend-Lease United Kingdom Phase 2: Petroleum stocks discussed in Army-Navy Petroleum Board-Treasury correspondence - 11/29/44... | | 39 |
| Federal Reserve Bank of New York statement showing dollar disbursements, week ending November 22, 1944 - 11/29/44..... | | 106 |

- N -

Navy Department
Combat Personnel (Returned): See Financing, Government
(War Savings Bonds)

- O -

Office of Strategic Services
See Post-War Planning: Germany (Russian economic policies)

- P -

| | | |
|---|--|----------|
| Pahle, John W. See War Refugee Board | | |
| Petroleum See Lend-Lease: United Kingdom - Phase 2 | | |
| Post-War Planning Germany "Russian Economic Policies in Germany in the Period of Military Occupation": Office of Strategic Services study sent to HMJr by Stimson - 11/29/44..... | | 138 |
| Johannes Steel broadcast sent to HMJr - 11/29/44..... | | 178 |
| a) Resignation from Station WMCA - 12/12/44: See Book <u>302</u> , page 239 | | |
| Swing-Vandercook broadcast - 11/30/44..... | | 256, 259 |

- S -

Steel, Johannes
See Post-War Planning: Germany

- S - (Continued)

| | Book | Page |
|---|------|------|
| Stettinius, Edward R., Jr. | | |
| HMJr's letter upon Stettinius' appointment as Secretary of State - 11/29/44..... | 800 | 94 |
| Swing, Raymond Gram | | |
| See Post-War Planning: Germany | | |

- U -

| | | |
|--------------------------------|--|--|
| U. S. S. R. | | |
| See Post-War Planning: Germany | | |
| United Kingdom | | |
| See Lend-Lease | | |

- V -

| | | |
|--------------------------------|--|--|
| Vandercook, John W. | | |
| See Post-War Planning: Germany | | |

- W -

| | | |
|--|--|-----|
| War Refugee Board | | |
| Pehle, John W. | | |
| War and State Departments told of HMJr's plan for Pehle to handle both War Production Board and Surplus Property - 11/29/44..... | | 3,5 |
| FDR told of Pehle's appointment - 11/30/44..... | | 245 |

November 29, 1944
11:15 a.m.

SURPLUS PROPERTY DISPOSAL

Present: Mr. D.W. Bell
Mr. C.S. Bell
Mr. White
Mr. Gaston
Mr. O'Connell
Mr. Pehle
Mr. DuBois
Mrs. Klotz

H.M.JR: Now, on this business of Procurement, John is willing to undertake it, see? And the only suggestion he made which we must have any record of is, he suggested that Schmidt be put in as permanent Director.

MR. C.S. BELL: Of Foreign Funds?

H.M.JR: Yes. Now I am trying to get Stimson and Stettinius.

Now, Pehle talked to me and I think he is correct that he should stay in his present position.

MR. C.S. BELL: As Assistant to the Secretary?

MR. PEHLE: No, he is talking about the War Refugee Board.

MR. GASTON: I think that is a good idea. I think you will raise questions and give an opportunity for upsetting the work if you try to do anything else.

H.M.JR: And if we ask to put somebody in, they very well might have a candidate.

- 2 -

MR. GASTON: That is what I was thinking, that you would lose control of it entirely.

H.M.JR: Now, what can we do - I mean, going on the assumption that Hull and Stimson and Stettinius are agreeable - this is what I think we should do. I think it should be handled by a little committee; Dan Bell and Charles Bell and Mr. Gaston should send for the whole damned bunch over there, you see? They would come out as a group, seven or eight of them; let them come to Mr. Dan Bell's office and simply tell them that I would have liked to do this myself but that I can't, and that I am putting Mr. Pehle in as my personal representative to run this thing for me, and that I had sent for seven or eight of them, and just tell them.

Tell them that we hope that business will continue to cooperate with us, we would like very much that the business should continue to cooperate with us, but that Mr. Pehle has a free hand, and that he would like the cooperation, and we are sure they will stay and cooperate - something like that.

What do you think, Dan?

MR. D.W. BELL: Well, I wonder if there is any question about any of them staying, except Duncan?

H.M.JR: Yes.

MR. D.W. BELL: Is there - because saying it that way certainly raises a question in their minds as to our feeling.

H.M.JR: Well, look, there is Dan Bell and Charles Bell and Gaston, plus Pehle. I think O'Connell ought to be in on this.

MR. D.W. BELL: I think Cliff Mack ought to come, too.

MR. GASTON: One way would be to take just the heads of the divisions over there, have them in; and the other

- 3 -

thing would be these commodity men. Why don't we wait and see if anything sticks--

H.M.JR: I am going to leave it to the Committee, Dan Bell, Charles Bell, O'Connell, and Gaston, to bridge this thing over on account of my not being here. Now, there is a high-powered Committee for you!

MR. PEHLE: Yes. I take it you are talking about the Committee's problem - the problem of how to acquaint them of the new order.

H.M.JR: That is it.

MR. D.W. BELL: Introducing you properly to get you off on the right foot.

MR. PEHLE: With all those brains, I ought to--

MR. WHITE: Armored reconnaissance!

MR. PEHLE: There are two small things--

H.M.JR: Also known as the heavies.

MR. PEHLE: I understand that Charlie Bell has an order on it.

MR. C.S. BELL: Yes, putting John in charge.

(The Secretary holds a telephone conversation with Mr. Shott in Secretary Stimson's office)

- 4 -

MRS. KLOTZ: He is good.

MR. D.W. BELL: He has been there a long time.

H.M.JR: Is he Regular Army?

MR. D.W. BELL: No, he is a regular civilian career man.

H.M.JR: He said right away, "Oh, Daniel Bell, yes."

MR. D.W. BELL: Played ball with him thirty years ago.

H.M.JR: Now, I don't think there will be any trouble, do you?

MR. D.W. BELL: I shouldn't think so. Has the other one agreed?

H.M.JR: No, I have to call him.

MR. C.S. BELL: This is just a little order on Pehle.
(Hands the Secretary Treasury Department Order No. 55)

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

November 29, 1944
11:26 a.m.

5
War Refugee

Edward R.
Stettinius: Hello, Henry, how's your wife?

HMJr: How are you?

S: Okay, sir. How's your wife?

HMJr: She's getting along nicely and she's coming home this afternoon.

S: Oh, that's fine. That's fine.

HMJr: Is your hair any whiter?

S: Oh, ho, ho. Oh, no -- no, not whiter. I'm going to start dyeing it now.

HMJr: You're going to start dyeing it?

S: Yeah.

HMJr: I see. Are you going to wear a flowing necktie and spats?

S: Sure. And I -- sure, I've got to get a black hat and a cane, you know.

HMJr: Wonderful. Ed

S: Yeah.

HMJr: I'm bothering you about a situation in connection with War Refugee Board and John Pehle.

S: Yeah.

HMJr: Mr. Olrich, who was Director of Surplus Property in Procurement, left me two days ago to go home and defend himself against an O.P.A. suit.

S: Yeah.

HMJr: I want to -- the War Refugee Board's work is constantly diminishing.

S: Yeah.

HMJr: I'd like to take some of John Pehle's time

S: Yeah.

HMJr: to watch this situation for me....

S: Yeah.

HMJr: on surplus property, until the President makes up his mind what this new board is going to do. You see.

S: I understand.

HMJr: And I didn't want to do it, though

S: Sure.

HMJr: without talking to you and to Stimson.

S: Go to it.

HMJr: Is that all right?

S: Go to it.

HMJr: Now, he's got time to do both.

S: Now, you know Pehle and I talked about -- a couple of weeks ago about eventually, perhaps, liquidating and for me setting up in the Department to do the rest of the job.

HMJr: Yeah.

S: I'm working on that now.

HMJr: Fine.

S: And one of these days I'll have a suggestion to make to you.

HMJr: Fine.

S: Now, while we're on the phone.

HMJr: Yes, sir.

S: I think I'm going to be able to move very fast in really putting a new team in here.

HMJr: Oh, wonderful.

S: I mean really fast.

HMJr: Oh, wonderful.

S: Of the top people that you would cheer about.

HMJr: Really?

S: Now, the moment that that's done

HMJr: Yes.

S: in order that we can kick this thing off between State and Treasury

HMJr: Yeah.

S: I'd like -- I want to give you a lunch at the Blair House

HMJr: Yes.

S: to meet the new Under Secretary and the Assistant Secretaries

HMJr: Fine.

S: in your honor.

HMJr: Oh, wonderful.

S: In other words, there will be six new Assistant Secretaries and a new Under Secretary and me, which are eight.

HMJr: All new?

S: All new except one.

HMJr: Really?

S: Yeah. Now, listen, you -- I'm in action, boy.

HMJr: Who are you keeping?

S: (Laughs) I'll tell you when I see you.

HMJr: Really?

S: But I want -- keep that in the back of your mind because if we kick it off on that high level

HMJr: Yeah.

S: the very first week of this new management

HMJr: Yeah.

S: then there can't ever be any misunderstanding between us.

HMJr: Yeah.

S: Does that sound good?

HMJr: Well, Ed, there never has been between you and me.

S: I know there hasn't. But I mean -- you know -- you know.

HMJr: Well, that sounds wonderful.

S: All right, boy.

HMJr: Sounds wonderful.

S: You'll be awfully pleased with what we're going to do.

HMJr: Sounds too good to be true.

S: Thanks, fellow.

HMJr: I'm going away this afternoon for a week's rest.

S: Fine.

HMJr: And when I come back my tongue will be hanging out for some food at Blair House.

S: All right, old boy.

HMJr: Thank you. Bye.

H.M.JR: He is putting in six new Assistant Secretaries and Under Secretary - completely new - only keeping one.

MR. PEHLE: Only one?

MR. GASTON: What is the name?

MR. WHITE: He is keeping one - I suppose Dean Acheson. That is amazing!

H.M.JR: Come out from under the desk, Drew!
Now, listen, don't leak on it.

MRS. KLOTZ: You trust your boys, don't you?

H.M.JR: What he said was interesting. He said right away. Then he said, "I am going to give you a luncheon at Blair House to meet the new boys so that the State Department and Treasury get off on the right foot, and there will be no trouble from now on."

MR. WHITE: To meet the new what?

H.M.JR: The new staff. He said, "I am giving you a luncheon at Blair House."

MR. WHITE: We ought to celebrate.

H.M.JR: He said, "I am inviting six or eight" - I don't know - "Assistant Secretaries and Under Secretaries, and I am inviting you the first day to Blair House so that Treasury and State gets off on the right foot."

MRS. KLOTZ: He is a smart boy!

MR. WHITE: I never would have guessed it.

MR. D.W. BELL: He has got four Assistant Secretaries, anyhow.

MR. PEHLE: It depends on who the new men are.

- 6 -

MR. O'CONNELL: Don't celebrate until you know whom you are getting in place of them.

H.M.JR: Now, listen, boys, sit on it, will you, please?

MRS. KLOTZ: It is probably all out, anyway.

H.M.JR: Just the same, sit on it.

(The Secretary signs appointment order on Mr. Pehle)

MR. PEHLE: Will we issue a press release on that? I think we have to tell about it, but I think it ought to be as brief as possible. I think it would forestall inquiry if we say something about the War Refugee Board.

H.M.JR: Well, you have a Committee. Let the Committee handle it.

MR. PEHLE: All right.

H.M.JR: Now, I am appointing another committee of Mrs. Klotz, Dan Bell, and Mr. Gaston to handle those surplus tickets!

MR. PEHLE: Sounds like surplus property to me!

H.M.JR: The request as to whom these tickets should go - that Committee can decide. Now, these people you are giving them to, give them for me, personally. So if anybody has any ideas, give the suggestions and let Bell and Gaston and Mrs. Klotz decide. I did give two to Alan Barth. He was very pleased. I am now offering my box to Gromyko, and if he doesn't want it I am going to offer it to Halifax, and if he doesn't want it I am going to give it back to the Army and Navy. I am offering it to Gromyko first.

MR. WHITE: He will need somebody along to interpret what is happening.

- 7 -

H.M.JR: The other ones are paid for. Whoever you are giving them to, give them for me - including Sylvia Porter.

MR. D.W. BELL: Do you want any other name on that?

H.M.JR: Sure, include Dan Bell. They are all paid for. I just have two more over there. Offer that to Gromyko only affecting himself, and to Halifax - if not, it goes back to the Army and Navy.

Does anyone else have any idea of another Ambassador? You see, this box is fixed officially.

MR. WHITE: It is way down on the list - if you want to give China, or Kung--

H.M.JR: Maybe Stettinius.

MRS. KLOTZ: You took the word out of my mouth. Maybe he would love it.

H.M.JR: I have a call in.

MRS. KLOTZ: You can cancel it. Never mind, take it up when you come back.

MR. WHITE: Or you can give Stettinius my pair.

MRS. KLOTZ: He wants to give them a box.

H.M.JR: They are going to stop everybody going over ten miles an hour in a car, and question everybody. It means taking a train or taxi.

MR. D.W. BELL: You mean they are going to do that? I think that is terrible!

H.M.JR: Who am I to argue with the white-haired boy?

MR. D.W. BELL: That is awful.



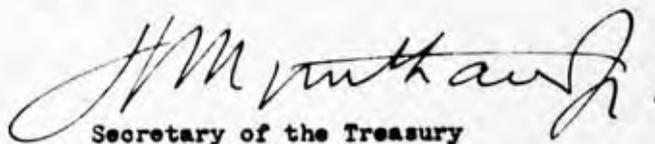
THE SECRETARY OF THE TREASURY
WASHINGTON

NOV 29 1944

TREASURY DEPARTMENT ORDER NO. 55.

Effective immediately, the Procurement Division, including the Office of Procurement and the Office of Surplus Property, is assigned to the supervision of Mr. John W. Pehle, Assistant to the Secretary.

Treasury Department Order No. 53, dated June 7, 1944, is revoked and superseded by this Order.

Handwritten signature of J. M. Voth in cursive script.

Secretary of the Treasury



November 29, 1944
11:56 a.m.

HMJr: Hello.

Ambassador
Gromyko: Mr. Secretary, good morning.

HMJr: How are you?

G: Thank you, I am all right. How are you, Mr. Secretary?

HMJr: Fine. Look, Mr. Ambassador, the Army and Navy gave me an official box for the Army and Navy game at Baltimore Saturday. See?

G: Uh huh. Uh huh.

HMJr: I can not go.

G: Uh huh.

HMJr: And I wondered whether you would care -- enjoy going there yourself.

G: On Saturday?

HMJr: Saturday at two o'clock at Baltimore. The Army is going to play the Navy.

G: Uh huh. Mr. Secretary, I would like to look through my schedule

HMJr: Well, you look

G: for Saturday and give you a call very shortly.

HMJr: Well, I won't be here because I'm leaving now in a few minutes to go away for a week for a rest, but Mrs. Klotz is here.

G: Oh, yes.

HMJr: K-l-o-t-z.

G: She will be. All right.

HMJr: And if you'd let her know.

G: Yes. If my schedule permits me, I would like to go because I have never attended it.

HMJr: Well, it's quite a sight.

G: But this week is quite over -- quite overcrowded for myself. I

HMJr: Well

G: I'm -- my secretary is not -- my protocol secretary is not in now.....

HMJr: I see.

G: right this second.

HMJr: Thank you.

G: Thank you very much, Mr. Secretary. Thank you.

HMJr: Thank you.

G: Bye.

15 ✓
November 29, 1944
11:46 a.m.

HMJr: Hello.

Operator: Admiral Leahy.

HMJr: Hello.

Admiral
Leahy: Good morning, Mr. Secretary, this is Admiral
Leahy speaking.

HMJr: Right. Look, Admiral, we've taken most of your
suggestions; we haven't taken them all.

L: Uh huh.

HMJr: But that's give and take.

L: Well, it was only my effort to help, Mr. Secretary.

HMJr: Yeah. I know.

L: That was all.

HMJr: But I want to personally call you.

L: Fine.

HMJr: And tell you it was a great help and comfort to
have you advising me.

L: Well, that's very kind of you to say that. Of
course, I want to do everything I can with my
limited knowledge of the subject.

HMJr: Well, your knowledge wasn't so limited. But
anyway, I just want to thank you and say we
went just as far as we could to meet your
suggestions.

L: Well, that's fine. Really, you must accept that
I just made those suggestions in a helpful frame
of mind. I'm not interested in what you accept
or what you don't accept.

HMJr: Well

L: It's just that I like to help as much as I can.
I'm sure whatever you do will be right.

HMJr: Admiral, I've worked with you so long, I know -- in the first place, you took a lot of trouble to write me those suggestions. And I'm just calling you up to let you know I appreciate it. On the other hand, I didn't do quite -- wasn't able to do quite everything that you suggested.

L: Well, that's fine. Thank you very much for calling me.

HMJr: I thank you.

L: Good bye.

NOV 29 1944

Dear Admiral:

Thank you very much for your helpful suggestions. As you will note from the appended copy of the proposed release, most of them were incorporated in the final draft. We felt that the long paragraph on conditions in Britain might encourage the British people to continue to put forth their best efforts in the prosecution of the war, and so we finally included it in the draft.

Thank you once more for your very generous assistance in handling this matter.

Sincerely,

(Signed) H. Morgenthau, Jr.
Secretary of the Treasury

Admiral William D. Leahy,
Chief of Staff to the Commander-
in-Chief of the U.S. Army and Navy,
The White House.

HME:ls
11/29/44

THE WHITE HOUSE
WASHINGTON

SECRET

November 28, 1944

MEMORANDUM FOR

Secretary Morgenthau

I received this morning the enclosed draft statement from Mr. Cox and submit, for your consideration only, the following comments:

1. Perhaps the public reaction would be more favorable if the announcement were made by Mr. Crowley and not by a committee of Cabinet rank.
2. I do not see that the announcement is improved by the inclusion of paragraph 6.
3. It does not seem appropriate or proper for either Mr. Crowley or the Committee to say in line 11, paragraph 6, "This Government believes." "The Committee believes" would be a more correct statement.
4. In paragraph 7, it does not appear to me that the Committee has authority to say in line 1, "lend-lease aid will be continued." Substitution of the word "should" for the word "will" should obviate some of the inevitable Congressional objection.
5. In paragraph 11, I am not clear as to exactly what is the meaning of the words "which are taken off lend-lease."
6. In paragraph 13, the statement is made that the U.S. and U.K. will endeavor, etc. This may be received as a commitment by the United States.

Would not the paragraph be improved if it started, "The Committee understands that, as in the past," etc.?

SECRET

7. Referring to paragraph 1, I would omit any reference whatever to Quebec.

William A. Seely

TREASURY DEPARTMENT
Washington

Press Service
No. 44-20

Henry Morgenthau, Jr., Secretary of the Treasury, Edward R. Stettinius, Jr., Acting Secretary of State, and Leo Crowley, Foreign Economic Administrator, acting as a special Committee of the Government on lend-lease and reverse lend-lease discussions with the British following up the Quebec Conference, today made the following statement:

Throughout the war the lend-lease and reverse lend-lease requirements of the United Nations have been reviewed from time to time in the light of the military strategy for the war against Germany and Japan.

Such a review has been carried out in discussions now concluded between the appropriate military, naval, air and civilian representatives of the United States and United Kingdom Governments. These discussions concerned the lend-lease and reverse lend-lease aid required to enable the carrying out of the strategic decisions made at Quebec for winning victory over both Germany and Japan at the earliest possible moment.

The programs of lend-lease and reverse lend-lease aid should be continued in accordance with the fundamental principle laid down by the President that: "Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it."

The amounts and types of supplies required continue to be subject, as always, to adjustment from time to time in accordance with the changing conditions of the war. When finished munitions are produced and available for delivery, they are assigned by the Munitions Assignments Board under directives of the Combined Chiefs of Staff in the light of the strategic considerations prevailing at the time of the assignment. Similar procedures are and will continue to be in effect for other war supplies that each country may make available to the other,

From the beginning of the lend-lease program in March 1941, lend-lease aid has been extended for one purpose -- and for one purpose only -- the defense of the United States and to enable our allies to bring the full weight of their men and resources to bear against our common enemies. That policy will be continued without change.

- 2 -

Since lend-lease aid is made available to our allies only when it contributes directly to the winning of the war, lend-lease articles have from the beginning not been available for reexport commercially. That policy will also be continued without change. There will be no change in the principle as laid down by the Government of the United Kingdom in its White Paper of September 1941 that no articles received under lend-lease from the United States shall be exported commercially.

After the defeat of Germany, there will be no impediment to the United Kingdom's exporting articles, so far as war conditions permit, which are no longer supplied on lend-lease and are obtained out of their own production or purchased from this country for cash.

To some degree lend-lease aid for the United Kingdom will be reduced even before the defeat of Germany. It is now expected that some raw and semi-fabricated materials, such as iron and steel, will no longer be provided by the United States to the United Kingdom under lend-lease after January 1, 1945. This will have the effect, under the terms of the White Paper itself, of removing products made from such materials from limitations that will continue to apply to articles received under lend-lease. Such materials no longer obtained under lend-lease will, of course, be available to the United Kingdom in commercial exports only after the overriding considerations of war supply and war shipping are met.

The Committee understands that, as in the past, the United States and the United Kingdom will both endeavor to insure, to the extent practicable, that neither United States nor United Kingdom exporters receive undue competitive advantage over the other as a result of the war situation.

It appeared in the discussions that in the period immediately following the defeat of Germany, the British need for lend-lease assistance would be not much more than one-half of that currently furnished in 1944.

After the defeat of Germany the United Kingdom and the United States will both use all the fighting power that is required for the earliest possible defeat of Japan. It is likely, however, that both the United Kingdom and the United States will be able to reconvert

- 3 -

part of their resources on an equitable basis to meet essential civilian needs in the period between the defeat of Germany and the defeat of Japan. As a result of such a partial and equitable reconversion there will be some improvement in the conditions of life of the British people. For six years, first standing alone against the enemy and later fighting alongside our own forces on battlefields, on seas and in the sky all over the world, they have endured privation in diet, had their houses destroyed about them and have been sent to distant parts of the country to work wherever the needs of war called them. After the defeat of Germany, it is necessary that their inadequate diet be improved, temporary emergency housing be provided, and such other measures adopted as may relieve in some degree their present extremely difficult circumstances. This Committee believes that a program which will help in achieving this objective is a matter of necessity for the most effective prosecution of the war against Japan, and that it expresses in some measure the common bond which has carried our countries through the hard days of the war to approaching victory.

Since lend-lease and reverse lend-lease are concerned solely with war supply, problems of post-war foreign trade throughout the world did not enter into the review of these programs. Economic and financial cooperation by all the United Nations in many different forms will be required to meet these separate post-war problems. Effective measures in this field will require both international and national action by the respective governments, including, in many cases, legislative action.

oOo

SECRET

November 28, 1944, 1:00 p.m.

Leo T. Crowley, Foreign Economic Administrator, Henry Morgenthau, Jr., Secretary of the Treasury, and Edward R. Stettinius, Jr., Acting Secretary of State, acting as a special Committee of the Government on lend-lease and reverse lend-lease discussions with the British following up the Quebec Conference, made the following statement today:

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The programs of lend-lease and reverse lend-lease aid will be continued in accordance with the fundamental principle laid down by the President that: "Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it."

Copy of draft received from Mr. Oscar Cox Nov. 28, 1944.

The amounts and types of supplies required continue to be subject, as always, to adjustment from time to time in accordance with the changing conditions of the war. When finished munitions are produced and available for delivery, they are assigned by the Munitions Assignments Board under directives of the Combined Chiefs of Staff in the light of the strategic considerations prevailing at the time of the assignment. Similar procedures are and will continue to be in effect for other war supplies that each country may make available to the other.

From the beginning of the Lend-Lease program in March 1941, Lend-Lease aid has been extended for one purpose—and for one purpose only—the defense of the United States and to enable our allies to bring the full weight of their men and resources to bear against our common enemies. That policy will be continued without change.

Since Lend-Lease aid is made available to our allies only when it contributes directly to the winning of the war, Lend-Lease articles have from the beginning not been available for reexport commercially. That policy will also be continued without change. There will be no change in the principle as laid down by the Government of the United Kingdom in its White Paper of September 1941 that no articles received under Lend-Lease from the United States shall be exported commercially.

- 3 -

After the defeat of Germany, there will be no impediment to the United Kingdom's exporting articles, so far as war conditions permit, which are taken off lend-lease and are obtained out of their own production or purchased from this country for cash.

To some degree lend-lease aid for the United Kingdom will be reduced even before the defeat of Germany. It is now expected that some raw and semi-fabricated materials, such as iron and steel, will no longer be provided by the United States to the United Kingdom under lend-lease after January 1, 1945. This will have the effect, under the terms of the White Paper itself, of removing products made from such materials from limitations that will continue to apply to articles received under lend-lease. Such materials no longer obtained under lend-lease will, of course, be available to the United Kingdom in commercial exports only after the overriding considerations of war supply and war shipping are met.

As in the past, the United States and the United Kingdom will both endeavor to insure, to the extent practicable, that neither United States nor United Kingdom exporters receive undue competitive advantage over the other as a result of the war situation.

It appeared in the discussions that in the period immediately following the defeat of Germany, the British need for lend-lease assistance would be not much more than one-half of that currently furnished in 1944.

- 4 -

After the defeat of Germany the United Kingdom and the United States will both use all the fighting power that is required for the earliest possible defeat of Japan. It is likely, however, that both the United Kingdom and the United States will be able to reconvert part of their resources on an equitable basis to meet essential civilian needs in the period between the defeat of Germany and the defeat of Japan. As a result of such a partial and equitable reconversion there will be some improvement in the conditions of life of the British people. For six years, first standing alone against the enemy and later fighting alongside our own forces on battlefields, on seas and in the sky all over the world, they have endured privation in diet, had their houses destroyed about them and have been sent to distant parts of the country to work wherever the needs of war called them. After the defeat of Germany, it is necessary that their inadequate diet be improved, temporary emergency housing be provided, and such other measures adopted as may assist in some degree their present extremely rigorous way of life. This Government believes that a program which will help in achieving this objective is a matter of necessity for the most effective prosecution of the war against Japan, and that it expresses in some measure the common bond which has carried our countries through the hard days of the war to approaching victory.

Since lend-lease and reverse lend-lease are concerned solely with war supply, problems of post-war foreign trade throughout the

- 5 -

world did not enter into the review of these programs. Economic and financial cooperation by all the United Nations in many different forms will be required to meet these separate post-war problems. Effective measures in this field will require both international and national action by the respective governments, including, in many cases, legislative action.

Treasury Department
Division of Monetary Research

28

Nov. 29, 1944
Date.....19

To: Secretary Morgenthau

I am not sure that you would want
to send this kind of letter to Mr. Crowley
but I think that it would be a nice
gesture.

H.D.W.

MR. WHITE
Branch 2058 - Room 214-1/2

NOV 29 1944

My dear Leo:

Now that the Committee appointed by the President to agree and recommend a Lend-Lease program for the British for Stage II has completed its work, I want to express my personal appreciation for your help in getting a difficult job done in record time. The President says that we have done the job well and I am sure that he is as conscious as I of the fact that your contribution has been essential to this result.

I feel that the hardest part of the task fell to you in that most of the questions with which your organization had to deal are both technically and politically difficult. Moreover, I realize that this is not the end of the job for you but the beginning. Whether the program we have recommended to the President, or some other program, is finally adopted, the technical and political problems with which we have wrestled in recent weeks will remain, in a measure at least, your daily administrative lot. I can only hope that our attempt to block out a full year's program in advance will be found, in the event, to have lightened rather than increased your burden.

I should also like to thank you for making Frank Coe available to serve as Secretary of the American Committee. His efficiency in that capacity made the work easier for the rest of us. I am sending him a note of commendation but I should appreciate it if you would also thank him personally on my behalf.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Mr. Leo T. Crowley, Administrator,
Foreign Economic Administration,
Room 414,
National Press Building,
14th & F Streets, N.W.,
Washington, D.C.

30
/ M

FOREIGN ECONOMIC ADMINISTRATION
WASHINGTON

December 4, 1944

Dear Henry:

It was nice of you to write me the letter received from you dated November 29. I will pass its contents on to my associates who, I know, will greatly appreciate it.

I, too, want to express my thanks to you and Harry White, especially to you who devoted so much time to getting this work done. But that has been the usual experience I have had in my association with you over a period of the last several years.

Sincerely yours,



Administrator.

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

NOV 29 1944

My dear Frank:

The work of the Committee appointed by the President to examine the British requests for Lend-Lease aid during Stage II and to recommend a program for his consideration has now been completed. Detailed discussion at the operating level will, of course, go forward as in the past but, unless I am otherwise instructed by the President, what we have called the "top committee" of the American group will consider itself dissolved.

I take this opportunity, therefore, to express my personal appreciation for the efficient way in which you have performed your duties as secretary of the American Committee. As at Bretton Woods, your performance has been of the best. Without your help I would have found it difficult indeed to keep fully informed of the course of the complex and highly concentrated negotiations we have just concluded. I am sure that I can speak in this respect not only for myself but likewise for Mr. Stettinius and Mr. Crowley and other members of the group whose labors you have lightened.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Mr. Frank V. Coe,
Assistant Administrator,
Foreign Economic Administration,
Tempo T,
Room 1405,
14th & Constitution,
Washington, D.C.

NOV 29 1944

Dear Sir Robert:

I want to thank you for your kind personal letter of November 20.

The job we have done in the past few weeks was indeed both difficult and important and when we add to this the fact that it had to be accomplished in so short a time we might have reasonably expected some clashes of personalities and an occasional display of "nerves". The remarkable fact that these did not occur is a tribute to the patience and understanding shown by you and your colleagues throughout the discussions. You in particular must have found it trying at times to explain to the top committee of laymen the many technical problems which were encountered in developing the munitions programs.

I agree that true understanding and cooperation between our two countries is an objective we should all strive for and I feel that the spirit shown on both sides in our recent discussions is a most encouraging augury for the future.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Sir R. J. Sinclair,
Room 292,
Chateau Laurier,
Ottawa, Canada.

LWC:rl:jm
11/29/44

THE BRITISH SUPPLY COUNCIL IN NORTH AMERICA

TELEPHONE EXECUTIVE 2020


 Box 680
 BENJAMIN FRANKLIN STATION
 WASHINGTON, D. C.

 Chateau Laurier,
 Ottawa, Canada.
Personal

November 20th, 1944

 The Hon. Henry Morgenthau Jr.,
 Secretary,
 United States Treasury,
 Washington, D.C.

Dear Mr. Secretary,

I would like, if I may, to express my thanks for all the kindness and courtesy you extended to me during my stay in Washington. I am very conscious of the fact that the wide field which the recent discussions have covered meant a wide variety of problems and I feel sure that we should never have got so far or so fast along the road to mutual understanding and agreement without the direction and leadership which you gave to the proceedings.

A true understanding, and therefore real cooperation, between the United States and Great Britain is an objective which is very dear to my heart and for these as well as for personal reasons I beg to wish you every success and to hope that after February you may go on to beat the record by a wide margin!

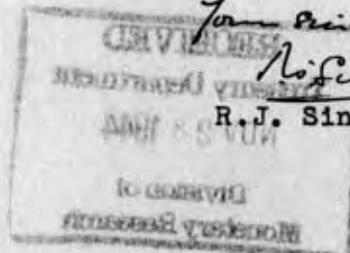
With renewed thanks,

I am,

Yours sincerely,
R.J. Sinclair

R.J. Sinclair

RJS:jw



NOV 29 1944

Dear Lord Keynes:

This will acknowledge with thanks your letter of November 20, 1944, transmitting your statement of the principles on which the Sterling Area dollar pool is operated.

As you know, this is a subject concerning which, on our side, there has been considerable interest. Your voluntary courtesy in offering a frank explanation, first in the informal talk you gave to a number of the American group at the State Department some time ago and now in a prepared statement, is therefore much appreciated.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Lord Maynard Keynes,
United Kingdom Treasury Delegation,
Box 680,
Benjamin Franklin Station,
Washington, D. C.

LWC:rl:jm 11/29/44

35

11-28-44
Photostat to Dr. White

UNITED KINGDOM TREASURY DELEGATION

BOX 680
BENJAMIN FRANKLIN STATION
WASHINGTON, D.C.

REFERENCE

TELEPHONE EXECUTIVE 3830

20th November 1944.

Dear Mr. Secretary,

At the meeting on Friday I made a statement about the principles on which we work the Sterling Area dollar pool, which I promised to incorporate in a letter if that was your wish. I believe that a copy of the statement has been affixed to the Minutes. All the same, you may like to have it duly confirmed in a letter. I attach a copy, therefore, to this paper.

Sincerely yours,

Keynes

The Hon. Henry Morgenthau, Jr.

STATEMENT BY LORD KEYNES AT THE MEETING IN
SECRETARY MORGENTHAU'S OFFICE ON 17th NOVEMBER 1944.

As shown in our Main Statement, we do not at present anticipate that any significant surplus of dollars is likely to accrue to the Sterling Area dollar pool during 1945 after meeting essential needs. But I can certainly affirm without qualification that any supply of dollars which may accrue to the pool in the coming year will be administered, in so far as it depends on London, so as to allow as much freedom as possible to importers' choice, and so as to provide as good a solution as possible for particularly difficult cases. We are in fact engaged at this very time in considering along what lines the Sterling Area system can gradually evolve to meet changing circumstances in the fairest and most convenient manner to all concerned. As it happens, we have just concluded some conversations with Mr. Landis in relation to one of the most troublesome spots in this context, namely, Egypt, and have reached, I understand, a satisfactory understanding. We shall hope for the same opportunity of discussion and for the same success in other cases. None can be more anxious than the British Exchange Control to operate this difficult system which circumstances have forced upon us so as to cause the least possible friction.

The basic trouble is, of course, the shortage of dollars in many parts of the world. That is something which perhaps you can remedy, but which we, of our own motion, certainly cannot. We can only promise, so far as it depends on us, to administer any dollars which accrue fairly and to the best mutual advantage, and above all, not to use this shortage as an excuse or as a cover to obtain trade advantages for the United Kingdom in the rest of the Sterling Area, by seeking to exclude particular applicants for import licences from a reasonable share in the limited allocation of exchange. I have no need to refer back to London to give you that assurance. Import licences and exchange control on current transactions are for us undesired contrivances forced on us by circumstances and operated, not with a view to obtaining special or unfair advantages, but as the only means open to us to avoid chaotic conditions and an insufficiency of resources for essential purposes.

Perhaps I may take this opportunity to express a hope that at the earliest convenient opportunity purchases of raw materials from the Sterling Area will be returned to private channels of purchase so as to restore this source of earning power. A contributory cause of the difficulties under discussion is that the wide extension of Reciprocal Aid has removed a part of the normal earning power remaining to the Sterling Area after allowing for losses of trade through enemy occupation, shipping shortages, and the like. We believe that Reciprocal Aid has done so much to foster a sense of common effort and mutual dependence that there will be no move on our side to curtail it. Nevertheless, neither of our Groups must overlook the fact, as we gradually approach more normal conditions, that any curtailment of the dollar earning power of the rest of the world inevitably aggravates the problem of finding the dollars to finance that large volume of American exports which the rest of the world, including ourselves not least, would like to buy, if we could pay for them.

In expressing my appreciation of the arrangements outlined in the rest of the paper, I should like to emphasise what perhaps needs no emphasis, that we in the United Kingdom seek exports only as a means of paying for the imports which we greatly desire. It is a truism and not a paradox to say that any means which can be adopted for the recovery of British exports is by the same token a means for the expansion of American exports. We want, Mr. Secretary, not only to acquire American goods, but also to pay for them. The recovery of our export trade, now and hereafter, is our only possible means of doing so.

I should be very happy, Mr. Secretary, to embody the substance of this statement in a letter, if that would meet your wishes.

17th November 1944.

NOV 29 1944

Dear Admiral Horne:

This will acknowledge with thanks your letter of November 21, 1944, and its enclosures, setting forth the views of the military petroleum officials with respect to British petroleum stocks and related matters raised by the British presentation of their estimated requirements under Lend-Lease for the first year of Stage II.

Copies of your letter and the accompanying schedules have been made available to the U.S. technicians working on this problem for their consideration in arriving at an acceptable program.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

F. J. Horne, Vice Admiral,
U.S. Navy,
Senior Navy Member,
Army-Navy Petroleum Board,
Office of the Chief of Naval
Operations,
Navy Department,
Washington 25, D.C.

LWC:rl 11/28/44

In reply refer to Initials
and No.

CCLL
U.S. No. 53
(SC) JJ7/EF13
Ser. 02546500

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON 25, D. C.

40 23



TOP SECRET

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21 NOV 1944

Mr. Henry Morgenthau, Jr.,
Chairman, British-American
Committee on Lend-Lease,
Washington, D. C.

Sir:

Subject: British Petroleum Requirements for the
First Year of Stage II

Reference: a British Requirements for The First
Year of Stage II (p. 28-29)
b Supplement to the "British Requirements
For The First Year of Stage II",
dated 29 October 1944.

1. The military petroleum officials have made an examination of the portions of references a and b which treat with the subject of petroleum and the several proposals are dealt with in this memorandum. It is believed that the points raised herein should be subjects of official discussion before reference a and supplements are formalized for final approval.

2. The Joint Chiefs of Staff on 20 July 1944 approved a 60-day stock level for the European Theater of Operations. Secret paper J.C.S. 932/3, which is now under the consideration of the Joint Chiefs of Staff, reopens this matter. It contains two alternative proposals, one of which recommends a stock level during Stage I of 7,300,000 tons for Northwest Europe and U.K. This paper further provides "Upon the cessation of hostilities in Europe, the Combined Chiefs of Staff agree to the maintenance of a 60-day level of supply for military purposes in the U.K and Northwest European Theater". Therefore, it should be assumed that the stock level for U.K., during Stage II, will be based upon 60 days of estimated forward consumption.

3. Therefore in reference b, supplement to chapter 2; under heading III, Oil, the reference to the proposed stock level of 7,300,000 tons should be written so that it will be clearly understood that this stock level has not been approved. Also it should be shown that if it is approved in this or some other amount, or in terms of days of supply, the stock level will be for the European Theater of Operations, including U.S. military and civilian, foreign troops and foreign civilians in Northwest Europe, as well as British military and civilians in the United Kingdom.

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4. As the British proposal in reference b is for Stage II and is predicated upon the assumption that petroleum supplies for forces in Northwest Europe will be shipped direct to those forces, and the proposed requirements for Stage II are for British military and civilians only, the tentative stock level referred to in paragraph 3, above, is not subject to treatment in deriving a stock level for U.K. for Stage II. Therefore, the proposed reduction in the stock level of 1,550,000 tons, in order to establish a revised stock level of 5,750,000 for Stage II, is without validity.

5. Reference b is based on the first year of Stage II being 1 January 1945 to 1 January 1946. Assuming that the Stage I stock level will be physically set up in U.K. by 1 January 1945, within the limitation of 7,300,000 tons, and that beginning 1 January 1945 a 60-day stock level only will be recognized for U.K., the table in Inclosure "A" is presented to show the effect of surplus stocks upon the revised U.K. requirements, as given in the proposal in reference b.

6. In the event that the proposal in secret paper J.C.S. 932/3, to provide a stock level of 7,300,000 tons in Stage I for Northwest Europe and U.K., is not approved, it may be assumed that the 60-day stock level for these areas will be established prior to Stage II. If such is the case, the table in Inclosure "B" shows the effect upon the U.K. requirements in this situation.

7. With regard to such stock level as may be authorized for Northwest Europe and U.K., under Stage I, 60-days or 7,300,000 tons, it should be established definitely in reference b that the 60-day stock level will become effective at the beginning of Stage II and that the requirements for U.K. military and civilians will be subject to modification on the basis of any surpluses resulting from a reduction in approved stock levels during the first year of Stage II. Further, it should be established that all U.S., British and Allied Nations petroleum stocks in Continental Europe will be under military control during the first year of Stage II, for distribution for military and civilian aid purposes only.

8. Attention is invited to the footnote at the end of the proposal in reference b, which suggests that additional petroleum products in the amount of \$15,000,000 be scheduled in order that the British may take care of its "share" of commercial trade in South American and European countries. Presumably, it is anticipated that the British share will be on an agreed proportional basis (cartel) and not limited to the customers which it can supply with its own products from British sources. As stated in paragraph 7 above, there should be written into any agreement made on the basis of the

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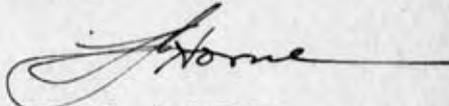
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proposal in reference b a statement that petroleum products will be furnished under Lend-Lease only for military purposes and civilian aid. In this connection, the statement on page 49 of reference a, concerning the lifting of restrictions on the use of material, should be rejected.

9. Attached Inclosure "C" is a proposed revision of that page of the formal agreement now awaiting approval, which covers petroleum requirements and grants.

Respectfully,



F. J. HORNE,
Vice Admiral, U. S. Navy,
Senior Navy Member,
Army-Navy Petroleum Board.

3 Incls.

TOP SECRET

EFFECT OF SURPLUS STOCKS IN U.K. UPON THE REVISED U.K. REQUIREMENTS FOR STAGE II,
IF STOCK LEVEL OF 7,300,000 TONS IS APPROVED FOR STAGE I AND 60 DAY STOCK LEVEL FOR STAGE II
(Thousand Tons)

| Product | Stock Level 1 Jan. 45 Stage I | 60 Day Level 1 Jan. 45 Stage II | Excess 1 Jan. 45 Stage II | 60 Day Level 1 Jan. 46 Stage II | Surplus End of 1st Year Stage II | Revised U.K. Requirements Stage II | Net U.K. Requirements Stage II |
|------------------------|-------------------------------------|---------------------------------------|---------------------------------|---------------------------------------|--|--|--------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Aviation Gasoline | 1,050 | 195 | 855 | 154 | 701 | 232 | - 469 |
| Motor Gasoline | 1,850 | 599 | 1,251 | 708 | 543 | 3,207 | 2,664 |
| Kerosene | 460 | 235 | 225 | 235 | - 10 | 990 | 1,000 |
| Gas, Diesel, Fuel Oils | 3,075 | 909 | 2,166 | 795 | 1,371 | 3,159 | 1,788 |
| Other Products | 681 | 159 | 522 | 199 | 323 | 1,613 | 1,290 |
| Totals | 7,116 | 2,097 | 5,019 | 2,091 | 2,928 | 9,201 | 6,273 |

Column 2: Proposed stock level, as recently furnished by the British, by products, totals slightly less than the 7,300,000 tons proposed.

Column 3: Estimated forward consumption for January and February 1945 furnished by the British for Stage II requirements program.

Column 4: Stock level, Stage I (Column 2) minus stock level, Stage II (Column 3).

Column 5: Estimated forward consumption for January and February 1946 furnished by the British for Stage II requirements program.

Column 6: Reduction of excess, column 4, by stock level required at end of one year of Stage II (Column 5), gives net surplus for one year of Stage II.

Column 7: Revised U.K. requirements proposed in supplement to "British Requirements For The First Year of Stage II", dated 29 October 1944.

Column 8: Revised U.K. requirements, Column 7, adjusted by net surplus (and shortage of Gas Oils) shown in Column 6. Surplus of 469,000 tons of Aviation Gasoline subject to repossession by the U.S. Government.

T O P S E C R E T

EFFECT OF SURPLUS STOCKS IN U.K. UPON THE REVISED U.K. REQUIREMENTS FOR STAGE II,
IF 60 DAY STOCK LEVEL IS APPROVED FOR BOTH STAGE I AND STAGE II
(Thousand Tons)

| Product | 60 Day Level 1 Jan. 45 Stage I | 60 Day Level 1 Jan. 46 Stage II | Surplus End of 1st Year Stage II | Revised U.K. Requirements Stage II | Net U.K. Requirements Stage II |
|------------------------|--------------------------------------|---------------------------------------|--|--|--------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| Aviation Gasoline | 821 | 154 | 667 | 232 | - 435 |
| Motor Gasoline | 1,149 | 708 | 441 | 3,207 | 2,766 |
| Kerosene | 268 | 235 | 33 | 990 | , 957 |
| Gas, Diesel, Fuel Oils | 1,609 | 795 | 814 | 3,159 | 2,345 |
| Other Products | <u>264</u> | <u>199</u> | <u>65</u> | <u>1,613</u> | <u>1,548</u> |
| Totals | 4,111 | 2,091 | 2,020 | 9,201 | 7,181 |

Column 2: Estimated forward consumption for January and February 1945 furnished by the British for Stage I requirements program.

Column 3: Estimated forward consumption for January and February 1946 furnished by the British for Stage II requirements program.

Column 4: Stock level at beginning of Stage II (Column 2) minus stock level at end of one year of Stage II (Column 3), gives net surplus for one year of Stage II.

Column 5: Revised U.K. requirements proposed in supplement to "British Requirements For The First Year of Stage II", dated 29 October 1944.

Column 6: Revised U.K. requirements, Column 5, adjusted by net surplus shown in Column 4. Surplus of 435,000 tons of Aviation Gasoline subject to repossession by the U.S. Government.

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Inclosure "B"

T O P S E C R E T

44

Regraded Unclassified

| PROGRAM | Requested (including revisions) | Reductions, Dis- Approvals and Minor Items not yet agreed | Accepted (Subject to Con- ditions as stated) |
|---------|---------------------------------------|--|--|
|---------|---------------------------------------|--|--|

II. Non-Munitions

| | | | |
|--------|-----|-------|-----|
| 4. Oil | 338 | 116** | 222 |
|--------|-----|-------|-----|

** Based on a 60-day theater level for U.K. in Stage II, reductions in requirements are as follows:

| | | |
|-------------------------------|----|-----|
| Aviation spirit..... | 11 | |
| Motor spirit..... | 21 | |
| Kerosene..... | 0 | |
| Gas-Diesel and Fuel Oils..... | 23 | |
| Other Products..... | 61 | 116 |

DETAILS

4. Oil (Millions of Dollars)

| | | |
|-----|---|--------------|
| (a) | Original British request..... | 475 |
| (b) | Revised British request: | |
| | (1) Aviation spirit..... | 11 |
| | (2) Motor spirit..... | 121 |
| | (3) Kerosene..... | 24 |
| | (4) Gas-Diesel and Fuel Oils..... | 60 |
| | (5) Other Products..... | 122 338 |
| (c) | Program conditionally approved Nov. 17..... | 338 |
| (d) | United States proposal: | |
| | (1) Aviation spirit..... | 0 |
| | (2) Motor spirit..... | 100 |
| | (3) Kerosene..... | 24 |
| | (4) Gas-Diesel and Fuel Oils..... | 37 |
| | (5) Other Products..... | 61 222 |

Note: Military petroleum officials believe that U.K. oil stocks are unduly high as they are now close to the 7,300,000 tons proposed by the British. The reductions proposed by the U.S. are based on reducing U.K. reserves to a 60-day level during Stage II, with surpluses above this level used to reduce the proposed requirements. Under this formula, there will be an indicated surplus, over and above all requirements, of approximately \$22,000,000 (469,000 tons) of aviation spirit, which will be subject to repossession by the U.S. Government.

Inlosure "C"

NOV 29 1944

Dear Mr. Krug:

Thank you for your letter and enclosures of November 22, 1944 setting forth the estimated availability of certain raw materials and end products requested for India, New Zealand, Australia and the United Kingdom under Lend-Lease during the first 12 months after V-E Day.

Copies of your letter and the accompanying schedules have been made available to the appropriate officials for their consideration in planning the Lend-Lease programs for the above countries.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Mr. J. A. Krug, Chairman,
War Production Board,
Washington, D.C.

WAR PRODUCTION BOARD
WASHINGTON, D. C.
November 22, 1944

SECRET
Disclosure Punishable Under Espionage Act

IN REPLY REFER TO:

The Honorable
The Secretary of the Treasury

My dear Mr. Secretary:

This is in reference to the availability of certain raw materials and end products requested for India, New Zealand, Australia and the United Kingdom under Lend-Lease during the first twelve months after V-E Day.

Attached is a tabulation of the requirements which you handed me, together with an item by item summary statement as to availability conditions which seem likely to prevail.

You will appreciate that because of the lack of detailed specifications, as well as general uncertainties in regard to the supply-requirements situation of the U. S. during the twelve months after German defeat, it is not possible at this time to say definitely that availabilities after V-E Day may not be greater than those indicated in the attached tabulation, nor could we guarantee that the supplies can actually be secured to the degree indicated. We have given you our best estimates, on the basis of the requirements information given and our present knowledge of probable post-V-E Day supply-requirements situations, which we hope will be useful to you in your over-all financial planning, and to the Foreign Economic Administration in planning specific foreign supply programs. The determination of actual amounts of the various items which we should undertake to supply during given time periods should be made, of course, at a later date in accordance with established procedures, and on the basis of detailed information on these requirements and the requirements of competing programs, as well as supply conditions then prevailing.

With such an overall qualification, and with reductions to the extent noted in the tabulation, the programs appear reasonable from the production standpoint.

Sincerely yours,

J. A. Krug
J. A. Krug
Chairman



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

SECRET

Released Pursuant to the Espionage Act

Lead-Lease Raw Materials Requirements for India in the first year of Stage II, being the first twelve months following the end of the war in Europe and during the continuation of the war against Japan.

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|--|---------------------------|---|
| <u>Steel</u> | | |
| Includes - | | |
| (a) wire rope for collieries, shipping operations, railways, harbours, etc.; | | Although \$23,000,000 of steel for India would represent a very substantial increase in the quantity currently being supplied that country, it should be possible to meet the requirement without difficulty provided there is a reasonable distribution among the several shapes listed. Limitations on the amount of wire rope and rails is particularly necessary. Wire rope and rails are expected to continue in short supply and no reduction in demand is anticipated for some time. It should be noted that India normally secures its steel from the U.K. Unless the U.K. is to expand appreciably its regular commercial exports, consideration might be given to the possibility of its meeting a portion of this requirement. |
| (b) mill rolls for steel rolling mills; | | |
| (c) boiler tubes, rails, wheels, tires and axles etc. for railways; | | |
| (d) tinplate for foods and medicines for the armed forces; | \$23,000,000 | |
| (e) bolts and nuts for use in munitions production, ship repair, construction of rolling stock, military vehicles, army bridges, decks, etc. | | |
| (f) hoop and strip for baling jute, cotton etc. | | |

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|-------------|---------------------------|---------------------|
|-------------|---------------------------|---------------------|

Other raw materials

Includes -

- (a) carbon blacks required for paint for military and camouflage purposes; for cable manufacture; industrial hose, gas masks, army footwear, etc.
- (b) tire manufacturing materials required for manufacture of military and aircraft tires.
- (c) rayon and nylon used in the production of U.S.A.A.F. aircraft tires.
- (d) sulphur, mainly required for production of sulphuric acid for war industries
- (e) abrasives for the manufacture of grinding wheels used in the manufacture of rifles, machine guns and other ordnance.
- (f) battery materials for use in two Indian factories whose output is mainly for military use.
- (g) masonite for construction of bodies and radio boxes for military vehicles, combat and cargo vessels, pontoons, instruments panels for aircraft, etc.
- (h) paper for military and government use.
- (i) timber for construction of harbour lighters and small craft and for ship repair generally.

\$13,000,000

With an over-all limitation of \$13,000,000, it should be possible to supply the materials listed without difficulty. This assumes, however, that the \$13,000,000 will be reasonably distributed among the various items. The proportion of carbon black, masonite, paper products, and battery materials must especially be limited. These are expected to remain in very short supply.

SECRET
 Discharge: Unauthorized Under Espionage Act

Item

Stated Requirement

Availability

Other raw materials
cont'd

(j) ferro alloys for use in the
manufacture of mill rolls
and high speed tool steels.

SECRET
Whomsoever Punishable Under Espionage Act

SECRET

Maximum Permissible Daily Exposure Limit

Lead-Lease End Products Requirements for India in the first year of Stage II, being the first twelve months following the end of the war in Europe and during the continuation of the war against Japan.

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|---|---------------------------|---|
| <u>Miscellaneous</u> | | |
| Includes - | | |
| (a) woodworking tools | | |
| (b) metal cutting tools and files and rasps for the manufacture and maintenance of equipment in ordnance factories, ship-yards, railway shops, etc. | | |
| (c) spares for pneumatic tools required for use by railway shops, mica mining, ship repair shops, etc. | | |
| (d) farm tractors | \$12,000,000 | |
| (e) lamp batteries and cells for flashlights for the armed forces and for maintenance of signalling and other operational uses on railways, etc. | | |
| (f) typewriters for use in Government offices and ordnance factories. | | |
| (g) miscellaneous engineering items. | | |
| <u>Locomotives and Wagons</u> | | |
| Comprises 60 broad gauge locomotives, 128 metre gauge locomotives, 6000 broad gauge wagons and 1,717 metre gauge wagons. | 30,000,000 | |
| | | \$12,000,000 of the listed equipment would probably raise serious problems, since many of the items are produced in limited quantities and are expected to continue in short supply. It is suggested that the amount be reduced to \$4,000,000 and that its offer be made subject to a reasonable distribution among the several items. Few if any typewriters can be supplied until at least several months after V-E Day. |
| | | 60 broad gauge and 128 metre gauge <u>steam</u> locomotives could be supplied without difficulty. If electric locomotives are desired, a supplementary review will be necessary. 6000 broad gauge and 1,717 metre gauge wagons can be supplied without difficulty. |

SECRET

Minimums Feasible Under Espionage Act

Lend-Lease Raw Materials Requirements for New Zealand in the First Year of Stage II, being the first twelve months following the end of the war in Europe and during the continuation of the war against Japan.

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|--|---------------------------|--|
| Steel | \$ 3,500,000 | \$2,000,000 of tin plate and \$3,500,000 of other steel for New Zealand would represent a very substantial increase in the current rate of shipment. The U.S. has been producing practically no tin plate and only about \$1,500,000 of "other steel" for this destination. The requirement can be met without difficulty, however. As in the case of India, it should be noted that normally the U.K. is the principal source of New Zealand steel. |
| Tinplate | 2,000,000 | |
| Phosphates | 240,000 | No difficulty. |
| Sulphur | 760,000 | No difficulty. |
| Miscellaneous fertilizer and chemicals | 450,000 | Assuming reasonable specifications, no difficulty. |
| Naval stores | 250,000 | No difficulty. |
| Miscellaneous raw materials | 250,000 | Subject to reasonable specifications, no difficulty. |

Lend-Lease End Products Requirements for New Zealand in the First Year of Stage II, being the first twelve months following the end of the war in Europe and during the continuation of the war against Japan.

SECRET

Declassify Pursuant to Executive Order 13526

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|--|---------------------------|---|
| Trucks | \$ 1,000,000 | Assuming distribution among light, medium, heavy, and heavy-heavy roughly as at present, no difficulty |
| Automotive parts | 1,000,000 | No difficulty. |
| Agricultural Implements including tractors | 3,600,000 | Would represent substantial increase in U.S. exports to New Zealand, but assuming reasonable distribution among tractors, spares, and implements, the requirement is feasible. |
| Hand tools | 700,000 | Would represent very great increase in U.S. export to New Zealand. U.S. position expected to be tight. Suggest reduction to \$400,000 and made subject to reasonable distribution in accordance with U.S. production pattern. |
| Miscellaneous items | 375,000 | Subject to reasonable specifications, no difficulty. |

Lend-Lease Raw Materials Requirements for Australia
in the First Year of Stage II, being the first
twelve months following the end of the war in Europe
and during the continuation of the war against Japan.

SECRET

(Classification: FROTHABLE Under Espionage Act)

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|---------------|---------------------------|--|
| <u>Metals</u> | | |
| Timplate | \$14,000,000 | Corresponds to current rate, no difficulty. |
| Carbon steel | 1,200,000 | Represents some increase over current rate, but no difficulty, assuming reasonable distribution as to shapes. |
| Alloy steel | 1,000,000 | |
| Non-ferrous | 800,000 | Assuming reasonable distribution among various non-ferrous items, no difficulty. |
| <u>Timber</u> | | |
| Soft wood | 2,400,000 | \$2,400,000 of soft wood is estim- ated to equal approximately 24,000,000 board feet. This is somewhat less than current rate of exports, but far exceeds normal Australian demand on the U.S. (Australia normally secures its soft wood primarily from Canada.) Soft wood is expected to be very tight, but the require- ment is considered reasonable in light of present rate of U.S. exports to Australia. |

Item

Stated Requirement

Availability

Timber (cont'd)

Hardwood

\$ 1,400,000

\$1,400,000 of hard wood is estimated to equal approximately 14,000,000 board feet. This compares with negligible current U.S. exports to Australia. Hard wood is expected to be very tight and large domestic and other foreign demands will have to be met. It is suggested that the requirement be cut to 1/3 the stated amount.

Plywood

200,000

Plywood will be in tight supply, but amount is not considered excessive.

Pulp and Paper

Wood pulp

2,000,000

Feasible. Roughly corresponds to the amount currently going to Australia. Canada, however, normally would be the source of supply for most types of wood pulp.

Fine paper

3,500,000

Wrapping Paper

1,800,000

Sanitary & Tissue

1,000,000

All other paper

700,000

The quantity of paper requested is approximately twice the amount being currently supplied by the U.S. The U.S. position for all of the types listed is expected to be very difficult. It is suggested that the requirement be reduced to 1/2 the stated amount in each instance.

SECRET
Disclosure Punishable Under Espionage Act

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| <u>Item</u> | <u>Stated Requirement</u> | |
|-------------------------------|---------------------------|--|
| <u>Cotton</u> | | |
| Raw | \$ 2,800,000 | No difficulty. |
| Linters | 200,000 | No difficulty. |
| <u>Synthetic Rubber - GRS</u> | 6,000,000 | The \$6,000,000 requested is estimated to equal approximately 12,000 L.T. This is only slightly greater than the current program and should offer no difficulty. |
| <u>Chemicals</u> | | |
| Phosphate Rock | 2,100,000 | No difficulty. |
| Insecticides | 1,800,000 | Subject to reasonable distribution among various types of insecticides feasible. Cannot, however, include an appreciable amount of nicotine sulphate. |
| Sulphur | 500,000 | No difficulty. |
| Photographic | 600,000 | Subject to reasonable distribution among various types, no difficulty. |
| Alcohols | 600,000 | No difficulty. |
| Chrome | 600,000 | The request is four times present rate. Chemical chrome is expected to continue extremely tight. It is suggested that no more than \$150,000 be allowed. |
| Miscellaneous | 1,800,000 | Subject to reasonable specifications, no difficulty. |

SECRET

Information Prohibitable Under Espionage Act

Availability

4 -

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|----------------------|---------------------------|---|
| <u>Miscellaneous</u> | | |
| Abrasive Grains | \$ 600,000 | No difficulty. |
| Carbon Black | 1,200,000 | The request is approximately six times the amount currently being furnished Australia. Demand on U.S. supplies is expected to be very great. A reduction to \$300,000 is suggested. |
| Plastics | 1,500,000 | Subject to specifications, no difficulty. |
| Miscellaneous | 700,000 | Subject to specifications, no difficulty. |

SECRET
Maximum Penalties Under Espionage Act

Lead-Lease End Products Requirements for Australia
in the First Year of Stage II, being the First
Twelve Months following the end of the war in Europe
and during the continuation of the war against Japan.

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|---|---------------------------|---|
| <u>Automotive</u> | | |
| Vehicles | \$ 7,000,000 | Assuming that the requirement is for trucks and buses, and assuming distribution as to types is roughly as at present, no difficulty. |
| Spares | 2,500,000 | No difficulty. |
| Stationary Engines | 500,000 | No difficulty. |
| <u>Agricultural Implements</u> | | |
| Tractors | 5,500,000 | Request more than double present rate. In view of general uncertainties re agricultural equipment during Stage II, it is suggested that each item be cut in half. |
| Spares | 1,100,000 | |
| Miscellaneous | 2,400,000 | |
| <u>Coal Mining Machinery</u> (Underground) | 500,000 | All underground coal mining machinery is expected to be very tight for at least 18 months after V-E Day. Schedules for most items already filled through June 1946. The amount requested does not seem excessive, but a commitment should be made subject to specifications and to supply considerations. |

SECRET
Classified Pursuant to Executive Order 11652

| <u>Item</u> | <u>Stated Requirement</u> |
|--------------------------------|---------------------------|
| Requiras | \$ 500,000 |
| <u>Medical Supplies</u> | |
| X-Ray | 800,000 |
| Surgical | 300,000 |
| Drugs | 1,100,000 |
| Proprietary | 200,000 |
| Miscellaneous | 600,000 |

No difficulty, assuming reasonable distribution as to size and types.

Textiles

| | |
|--------------|---------|
| Belting duck | 500,000 |
|--------------|---------|

Subject to reasonable specifications, feasible.

Belting duck is expected to continue in extremely short supply. The amount requested equals approximately 1,250,000 lbs. out of total U.S. production of about 24,000,000 lbs. Approval of this quantity would mean a very great increase in the amount regularly going to Australia and would augment the serious difficulties being experienced by fabricators of conveyor belts and similar products in meeting urgent domestic and foreign programs, including U.S., U.K. and Russian mining programs, as well as direct and indirect military programs. It is suggested that the request be cut to \$100,000.

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|-------------------------|---------------------------|--|
| <u>Textiles</u> (con't) | | |
| Cotton tire cord | \$ 4,600,000 | The \$4,600,000 requested equals approximately 10,000,000 lbs. U.S. production totals some 240,000,000 lbs. Domestic and other foreign demand is expected to be heavy. Moreover, it has been necessary to divert cotton tire cord yarn to the manufacture of duck. However, cotton cord is presently being furnished Australia at about the requested rate. In view of this, as well in view of the necessity of reducing rayon and nylon cord (see below), allowance of the requirement in full appears feasible. |

SECRET

Whichever is Available Under Espionage Act

- 8 -

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|-------------------------------|---------------------------|--|
| <u>Textiles (con't)</u> | | |
| Rayon tire cord | \$ 2,100,000 | Total U. S. production amounts to 260,000,000 lbs. Demand will continue very heavy throughout Stage II, and the material will undoubtedly be in extremely short supply. It is suggested that 1,000,000 lbs. (\$600,000), the 1944 rate, be allowed against the two requests together. |
| Rayon tire fabric | \$ 2,800,000 | |
| <u>Silver-Bullion/Coinage</u> | \$ 5,000,000 | No comment. |
| <u>Miscellaneous</u> | | |
| Film | \$ 200,000 | 35 mm film is expected to continue in short supply, particularly as very large foreign requirements are developing. The amount requested, which corresponds to more than 11,000,000 feet, is out of line with present U.S. exports to Australia and seems excessive. It is suggested that it be cut in half. |

SECRET

Disclosure Prohibited Under Espionage Act

- 9 -

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|------------------------------|---------------------------|---|
| <u>Miscellaneous (con't)</u> | | |
| Photographic | \$ 200,000 | Feasible. |
| Business Machines | 500,000 | The request is not considered excessive, but procurement may be difficult for a period of several months after V-E Day. |
| Hand Tools | 2,000,000 | The amount requested would mean a substantial increase in U.S. exports to Australia. The U.S. position is expected to be difficult. It is suggested that the amount be reduced to \$1,000,000 and be made subject to reasonable distribution in accordance with U.S. production patterns. |
| Electrical Equipment | 1,900,000 | Subject to acceptable specifications and reasonable distribution in accordance with U.S. production patterns, the requirement is feasible. |
| Industrial Equipment | 1,200,000 | Subject to specifications, no difficulty. |

Lead-Lease Raw Materials Requirements for the United Kingdom in the first year of Stage II, being the first twelve months following the end of the war in Europe and during the continuation of the war against Japan.

| <u>Item</u> | <u>Stated Requirement</u> | | <u>Availability</u> |
|-----------------------------|---------------------------|--------------|---|
| | <u>Quantity</u> | <u>Value</u> | |
| <u>Group I</u> | | | |
| Raw Cotton | 120,000 L.T. | \$52,000,000 | No difficulty. |
| Other Cotton | — | — | |
| Resin | 20,000 L.T. | 4,800,000 | No difficulty. |
| Liquid Resin | 2,800 L.T. | 200,000 | No difficulty. |
| Turpentine | 15,000 L.T. | 3,750,000 | No difficulty if predominantly gum turpentine. |
| Pine Tar | 2,000 L.T. | 180,000 | Request would represent large increase in U.S. exports to U.K. U.S. position expected to be very difficult. It is suggested that the amount allowed be limited to 500 L.T. (\$45,000). |
| Pine Oil | 1,500 L.T. | 400,000 | Request would represent a large increase in U.S. exports to U.K. U.S. position is expected to be difficult. It is suggested that the amount allowed be limited to 500 L.T. (\$135,000). |
| Other Agricultural Products | — | — | |

SECRET
 Maximum Permissible Under Espionage Act
 Availability

| Item | Stated Requirement | |
|---------------------|--------------------|--------------|
| | Quantity | Value |
| <u>Group II</u> | | |
| Wood Pulp | 94,752 S.T. | \$ 7,116,000 |
| Bagasse | 11,200 S.T. | 250,000 |
| Vulcanized Fibre | 1,120 S.T. | 820,000 |
| Kraft Liner Board | 25,000 S.T. | 1,625,000 |
| Building Board | 16,000 S.T. | 560,000 |
| Other Paper & Board | 10,975 S.T. | 1,680,000 |

U.K. presently gets most of its wood pulp from Canada as does the U.S. The request would represent an increase in present U.S. export to the U.K. by six times. A reduction to the present rate of approximately 15,000 S.T. is suggested.

No difficulty

The request corresponds to the present rate of shipment to the U.K. It represents approximately 10% of U.S. production. The amount is feasible, but military rating might be necessary to effect procurement.

The amount requested corresponds to current rate of shipment to U.K. The material is tight in the U.S., but a requirement of this size (less than 1% of total production) is feasible.

If the amount requested is distributed between gypsum and insulation board, no difficulty. Laminated fibre is in very tight supply and no more than 1,000 or 2,000 tons should be allowed under the requirement.

SECRET

Classification Possible Under Espionage Act

Availability

Group III

| <u>Item</u> | <u>Stated Requirement</u> | |
|-------------|---------------------------|--------------|
| | <u>Quantity</u> | <u>Value</u> |
| Soft Wood | 200,000 Stds. | \$19,300,000 |
| Hard Wood | 8,250,000 cu. ft. | 8,415,000 |

This requirement when taken together with 200,000 stds. requested in list of "additional raw material requirements for the U.K.", attached, would represent approximately 800,000,000 board feet. This compares with total anticipated exports of all lumber to all destinations of 1,000,000,000 board feet during the 12 months following V-E Day. This in turn compares with current annual exports to all countries of less than 400,000,000 Board feet of all types of lumber. It is suggested that the quantity allowed the U.K. be reduced to 50,000 stds. (100,000,000 board feet). This amount should cover both the request given here and the additional request referred to above. Supply of even this quantity will be difficult.

This request when taken together with a request for 1,650,000 cu. ft. given in the list of "additional raw materials requirements for the U.K.", attached, would represent about 120,000,000 board feet. The current annual rate of export to the U.K. amounts to approximately 80,000,000 board feet. It is suggested that the allotment to the U.K. be limited to 80,000,000 feet. This amount will be against both the requirements listed here and the additional requirement referred to above.

Regraded Unclassified

SECRET
Information Available Under Espionage Act

| <u>Item</u> | <u>Stated Requirement</u> | |
|--------------------------|---------------------------|--------------|
| | <u>Quantity</u> | <u>Value</u> |
| <u>Group III (con't)</u> | | |
| Sleepers & Crossings | 50,000 Stds. | \$ 5,000,000 |
| Constructional Plywood | 342,000,000 Sq. Ft. | 28,769,000 |

The amount requested would represent about 6% of total U.S. production. Demands on the U.S. are expected to be very heavy because of pent-up domestic and foreign requirements arising out of need for road-bed repairs. It is suggested that the U.K. allotment be limited to 25,000 stds.

This request when taken together with a request for 72,000,000 sq. ft. given in the list of "additional raw material requirements for the U.K.", attached, would represent 1/4 of total annual U.S. production and is far greater than current U.S. exports to all destinations. The material is presently so tight that it is subject to monthly allocation and practically 100% of supply goes to meet U.S. and foreign military requirements. Military demand is expected to continue during Stage II, though perhaps at a reduced rate. U.S. civilian demand will be tremendous if there is to be any substantial domestic building. It is suggested that the U.K. allotment be limited to 100,000,000 sq. ft. (approximately the present rate). This quantity should cover both the requirement given here and the additional requirement referred to above, and should apply against both military and civilian needs.

SECRET
Disclosure Penalisable Under Espionage Act
AVAILABILITY

| <u>Item</u> | <u>Stated Requirement</u> | |
|--------------------------|---------------------------|--------------|
| | <u>Quantity</u> | <u>Value</u> |
| <u>Group III (con't)</u> | | |
| Veneers Oak | 56,000,000 Sq. Ft. | \$ 1,008,000 |

U.S. production of oak veneers is currently limited to about 100,000,000 sq. ft. per year. No substantial increase during Stage II can be anticipated because of heavy Navy requirements for available oak. The request therefore amounts to about 56% of likely U.S. supplies. This quantity could not be furnished without serious repercussions. It is suggested that the allotment be limited to 10,000,000 sq. ft.

Group IV

| | | |
|-------------------------|-------------|------------|
| <u>Synthetic Rubber</u> | | |
| GRS | 86,000 L.T. | 69,832,000 |
| GRM | 3,674 L.T. | 3,909,000 |
| GRI Butyl | 2,600 L.T. | 1,935,000 |
| Perbunan | 593 L.T. | 707,000 |
| Hycar OR | --- | --- |

No difficulty. Except for butyl, the amounts requested correspond to the present level of exports to the U.K. 2600 L.T. of butyl would mean doubling present shipments, but anticipated expansion in production makes furnishing this quantity feasible.

Lend-Lease End Products Requirements for the United Kingdom in the first year of Stage II, being the first twelve months following the end of the war in Europe and during the continuation of the war against Japan.

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|--|---------------------------|---|
| <u>Opencast Mining Equipment</u> Including - Spare parts for American type machines formerly furnished, spare parts for tractors, excavators, scrapers and general supplies for the maintenance of opencast projects, e.g., rope, chains, buckets. | \$5,000,000 | This requirement falls in line with the present programs for the U.K. and is considered feasible. Several of the effected industries may be tight, however, and scheduling or military ratings might be necessary to secure delivery of some items. |
| <u>Agricultural Machinery</u> Including - \$3,500,000 spares for tractors and other U.S. equipment sent to the U.K. for food production purposes; \$1,000,000 for crawler tractors; \$500,000 for harvester combines and special equipment to increase the utility of U.S. made tractors. | \$5,000,000 | <p>The amount requested is less than current rate of shipment; no difficulty.</p> <p>The request is feasible, if predominantly smaller tractors.</p> <p>Assuming 1/2 for combines and balance for other equipment requirements, the request is feasible in terms of present programs.</p> |
| <u>Tractor and Special Type Tires</u> Including - Tractors, maintenance for U.S. equipment and miscellaneous civilian type including bus tires, of types and sizes not manufactured in the U.K. | \$1,000,000 | Feasible. |
| <u>Services</u> | \$2,000,000 | No comment. |

SECRET
Disclosure Punishable Under Espionage Act

Additional Raw Materials Requirements for the United Kingdom for which Lend-Lease assistance is asked but which do not come within the general ground covered by the current Lend-Lease policy.

| <u>Item</u> | <u>Stated Requirement</u> | | <u>Availability</u> |
|--|---------------------------|--------------|---|
| | <u>Quantity</u> | <u>Value</u> | |
| <u>Repair and Equipment and Replacement of Bomb Damaged Houses</u> | | | |
| Bagasse | 11,000 S.T. | \$ 250,000 | No difficulty. |
| Insulation (Building) Board | 16,000 S.T. | 1,625,000 | If distributed between gypsum and insulation board and does not include laminated fibre, no difficulty. |
| Soft Wood | 200,000 Stds. | 19,300,000 | Covered by remarks against request listed above. |
| Hard Wood | 1,650,000 cu. ft. | 1,750,000 | |
| Constr. Plywood | 72,000,000 sq. ft. | 6,408,000 | |

SECRET

Disclosure Prohibited Under Espionage Act

- 8 -
Additional End Product Requirements for the United Kingdom for which Lend-Lease assistance is asked but which do not come within the general ground covered by the current Lend-Lease policy.

| <u>Item</u> | <u>Stated Requirement</u> | <u>Availability</u> |
|---|---------------------------|---|
| <u>Machine Tools</u> Including - Large machines for munitions purposes, machines for naval equipment, components and parts now working on munitions in the U.K. Electric and pneumatic portable tools, all required for munitions purposes -- included are 10,000,000 for naval vessels and R.A.F. repair depots. | \$27,000,000 | Assuming acceptable specifications and reasonable distribution as to types of equipment, etc., no difficulty. |
| <u>Cutting Tools</u> (Types not made in U.K.) | \$ 250,000 | No difficulty |
| Machinery required for emergency house program - Including, Power presses, etc. | \$ 930,000 | Assuming acceptable specifications and reasonable distribution as to types of equipment, etc., no difficulty. |

November 29, 1944

My dear Mr. President:

On November 20th you sent me the following memorandum:

"A stranger -- the Mother of a combat Naval flyer in the Southwest Pacific for two years -- happened to meet a great friend of mine and said:

'My boy has to go out to Soldiers Field, Chicago, for the opening of the Sixth War Loan Drive. He has been in combat in the Southwest Pacific for two years and now he must put on a show for civilians and perhaps get killed. He hates the idea but that is what he has been ordered to do.'

"I think on the whole that this policy of calling on any combat pilot back from the front is a mistake -- don't you?"

I sent a copy of your memorandum to Jim Forrestal, and I am enclosing herewith a copy of his answer, which I hope you will agree covers the situation.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

The President,
The White House.

THE SECRETARY OF THE NAVY

WASHINGTON

November 24, 1944

Dear Henry:

This letter is in reply to your note of November 22, enclosing the President's chit on a Naval aviator who was sent to Soldiers Field, Chicago, to open the Sixth War Loan Drive against his will. I can find no instance in which any Navy combat aviator was sent to Chicago in connection with the Sixth War Loan Drive. Possibly the incident related to the President occurred in connection with the Fifth War Loan Drive which I believe you inaugurated at Soldiers Field, Chicago.

Regardless of whether this incident ever occurred, the really important aspect, of course, is whether Naval combat personnel are sent against their wishes on morale-building assignments during their period of leave at home.

As you know, from your own experience, the most effective device for bringing to the people at home a sense of the urgency of the war is to have them addressed by some individual who has been in the fighting. People have difficulty understanding broad sweeps of strategy but they can easily understand individual actions of heroism or daring. For that reason, we receive many requests for returned combat men to participate in war bond drives, incentive programs and similar activities.

However, we have a long-standing rule that no order shall be issued to any Navy officer or enlisted man requiring him to engage in these activities unless he has freely given his prior consent. Since receiving your note and the President's chit, I have reiterated to the Bureaus and Offices concerned their obligation to respect this policy.

Sincerely yours,



James Forrestal

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

November 22, 1944

My dear Jim:

I am enclosing herewith photostat of a memorandum which I received from the President.

Would you please advise me how to answer the President.

Yours sincerely,

(Signed) HenPV

The Honorable James V. Forrestal,
Secretary of the Navy,
Washington, D.C.

THE WHITE HOUSE
WASHINGTON

November 20, 1944.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

A stranger -- the Mother of a combat Naval flyer in the Southwest Pacific for two years -- happened to meet a great friend of mine and said:

"My boy has to go out to Soldiers Field, Chicago, for the opening of the Sixth War Loan Drive. He has been in combat in the Southwest Pacific for two years and now he must put on a show for civilians and perhaps get killed. He hates the idea but that is what he has been ordered to do".

I think on the whole that this policy of calling on any combat pilot back from the front is a mistake -- don't you?

F. D. R.

THE AMERICAN BANKERS ASSOCIATION
OFFICE OF THE PRESIDENT

55 WALL STREET
NEW YORK 5, N. Y.

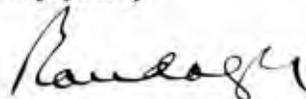
W. RANDOLPH BURGESS
PRESIDENT

November 29, 1944.

Dear Henry:

As a farmer you may be interested in the campaign that the American Bankers Association is putting on to sell the farmers both on the purchase of War Bonds and building reserves. I enclose a folder which has had very widespread circulation, and I think is helping to do the job.

Sincerely yours,



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

12/1/44
- Pacific



**HOW YOU CAN HELP
KEEP AGRICULTURE
FINANCIALLY SOUND**

1. HELP FARMERS KEEP DEBTS AT A SAFE LEVEL



ENCOURAGE THEM to pay off hazardous debts as soon as possible. This means cleaning up second mortgages and chattels on livestock and equipment, paying past-due bills, and getting first mortgages paid down to where they cannot cause trouble in case of lower income, sickness or other emergency.

Encourage farmers to maintain a proper balance between making payments on mortgages and investing in War Bonds. If a person pays a mortgage all up now, and then has to get another one after the war he may not be able to get terms as favorable as those he now has.

Wear and tear on farm machinery and buildings must be paid for eventually, whether or not the mortgage is all paid off. A farmer will probably be in a safer position to end up the war with a moderate sized mortgage at a low interest rate and a good nest egg in War Bonds; than no mortgage, no bonds, and badly run-down buildings and equipment.

2. ENCOURAGE FARMERS TO BUILD AND MAINTAIN FINANCIAL RESERVES



URGE THEM to invest in War Bonds now to assure their having the means after the war to replace buildings and equipment. Many items normally purchased for keeping up the farm plant are now off the market. Much of the increased income now being received by farmers represents payment for the wearing out of machinery, equipment and buildings, and for depletion of land fertility.

Encourage farmers to save for home improvements such as central heating systems, water systems, electrical equipment, and bathrooms. Savings sufficient to cover the education of children, travel, unexpected sickness and hospital

bills should also be encouraged. Every farmer should be building a general reserve against probable lower income in the years ahead.

3. WORK TO PREVENT A LAND BOOM



IN MOST PARTS of the United States, good farms are still reasonable in price, but in the country as a whole, prices of farms are going up more than 10 percent per year, and much faster than that in some sections. The stage is set for a first-class land boom and the curtain has gone up on the first act.

The experience of many farmers after World War I shows it is safer to build a reserve to protect one's farm and standard of living than to enlarge present holdings beyond the size necessary for efficient operation. The possibility of speculative profit from buying farm land when prices and incomes are up is not worth the risk of losing everything because of a drop in prices.

4. HELP BACK-TO-THE-LANDERS AVOID MISTAKES



MANY A BOY in a foxhole or on a ship at sea is dreaming about buying a farm, "to be my own boss" and for other reasons. Workers in war-plants, too, include many would-be farmers. Few of these will have sufficient capital and experience to warrant buying and equipping a good farm. Result: Many will be tempted to buy what they can get - too often farms which experienced farmers have abandoned after learning they could not be operated profitably.

If the veteran "gets stuck" with a place where he cannot make a living, he may later demand public assistance. Back-to-the-landers who buy isolated places not served by improved roads, a school bus, or other services, may soon ask for improvements which would be expensive for the community to provide.

Banks will be under pressure to finance un-sound back-to-the-land ventures. Often the greatest service which a banker can render a would-be farmer is to convince him that, because of his limited experience and capital, he should start as a hired man for a successful farmer. Capable hired men who have shown that they are thrifty and trustworthy, are the kind of persons that retiring farmers like to have rent their farms, or buy, even with a small down payment.

All of this would be true even if the demand for farm products was to stay up and farmers' incomes remain high. If prices and incomes fall, inexperienced farmers will be hit the hardest.

5. HAVE ADEQUATE CREDIT FILES IN YOUR BANK



MANY BANKS that have not been in the short-term farm credit business are getting into it now. They are going in without experience, at a time of a high price level, and when there is stiff competition from other banks and credit agencies with experience. It is highly important that all banks have adequate credit information concerning their farm borrowers. This means credit and operating statements, personal data about the farmer and his family, information on important farm management factors affecting farm income, and records of repayment schedules and chattel mortgages.

Farmers have always used credit and during the next several years they are likely to use more rather than less. Farm loans have paid out well compared with other bank assets. Prospects are good in this field for bankers who know what they are doing.

Every country bank should have someone in its organization who knows farming and livestock, and who has a sympathetic understanding of farmers' problems. Local conditions and general market prospects must all be studied continually.

FARMERS AND RANCHERS can do much to avoid the disastrous effects of price changes like those that followed the last war—changes that sooner or later might come again. To help them, banks are urged to follow this

5 POINT PROGRAM

- 1 Help farmers keep debts at a safe level.
- 2 Encourage farmers to build and maintain financial reserves.
- 3 Work to prevent a farm land boom.
- 4 Help "back-to-the-landers" avoid mistakes.
- 5 Have adequate credit files in your bank.

★ ★ ★

AGRICULTURAL COMMISSION
AMERICAN BANKERS ASSOCIATION
22 EAST 40TH STREET • NEW YORK 16, N. Y.



Information about War Bonds important to farm people

"E" BONDS

... are ideally suited to the farm family that wants to save money for specific purposes.

"E" BONDS "grow into more money." For example, you pay \$75 for an "E" BOND that increases in value until it is worth \$100 when it matures ten years later. This means getting 2.9% compound interest on your money.

You can redeem an "E" BOND at any time after 60 days from issue and always get back at least as much as you paid for it. "E" BONDS are issued to individuals only.

"F" BONDS

... make a good form of savings for Cooperative Associations, Lodges, Churches, etc.

"F" BONDS are like "E" BONDS but mature in 12 years, yield 2.53% compound interest if held to maturity, are redeemable after six months from issue, and are issued both to individuals and to corporations and associations.

"G" BONDS

... are for those, especially older people, who want to have interest coming in on their money.

The United States Treasury mails a check twice a year to the owner of a "G" BOND for interest on the purchase price of the bond at the rate of 2½% a year.

"G" BONDS mature in 12 years and are redeemable after six months from issue.



NOV 29 1944

Dear General Eisenhower:

I want you to know how much we in the Treasury appreciate all of the good help you have given us in connection with this important Sixth War Loan drive.

In order that you can get some idea of just how the statements you have made for us have been utilized by the Treasury in the promotion of the Loan, I am attaching copies of a few papers for your information.

It appears that we have gotten the Sixth War Loan off to a good start and I know that you will take some pride in the knowledge that you have had a hand in it.

With every good wish, I am

Cordially yours,

(Signed) H. MORGENTHAU, JR.

General Dwight D. Eisenhower
Supreme Commander
Supreme Headquarters
Allied Expeditionary Force

TRG:HFP
11/27/44

The Washington Post

Copyright, 1944,
By The Washington Post.

WASHINGTON: MONDAY, NOVEMBER 20, 1944

Eisenhower Drawing on '45 Shell Supply

Broadcasts Plea For Even Greater Output Miracles

Gen. Dwight D. Eisenhower, supreme Allied commander in Europe, disclosed in a radio broadcast from overseas yesterday that his forward-smashing Yanks are pounding the Germans with shells originally scheduled for use next February and March.

He pleaded with warworkers to rise to even greater miracles in the production of vital war equipment, and particularly to turn out more ammunition—"always ammunition"—to shorten the war "and save thousands of lives" of American boys.

Eisenhower told the American people that their "toll and skill share with the courage and stamina of the front line soldiers the credit for the stunning successes of the summer and fall."

"... Today," Eisenhower declared, "we are firing ammunition that we would not have used until next February or March if we had been content with slower advance, with less crushing victories, or if we had been ready to sacrifice soldiers to save materials."

He asserted that Allied fighting men have achieved "one of the remarkable military victories of all time" since they stormed ashore

See IKE, page 5. C. 1111

FRONT PAGE
WASHINGTON POST
NOVEMBER 20, 1944

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New York Tribune Inc.

Tribune

NEW YORK



FRIDAY, NOVEMBER 24, 1944

Tribune

Eisenhower Says Men at Front Count on Success of Loan Drive

In Thanksgiving Day Broadcast, He Adds Troops Need 'Myriads of Shells, Guns and Planes'; MacArthur, Nimitz, Halsey Join Plea

In his second urgent appeal for war-bond purchases General Dwight D. Eisenhower, Allied commander in Europe, called again yesterday for combat supplies. In a talk prepared for broadcast via the National Broadcasting Company from his European headquarters, the strategist of the great western-front offensive asked the American people for "myriads of shells and tires and guns and blankets and planes."

Other Thanksgiving Day messages supporting the Sixth War Loan drive came from Admiral Chester W. Nimitz, commander in chief of the Pacific Fleet; Admiral William F. Halsey jr., commanding the 3d Fleet, and General Douglas MacArthur, directing the Philippine campaign.

Because Federal Reserve banks were closed, war-loan headquarters had no new figures for Thanksgiving Day, but 250,000 Blue Star Brigadiers, enrolled in greater New York's drive, devoted at least part of the day to bond selling.

Reports from all sections of the country showed that Thanksgiving was a "big day" in the bond-selling campaign, the Treasury Department said last night.

"Thanksgiving should help and not hamper the drive," said Ted H. Gamble, national War Finance Director, after receiving news of intense and unexpected activity in the \$14,000,000,000 campaign.

Instead of lounging at home,
(Continued on page 20, column 1)

FROM PAGE
NEW YORK HERALD TRIBUNE
NOVEMBER 24, 1944

Times



Herald

WASHINGTON, D. C.

SATURDAY, NOVEMBER 25,

D. C. Leading in Bond Drive With Sales at \$8,300,000

With Washington currently in the forefront of the national Sixth War Loan drive, showing sales of bonds totaling \$8,300,000, it was revealed today that Gen. Dwight D.

Eisenhower's fighting men are supporting the campaign even as they are dodging German bombs, shells and bullets in their newest offensive. The District quota is \$48,000,000.

Secretary of the Treasury Morgenthau made public a letter from the supreme Allied commander in Europe, dated November 14, in which Eisenhower said, "We will try to do our part here" to make the \$14,000,000,000 drive "go over with a rush."

GI's Regular Buyers

Eisenhower said that letters from Morgenthau and President Roosevelt to theater commanders urging them to join the home front in the new bond offensive would be used widely to stimulate sales among troops in the European theater.

Bond drive officials pointed out that millions of GI's are regular war-bond purchasers and are making the investments as safeguards against future financial worries.

Meanwhile the first week of the Sixth War Loan neared its close today with individual bond purchases apparently close to the \$700,000,000 mark.

Latest official figure, representing sales up to Wednesday night, was \$683,000,000, more than 10 per cent of the \$5,000,000,000 individual quota. Because of the Thanksgiving holiday, however, results were more than 24 hours behind.

FRONT PAGE
WASHINGTON TIMES HERALD
NOVEMBER 25, 1944

Herald American

CHICAGO

AN AMERICAN PAPER FOR THE AMERICAN PEOPLE

VOL. XLV
NO. 113—P.M. 9

MONDAY—NOVEMBER 13—1944

DAILY
4 Cents 41

Buy War Bonds! Eisenhower Plea

BY DWIGHT D. EISENHOWER,
Supreme Commander, Allied Ex-
peditionary Forces.

SUPREME HDQ., Allied Expe-
ditionary Forces, Nov. 13.—Your
assistance is needed and the most
important job now for the people
at home is to make the Sixth
War Loan a success.

To make sure of final victory
we must redouble and sustain
our efforts, both here and every-
where. The fighting man still
faces a grim task and he still ur-
gently needs much food, clothing,
and battle equipment that must
be bought. The money must be
raised and our men on all the
fronts depend upon you.

Contact your local war finance
committee and join the home
front army as a volunteer war
bond worker. On behalf of your
sons, brothers, husbands and
friends in this great war theater,
I request that you do your part
to see that the Sixth War Loan
is vastly oversubscribed.

FRONT PAGE

CHICAGO HERALD-AMERICAN

NOVEMBER 13, 1944

MORNING WORLD-HERALD

36.

OMAHA, NEBRASKA, MONDAY, NOVEMBER 13, 1944.—SIXTEEN PAGES.

'Fighters Depend On You'

10/12
*Gen. Eisenhower, Falls City Infantryman
Urge Support of Sixth War Loan*

"Your assistance is needed and the most important job now for the people at home is to make the Sixth War Loan a success.

To make sure of final victory, we must redouble and sustain our efforts, both here and everywhere. The money must be raised and our men on all the fronts depend upon you. Contact your local War Finance Committee and join the home front army as a volunteer war bond worker. On behalf of your sons, brothers, husbands, and friends in this great war theater I request that you do your part to see that the Sixth War Loan is vastly oversubscribed."



General
Eisenhower

DWIGHT D. EISENHOWER,
Supreme Commander of Allied
Expeditionary Forces.

FRONT PAGE

MORNING WORLD-HERALD

NOVEMBER 13, 1944

THE

MORNING



CALL

Class Matter
Act of Mar. 3, 1879

THE PATERSON MORNING CALL, MONDAY, NOVEMBER 13, 1944

* * * U
33 C5

*General
Eisenhower
Urgently
Asks Home
Front*



*To Redouble
Efforts
In Support
Of Sixth
War Loan*

Your assistance is needed and the most important job now for the people at home is to make the Sixth War Loan a success. To make sure of final victory we must redouble and sustain our efforts, both here and everywhere. The money must be raised and our men on all the fronts depend upon you. Contact your local war finance committee and join the home front army as a volunteer War Bond worker. On behalf of your sons, brothers, husbands, and friends in this great war theater I request that you do your part to see that the Sixth War Loan is vastly oversubscribed.

DWIGHT D. EISENHOWER,
Supreme Commander Of Allied
Expeditionary Forces.

LEAD ARTICLE
TOP OF FRONT PAGE
THE MORNING CALL
NOVEMBER 13, 1944

The Washington Post

4 1944
Dayton Post.

***** WASHINGTON: MONDAY, NOVEMBER, 13, 1944

Eisenhower Urges Support Of War Loan

Stars to Aid Drive

SHOWS featuring screen and movie stars to take place this week heralding opening of Sixth War Loan Drive in Washington. (Details on Page 9.)

Task Still Grim

Gen. Dwight D. Eisenhower, supreme Allied commander in Europe appealed yesterday for support of the Sixth War Loan drive, which begins November 20, and especially asked civilians to sign up as workers in the drive in their communities.

His message to all Americans follows:

"Your assistance is needed and the most important job now for the people at home is to make the Sixth War Loan a success. To make sure of final victory, we must redouble and sustain our efforts, both here and everywhere.

"The fighting man still faces a grim task and he still urgently needs much food, clothing, and battle equipment that must be bought.

"Contact your local war finance committee and join the home front army as a volunteer War Bond worker.

"On behalf of your sons, brothers, husbands, and friends in this great war theater I request that you do your part to see that the Sixth War Loan is vastly oversubscribed.

"DWIGHT D. EISENHOWER,

"Supreme commander of Allied Expeditionary Forces."

FRONT PAGE

THE WASHINGTON POST

NOVEMBER 13, 1944

The Dallas Morning News

Oldest Business Institution in Texas—Founded in Galveston April 11, 1842—Established in Dallas October 1, 1885

DALLAS, TEXAS, MONDAY, NOVEMBER 13, 1944—FOURTEEN PAGES IN TWO SECTIONS

Appeal From Eisenhower 512

The following important statement has just been received by the Allied Newspaper Council by cable from Gen. Dwight D. Eisenhower:

Your assistance is needed and the most important job now for the people at home is to make the Sixth War Loan a success. To make sure of final victory we must redouble and sustain our efforts, both here and everywhere. The money must be raised and our men on all the fronts depend upon you. Contact your local war finance committee and join the home-front army as a volunteer War Bond worker. On behalf of your sons, brothers, husbands, and friends in this great war theater I request that you do your part to see that the Sixth War Loan is vastly oversubscribed.

DWIGHT D. EISENHOWER,
Supreme Commander of Allied Expeditionary Forces.

FRONT PAGE
THE DALLAS MORNING NEWS
NOVEMBER 13, 1944

BIRMINGHAM AGE-HERALD

BIRMINGHAM, ALA., MONDAY MORNING, NOVEMBER 13, 1944

14 PAGE

Gen. Eisenhower's Appeal

Gen. Dwight D. Eisenhower, supreme commander of Allied Expeditionary Forces, told the American people Sunday that the Sixth War Loan quota must be raised, and asserted, "Our men on all the fronts depend on you."

In a statement sent by cable, Gen. Eisenhower said: ^{4 3/4}
"Your assistance is needed and the most important job now for the people at home is to make the Sixth War Loan a success. To make sure of final victory we must redouble and sustain our efforts, both here and everywhere. The money must be raised and our men on all the fronts depend upon you. Contact your local war finance committee and join the home front army as a volunteer War Bond worker. On behalf of your sons, brothers, husbands and friends in this great war theater I request that you do your part to see that the Sixth War Loan is vastly oversubscribed."

DWIGHT D. EISENHOWER,
Supreme Commander of Allied Expeditionary Forces

FRONT PAGE
THE BIRMINGHAM AGE-HERALD
NOVEMBER 13, 1944

The New York Times.

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Entered as Second-Class Matter,
Postoffice, New York, N. Y.

NEW YORK, FRIDAY, NOVEMBER 24, 1944.

Eisenhower, Hailing Men, Urges Us to Buy Bonds

*Tells Nation on Radio Troops Are Forging
On by Courage and Suffering but They
Need 'Myriads' of Supplies*

By The Associated Press.

WASHINGTON, Nov. 23—Gen. Dwight D. Eisenhower said today that his soldiers are making daily headway by courage and suffering but they need "myriads of shells and tires and guns and blankets and planes."

The man commanding the gigantic Western Front offensive against Germany appealed personally to the American people to over-subscribe the Sixth War Loan drive and "transform the money quickly into vital fighting equipment."

It was General Eisenhower's second urgent appeal to buy war bonds. He made it in a talk prepared for a broadcast from his European headquarters. The text of the statement also was released by the Treasury Department.

Mud, cold, bullets and minefields can't stop the millions of American boys from pushing the enemy back

if they are plentifully supplied and supported from the homeland, the general declared.

The equipment is needed "now," he said. And the soldiers must get it "from the money you lend the Government."

He said the American fighting men are "entitled to the constant assurance of your understanding, of your resolution and of your unflagging zeal."

Reports from all sections of the country showed that Thanksgiving was a "big day" in the sixth war loan, the Treasury said tonight.

"Thanksgiving should help and not hamper the drive," said Ted R. Gamble, national war finance director, after hearing news of intense and unexpected activity in the fourteen-billion-dollar cam-

EISENHOWER BIDS US TO BUY BONDS

Continued From Page 1

paign. Instead of lounging at home, most of the 8,000,000 volunteers were hard at work ringing door bells, while workers in the War factories were producing the vital fighting equipment.

The figures of today's sales won't show up in the national totals for several days until the money is deposited in Federal reserve banks.

War loan headquarters had no new figures for Thanksgiving Day. The latest progress report yesterday chalked up \$182,000,000 paid in by individuals, compared with the total quota for individuals of \$7,000,000,000. The drive began Monday and will end Dec. 16.

FRONT PAGE

THE NEWS YORK TIMES

NOVEMBER 24, 1944

NEW YORK Herald Tribune



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New York Tribune Inc.

MONDAY, NOVEMBER 13, 1944

Sixth Loan Plea To Nation Made By Eisenhower

Mayor Is Made a General
in Bond Selling Brigade
at Rally in Central Park

General Dwight D. Eisenhower called yesterday for the fullest participation in the Sixth War Loan, beginning Nov. 20, as the War Finance Committee for New York launched a one-week city-wide campaign to recruit volunteer workers.

The appeal of General Eisenhower, supreme commander of the Allied Expeditionary Forces in Europe, was issued by the Allied Newspaper Council. It said:

"Your assistance is needed and the most important job now for the people at home is to make the Sixth War Loan a success. To make sure of final victory we must redouble and sustain our efforts, both here and everywhere. The money must be raised and our men on all the fronts depend upon you.

"Contact your local War Finance Committee and join the home front army as a volunteer war bond worker. On behalf of your sons, brothers, husbands, and friends in this great war theater I request that you do your part to see that the Sixth War Loan is vastly oversubscribed."

General Eisenhower's request seconded by "General" F. H. LaGuardia, who received his "commission" when he was designated chief of staff of the Blue Star Brigade, as the volunteer bond salesmen will be known, in a ceremony in Central Park Mall.

The Mayor was in top form as he accepted the title from Colonel Arthur V. McDermott, director of Selective Service in New York City. He whirled toward the 1,000 persons gathered at the bandshell, saluted and equipped:

"Well, I got that generalship at last."

FRONT PAGE

NEW YORK HERALD TRIBUNE

NOVEMBER 13, 1944

The Washington Post

NOV. 24, 1944
Washington, D. C.

WASHINGTON; FRIDAY, NOVEMBER 24, 1944

Eisenhower Urges Huge Bond Sales

General Also Appeals For Quick Conversion Of Money Raised to Fighting Equipment

Gen. Dwight D. Eisenhower yesterday appealed to the American people to oversubscribe the Sixth War Loan and "transform the money quickly into vital fighting equipment" for his soldiers who are making headway with "courage and suffering," as the District War Finance Committee announced that individual sales here have reached \$6,800,000, an increase of \$700,000 or 14.75 per cent of the local \$46,000,000 goal.

General Eisenhower's Thanksgiving Day message, broadcast from his European headquarters, asked for "myriads of shells and tires and guns and blankets and planes."

Mud, bitter cold, bullets and minefields cannot stop our soldiers if they are plentifully supplied and supported from the homeland he declared.

"Another thing," the Allied commander emphasized, "they are entitled to the constant assurance of your understanding, of your resolution and of your unflinching zeal in the cause for which they are offering their lives. To keep faith with them none of us can permit our minds and hearts to stray for a single second from the great task we have before us."

Others Also Send Messages

"Here, all of us," he concluded, "count upon you to oversubscribe the war loan and then to transform the money quickly into vital fighting equipment. It is needed now."

Other holiday war bond messages came over the same program from Admiral Chester W. Nimitz, commander in chief of the Pacific Fleet; Admiral William F. Halsey, Jr., commander of the Third Fleet; and Gen. Douglas MacArthur.

In a statement received yesterday by the District of Columbia War Finance Committee from the Federal Reserve Bank at Richmond, it was reported that sales of "E" bonds advanced only \$100,000, to \$3,000,000, or 15.2-3 per cent of the 30 million dollars quota. Committee officials, however, felt that the low figure was due to slow reporting and processing caused by the holiday eve.

Among purchasers of war bonds yesterday was a Brazilian exporter who bought a \$100 bond to be framed as a souvenir. He is Pinto de Carvalho, here for a tour of the country to make contacts with factories and exporters.

Another sale was made yesterday to boost the drive when Mrs. Kettie Wyzga, Eastern Airlines representative, purchased \$300,000 worth of bonds for the company, before a Nazi flag which her husband, Maj. Michael A. Wyzga, had sent from Luxembourg with the message, "Help us tear these flags down by supporting the War Bond drive."

Meanwhile, the D. C. War Finance Committee's 25 divisions re-vested brisk activities. The Washington Division of Safeway Stores,

See LOAN, Page 6, Column 3

7/2/11/11a

Eisenhower Calls for Bond Buying to Back Fight

By Dwight D. Eisenhower

Supreme Commander of Allied Expeditionary Forces.

ALLIED HEADQUARTERS, Paris, Nov. 12.
Your assistance is needed and the most important job now for the people at home is to make the Sixth War Loan a success.

To make sure of final victory we must redouble and sustain our efforts, both here and everywhere. The fighting man still faces a grim task and he still urgently needs much food, clothing,

and battle equipment that must be bought. The money must be raised and our men on all fronts depend upon you.

Contact your local War Finance Committee

and join as a volunteer War Bond worker. On behalf of your relatives and friends in this great war I urge that you do your part to see that the Sixth War Loan is vastly oversubscribed.

WEATHER FORECAST

SEATTLE AND VICINITY: Fog and low clouds today and Tuesday, breaking briefly during the afternoon; continued cool; highest this afternoon 48 and lowest Tuesday morning 32.

AMERICA FIRST Seattle Post-Intelligencer

Post-Intelligencer Office, 600 Pine St.

Post-Intelligencer Telephone, Main 2000

SUNRISE EDITION

VOL. CXXVII, NO. 72

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SEATTLE, MONDAY, NOVEMBER 13, 1944

TWENTY PAGES

5

5c PER COPY

TOP OF FRONT PAGE
SEATTLE POST-INTELLIGENCER
NOVEMBER 13, 1944



THE SECRETARY OF THE TREASURY
WASHINGTON

NOV 29 1944

TREASURY DEPARTMENT ORDER NO. 54.

Effective December 1, 1944, the following reassignments are hereby ordered:

The Bureau of Internal Revenue will operate under the general supervision of the General Counsel.

The General Counsel will be the legislative representative for the Department in all matters, including tax matters. The Tax Legislative Counsel will be responsible to the General Counsel.

The Director of Tax Research will report direct to the Secretary and will be in general charge of Treasury tax policy and its formulation. He will have the duty of preparing for the Secretary tax programs, tax statements, and tax information. He will continue as in the past to work with Congressional tax committees and to speak for the Treasury in the day by day work of such committees in the absence of the General Counsel.

A. M. ...
Secretary of the Treasury



Herbert Gaston
Secretary Morgenthau

November 29, 1944

I want you to follow through on the Harry White appointment which I sent to the President yesterday. If it is not clear to you what I mean by 'follow through', I wish you would speak to me surely this morning. Thank you. *Jane -*

NOV 29 1944

Personal

My dear Cordell:

I am sorry indeed to learn that the need to safeguard your health has forced you to retire after nearly twelve years of great statesmanship as Secretary of State. I know that they have also been years of arduous and harassing work at great physical cost, and it is my sincere wish that rest and freedom from urgently pressing responsibilities may renew your strength.

It has been a great privilege to me to sit with you in Cabinet and to work with you. It is a warmly cherished experience which I shall not forget. I thank you for your continuous friendly cooperation and your many acts of courtesy and kindness. I shall hope to remain in touch with you and to have frequent opportunities to consult with you.

Sincerely,

(Signed) Henry

The Honorable Cordell Hull
Secretary of State
Washington 25, D. C.

HEG:ajs

NOV 29 1944

Personal

Dear Ed:

I congratulate you most heartily on your appointment as Secretary of State.

It is a source of great personal satisfaction to me, since it was the outcome I had hoped for from the time that I learned definitely that Mr. Hull would be unable to continue.

Whenever I can help you in any way you have only to call me and of course I count on the privilege of reciprocating.

You have great work ahead of you and I know you will be fully equal to it.

Sincerely,

(Signed) Henry

The Honorable
Edward R. Stettinius, Jr.
Department of State
Washington 25, D. C.

WES
HEG:aja

Regraded Unclassified

SECRETECEFP D-83/44
NOV 29 19442
95SECRET

PROPOSAL FOR A FINANCIAL SECTION OF THE
EXECUTIVE COMMITTEE ON ECONOMIC FOREIGN POLICY

The President's Desire for Coordination of Foreign
Financial Activities

The President, in a memorandum of August 21, 1944 to the Secretary of State, pointed to the need of coordinating the foreign financial activities of the Government and of integrating policy in this field with domestic fiscal policy and raised for consideration in this connection the question of the establishment of an interdepartmental board to deal with foreign financial policy.

The Secretary of State, in his reply of September 26, pointed out that the Executive Committee on Economic Foreign Policy had been established at the request of the President to perform the function of coordinating on an interdepartmental basis various aspects of foreign economic policy. He stated that the establishment of a separate interdepartmental group to deal with financial matters would have the effect of splitting off financial policy from the remainder of the foreign economic field of which it is an integral part, with serious results to our whole program. He recognized, however, the need for inter-agency coordination of our foreign financial activities as one segment of general economic policy, and suggested that the Executive Committee on Economic Foreign Policy be asked to explore the matter and prepare a plan for coordination of our foreign financial operations. The President agreed to this suggestion.

Copies of the President's memorandum and the Secretary's reply are attached.

Considerations Involved in Inter-Agency Coordination
of Financial Matters

Although international financial activities have in general an important bearing on policies in other economic fields such as trade, reconstruction and development, labor, and cartels, there are nevertheless

many

-2-

many international financial problems of a specialized nature. Many of these may not be within the scope of the responsibilities or interests of all the agencies represented on the Executive Committee, and would, moreover, require a disproportionate amount of the Committee's time. There would appear to be need therefore for some specialized interdepartmental group operating within the framework of the Executive Committee organization to coordinate the activities of government agencies having responsibilities in the foreign financial field. The following considerations should, however, be taken into account in providing for such a body:

- (a) It should be free to submit its recommendations directly to the responsible agencies concerned and, in appropriate cases, to the President, provision being made, however, as suggested below, for coordination of such recommendations with economic foreign policy in general.
- (b) It should, moreover, be coordinate in rank with the Executive Committee as presently constituted in order that it may attract as members responsible officers of the participating agencies, and in order that its recommendations may carry weight with the Government authorities concerned.
- (c) It should also be so related to the present Committee that there may be full exchange of information between the two bodies, that one body may have the opportunity to express its views regarding such matters under consideration by the other as it may determine to be of interest to it, and that, if desired, recommendations may be made jointly or with the concurrence of the other body.

Establishment of a Financial Section of the Executive Committee

With these considerations in view, it is proposed that there be established a Financial Section of the Executive Committee and that the Committee as now constituted be known as the General Section. The

organization

SECRET

organization and terms of reference of the Financial Section should be as follows:

(a) Membership The membership of the Financial Section should consist of representatives of the Treasury Department, the Department of State, the Reconstruction Finance Corporation, the Foreign Economic Administration, and the Export-Import Bank. There should also be an observer from the Bureau of the Budget. Representatives of the Board of Governors of the Federal Reserve System, the Office of Economic Stabilization, the Surplus Property Board, the Securities Exchange Commission, and other agencies may be invited to participate when subjects of particular interest to them are under consideration. The Chairman of the Financial Section should be the representative of the Treasury Department.

(b) Secretariat The Executive Secretary of the Executive Committee should be the Secretary of the Financial Section as well as the General Section, and the Executive Committee Secretariat should perform for the Financial Section and such subcommittees as it may have the same functions which it would perform for the General Section and now performs for the present Committee and its subcommittees, namely, keeping a record of proceedings, distribution of documents, surveying the activities of sub-groups with a view to assuring coordination and consistency and performing other work of administration. The documents to be considered would, as in the case of the present Committee, be prepared by technical experts in the interested agencies.

(c) Terms of Reference Within the framework of broad economic policy formulated by the Executive Committee as a whole and approved by the President, the Financial Section should (with such participation by the General Section as is provided below) make recommendations to the responsible agencies concerned and, in appropriate cases, to the President, regarding:

- (1) Policies for guiding the foreign financial operations of United States Government agencies.
- (2) General directives for the guidance of American representatives on international financial

SECRET

-4-

financial agencies such as the International Monetary Fund and the International Bank for Reconstruction and Development or any interim financial groups or consortia in which this Government may participate pending establishment of the Fund and Bank.

- (3) Coordination of the foreign financial activities of government agencies relating to monetary stabilization, foreign funds control, lend-lease, financial problems in military and liberated areas, procurement contract settlements, and extension of credits, including those arising in connection with the disposal of surplus war property.
- (4) Coordination of United States foreign financial activities with those of international financial organizations in which the Government participates and also with domestic fiscal policy.
- (5) Policies in respect of private investment abroad.
- (6) Financial aspects of foreign economic policy referred to it by the General Section.

The Financial Section should not attempt to pass on individual financial transactions of national or international agencies except in so far as it may be necessary to do so to carry out the functions indicated above. Such transactions would continue to be carried out by the responsible agencies.

Liaison between the Financial Section and the General Section

The bi-weekly report of Executive Committee Secretariat should include a review of the activities of the Financial Section and its subcommittees as well as the General Section and its subcommittees. This report should be made available to all regular members

of

SECRET

-5-

of the General Section and of the Financial Section so that they may be kept currently informed of the activities of the other body which may be of interest to them.

Subjects under consideration by the Financial Section which are deemed to be of interest to the General Section or subjects under consideration by the General Section which have important financial aspects should be referred to the other body (a) at the request of the majority of that body, (b) on the motion of the body in which they originate, or (c) by the Executive Secretary with the concurrence of the chairmen of both bodies.

Provision for Ad Hoc Committees of Cabinet Officers

Although establishment at the Cabinet level of regular procedure for interdepartmental coordination of foreign economic policy would not, owing to the volume of work and detail involved, be practical, it is recognized, nevertheless, that there will be need, in some cases, for coordination at that level, not only in the financial field but also in other fields of economic foreign policy. The need, however, is not likely to arise frequently if the Executive Committee functions effectively. The Cabinet officers principally concerned will vary probably with each case. It is believed that in these circumstances all that is required is provision for the establishment of committees of Cabinet officers on an ad hoc basis. Such committees will be needed especially when:

- (a) The subject under consideration is of such importance that any recommendation made to the President should come directly from the Cabinet officers primarily concerned.
- (b) The Financial and General Sections are unable to reach agreement.
- (c) There is an important difference of views in either the Financial or General Section.

It is proposed that in such cases the Executive Committee, or the Section particularly concerned, recommend to the President, the Secretary of State,

or

SECRET

-6-

or the Secretary of the Treasury, as may be appropriate, that the Cabinet officers principally concerned be called together to consider the particular case in question and report to the President. The appropriate Section would in these circumstances constitute the working group for the Cabinet committee.

Advantages of the Proposal

It is believed that the proposal presented above will meet fully the objectives sought by the President. It has these advantages:

- (a) It provides regular machinery for coordinating foreign financial activities of the Government and integrating foreign with domestic fiscal policy at a responsible and effective level.
- (b) It also provides for policy coordination in respect of the whole field of international economic relations.
- (c) At the same time, the interdepartmental financial group is left free to operate independently in regard to purely financial matters.
- (d) Furthermore, provision is made for referring to Cabinet officers for joint consideration questions which should appropriately be considered at that level.

The Executive Committee Secretariat

November 29, 1944

SECRET

COPY

August 21, 1944

MEMORANDUM FOR

THE SECRETARY OF STATE

Anticipating future needs and the probability of an increasing amount of financial activity on the part of the Government, I am inclined to think that all of our activities along financial lines ought to be fully coordinated. At the present time there is no formal coordination and responsibility. It is too much scattered.

I have been thinking of establishing a Foreign Financial Policy Board, on which the interested agencies would be represented. This Board should have responsibility for formulating the policy of the Government on all financial problems with foreign governments. That would mean, of course, State Department, Treasury Department, Office of Economic Stabilization, Foreign Economic Administration and probably the Bureau of the Budget -- possibly also somebody from the new set-up that was started at Bretton Woods. The real point is that our financial policy in the international field has to be coordinated with the domestic fiscal policy.

We are now in the process of making provisional financial arrangements with the occupied countries of Europe--and this touches a large number of U.S. agencies. Also, the financial aspects of Lend-Lease have to be integrated with the provisional financial arrangements involving military expenditures, and we have to think of overtures which have already begun by foreign countries to borrow money through commercial channels in the United States.

Finally, we have the problems of handling the proceeds of the sale of surplus property abroad and our control over seven billions of dollars of blocked assets over here--most of them from Europe.

Will you let me know what your thought is?

F.D.R.

SECRET

COPY

September 26, 1944

MEMORANDUM FOR THE PRESIDENT

Reference is made to your memorandum of August 21, 1944 in which you asked my views on the establishment of a Foreign Financial Policy Board.

If such a Board were to have responsibility for actually formulating foreign policy in the financial field, I believe that its establishment would be inconsistent with the terms of reference of the already existing Executive Committee on Economic Foreign Policy. This Committee was established in accordance with your letter of April 5, 1944, " ... to examine problems and developments affecting the economic foreign policy of the United States and to formulate recommendations in regard thereto for the consideration of the Secretary of State, and, in appropriate cases, of the President."

During the six months of its existence, the Executive Committee has made gratifying progress in the development of a coordinated program of foreign economic policy. In view of its broad perspective of international economic affairs, the Committee is, I think, especially competent to perform the function of coordinating the financial policy of this Government with other closely interrelated aspects of economic foreign policy. I do not believe, therefore, that the establishment of a separate Foreign Financial Policy Board is necessary or desirable. In fact, the establishment of such a board would have the effect of splitting off financial policy from the remainder of the foreign economic field of which it is an integral part, with serious results to our whole program.

There may, however, be considerations pointing to the need for an interdepartmental committee to coordinate, within the general framework of foreign economic policy, foreign financial activities such as those carried on by the Export-Import Bank, the Reconstruction Finance Corporation, the Surplus War Property Administration and agencies of the Government dealing with the

Stabilization

SECRET

Stabilization Fund, Foreign Funds Control, Lend-Lease operations and financial problems of the liberated areas. Such a committee might, also within the framework of foreign economic policy, assume responsibility for the preparation of detailed directives for the guidance of United States representatives on such proposed international bodies as the International Monetary Fund and the International Bank for Reconstruction and Development. It is important however that, if such a committee is established, every precaution should be taken to avoid artificially separating the formulation of financial policy from that of foreign economic policy in general. It was for the purpose of achieving this unity that you established the Executive Committee on Economic Foreign Policy and provided in your letter of April 5 that major interdepartmental committees concerned with foreign economic affairs should be geared into the Executive Committee.

If you so desire, I should be glad to ask the Executive Committee on Economic Foreign Policy to explore this matter and prepare a plan for coordination of our foreign financial operations.

SECRET



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT
PROCUREMENT DIVISION
WASHINGTON 25



November 29, 1944

*Handwritten initials***SECRET**

MEMORANDUM TO THE SECRETARY:

Attached is the weekly report of Lend-Lease purchases.

A requirement has been received for 5,000 sectional, portable barracks for emergency shelter in Normandy and Brittany.

To meet this requirement, there will be secured from the Federal Public Housing Authority all the converted war housing dwelling units they have available; the balance to be procured in the open market.

Handwritten signature
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 NOVEMBER 22, 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 | \$5847.9 (5807.7) | \$2627.1 (2627.1) | \$2457.3 (2457.3) | \$133.9 (133.9) | \$15.9 (15.9) | \$613.7 (573.5) |
| Requisitions in Purchase | \$ 230.9 (231.3) | \$ 25.8 (26.6) | \$ 88.6 (88.3) | \$ 1.7 (1.7) | - | \$114.8 (114.7) |
| Requisitions not Cleared by W.P.B. | \$ 103.1 (110.9) | \$ 21.4 (22.8) | \$ 63.3 (77.5) | \$ 1.9 (.3) | - | \$ 16.5 (10.3) |
| Obligations (Purchases) | \$4316.6 (4292.7) | \$2038.6 (2034.9) | \$1842.8 (1827.6) | \$ 68.3 (68.2) | \$15.0 (15.0) | \$351.9 (347.0) |
| Deliveries to Foreign Governments at U. S. Ports* | \$2639.8 (2613.8) | \$1535.1 (1530.2) | \$1024.9 (1004.8) | \$ 25.4 (25.4) | - | \$ 54.4 (53.4) |

*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 November 15, 1944.

SECRET

FEDERAL RESERVE BANK
OF NEW YORK

November 29, 1944.

CONFIDENTIAL

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

I am enclosing our compilation for the week ended November 22, 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/ D. J. Liddy

D. J. Liddy,
Manager, Foreign Department.

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

Enclosure

C O P Y

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

November 30, 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 November 22, 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.

CMB

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

Week Ended November 22, 1944 Strictly
Confidential

| PERIOD | BANK OF ENGLAND (BRITISH GOVERNMENT) | | | | | | | | BANK OF FRANCE | | | | |
|-------------------|--------------------------------------|-----------------------------------|--|-----------------|------------------|---------------------------------|--------------------------------|--|---|------------------------|-------------------------|---|-------------------------|
| | DEBITS | | | | CREDITS | | | | Net Incr. (+) or Decr. (-) in \$ Funds (d) | Total Debits (e) | Total Credits (e) | Net Incr. (+) or Decr. (-) in \$ Funds (d) | |
| | Total Debits | Gov't Expendi- tures (a) | Transac- tions Official Canadian Account | Other Debits | Total Credits | Proceeds of Sales of Gold | Surpluses (Official) (b) | Transfers from Official Australian Account | | | | | Other Credits (c) |
| War Years (g) | | | | | | | | | | | | | |
| First | 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 |
| Second | 2,203.0 | 1,792.2 | 3.4 | 407.4 | 2,189.8 | 1,193.7 | 274.0 | 16.7 | 705.4 | - 13.2 | 38.9 | 8.8 | - 30.3 |
| Third | 1,235.6 | 904.8 | 7.7 | 223.1 | 1,361.5 | 21.8 | 5.5 | 57.4 | 1,276.8 | + 125.9 | 18.5 | 4.4 | - 14.1 |
| Fourth | 764.0 | 32.7 | 170.4 | 280.9 | 1,072.3 | - | 0.5 | 155.1 | 916.7 | + 308.3 | 10.3 | 1.0 | - 9.3 |
| Fifth | 1,197.7 | 300.4 | 61.4 | 835.9 | 1,369.6 | - | - | 253.0 | 1,116.6 | + 171.9 | - | - | - |
| <u>1944</u> | | | | | | | | | | | | | |
| September | 151.0 | 19.9 | 50.4 | 80.7 | 56.5 | - | - | 1.0 | 55.5 | - 94.5 | - | - | - |
| October | 127.9 | 21.0 | 7.4 | 99.5 | 54.7 | - | - | 1.0 | 53.7 | - 73.2 | - | - | - |
| November | | | | | | | | | | | | | |
| December | | | | | | | | | | | | | |
| <u>1945</u> | | | | | | | | | | | | | |
| January | | | | | | | | | | | | | |
| February | | | | | | | | | | | | | |
| March | | | | | | | | | | | | | |
| April | | | | | | | | | | | | | |
| May | | | | | | | | | | | | | |
| June | | | | | | | | | | | | | |
| July | | | | | | | | | | | | | |
| August | | | | | | | | | | | | | |
| <u>Week Ended</u> | | | | | | | | | | | | | |
| November 1, 1944 | 29.4 | 3.5 | - | 25.9 | 12.1 | - | - | 1.0 | 11.1 | - 17.3 | - | - | - |
| November 8, 1944 | 9.3 | 3.9 | - | 5.4 | 9.6 | - | - | - | 9.6 | + 0.3 | - | - | - |
| November 15, 1944 | 7.9 | 3.4 | - | 4.5 | 30.0 | - | - | - | 30.0 | + 22.1 | - | - | - |
| November 22, 1944 | 28.7 | 21.0 (1) | 2.9 | 4.8 | 41.1 (h) | - | - | - | 41.1 (h) | + 12.4 | - | - | - |

Average Weekly Expenditures Since Outbreak of War

France (through June 19, 1940) 319.6 million
 England (through June 19, 1940) 27.6 million
 England (through June 20, 1940 to March 12, 1941) 354.9 million
 England (since March 12, 1941) 21.9 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; October 8, 1941; October 14, 1942; September 29, 1943; September 6,
- (h) Includes \$ 3.4 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports, and \$ 36.0 million in connection with the expenses of our armed forces abroad.
- (i) Includes \$ 16.0 million paid to New York accounts of India Army by 1944.

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

Strictly
Confidential
Week Ended November 22, 1944

| PERIOD | BANK OF CANADA (and Canadian Government) | | | | | | | | COMMONWEALTH BANK OF AUSTRALIA (and Australian Government) | | | | | | | |
|-------------------|--|-----------------------------------|--------|---------|------------------------|-------------------------------------|-------|---|--|-----------------------------------|--------|---------|------------------------|---------|---|--------|
| | DEBITS | | | | CREDITS | | | | DEBITS | | | | CREDITS | | | |
| | Total | Transfers to Official British A/C | Others | Total | Proceeds of Gold Sales | Transfers from Official British A/C | Other | Net Incr. (+) or Decr. (-) in Funds (e) | Total | Transfers to Official British A/C | Other | Total | Proceeds of Gold Sales | Other | Net Incr. (+) or Decr. (-) in Funds (e) | |
| War Years (a) | Debits | | Debits | Credits | | A/C | | | Debits | | Debits | Credits | | Credits | | |
| First | 323.0 | 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 |
| Second | 460.4 | - | 460.4 | 462.0 | 246.2 | 3.4 | 123.9 | 88.5 | + 1.6 | 72.2 | 16.7 | 55.5 | 81.2 | 62.9 | 18.3 | + 9.0 |
| Third | 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 | 723.6 | - | 723.6 | 958.8 | 47.1 | 170.4 | - | 741.3 | + 235.2 | 197.0 | 155.1 | 41.9 | 200.4 | - | 200.4 | + 3.4 |
| Fifth | 849.3 | 1.0 | 848.3 | 958.5 | 38.1 | 61.4 | - | 859.0 | + 283.3 | 298.6 | 253.0 | 45.6 | 287.7 | - | 287.7 | - 10.9 |
| <u>1944</u> | | | | | | | | | | | | | | | | |
| September | 76.5 | 0.1 | 76.4 | 91.8 | - | 50.4 | - | 41.4 | + 17.3(r) | 5.8 | 1.0 | 4.8 | 7.3 | - | 7.3 | + 1.5 |
| October | 24.1 | - | 24.1 | 86.2 | - | 7.4 | - | 76.8 | + 60.1 | 20.5 | 1.0 | 19.5 | 21.0 | - | 21.0 | + 0.5 |
| November | | | | | | | | | | | | | | | | |
| December | | | | | | | | | | | | | | | | |
| <u>1945</u> | | | | | | | | | | | | | | | | |
| January | | | | | | | | | | | | | | | | |
| February | | | | | | | | | | | | | | | | |
| March | | | | | | | | | | | | | | | | |
| April | | | | | | | | | | | | | | | | |
| May | | | | | | | | | | | | | | | | |
| June | | | | | | | | | | | | | | | | |
| July | | | | | | | | | | | | | | | | |
| August | | | | | | | | | | | | | | | | |
| <u>Week Ended</u> | | | | | | | | | | | | | | | | |
| November 1, 1944 | 7.1 | - | 7.1 | 15.3 | - | - | - | 15.3 | + 8.2 | 20.5 | 1.0 | 19.5 | 19.5 | - | 19.5 | - 1.0 |
| November 8, 1944 | 6.0 | - | 6.0 | 13.2 | - | - | - | 13.2 | + 7.2 | - | - | - | 0.4 | - | 0.4 | + 0.4 |
| November 15, 1944 | 19.0 | - | 19.0 | 21.8 | - | - | - | 21.8 | + 2.8 | - | - | - | 0.5 | - | 0.5 | + 0.5 |
| November 22, 1944 | 4.5(c) | - | 4.5 | 14.8(c) | - | 2.9 | - | 11.9(d) | + 10.3 | 0.1 | - | 0.1 | 0.8 | - | 0.8 | + 0.7 |

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 | 16.1 million. |
| Sixth year of war (through November 22, 1944) | 7.8 million. |

- (a) For monthly breakdowns see tabulations prior to: April 23, 1941; October 8, 1941; October 14, 1942; September 29, 1943; September 6, 1944.
 (b) Reflects changes in all dollar holdings payable on demand or maturing in one year.
 (c) Does not reflect transactions in short term U. S. securities.
 (d) Includes 6.5 million deposited by War Supplies, Ltd. and 3.3 million received from New York accounts of Canadian chartered banks.



TREASURY DEPARTMENT

WASHINGTON

November 29, 1944

MEMORANDUM TO THE SECRETARY

I am enclosing a list of the special items valued in excess of \$50,000 as of November 27, 1944.

A handwritten signature in cursive script that reads "Russell C. Duncan".

Russell C. Duncan
Deputy Director

Enclosures



PROPERTY FOR DISPOSAL

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

AS OF NOVEMBER 27, 1944

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|-----------------|------------------|----------------------|
| 1. <u>Furniture</u> | | | |
| <u>BEDS AND COTS, NEW AND USED</u> | 48 000 | \$3.50 | 168 000 |
| Includes wooden, double-deck bunks; steel, single beds; folding, wood and canvas cots. | | | |
| <u>BED PARTS</u> | | | 65 000 |
| Springs, heads, feet, and side rails; unassembled. An unbalanced stock. | | | |
| <u>MATTRESSES, NEW AND USED</u> | 420 000 | 5.50 | 2 310 000 |
| About 1/3 are new. State sanitary laws prevent the sale of used bedding, Substantial sales of used mattresses, for conversion into paper, take place regularly. | | | |
| <u>PILLOWS, USED</u> | 954 000 | .73 | 696 420 |
| Some cotton, some feather, - mixed in bales. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
|--|-----------------|------------------|----------------------|

STOOLS, WOOD

11 500

\$6.30

72 450

Counter stool, oak finish, revolving seat with leather pad, foot rest.

2. MachineryPAVERS, 34E, NEW

71

19,000.00

1 338 000

The largest size. Essentially a giant concrete mixer with boom device to carry concrete from mixer to road strip. These machines are usually rented by the contractor for a particular job.

CONSTRUCTION MACHINERY, HEAVY

8 869

1,000.00
average

8 869 000

General inventory of heavy machinery, most of it used and in poor condition. Some very heavy, new pieces. In addition we have a heavy inventory of light machines, - tampers, jack-hammers, vibrators, etc.

DRILL, ROCK, REPLACEABLE TIP

281 097

.25
average

70 933

In kegs and drums.

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
|--|-----------------|------------------|----------------------|

GROUSERS

43 853

\$3.00

131 559

Non-standard mud cleats for crawler-type tractors. They are nothing but sheared pieces of structural angle iron, with punched holes for bolting in place.

3. General ProductsBATTERIES, DRY CELLS, AND PACKS

75 000

Represents current inventory at a low point. Many types and sizes, in varying quantities. Ranging in cost from \$0.05 to \$5.80.

BATTERIES, FLASHLIGHT, NEW

22 000 000

.06
average

1 320 000

BOXES, AMMUNITION, USED

3 200 000

.57

1 800 000

23 ga. steel box, size 10 x 7 x 3 1/2, removable top, with collapsible handle. Used for 30 cal. ammunition. Painted olive drab.

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|-----------------|------------------|----------------------|
| <u>CAMERAS. AORCRAFT</u> | 96 | | 307 386 |
| Each camera has great variety of collateral equipment. Obsolete type. | | | |
| <u>CONTAINERS, SHELL, FIBRE</u> | 351 322 | \$0.19 | 67 395 |
| Various sizes - ranging from 1 5/8" ID to 6 29/32" ID. Lengths range from 9" to 23 1/4", metal top and bottom. | | | |
| <u>CRATES, WOODEN, NEW AND USED</u> | 5 250 000 | | 1 500 000 |
| Designed for packing artillery pieces. | | | |
| <u>FILM & PAPER, PHOTOGRAPHIC</u> | 81 862 pkgs. | | 417 000 |
| Rolls, cut film, and packs. Mostly overage. The overage material will be processed to recover silver and chemicals. | | | |
| <u>FUSES, ELECTRICAL, NEW</u> | 104 000 | .54 | 56 160 |
| Glass body, metal end cartridge, 15 amp., 25 volts. | | | |
| <u>GAS MASKS, NEW AND USED</u> | 2 864 000 | 6.00 | 15 184 000 |
| Civilian Defense and Army types. (Being held for Army use) | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
| <u>HORSES</u> | 2 200 | \$165.00 | 333 000 |
| 4. <u>Automotive</u> | | | |
| <u>AUTOMOTIVE SPARE PARTS, NEW</u> | 19 000 000 | | 7 000 000 |
| Included are large quantities of bolts, nuts, spark plugs, fuses, called "parts common", that can be used in any motor vehicle. | | | |
| <u>AUTOMOTIVE PARTS, OBSOLETE, USED</u> | | | 2 000 000 |
| Majority are used, having been taken from used vehicles and put in stock at Fort Crook, Neb., and Blue Grass, Ky. Included are bodies, fenders, cowls, cabs, for obsolete military vehicles. | | | |
| <u>BENCH AND CABINET, WORK</u> | 240 | 375.00 | 90 000 |
| Wooden unit designed for auto mechanics' use. | | | |
| <u>TIRES, TRUCK & BUS, USED</u> | 57 000 | 20.00 | 1 140 000 |
| Most have been returned from battle areas and need sectional or spot repairs, or recapping. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|------------------|------------------|----------------------|
| <u>HYDRAULIC FLUID</u> | 378 459 gals. | \$1.74 | 658 580 |
| Needs reprocessing for civilian use. Packed in 1 gal. cans. | | | |
| <u>JACKS, HYDRAULIC</u> | 4 300 | 79.00 | 339 700 |
| Walker, four wheel, roller type, 10- ton capacity, for garage use. | | | |
| 5. <u>Hardware</u> | | | |
| <u>BLOCKS, ROPE</u> | 3 163 | 31.90 | 66 919 |
| Big pulleys for manila rope. Many types and sizes. | | | |
| <u>BOLTS</u> | 11 300 000 | | 4 000 000 |
| All sizes and kinds. Includes quantities of large bolts, 18" long, with many kinds of different heads and nuts. | | | |
| <u>CARTS, HAND</u> | 3 250 | 28.30 | 92 000 |
| New and used. Made of wood, with two 47 in. steel wheels, and two legs. Removable sides. Body 54"x33"x14" deep. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
|--|-----------------|------------------|----------------------|

COMPASS, POCKET

435 995

\$1.50

645 450

Various kinds.

COVERS AND SEALS, RUBBER27 3/4
tons

169 245

Includes 3/4 ton seals, which are round rubber washers about 1 inch in diameter. There are 27 tons of new "covers" which are 2 in. lengths of black rubber hose - thin wall, about 1 inch in diameter. Inspection report awaited.

EMPLACEMENTS, MACHINE GUN

32

5,300.00

169 600

A mount for a machine gun. No utility value known.

FILTERS, DUST RESPIRATOR

2 945 049

.095

280 663

Paper, formed to fit respirator strapped over the nose.

HELMETS, SAFETY, O.C.D.

300 000

.89

267 000

These helmets weigh about 3 lbs., and are packed 10 to a carton. Painted white.

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|------------------|------------------|----------------------|
| <u>HOSE, RUBBER</u> | 437 | \$157.00 | 68 609 |
| New declaration - better description not available. | | | |
| <u>HOSE, RUBBER</u> | 5 000 lengths | 33.50 | 167 500 |
| 25 ft. lengths of 2 1/2" steam hose to withstand 600 to 1000 lbs. pressure. | | | |
| <u>IMPRINTING MACHINES, NEW</u> | 35 600 | 21.95 | 781 420 |
| Pistol shaped, hand operated machine designed to take impression of soldier's "dog-tag" in the field. | | | |
| <u>MACHINE GUNS, ELECTRIC</u> | 707 | 279.00 | 197 253 |
| A practice gun that shoots B.B. shot. | | | |
| <u>NUTS, SQUARE, NEW</u> | 925 000 | | 57 350 |
| Miscellaneous, many are very large size. | | | |
| <u>PAD EYES, STEEL</u> | 38 481 | 1.51 | 59 108 |
| Structural steel plates with hole in center, into which an eye bolt will be welded. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|------------------|------------------|----------------------|
| <u>RAFTS, PNEUMATIC, 5-MAN</u> | 623 | \$200.00 | 124 600 |
| Collapsible, rubber, combat rafts. | | | |
| <u>RIFLES, TRAINER, WOOD</u> | 20 000 | 2.70 | 54 000 |
| Exact replica of Army Springfield rifle. | | | |
| <u>SCREWS (WOOD), BRASS</u> | 250 000 gross | .25 | 62 000 |
| Many sizes and kinds, packaged and in bulk. | | | |
| <u>SHOWER UNITS, USED</u> | 943 | 93.00 | 87 699 |
| 71 are incomplete with parts missing or broken. The units have hot water valves and manifold, shower heads, and soap cup. | | | |
| <u>SHOTGUNS, 12 GA.</u> | 59 000 | | 1 249 000 |
| <u>SMOKE GENERATOR PARTS</u> | | | 86 000 |
| Small metal parts (valves, fittings) for Army mobile smoke generator. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|-----------------|------------------|----------------------|
| <u>SPURS, NEW AND USED</u> | 200 000 pair | \$1.30 | 260 000 |
| Regulation Army type with smooth, rounded point, in place of rowel. | | | |
| <u>STAPLES, GALVANIZED</u> | 18 000 kegs | 4.52 | 81 360 |
| Larger than average size, packed 100 lbs. to a keg. | | | |
| <u>TRUCKS, PLATFORM, STEEL, NEW</u> | 5 700 | 75.00 | 427 500 |
| Steel trucks on casters. The truck weighs 800 lbs., and it takes 2 men to push one empty. | | | |
| <u>WIRE CUTTERS</u> | 101 257 | | 55 065 |
| Declaration cannot be located to get better description. | | | |

6. Textiles and Wearing Apparel

| | | | |
|---|--------|------|---------|
| <u>APRONS, IMPERMIABLE</u> | 93 989 | 5.00 | 469 945 |
| Rubber coated fabric, with sleeves like a hospital apron. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
| <u>BLANKETS, RUBBER</u> | 17 700 | \$6.50 | 115 050 |
| 80" x 68" designed for hospital use. | | | |
| <u>CAPS, W.A.C.</u> | 76 712 | 2.20 | 168 766 |
| The standard uniform cap of Women's Army Corp. Round box-like body with stiff visor. Fine quality. | | | |
| <u>GLOVES, RUBBER, ANTI-GAS</u> | 600 000 | 1.00 | 600 000 |
| Gauntlet type, black rubber, loose fitting, similar to linesman's glove. | | | |
| <u>MAGAZINE BELTS</u> | 55 369 | 2.35 | 130 325 |
| An apron about 2 ft. wide and 18 in. deep covered with flap pockets to hold cartridge clips. Olive drab. Has fabric tape to tie around waists. | | | |
| <u>POCKETS, MAGAZINE</u> | 900 000 | .10 | 90 000 |
| Web fabric, olive drab, pocket, to attach to soldier's belt to hold two cartridge clips. About 3"x5" size, with flap with fastener. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
| <u>RUCKSACKS</u> | 7 500 | \$12.66 | 94 950 |
| Alpine type, olive drab, fabric. Large capacity, with extra pockets outside. Has skeleton, tubular metal frame to make pack hang correct- ly and hold it away from wearer's back for ventilation. | | | |
| <u>SHOES, NEW AND USED</u> | 223 038 | 3.00 | 669 114 |
| <u>SHOES, WOMEN'S LOW, WHITE</u> | 39 986 | 3.71 | 148 335 |
| <u>SLIDE FASTENERS</u> | 2 009 694 | .119 | 239 797 |
| <u>TARGETS, ANTI-AIRCRAFT</u> | 8 861 | 14.32 | 126 891 |
| Muslin tubes about 3 ft. in diameter and 30 ft. long. | | | |

7. Medical & Surgical

| | | | |
|---|-----|--------|--------|
| <u>APPARATUS, ANESTHESIA & SUCTION</u> | 490 | 173.00 | 84 770 |
| Portable cabinets on rollers, with motor driven apparatus both for anesthesia and suction purposes in hospitals. Made to Army specifications which differ from manufacturer's. To the latter they represent only parts. An item that requires considerable service. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|------------------|------------------|----------------------|
| <u>BAGS, WET DRESSING</u> | 105 000 | \$0.58 | 61 500 |
| Sample and inspection report awaited. | | | |
| <u>BANDAGES, GAUZE</u> | 200 000 boxes | 1.10 | 220 000 |
| New declaration - inspection report awaited. | | | |
| <u>BATTERY BOXES, MEDICAL, USED</u> | 3 650 | 24.25 | 88 512 |
| New declaration - sample awaited. | | | |
| <u>BOTTLES, WIDEMOUTH, 250 CC</u> | 201 307 | .45 | 90 588 |
| A laboratory item. Shape and glass composition not known. | | | |
| <u>CARTS, FOOD</u> | 586 | 86.00 | 50 396 |
| Hospital equipment - 4-wheel cart with cans and trays. Size not known. Color of enamel finish is not known - thought to be battleship gray. | | | |
| <u>BOXES, OINTMENT</u> | 197 454 | | 55 045 |
| Nested, and stick together. Probably salvage. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|--------------------|------------------|----------------------|
| <u>BOXES, TABLET</u> | 600 000 cartons | | 200 000 |
| Printed pill boxes, 500 to a carton. Small size nested into larger one. | | | |
| <u>DENTAL SUPPLIES</u> | | | 100 000 |
| World War I stocks located at Perry Point, Md. Has in it many obsolete and non-standard items. | | | |
| <u>DISINFECTORS, 50 GAL.</u> | 1 600 | 43.33 | 73 360 |
| Spray pump type for veterinary use. Portable unit - Army specifications. | | | |
| <u>DISHES, EVAPORATION, PORCELAIN</u> | 58 525 | .09 | 52 672 |
| Laboratory equipment. | | | |
| <u>DISK, METAL, ABRASIVE</u> | 134 000 cards | .60 | 80 400 |
| 7/8" size. Dental supply item. Packed 12 disks on a card. | | | |
| <u>DRESSINGS, FIRST AID PKGS.</u> | 27 000 000 | | 3 300 000 |
| Small and large sizes, various types and makes. Largely Carlisle model. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|---|-------------------|------------------|----------------------|
| <u>FLASK, WITH CUP</u> | 200 000 | \$0.33 | 66 000 |
| A small flask with metal cup fitted over lower half, - used by soldiers to carry medicine in the field. | | | |
| <u>FLOSS, SILK, DENTAL</u> | 510 000 spools | | 173 400 |
| <u>FORCEPS, HEMOSTATIC</u> | 21 034 | 2.63 | 55 433 |
| Surgical instrument, - several brands, some with no mark, some German. Some stainless. | | | |
| <u>KITS AND CASES, MEDICAL</u> | 3 865 | 19.11 | 73 860 |
| From O.C.D. stocks. Suitcase type, filled principally with professional first aid items. | | | |
| <u>OINTMENT COMPOUND, GAS PROTECTIVE</u> | 161 188 tubes | .45 | 72 534 |
| New declaration - sample awaited. | | | |
| <u>PERIMETERS, ELECTRIC, MEDICAL</u> | 345 | 160.00 | 551 060 |
| Apparatus used in eye diagnosis | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|------------------|------------------|----------------------|
| <u>PLASTER, ADHESIVE</u> Rolls 12" long, redicut, for hospital racks. Frozen for U.N.R.R.A. | 144 000 rolls | \$1.20 | 172 800 |
| <u>POUCHES, FIRST AID, FILLED</u> Fabric pouch, about 10 in. long by 5 in. wide, filled with a few professional first aid items, and some pencils, tags, etc. | 144 350 | 1.19 | 171 776 |
| <u>SCALES, PRESCRIPTION</u> Various types and sizes. | 3 980 | 23.30 | 92 897 |
| <u>SCREEN, INTENSIFYING</u> X-ray equipment. Made in pairs. | 7 000 | 9.00 | 63 000 |
| <u>SCREWS, BONE</u> Made of molybdenum for use in connection with bone plates in surgical operations. Few needed in hospital (civilian) cases. | 705 000 | .20 | 141 000 |
| <u>STERILIZERS, NEW AND USED</u> Hospital equipment. Several sizes and types. Part of stock was made to Army specifications which differ vastly from manufacturers' models. | 6 097 | | 799 000 |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|---------------------|------------------|----------------------|
| <u>STRETCHERS, CANVAS & METAL, NEW</u> | 8 400 | \$6.43 | 54 000 |
| <u>SUTURES, SILK & CATGUT</u> | 15 000 000 units | | 3 000 000 |
| For sewing after surgical operations. Silk packed in glassine envelopes. Catgut packed in liquid in glass tubes. The catgut sutures are boilable, a type necessary for Army field work, but not used in hospital. | | | |
| <u>TEST TUBES, GLASS</u> | 5 670 000 | .03 | 190 100 |
| Many sizes, types, made of various types of glass. Pyrex is standard in most hospitals. Quantities of these are lime glass and non-heat- resistant glass. | | | |
| <u>ACETOPHENETIDIN</u> | 70 000 bottles | 1.35 | 94 500 |
| 5 gr. tablets, packed 1000 in a bottle. Obsolete item awaiting action by board of medical officers. | | | |
| <u>AZOCHLORAMID IN TRIACETIN</u> | 360 000 quarts | 4.55 | 1 638 000 |
| World War I stock. Awaiting action by board of medical officers. | | | |

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
|--|-----------------|------------------|----------------------|

BURROWES SOLUTION18 000
bottles

144 000

2.27 gm. tablets - 500 to a bottle.

CRESOL, SULFANATED SOLUTION8 000
drums

6.85

54 850

DICHLORAMINE T359 000
pints

1.66

595 940

16 2/3% in Tri. World War I stock.
Awaiting action by board of medical
officers.

HAEMOTOXYLIN, LIGHT99 000
bottles

1.50

148 500

10 gram bottle. Awaiting action by
board of medical officers.

HYDROGEN PEROXIDE, 8% SOL.402 000
pounds

250 000

Too strong for beauty parlor use.
Stock all reported in leaky bottles.
Bottles run from empty to two-thirds
full.

PEPTONE PROTEOSE BACT35 000
pounds

6.20

217 000

A standard drug, not needed in this
quantity.

| | <u>QUANTITY</u> | <u>UNIT COST</u> | <u>COST TO GOVT.</u> |
|--|-----------------|------------------|----------------------|
| <u>PEPTONE, DRIED, U.S.P. BLAG</u> | 96 500 | \$4.00 | 386 000 |
| <u>PROCAINE HYDROCHLORIDE</u> | 163 000 | 2.75 | 448 250 |
| 10 units in a box, 150 and 200 MM ampules. | boxes | | |
| <u>SODIUM ALURATE</u> | 13 500 | 7.50 | 101 250 |
| 3 1/2 and 1 3/4 gr. tablets packed in 500 unit boxes. Special Army package. | boxes | | |
| <u>SULFANILAMIDE</u> | 539 000 | | 344 930 |
| 5 and 7.5 gr. tablets. 250,000 boxes of 12 tablets. 289,000 bottles of 1000 tablets. Obsolete Army item. Awaiting action by board of medical officers. | packages | | |

8. Paper & Office Supplies

None

Total \$ 72 929 320

SURPLUS USED TRUCKS REPORT

For 7 Days and Period Ended November 25, 1944
(Period Began January 1, 1944)

| | | <u>7 Days to Nov. 25, 1944</u> | <u>Period to Date</u> |
|--|-----------|--------------------------------|-----------------------|
| Total Used Trucks Declared | | <u>1873</u> | <u>49782</u> |
| Less Declarations withdrawn | <u>5</u> | | <u>1507</u> |
| Less Loans to Other Federal Agencies | <u>0</u> | | <u>150</u> |
| Less Transfers to Other Federal Agencies | <u>18</u> | <u>23</u> | <u>4789</u> |
| Net Used Trucks Declared for Sale | | <u>1850</u> | <u>44993</u> |
| Less Used Trucks Sold | | <u>1701</u> | <u>37084</u> |
| Balance of Used Trucks on hand | | | <u>7909</u> |

ANALYSIS OF INVENTORY

| | |
|------------------------------|-------------|
| Inspected and ready for sale | <u>4876</u> |
| Not Inspected | <u>3033</u> |
| | <u>7909</u> |

SURPLUS USED CARS REPORT

For 7 Days and Period Ended November 25, 1944
(Period Began January 1, 1944)

| | <u>7 Days to Nov. 25, 1944</u> | <u>Period to Date</u> |
|--|--------------------------------|-----------------------|
| Total Used Cars Declared | <u>196</u> | <u>6941</u> |
| Less Declarations withdrawn | <u>0</u> | <u>133</u> |
| Less Loans to Other Federal Agencies | <u>0</u> | <u>19</u> |
| Less Transfers to Other Federal Agencies | <u>0</u> | <u>594</u> |
| | | <u>746</u> |
| Net Used Cars Declared for Sale | <u>196</u> | <u>6195</u> |
| Less Used Cars Sold | <u>209</u> | <u>5327</u> |
| Balance of Used Cars on hand | | <u>868</u> |

ANALYSIS OF INVENTORY

| | |
|------------------------------|------------|
| Inspected and ready for sale | <u>566</u> |
| Not Inspected | <u>302</u> |
| | <u>868</u> |

SURPLUS MOTORCYCLES REPORT

For 7 Days and Period Ended November 25, 1944
(Period Began January 1, 1944)

7 Days to Nov. 25, 1944 Period to Date

| | | | | |
|--|----------|------------|------------|--------------|
| Total Motorcycles Declared | | <u>3</u> | | <u>15778</u> |
| Less Declarations withdrawn | <u>0</u> | | <u>938</u> | |
| Less Loans to Other Federal Agencies | <u>0</u> | | <u>0</u> | |
| Less Transfers to Other Federal Agencies | <u>0</u> | <u>0</u> | <u>210</u> | <u>1148</u> |
| Net Motorcycles Declared for Sale | | <u>3</u> | | <u>14630</u> |
| Less Motorcycles Sold | | <u>102</u> | | <u>10106</u> |
| Balance of Motorcycles on hand | | | | <u>4524</u> |

ANALYSIS OF INVENTORY

| | | |
|------------------------------|--|-------------|
| Inspected and ready for sale | | <u>4064</u> |
| Not Inspected | | <u>460</u> |
| | | <u>4524</u> |

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

M 134 ✓

Date

November 29, 1944

TO Secretary Morgenthau

FROM Joseph J. O'Connell, Jr.

For your information

For some time now we have been working to make available to the provisional government of France the funds held in this country in the name of the Bank of France. This matter has been complicated by the fact that these assets have been subject to attachment in a suit brought by the Bank of Belgium against the Bank of France to recover approximately \$220,000,000 in gold deposited with the Bank of France in Paris just before the fall of France.

It looks as though the necessary arrangements will soon be completed, at which time the French Government will be given a license permitting it to use its assets freely in the United States but providing that Foreign Funds Control be notified and given an opportunity to pass upon any transfer in excess of \$25,000 outside of the country or to a foreign account.

Among the first payments which will be made by the French Government will be \$50,000,000 to the Foreign Economic Administration as part of a payment for civilian supplies furnished in French North and West Africa and \$220,000,000 to the Bank of Belgium in settlement of the suit.

J.J.O.

November 29, 1944

135

TO: Mr. D. W. Bell ✓
Dr. White

FROM: The Secretary

To act upon jointly.

REPUBLIQUE FRANCAISE

DELEGATION
du
GOUVERNEMENT PROVISOIRE
des
ETATS UNIS

L'ATTACHE FINANCIER

AF/554
CV/p

1800 MASSACHUSETTS AVE. N. W.
WASHINGTON 6, D. C.

DECATUR 7935

27th November 1944

Dear Mr. Secretary,

I am directed to inform you that the Gouvernement Provisoire de la Republique Francaise wishes to supplement the order of French Notes actually in course of completion by the Bureau of Engraving and Printing of the United States Treasury, as follows :

150,000,000 Notes - 50 francs
representing a sum of
7 billions 500 millions Francs.

This additional order to come, and be payable, under the terms and conditions stated in the letters between yourself and Mr. Mendes-France, on the 27th May 1944, and I shall be glad if you will kindly confirm to me your agreement accordingly.

The Gouvernement Provisoire would esteem it a favour if this order could be undertaken and terminated within the shortest time possible.

Please accept my most sincere thanks for the assistance you may extend to us in this respect.

Yours faithfully,

Christian Valensi

Christian Valensi
Financial Attache
Maitre des Requetes au Conseil d'Etat

Mr. Henry MORGENTHAU, Jr.,
Secretary of the Treasury,
WASHINGTON,

REPUBLIQUE FRANCAISE

DELEGATION
DU
GOUVERNEMENT PROVISOIRE
AUX
ETATS UNIS
L'ATTACHE FINANCIER

1800 MASSACHUSETTS AVE. N. W.
WASHINGTON 6, D. C.

DECATUR 7935

le 27 novembre 1944

AF/334
CV/p

Monsieur le Secretaire au Tresor,

J'ai l'honneur de porter a votre connaissance que le Gouvernement Provisoire de la Republique Francaise est desireux de completer l'impression des billets France actuellement en cours d'achevement par les soins de vos services, par une commande complementaire.

Cette commande qui serait payee dans les memes conditions que celles definies dans votre echange de lettres du 27 mai avec Monsieur Mendes-France, porterait sur :

150,000,000 de coupures de 50 Francs
representant une valeur de
7 milliards 500 millions de francs.

Je vous serais tres oblige si vous vouliez bien me confirmer votre accord a ce sujet.

Le Gouvernement Provisoire attacherait le plus grand prix a ce que cette commande put etre entreprise et terminee dans les plus brefs delais possibles.

En vous remerciant par avance du concours que vous voudrez bien nous donner, je vous prie d'agreer, Monsieur le Secretaire au Tresor, l'assurance de ma haute consideration.

Christian Valensi

Christian Valensi
Attache Financier
Maitre des Requetes au Conseil d'Etat

Monsieur Henry MORGENTHAU, Jr.,
Secretaire au Tresor,
WASHINGTON, D.C.

NOV 29 1944

My dear Mr. Secretary:

Receipt is acknowledged of your letter of November 27, enclosing a document prepared by the Office of Strategic Services entitled "Russian Economic Policies in Germany in the Period of Military Occupation."

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

The Honorable

The Secretary of War.

JEDuBois:ecr
11/29/44

WAR DEPARTMENT
WASHINGTON

November 27, 1944.

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

Dear Mr. Secretary:

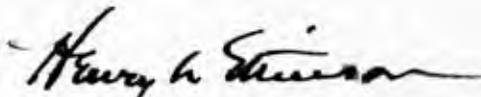
I have your note of November 14th. The reports from Germany are quite encouraging.

Judging from the attitude of the British toward the Interim Directive it does not appear probable that they will take the position of throwing upon the Germans the responsibility of taking care of themselves but will be inclined to place more responsibility upon the British occupation forces.

It is difficult to obtain any information regarding the Russian position. Until the Interim Directive is considered by the Russians in the European Advisory Commission, I do not feel that we will secure any definite indication of their position.

I shall be happy to make any reports which we receive available to you. I am enclosing a study, which is quite tentative, prepared by the Office of Strategic Services on Russian policy during the period of military occupation.

Sincerely,



Secretary of War

Enc.

Cy. "Russian Economic Policies in Germany in the
Period of Military Occupation"

NOV 14 1944

My dear Mr. Secretary:

I read the interesting New York Times report of October 23 under the name of Harold Denny on the treatment of the German civilians in the Aachen area. The item which particularly impressed me was throwing upon the Germans the responsibility of taking care of themselves without aid from us. As you know I am in full agreement with this policy.

It would be of interest to me to get some idea of the approach which the Russian armies are taking and the approach the British armies will take toward the German civilian population. When such reports are available I would be deeply appreciative if you could arrange to show them to me.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

The Honorable,

The Secretary of War.

HG:gp 10/28/44

ALLIES BAR AID TO REICH IN RESTORATION OF AACHEN

By Harold Denny

AACHEN, Germany, Oct. 22.—The American flag went up in Aachen today and officials of the Allied Military Government began their rule in the first large German city to be conquered by our arms. The governing officials had little real business to do today, however, once they had set up shop. There were no local customers. Aachen is shattered and dead beyond description. One encountered not more than a dozen civilians all day, poking in the ruins of their houses or offices and no more than 100 inhabitants can still be here.

The first problem of our military government in Aachen is to get the water supply restored, then the electrical and sewerage systems. Army engineers will clear the streets of debris where needed for our own traffic. The telephone system will be restored for our own use—the Germans had rigidly forbidden the use of the telephone, telegraph, radio, post or any other form of communications lest they be used for spying.

REPAIR UP TO GERMANS

A civil government under German officials, but subject to supervision and veto by the Allied Military Government will be established as soon as possible. Our officers will appoint a burgemeister from a "white list"—possibly some pre-1933 burgemeister.

Nothing of nazism will be allowed to remain. The keynote of our policy toward the Germans, as announced now, is one of strict justice. The Germans who behave have nothing to fear, but coddling is against the rules. The policy now is that we give nothing to this destructive people that has brought ruin on itself in trying to conquer the world.

Accordingly it has been decided that if the Germans get the city running again it must by their own efforts and at their own expense. The people also must feed themselves. The present intention is that no food will be brought in from America or any other country. There are abundant cattle in this part of Germany for the people's meat and babies' meat. There are large stocks of flour, sugar, and other staples accumulated by the Wehrmacht.

These belong by military law to the United States, which captured them. The American Army has first call on them, but there should be an ample surplus to feed the depleted German civil population. But Aachen's people will be required to pay for them through their city officials—in cash if the city has cash, if not in some form of collectible obligation.

- 2 -

This system already is in force in the refugee camps in occupied Germany, where some 6,000 Aachen civilians are being sheltered. In the larger one, which I visited today, the officers in charge said not one pound of American food had gone to feed the refugees. German butchers were being sent out to slaughter cattle wounded in the fighting. Coffee and other staples were being brought from captured German Army stores at Liege.

REFUGEES EAT TWICE DAILY

The refugees conduct their own kitchen. They have coffee and biscuits at 9:30 A. M. and meat and vegetable stew at 3 P. M. They have ample fresh vegetables from gardens in the area.

Many brought their own bedding when they fled Aachen but this is supplemented by the blankets, cots and straw beds that the German soldiers left. The refugees are crowded into rooms and attics but the buildings are clean and dry and refugees appear reasonably content.

A camp committee headed by the Vice Buergermeister of Aachen and consisting also of one man from each room runs the details of the camp under American authorities and does what it can for the refugees' welfare and comfort and the preservation of order.

Our counter-intelligence operatives keep a close watch for German soldiers disguised as civilians and have detected a number of them.

Jews, of course, are treated exactly like any others, which surprised some of them used to years of persecution. The Nazi rule is gone and most of the non-Jewish German refugees in the camp seemed well disposed toward their Jewish neighbors.

But inhabitants of these camps, it should be remembered, are people who refused to obey the Gestapo's order to evacuate Aachen and contain a minimum of real Nazi elements.

The military government in Aachen here was established by Maj. Thomas F. Lancer, former member of the New York State Police at Babylon, Long Island. He is a graduate of Manhattan College and also has a law degree from St. John's University, Brooklyn. He has a staff of fifteen officers and a military police force whose first task is to prevent looting by civilians or stray American soldiers and to guard German Army stocks of foodstuffs and other valuables left in the city.

- 3 -

Major Lancer also set up three occupation courts ready to try any offenders, with himself as president of a general court that has the power to inflict the death penalty, subject to review by Gen. Dwight D. Eisenhower. The major had proclamations posted throughout the city, warning that looting would be punishable by death.

SECRET 144

OFFICE OF STRATEGIC SERVICES
Research and Analysis Branch

R & A No. 2337

RUSSIAN ECONOMIC POLICIES IN GERMANY
IN THE PERIOD OF MILITARY OCCUPATION

Part I: GENERAL STATEMENT

This study analyzes the general policies which the Russians may pursue with respect to: (i) the institutional organization and management of the German economy; (ii) the appropriation of German resources and current production for the settlement of reparations claims; and (iii) the economic relations of the Russian zone to the other zones of occupation.

Part II (to be issued separately) will contain a detailed list of the commodities Russia might be interested in taking from Germany on reparations account, with comments on their availability in Germany.

28 October 1944

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SECRET

SECRETTABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Summary and Conclusions | 1 |
| A. Introduction: A General Outline of Probable Russian Policy during the Period of Military Occupation | 3 |
| B. Economic Institutions and their Administration | 7 |
| 1. Denazification and Cleansing of German Economy | 7 |
| 2. Socialization? | 8 |
| C. Reparations | 13 |
| 1. General Policy | 13 |
| 2. Possible Magnitude of Russia's Claims | 14 |
| 3. The Form of Payment: Labor Services as a Possibility | 16 |
| 4. Payments Out of Stocks on Hand vs Payments Out of Current Production | 18 |
| 5. Particular Commodities of Interest to Russia | 20 |
| 6. Financial Aspects of the Reparations Collection | 23 |
| D. Economic Relations of Russian Zone to Other Zones | 24 |
| 1. Prewar Trade Relations between Eastern and Western Germany and Wartime Developments | 24 |
| 2. Russia's Attitude Towards Trade Between the Eastern and Western Zones | 31 |

SECRET

SECRET

RUSSIAN ECONOMIC POLICIES IN GERMANY
IN THE PERIOD OF MILITARY OCCUPATION

Summary and Conclusions

1. Russia's basic political aims in Germany (see Introduction, pp. 3ff.) as well as her more immediate objective of collecting substantial reparations, will dictate that she prevent economic collapse in the zone that she occupies.

2. The Russians will cleanse from the German economy the Nazis and their conspicuous collaborators among the industrialists and landowners; the USSR will not be deterred by the temporary adverse effect of this process upon German productive efficiency. According to a declaration of the Russian government, not only leaders and associates of the Hitlerite government (including Nazi party leaders) but Germans who employed Russian labor in their industrial establishments, farms and homes are war criminals, subject to punishment.

3. The Russians probably will not instigate or allow during the occupation a general socialist reconstruction of Germany. The Russian occupation authorities, as a matter of course, will take over the railroads, public utilities and other strategic installations. Large-scale enterprises and agrarian estates of leading Nazis and other war criminals and conspicuous collaborators probably will be confiscated through the agency of newly established local German political authorities, and, together with other properties abandoned in the Russian zone by their fleeing owners, will probably be placed under the administration of the local authorities, who will act under military supervision. The carrying out of a permanent agrarian, industrial and financial reform probably will be left to the future central government.

4. The Russians have made clear that they expect substantial reparations payments from Germany. The total war damage suffered by the Russians at the hands of the Axis aggressors probably exceeds 20 billion dollars. Since the Russians will collect reparations payments in kind, and possibly in part in the form of labor services, no "transfer problem," such as obstructed the collection of reparations after the last war, will arise to limit the Russian demands after this one.

SECRET

SECRET

- 2 -

5. The Russians are expected to emphasize the collection of reparations mainly out of current output rather than out of standing machinery and equipment. f

6. Since the Russians will desire to obtain from the Western Zones large quantities of machinery and equipment directly for their own use, as well as fuel, industrial raw materials and semi-finished goods for the use of the fabricating industries of the Eastern Zone, they will certainly be interested in arranging an interzone exchange of goods, involving some shipment of surplus foodstuffs from the East to the West.

7. Since the Western Zone probably will be the main source of commodities in which reparations can be expected to be paid, the "foreign" exports of this region will exceed its imports to a greater extent than will be the case in the Russian zone of occupation. This implies that, unless some special interregional adjustments are made, the reparations burden will weigh more heavily on the Western than on the Eastern Germans.

SECRET

SECRET

- 3 -

A. Introduction: A General Outline of Probable Russian Policy during the Period of Military Occupation

Russia's economic policies in Germany, in the period of military occupation, will be closely coordinated with, and subordinate to, her political policies; at the same time, all those policies toward Germany will constitute an integral part of her total intentions, domestic and foreign. The character of the Soviet regime makes for an exceptionally effective integration of policy, and any attempt to distinguish the economic from the political, and to deal separately with the one or the other, is at best somewhat unrealistic and can at worst lead to very serious misconceptions.

During the period of military occupation, the following conditions are expected to be among the major factors governing the formation of Russian policy toward Germany:

1. In Europe after the defeat of Germany, there will be a balance of military power favorable to Russia, as compared with America and Britain, but with strong Anglo-American forces on the Continent, and in actual occupation of two-thirds of Germany; in Asia after the defeat of Japan, the balance of military power will be favorable (at least during the occupation of Japan) to America-Britain-China.

2. The orientation of Germany, as between East and West, will be influenced by the policies of the occupying powers. Democratic institutions and free elections will minimize the influence of the one element that can be depended upon under all circumstances to be pro-Soviet — the German Communists.

3. Soviet distrust of the general long-term intentions of capitalist states, primarily America and Britain — a distrust diminished since 1941 — will still have an influence on Soviet policy.

4. Political stability may be expected in Russia; the government would not alienate the general support of the people by pressing for an expansion of Russian territory or influence; it would have such support even in case of

SECRET

SECRET

- 4 -

a conflict with present partners; yet there is undoubtedly a strong popular desire for peace and a better standard of living.

5. There will be an urgent physical need, on Russia's part, for a reduction of military burdens, for capital reconstruction, and for an improvement in the standard of living; but there will be domestic resources adequate for the completion of reconstruction (without foreign aid) in about three years, as well as for subsequent economic development. 1/

It is believed that in the presence of this combination of conditions, the main lines of Russian policy in Germany during the period of occupation will be as follows:

1. The Avoidance of Conflict with Britain and the United States. This means that Russia will tend to compromise with America and Britain on issues that constitute a threat to peaceful relations among the Three Powers; the most explosive of these issues is the problem of the future Eastward or Westward orientation of the new Germany. (See Par. 3 below.) However the Russians may well be very unyielding where they consider that they can be so, without inducing the development of a definitely anti-Russian policy in Britain and America.

2. The Destruction of the Military Power of Germany. The policy of destroying the armed forces and specialized facilities for armaments manufacture will probably cause no serious friction among the Three Powers; and the Russians may be expected to push this policy regardless of its effect upon the attitude of the Germans. Probably they will oppose further measures of de-industrialization; and for fear of turning Germany westward, they are almost certain not to go beyond America and Britain in enforcing such a policy. They will oppose a general partition of Germany during the occupation period; partition would risk the absorption of two-thirds of Germany into the British sphere, and the Russians probably think that after the occupation terminates, they will be in a better position than Britain (or America) to exercise influence in a united Germany. The Russians apparently propose the

1/ See Russian Reconstruction and Postwar Trade Developments, R & A No. 2080, 9 September 1944.

SECRET

SECRET

- 5 -

annexation of large east-German territories to Poland; but this session, if arranged, probably would not be unrevocable.

3. The "De-nazification" of Germany. The Russians can do a thorough job of purging the Nazis with the full cooperation of the anti-Nazis in Germany, and without risk of friction with America and Britain. Probably they can and will go considerably beyond this in removing the managers and owners of many large industrial and agricultural enterprises; in this way they may accomplish a good deal of the preliminary work of a social-economic revolution and thus prepare for a socialization of large-scale industry in the post-occupation period. These steps can probably be taken without collision with the Western Allies, since the Russians will probably not instigate or allow during the occupation period a formal and general socialization and a one-party dictatorship.

4. The Development of a Politically Neutral or Pro-Russian Government in Germany. Demilitarization and de-nazification are consistent with cooperation with the Western Allies, and a somewhat more inclusive purge can probably be carried through by the Russians without a clash with the Allies. Such measures may serve to clear the way for either a democratic regime with certain socialist characteristics and with certain possibilities of remaining unstably neutral between East and West — or for a Communist-led government fully aligned with Russia. It is not believed that the Russians will press for the second result during the occupation period; for one thing, they realize that such an attempt would certainly shatter the Three-Power coalition.

In the post-occupation period, several of the conditions governing Russian policy may be expected to be more favorable than before to unilateral competitive Russian action; on the other hand a democratic regime of compromise may by that time have achieved some stability in Germany, and Russian suspicions of American and British intentions may have been considerably moderated. What Russia will do then, it is difficult to predict. Yet one thing seems probable: she will wish to avoid a showdown with America and Britain, at least during the occupation period.

SECRET

SECRET

- 6 -

Assuming that during the occupation, the main lines of Russian policy will be those that have been sketched above, the present study analyzes in some detail the policies that the Russians may be expected to pursue with respect to the following matters:

1. The institutional organization and management of the German economy;
2. The appropriation of German resources and current production for the settlement of reparations claims;
3. The economic relations of the Russian to the other zones of occupation. 1/ 2/

1/ It is assumed that, under an arrangement whereby the Allies occupy separate zones of Germany, the Russians will occupy the Eastern Zone.

2/ Quite independently of the general character of the occupation program, it can be expected that an immediate Russian objective will be to repatriate the Russian citizens, who are now held in Germany as prisoners of war and a civilian workers in compulsory labor detachments. Currently, it is estimated that there are three million such persons, about evenly divided between the two groups. Estimates of Population and Manpower Section, USSR Division, OSS.

SECRET

SECRET

- 7 -

B. Economic Institutions and their Administration1. Denazification and Cleansing of German Economy.

Russia's intentions with respect to the executive and managerial personnel of the German economic organizations are, perhaps, most definitely indicated by a declaration of the government that not only leaders of the Hitlerite government and its associates, including Nazi party leaders, but Germans who employ Russian labor in their industrial establishments and homes are war criminals, subject to punishment. 1/ According to the Academician, A. Trainin, the argument that the German government furnishes the Russian labor to the German employers provides only a "fictitious semblance of legality" for the employment of the compulsory labor, and does not absolve of responsibility those private German citizens who employ Russians in their factories or homes. 2/

What punishment will be meted out to the Germans who have employed Russian labor during the war period is not clear. The probability that, to some extent, responsible proprietors will be deprived of their property, or that responsible executives and managers will be deprived of their posts, certainly should be envisaged. 3/

1/ Russia's Intentions to Punish War Criminals, 27 June 1944, R & A No. 1998.

2/ Ibid. German industrial and financial "magnates" have been singled out as a group by Trainin (though not by the Soviet government) for punishment on the additional ground that they "support and maintain their system of government banditry."

3/ Interestingly, the Free Germany Committee urged in its manifesto of July 1943 the confiscation of the fortunes of those responsible for the war and of war profiteers (Freies Deutschland, 19 July 1943). E. Varga, an economist and Academician, similarly demands the confiscation of the property of persons responsible for the instigation of the war and persons who acquired wealth from the plundering of occupied territories (Russian War Damages and Possible Reparations Claims, Part II, 26 May 1944, R & A No. 1899, Appendix A.)

SECRET

SECRET

- 8 -

But irrespective of the precise nature of the punishment that the Russians will mete out to the different sorts of persons found guilty of crimes against the Russian army and people, one objective of their occupation policy certainly will be the denazification of the German economy, and the cleansing from it of conspicuous Nazi supporters and leading collaborators among the industrialists and landowners, a goal to be achieved by the removal of Nazi and other politically undesirable persons from the ownership and management of German industrial and commercial enterprises and agricultural estates. The Russians will not be deterred from carrying out this purge by the fact that there may be adverse effects on productive efficiency.

Perhaps because of the pressure of more urgent military tasks, the Russians have not as yet undertaken to cleanse the management of the Rumanian economy; however, under the armistice terms to Rumania (Article 14) the Rumanian government and High Command agree to collaborate with the Soviet High Command in "the task of detention of persons accused of war crimes and in the trial of such persons." In Poland, the PCNL has decreed that all property belonging to Polish traitors and to Germans be confiscated. 1/

2. Socialization? No doubt many leading Nazis and other persons will emigrate from Eastern Germany in advance of the Russian occupation and will leave behind them sizeable industrial and agricultural properties. In view of the further probability that the properties of war criminals remaining in the Russian occupied zone, will be confiscated, the very important question arises as to whether the Russians may not exploit the opportunity that the military occupation gives them to instigate or support measures leading to the wholesale socialization of the economy of the Russian occupied zone.

The Russians are not committed by any irrevocable action or, so far as is known, by any government

1/ Moscow radio broadcast in Polish to Poland, 4 August 1944.

SECRET

SECRET

- 9 -

pronouncement, to any particular course of action in this respect. However, the indications are that their occupation policies with respect to German economic institutions will probably be as follows:

a. Russia's basic political aims in Germany (see Section A, above) as well as her more immediate objective of collecting sizeable reparations (see Section C, below), will dictate that she prevent economic collapse in the zone that she occupies.

b. The Russian authorities, like the authorities in other zones of occupation, will establish control over all important sectors of the economy. As a matter of course, the Russians will take over the railroads, public utilities, and other strategic installations.

c. At the same time, the properties of leading Nazis and other prominent war criminals — practically all large-scale industrial enterprises and large agrarian estates fall into this category — will very likely be confiscated.

d. Presumably, the confiscations will be carried out through newly established German political authorities. Since the emergence of some kind of a central government will depend on interallied negotiations, the governmental authorities with which the Russians will deal for a time will probably be local.

e. The confiscated properties, as well as those abandoned by fleeing owners, very likely will be put under the administration of the local officials, under Russian military supervision. Although complete control over the economy will be maintained, no further steps toward the socialization of private property and private enterprise are probable during the Russian occupation. Small-scale industry, trade, and agriculture will probably be left in private hands.

f. Since the indigenous pressure towards the breaking up of large estates is understood not to be great, and since the Russians will not be interested in

SECRET

SECRET

- 10 -

pushing such measures on their own behalf, the carrying out of a permanent agrarian reform will be left to the future central authority. Temporarily some transitional type of German administration will be established to replace the present owners.

g. It is the declared Russian intention to transfer a large sector of Eastern Germany to Poland, and the Russians will presumably desire to leave the final disposition of confiscated properties in the areas in question to the Polish authority which is established there. It is very probable that the Russians will not permit the emergence of any local German political authorities in areas that they desire to transfer to Poland.

On the various questions touched on above, the following facts constitute illuminating, though very inconclusive, evidence:

a. The Free Germany Committee's declaration of July 1943 calls for freedom of economy, trade, and handicraft, and the guaranteed right to labor and lawfully to acquire property. It demands, at the same time, confiscation of the property of those who are guilty of instigating the war, and of war profiteers. ^{1/} But there seems no support in the propaganda of the Free Germany Committee for the idea that confiscation of these individuals' wealth would be the mask for a comprehensive socialization of the German economy. The Committee has attacked the great German trusts, but these attacks have generally been couched in a context appealing for middle class support, rather than in a more orthodox Communist or working-class vein. ^{2/}

b. In Rumania, there are indications that the Russians are giving some support to the local Communists, but the Russian policy, at the moment, seems in the main to be one of no direct interference, so far as the structure of the country's economic and social institutions are concerned. Before the Russians

1/ Freies Deutschland, op. cit.

2/ Federal Communications Commission Special Report #98, "Free Germany" as Political Warfare, Washington, 1943, p. 18.

SECRET

- 11 -

entered on what they recognize as Rumanian soil, Mr. Molotov issued a formal statement promising that the USSR "does not pursue the aim of acquiring Rumanian territory or of altering the existing social structure of Rumania." ^{1/} A provision for the joint action of Rumanian and Soviet authorities to punish war criminals is included in the armistice terms (see above, Section B1).

c. In Poland, the USSR has recognized the Polish Committee of National Liberation as the governing authority. This committee, in response to long-standing popular pressures, has apparently made agrarian reform one of its major goals. A statement by the Vice-President of the PCNL last August declared that farms would be restored to all owners who did not work with the Germans. ^{2/} An earlier statement of the entire committee, however, outlined a comprehensive program of division of land among the peasants, the land to be obtained by confiscations of estates belonging to Germans and traitors and by requisition of other estates belonging to loyal Poles. Compensation to the latter is promised vaguely by reference to "security" to be received by such owners, the security to be proportional to the degree to which landowners participated in the struggle against the Germans. The plan apparently envisages the establishment of small peasant proprietorships, rather than of collective farms. ^{3/} No comparable pronouncement is available relative to this regime's attitude toward owners of factories and other non-agricultural resources.

However in attempting to weigh the value of today's statements and actions as evidence of long-term Soviet intentions, it must be remembered that any clear evidence of Soviet sponsorship of wholesale socialization beyond the Soviet frontier would produce a sharp division of popular forces within the states immediately affected,

^{1/} New York Times, 3 April 1944.

^{2/} Soviet Embassy. Information Bulletin, 29 August 1944.

^{3/} Pravda, 25 July 1944.

SECRET

SECRET

- 12 -

and (much more important) a strongly unfavorable reaction by the British and American Governments.

If during the period of military occupation socialistic elements and tendencies emerge as an important force in Germany, the occupation policies that have been described on pp. 9 ff. above could constitute the basis for far-reaching changes in German institutions after the termination of the military occupation. It is not expected, however, that the Russians will be deterred from carrying out this occupation program by allied misgivings as to its probable institutional effects.

SECRET

SECRET

- 13 -

C. Reparations1. General Policy

The exaction of reparations from the Axis aggressors for the damages they inflicted on her is one of the important aims which Russia expects to realize in the postwar European settlement. The material responsibility of Germany and her satellites for the losses Russia has suffered was proclaimed as early as 2 November 1942 in a decree of the Russian government, and more recently this principle has been reiterated in numerous public pronouncements of prominent Russian spokesmen. 1/ The "Extraordinary State Commission for Ascertaining and Investigating the Crimes of the German Fascist Invaders and Their Accomplices," since its establishment by the decree just referred to, has proceeded to carry out systematically one of the major functions assigned it, the assessment of Russian war damage. A reparations bill for 300 million dollars is included in the Russian armistice terms both to Finland and to Rumania.

Russia's reparations policies have been discussed in greatest detail by the Academician, E. Varga. Writing in the authoritative War and the Working Class, Varga has stated that

It is necessary to make not only Germany pay reparations, but also Italy, Rumania, Hungary and Finland. The immense material damage borne by the countries which have suffered from enemy occupation (the Soviet Union occupying the first place) covers every branch of the national economy: Agriculture, mining, industry, transport. It is therefore just and reasonable to demand that all countries which take part in the Hitlerite campaigns of brigandage should immediately take part at the end of the war in the reparation of the damage which they have caused, by giving part of their national wealth to the countries which have suffered. 2/

1/ See R & A 1399, Part II, Appendix A, for a digest of the various materials bearing on Russian reparations policy.
2/ E. S. Varga, "The Reparation of Damage by Hitlerite Germany and Her Accomplices," War and the Working Class, 15 October 1943.

SECRET

SECRET

- 14 -

2. Possible Magnitude of Russia's Claims.

No official figures have yet been released to indicate the possible magnitude of Russia's reparations claims, ^{1/} but some idea of their possible order of magnitude may be obtained from the following estimates, prepared by this office, of the different kinds of losses the Russians have suffered:

| Category of damage | Billion of 1937 dollars |
|--|----------------------------|
| A. Damage to buildings and other fixed capital | 15.8 |
| B. Loss of inventories, household effects, etc. | 6.6 |
| C. War Pensions and allowances | <u>12.1</u> |
| Total A - C | 34.5 |
| D. Personal damage to civilians | .9 ^{a/} |
| Total A-D | 35.4 |
| E. War costs | 70.7 |

a/ Does not include compensation for death or injury to civilians. This estimate includes only compensation for forced labor by deportees.

Source: R & A No. 1899. pessim.

Which of these different categories of losses will be taken into account in the determination of the magnitude of the reparations bill presumably is a matter that will be settled in negotiation with the Allies. The Russian spokesmen have referred explicitly to all the items listed as possible bases for compensation, except war costs, which have not been mentioned. Needless to say, while the inclusion of this item would greatly increase Russia's claim, it would reduce her fractional share of the total reparations bill; thus it is quite unlikely that the Russians will press for the inclusion of this item in the reparations settlement.

^{1/} A very crude rule-of-thumb estimate of the amount of damage was derived by Varga, on the basis of a calculation of the average amount of damage per hectare suffered by France in the last war and on the area of Russia ravaged in this war.

SECRET

- 15 -

The postwar economic potential of the enemy countries has been recognized by the Russian spokesmen as setting an upper limit to the aggregate reparations payments. In this connection, however, it is important to note that according to Varga "it would be absolutely unjust if the peoples of the aggressor countries . . . should find themselves in a better economic position than the Russians after the war." Varga points out that Russia is able to absorb large payments in kind, and he argues, accordingly, that no transfer problem, such as obstructed the collection of reparations from Germany after the last war, will arise to limit collections after this one, so far as Russia is concerned.

In the case of the bill to Finland, the Russians fixed the amount originally at \$600 millions; reportedly this was intended to cover one-half the damage to their property caused by the Finns. 1/ Payment was demanded within a period of five years.

Vyshinsky has explicitly warned against the mechanical extrapolation of this relation to other contexts, 2/ and the bill to Finland has since been halved. But it is worth noting that if the German bill were charged at the same rate as the original Finnish one, the total bill would be about 10 billion 1937 dollars. The average annual German payments over a five year period, thus, would amount to 2 billion dollars.

The original annual bill to Finland amounted to nearly 80 percent of her prewar national income, and a higher percentage of her expected postwar income. The same percentage of Germany's (the old Reich's) income for 1938 would amount to nearly 25 billion dollars, or enough to compensate Russia in a single year for the full amount of the material damage she has suffered.

The reparations bill included in the recently announced armistice terms to Rumania declaredly was fixed at the relatively small sum (for Rumania) of 300 millions, because of Rumania's shift to the Allied side.

1/ See Finland's Capacity to Pay the Russian Reparations Bill, R & A No. 2127, 24 June 1944.

2/ Ibid.

SECRET

SECRET

- 16 -

3. The Form of Payment: Labor Services as a Possibility. The Russians have evidenced a desire that reparations payments be made not only in goods, but in labor services as well. Varga has declared specifically in The War and the Working Class 1/ that it "would be just and practically expedient to draw workers from Germany for the work after the war in restoring the devastated areas." Ilya Ehrenburg, writing also in The War and the Working Class, castigates those American trade union leaders who have ventured to express opposition to the adoption of a policy of using forced German labor for reconstruction purposes. 2/

There can be little doubt that the Russians could profitably use several million German workers — particularly skilled construction workers — to help rebuilt their economy. Despite the large-scale demobilization of soldiers and the repatriation of Russian citizens and soldiers from Germany after the war, the severe losses in dead and permanently incapacitated during the conflict will still leave a gap in the Russian labor force that the Germans might fill. The productivity of forced laborers is usually not high, but Russian experience in using the compulsory labor of kulaks and others probably has been sufficiently extensive to insure that the output of the German workers would more than justify the expenditure of food, supervisory manpower and other resources required for their use. 3/

It is likely that the labor situation in Germany immediately after the war will be slack, so that the use of large numbers of German workers in Russia would not necessarily prejudice Russia's ability to obtain reparation payments in goods also.

1/ No. 10, 15 October 1943.

2/ Cable #2204, Moscow, 20 June 1944 (Restricted).

3/ The Russians would have to reckon any such expenditures as costs to be offset against the values produced, even if the workers were supported by the Germans rather than the Russians.

SECRET

SECRET

- 17 -

While the economic incentives to use conscripted German labor will be important to the Russians, the pursuit of such a reparations policy evidently would have major political repercussions both in Germany and out. The Russians can be expected to give due consideration to these effects. Should the Russians push a policy designed permanently to weaken Germany, the detention of the German army or of civilian workers as forced laborers might be regarded as politic, even though the possibility of developing a popular pro-Russian government in Germany would thereby be prejudiced. A flexible policy, according to which the conscripted workers would be released, as developments in Germany warranted, might be adopted. The possibility should be reckoned with also that forced labor might be confined to Nazis.

Significantly, there is no evidence that the Russians requested labor payments for the settlement of their reparations bill to Finland or to Rumania.

SECRET

- 18 -

4. Payments Out of Stocks on Hand vs Payments Out of Current Production. It is believed that the Russians will emphasize mainly the collection of reparations from current output rather than from Germany's stock of standing machinery and equipment. In determining the relative amounts of reparations to be collected from these two sources, the Russians will be guided mainly by the following potentially divergent considerations:

a. Germany's capacity to continue payments, in lines in which Russia is interested, might be reduced by transfers of standing capital goods; on the other hand there may be some lines, such as machine tools, where Germany's stock of capital goods on hand will be excessive in relation to the likely postwar production requirements, even including requirements for reparations payments.

b. Germany's capacity to produce machinery and equipment is large in relation to Russia's potential reconstruction requirements. In 1938 the Old Reich produced about 3 billion dollars in machinery and vehicles and another 2 billion dollars in electrical equipment. ^{1/} Probably the damage sustained during the war will more than offset the further expansion of the machine construction industry after 1938, so that the post-hostilities capacity will be less than that of 1938. The total wartime destruction of Russian machinery and equipment, however, probably does not exceed 7 billion dollars. When it is considered that the Russian machine construction industry itself will be geared to replace a substantial part of this destruction, it is doubtful whether there will be any pressing need for the Russians to requisition large quantities of German capital goods on hand.

c. If large quantities of machinery and equipment were requisitioned from German stocks on hand, Russian reconstruction might be accelerated in the immediate postwar years.

d. Presumably the weight attached to (c) would be reduced if large credits were available to permit the purchase of newly produced goods, in the United States.

^{1/} Based on estimates of Economics Subdivision, Europe-Africa Division, OSS.

SECRET

SECRET

- 19 -

e. Collection of reparations from current output over a period of years offers the opportunity to introduce an element of elasticity in Russia's policy toward Germany which would be lacking in the case of an early large scale transfer of existing capital goods.

f. The wholesale seizure of German machinery and equipment would result in a large amount of unemployment among industrial workers in the Russian zone, as well as in the West.

g. Wholesale seizure of German capital goods would weaken Germany.

The economist, Varga, has stated that payments out of accumulated wealth could take care of only an "insignificant part" of the reparations bill. 1/ The Russians specifically demanded payment of reparations from Finland in the form of paper and pulp, and machinery and ships. 2/ Since Finland is not self-sufficient in machinery and her current output of machinery is small, large payments in this form certainly would have to be met out of stocks on hand. However, this demand on Finland cannot be taken as a precedent for the policy that will be pursued with respect to the Germans, who will have the capacity to produce currently large quantities of machinery and equipment for export.

While pursuing a policy of collecting reparations mainly out of current output the Russians no doubt will be interested in requisitioning from Germany inventories of machinery and equipment special items which are critically short in Russia, as well as items the

1/ R & A No. 1899, Part II, Appendix A.

2/ See R & A No. 2127.

SECRET

SECRET

- 20 -

requisition of which would not seriously affect German productive capacity in lines the Russians would wish to maintain. In particular, the Russians may requisition quantities of German agricultural machinery, transport vehicles, river barges and sea-going ships; also, possibly, special types of machine tools.

In connection with her expected participation in the Far Eastern War, the Russians as a matter of course will requisition munitions stocks, as well as munitions making equipment, the use of which will be denied the Germans by the disarmament clauses of the armistice.

Furthermore, the foregoing remarks as to Russia's attitude towards the seizure of Germany's stocks of machinery and equipment on hand cannot be taken to apply to livestock. Certainly the Russians will not be dissuaded from requisitioning German livestock herds by the adverse effects on the output of animal products. Possibly, the Russians will also be interested in German inventories of personal and household articles. In view of Russia's aim of establishing a pro-Russian government in Germany, the Russians might limit the seizures of such inventories to households of those whose potential pro-Russian orientation was the weakest.

5. Particular Commodities of Interest to Russia. The commodities which the Soviet Union will desire from Germany (from either current output or stocks on hand) will be primarily those needed in rebuilding the Soviet economy, and available in inadequate quantities from Russian domestic production. Machinery of all kinds, industrial and laboratory equipment, building materials, and raw materials such as steel and cement fall into this category, as does transportation and communication equipment of many types, and some industrial chemicals.

A second category of Russian needs consists of foods and consumers' goods required to improve the present depressed wartime living standards of the Russian people. Russian shortages of meat, fats and oils, sugar, clothing, furniture, and similar essential commodities will be great in the years immediately following victory, and the USSR will be eager to receive German supplies to help meet her needs.

SECRET

SECRET

- 21 -

In determining her policies with respect to the collection of reparations out of Germany's current production of consumers' goods, the Russians will give due consideration to the adverse effect that great exactions in this form might have on the strength of pro-Russian sentiment in Germany. However, it cannot be expected that this consideration would dictate the adoption of a lenient policy in this respect.

The table which follows lists in more detailed fashion the commodities which the USSR will be most eager to obtain, and those less essential items in which it may also be interested. 1/ In each case, the commodities listed below are believed either to be available in Germany at present, or at least to have been produced in Germany before the war.

In addition to the commodities listed in the table, the USSR might be willing to take some quantities of coal and other commodities which she herself produces in abundance, if by so doing some transport economies could be realized.

Although the quantities in which the different commodities will be demanded from Germany cannot be estimated on the basis of information presently available, some idea may be given of the magnitude of the total Russian needs. In the field of transport for example, it has been authoritatively estimated that 4.5 million tons of rails will be required to restore Russian railroads to their prewar level. 2/ While much of this tonnage will undoubtedly be produced in the USSR itself, it is very likely that large amounts will be asked of Germany. Again, it is believed that at the end of the war the USSR will have at least 5,000 fewer locomotives than it had at the beginning of the struggle, while many of the remaining

1/ See also Part II of this report.

2/ Khatchaturov, T. "O. vosstanovlenii i nekotorykh perspektivakh razvitiya transporta" in Zheleznodorozhny Transport, October 1943.

SECRET

SECRET

- 22 -

PRODUCTS THAT RUSSIA MIGHT OBTAIN FROM GERMANY IN PAY-
MENT OF REPARATIONS, RATED ON BASIS OF RUSSIAN NEED
DURING OCCUPATION PERIOD

| | <u>Top Priority</u> | <u>Second Priority</u> |
|--|--|--|
| Materials: | Carbon and alloy steel Cement Bricks Synthetic fibers Basic chemicals Synthetic rubber Leather | Coke |
| Foods: | Sugar Meat and meat animals Fats and oils | Fruits and nuts |
| Machinery: | Textile, leather, shoe and clothing machinery Machine tools Farm machinery and tractors Food processing machinery Electrical machinery and equipment Cement machinery Glass machinery Synthetic rubber producing and processing machinery Mining and oil machinery and equipment | Paper and printing machinery Office machinery |
| Other fabricated and semi-fabri- cated products: | Steel and copper semi- fabricated products (sheet, plate, wire, pipe, etc.) Plate and window glass Structural steel Steel rails Bearings Railroad locomotives, freight and passenger cars Ships Trucks and automobiles and spare parts Optical glass and precision equipment Furniture Shoes and clothing Chemical products including fertilizers, insecticides, pharmaceuticals, and indus- trial chemicals Tires and other rubber products Laboratory equipment Industrial boilers and heat transfer equipment | Cutlery Locks Clocks and watches Musical instruments Toys Cameras Ceramic products Brushes Paints and inks Soap |

SECRET

SECRET

- 23 -

locomotives will probably be old and worn and will require replacement as soon as possible. 1/ Due to difference in gauge, the Russians of course would not be greatly interested in the direct transfer of German railroad equipment to Russia, though a change in gauge, even of locomotives, would not be impossible.

In the field of farm machinery, the USSR will have tremendous needs after the war. Entering the conflict with 523,000 tractors, the Russians have now gone three years with scarcely any new tractor output, so that at the beginning of the spring sowing campaign of 1944, only 200,000 tractors were available for work on farms. Similar needs exist for new farm equipment of every type. 2/

With respect to food and textiles, the Russian situation in the postwar period will be very tight. Russian Lend-Lease imports of more than a quarter of a million tons of meats, of fats and oils, and of sugar during 1943/44, for example, indicate how short Russian supplies are at present, even for the maintenance of minimum wartime dietary standards; any effort to improve the Russian diet from the low wartime levels, after victory, will require large imports of these foods. 3/ Because of the long period required to increase the livestock herds, Russia will be especially interested in importing breeding cattle as well as animal products. Since a relatively rapid recovery of Russian grain production is likely, there probably will not be a pressing need to import much East German grain.

6. Financial Aspects of the Reparations Collection.
Certain problems involved in Russia's collection of reparations from Germany will be financial in nature. One question is basic: at what prices shall particular German goods (and services) be valued when submitted in payment.

Presumably the problem of the valuation of payments in goods and services will be one involving all the Allied nations, and will require agreement among them. Since the price mechanism of the Soviet Union differs from that prevailing on world markets and also from that prevailing in the western nations, some means will have been found to reconcile the different valuations for the particular commodities which will be delivered.

1/ Estimate by the Transport Section, USSR Division, OSS.

2/ R & A No. 1355.5.

3/ Cf. R & A No. 2060.

SECRET

SECRET

- 24 -

D. Economic Relations of Russian Zone to Other Zones

1. Prewar Trade Relations between Eastern and Western Germany and Wartime Developments. Once the whole of Germany has been occupied by the forces of the different allies, the problem of economic relations between the zones occupied by different powers will become one of the utmost importance. Of chief concern in this connection is the exchange of goods between the zones. Some notion of the importance of this interchange may be obtained from the accompanying table which shows the net imports and exports of goods, for Eastern and Western Germany, in 1936. The boundary between the two regions considered, which is believed to correspond roughly to that which will delimit the Russian from the American and British Occupation Zones, is far enough to the West of the Elbe to place most of the Central Industrial Region of Germany in the Eastern Region. 1/ For the purposes of the calculations in the Table the province of Berlin is included in the Eastern Region, although this province is expected to be administered as an international zone.

The trade statistics 2/ reflect at once the basic differences between the economies of the Eastern and Western Regions. Despite the fact that the Eastern Region, as delimited here, includes the industrial populations of Berlin, the Central Industrial Region and Silesia, the East Elbian grain and potato surpluses are big enough to permit large net shipments out of the area as a whole. The Western Region, where the main centers of German heavy industry are located, imported somewhat larger quantities of grain and potatoes than the Eastern Region exported. Both regions were net importers of animal products, but the deficiency in the Western Region, which includes the important livestock areas of Holstein, Hanover and Oldenburg, was less than that of the Eastern.

1/ The administrative areas constituting the Eastern and Western Regions are listed in a note appended to the accompanying table.

2/ It should be noted that the trade statistics in the table cover only products which were shipped by rail and water. However, the failure to cover motor freight is not considered serious since in 1937 the total German tonnage carried in long distance trucking (i.e. over 50 kilometers) came to only 3.3% of the tonnage carried by the Reichsbahn. More important is the fact that only shipments exceeding 500 kilograms are included. This limitation operates to exclude certain commodities -- particularly wearing apparel --, individual shipments of which normally are small.

SECRET

SECRET

- 25 -

NET INTERREGIONAL SHIPMENTS OF VARIOUS GROUPS OF
COMMODITIES BETWEEN EASTERN AND WESTERN GERMANY, 1936 a/
(All figures in 1,000 tons)

| | : Eastern region/ | | : Western region/ | | : Total Germany | |
|---|-------------------|------------|-------------------|------------|-----------------|------------|
| | : Net in- | : Net out- | : Net in- | : Net out- | : Net in- | : Net out- |
| | : coming | : going | : coming | : going | : coming | : going |
| | : (1) | (2) | : (3) | (4) | : (5) | (6) |
| <u>Foodstuffs:</u> | | | | | | |
| Meat, fish and dairy | 400 | | 139 | | 539 | |
| Grains, legumes and potatoes | | 2,051 | 2,679 | | 629 | |
| Fruits and fresh vegetables | 458 | | 697 | | 1,155 | |
| Oleogenous vegetables | 179 | | 1,479 | | 1,658 | |
| Sugar beets, coffee, raw tobacco, animal and plant raw mats. n.e.s. | 121 | | 732 | | 852 | |
| Total unprepared foodstuffs | | 893 | 5,726 | | 4,833 | |
| Raw sugar and malt | | 210 | 218 | | 8 | |
| Dairy products, fats and oils | 310 | | 160 | | 470 | |
| Flour, refined sugar and starch | | 628 | 559 | | 69 | |
| Wine, beer, and spirits | 62 | | 1 | | 63 | |
| Food n.e.s. | 119 | | 70 | | 187 | |
| Total processed foods | | 137 | 790 | | 649 | |
| Total foods | | 1,240 | 6,734 | | 5,490 | |
| Salt d/ | | 596 | | 179 | | 775 |
| <u>Fodder and Fertilizer:</u> | | | | | | |
| Fodder and feed | 419 | | 49 | | 468 | |
| Fertilizer | 159 | | | 1,200 | | 1,041 |
| Total | 578 | | | 1,151 | | 573 |
| <u>Iron Ore, Scrap and Slag</u> | | | | | | |
| Slag | 302 | | 19,703 | | 20,005 | |

SECRET

SECRET

- 26 -

| | : Eastern regionb/ | | : Western regionc/ | | : Total Germany | |
|--|--------------------|------------|--------------------|------------|-----------------|------------|
| | : Net in- | : Net out- | : Net in- | : Net out- | : Net in- | : Net out- |
| | : coming | : going | : coming | : going | : coming | : going |
| | : (1) | (2) | : (3) | (4) | : (5) | (6) |
| <u>Iron and Steel</u> | | | | | | |
| <u>Products:</u> | | | | | | |
| Elast Furnace and rolling mill products | 2,582 | | | 4,987 | | 2,405 |
| Machinery and apparatus in- cluding trans- port equipment | | 81 | | 436 | | 517 |
| Other iron and steel finished goods | 347 | | | 1,118 | | 771 |
| Total | 2,848 | | | 6,541 | | 3,693 |
| <u>Non-ferrous Metal</u> | | | | | | |
| <u>Products and Ores:</u> | | | | | | |
| Non-ferrous ores and scrap (copper, pyrites, beauxite and others) | 982 | | 3,417 | | 4,399 | |
| Non-ferrous metals | 95 | | 171 | | 266 | |
| Semi-finished and finished products of non-ferrous metal | | 58 | | 97 | | 155 |
| Total | 1,019 | | 3,491 | | 4,510 | |
| <u>Industrial Products</u> | | | | | | |
| <u>n.e.s.</u> | 75 | | | 328 | | 253 |
| <u>Coal, Coal Products</u> | | | | | | |
| <u>and Peat</u> | | | | | | |
| Bituminous coal, briquettes and coke | 4,933 | | | 35,940 | | 31,009 |
| Brown coal, bri- quettes and coke | | 1,220 | 1,785 | | 565 | |
| Peat | 124 | | | 214 | | 90 |
| Total | 3,857 | | | 34,369 | | 30,534 |

SECRET

SECRET

- 27 -

| | :Eastern region/ | | :Western region/ | | :Total Germany | |
|----------------------------------|------------------|-----------|------------------|-----------|----------------|-----------|
| | :Net in- | :Net out- | :Net in- | :Net out- | :Net in- | :Net out- |
| | :coming | :going | :coming | :going | :coming | :going |
| | : (1) | (2) | : (3) | (4) | : (5) | (6) |
| <u>Liquid Fuels, In-</u> | | | | | | |
| <u>cludin. Coal</u> | | | | | | |
| <u>Distillation</u> | | | | | | |
| <u>Products:</u> | | | | | | |
| Basic materials | 732 | | 843 | | 1,574 | |
| Finished products | 558 | | 2,031 | | 2,589 | |
| Total | 1,290 | | 2,874 | | 3,863 | |
| <u>Stone, Clay, Glass</u> | | | | | | |
| <u>and Cement Products:</u> | | | | | | |
| Primary products | 2,400 | | | 4,620 | | 2,222 |
| Finished goods | 233 | | | 685 | | 452 |
| Total | 2,633 | | | 5,305 | | 2,674 |
| <u>Chemicals Excluding</u> | | | | | | |
| <u>Fertilizer:</u> | | | | | | |
| | | 541 | | 179 | | 720 |
| <u>Leather and Tex-</u> | | | | | | |
| <u>tiles:</u> | | | | | | |
| Raw materials | 229 | | 572 | | 901 | |
| Yarn and leather | 9 | | 15 | | 24 | |
| Total | 238 | | 687 | | 925 | |
| <u>Wood and Wood</u> | | | | | | |
| <u>Products:</u> | | | | | | |
| Timber | 1,803 | | 1,161 | | 2,964 | |
| Intermediate wood products | 484 <i>e/</i> | | 707 <i>e/</i> | | 1,170 | |
| Finished wood and paper products | | 308 | | 109 | | 418 |
| Total | 1,959 | | 1,759 | | 3,716 | |

SECRET

SECRET

- 28 -

a/ Adapted from figures in Inter-Regional Trade in Germany, R & A No. 2470, 3 September 1944. The figures were compiled from German railway and waterway traffic statistics.

b/ Includes Regions I and V in R & A No. 2470, which are delimited as follows:

Region I

Mecklenburg (without harbors from Rostock to border of Schleswig-Holstein)
Lower Silesia (excluding Breslau)
Berlin
Brandenburg
Magdeburg-Anhalt
Merseburg, Erfurt, etc.
Thüringen
Sachsen

Region V

East Prussia
Königsberg, Pollau and Elbing
Pommern
Pommeranian Harbors
Posen-Westpreussen
Upper Silesia
Breslau

c/ Includes Regions II, III, and IV in R & A No. 2470, which are delimited as follows:

Region II

Harbors Rostock to Flensburg
Schleswig Holstein
Elbhäfen
Weserhäfen
Emshäfen
Oldenburg, Lüneburg, etc.
Hannover, Hildesheim, Braunschweig, etc.

SECRET

SECRET

- 25 -

Region III

Hessen-Nassau and Oberhessen
Frankfurt/Main
Ruhrgebiet in Westphalia
Ruhrgebiet in Rheinprovinz
Westphalen, Lippe
Rheinprovinz
Köln
Saarland
Duisburg, Hochfeld, Ruhrort
Bavarian Pfalz (without Ludwigshafen).
Hessen

Region IV

Baden
Mannheim, Ludwigshafen
Württemberg and Hohenzollern
Southern Bavaria
Munich
Northern Bavaria

- d/ Includes large amount of salt used industrially.
- e/ Includes cellulose, woodpulp, etc., which are used in part for the manufacture of artificial fibers. The amounts are 175,000 and 337,000 tons in Regions IV and V, respectively.

SECRET

SECRET

- 30 -

Apart from Silesia, the industrial centers located in the Eastern Region were primarily fabricators. The region as a whole imported, from the West and from abroad, large quantities of fuel, industrial raw materials and semi-fabricated goods. The Eastern Region was a large scale importer of blast-furnace and rolling-mill products and of coal; it produced a surplus -- relatively small as compared with that of the Western Region -- of machinery and equipment (however, this comparison is based on tonnage statistics. In view of the relative importance in the Eastern Region of industries producing highly fabricated products, a comparison based on the money value of shipments might show relatively larger exports from this region); and it was a major exporter of chemical products. The Eastern Region was an importer and the Western Region an exporter of building materials. Both regions imported leather and textiles, but the Eastern Region, containing the great textile centers of Saxony, on a smaller scale.

The regional dispersion of German industry undoubtedly has been altered considerably during the war, with the result that the Eastern Region probably fabricates metal products on a larger scale than previously. At the same time the ravages of war have so far been felt primarily in the West, and because of the central location of a substantial part of the industries of the Eastern Region, this region is less vulnerable to industrial damage from current and prospective ground operations than is the Western Region.

But the basic differences between the economies of the Eastern and Western Regions, which are fixed by differences in their natural resources and other relatively permanent factors, will not be appreciably affected by the war; and unless hostilities are prolonged beyond present expectations it is safe to say that after the war the Western Region will still be not only the main source of fuel and industrial raw materials for German industry as a whole, but will also have a capacity for fabricating finished as well as semi-finished metal goods on a much larger scale than the East.

Thus, on the extreme assumption that all economic intercourse between the Eastern and Western Regions were cut off after occupation, it is clear that the USSR, while finding a surplus of food in its area, would find much of the industry and labor of the Eastern Region idle, while at the same time the great metal producing and fabricating capacity of the West would be denied to Russia. The allies in the Western Region, on the other hand, would be faced with the problem of supplying food to the population there, and at the same time would be confronted with the

SECRET

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SECRET

- 31 -

Hobson's choice of either finding an outlet for the great industrial surpluses of the area, or of administering the occupation successfully in the face of a vast army of unemployed.

2. Russia's Attitude Towards Trade Between the Eastern and Western Zones. Presumably, at some early date, inter-zone trade in the period of military occupation will be the subject of an agreement among the allies.

Russia's attitude in this matter will be determined by the following considerations:

a. Russian unwillingness to permit trade on a scale sufficient to supply the western zones with minimum essential quantities of foodstuffs would tend to weaken inter-allied collaboration.

b. With the rapid recovery that probably will take place in their own grain position in the USSR, the Russians may not feel a pressing need to ship the East-German surplus to Russia. The possibility should be envisaged, though, that the Russians will requisition East-German livestock on a large scale.

c. The Russians will be greatly interested in obtaining the output of the heavy industries concentrated in Western Germany, both for their own direct use and for the use of those fabricating industries in Central and Eastern Germany which will produce for the Russians.

d. For administrative and particularly for political reasons, the Russians probably will be interested in seeing that economic activity in their zone is maintained at a level tolerable to the working population there.

e. The Russians are reported to have proposed that, in the final postwar settlement, a large sector of Eastern Germany (up to the Oder River) be transferred to Poland. ^{1/} Should the Russians continue to push this policy, they may wish to prepare for the change in sovereignty, during the occupation period, by channelizing eastward the economic relations of the region east of the Oder.

^{1/} R & A No. 1785.16.

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At this juncture, it seems probable that considerations (a), (b), (c), and (d) will outweigh (e), and that the Russians will favor a limited interzonal exchange of goods between East and West.

Since the Western zone will be the main source of commodities in which reparation can be expected to be paid, "foreign" exports will exceed imports of this region to a greater extent than will be the case in the Russian zone of occupation.

This implies that -- unless some special interregional adjustments are made -- the reparation burden will weigh more heavily on the Western than on the Eastern Germans.

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NOV 29 1944

Dear Mr. Steel:

Thank you for forwarding to me the text of your recent broadcast concerning the treatment of Germany.

Broadcasts such as this, designed to provoke intelligent public discussion of the real issues involved, contribute immeasurably to reaching the best solution to one of the most vital problems which face the American people today.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Mr. Johannes Steel,
WMCA, Incorporated,
WMCA Building,
1657 Broadway,
New York, New York.

JED:fls
11/27/44

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Handwritten: 179

JOHANNES STEEL

November 13, 1944

Dear Mr. Secretary:

I enclose herewith copy of
a broadcast which I believe to be of
interest to you in view of conversations
which I had the privilege of having
with you.

Please call upon me if I can
be of any further use.

Best regards,

Johannes Steel

JOHANNES STEEL BROADCAST.....WEGA.....7:50 PM

LADIES AND GENTLEMEN:

Speculation surrounding the whereabouts of Adolf Hitler may be described as entirely un-interesting because whatever the fate of Hitler is or has been, or will be, can in no manner, shape or form affect either the outcome of the war or the future of Germany.

The proclamation read yesterday over the German radio by Heinrich Himmler who, for all practical intents and purposes has already for many months been the real dictator of Germany, was chiefly remarkable for the fact that it seemed to be nothing else but a re-hash of the earlier editions of Hitler's "Mein Kampf." As such it tends to strengthen the belief that Hitler is incapacitated, for one reason or another.

Page 2

As to the reports that Hitler is insane -- that is probably true but then he has always been insane -- and I don't think that he is any crazier today than he was when Chamberlain took him seriously.

As to the effect Hitler's proclamation, as well as the speech which Goebbels made yesterday, will have upon the German people generally and the German will to fight in particular, my own feeling is that it will not affect either one.

I am convinced that the German people today are so brutalized and have so lost all resemblance to normal human beings that they will continue to march like soul-less automata to their own destruction. They will do that with a macabre precision which merely reflects the stark nihilism *rampant in* and the deep and sinister recesses of the German soul. It is that urge for self-destruction of which the German poet, Heinrich Heine, spoke of *so dramatically* a century ago.

Page 5

No sound from the outside world -- no appeal to reason -- no argument, will reach the German people. They are in a deep hypnotic sleep from which only a crushing defeat will awaken them.

These are some of the psychological and political aspects of the situation today as the American Armies storm the fortress of Metz, the southern gate-way to Germany.

Much more significant than the speculation about the fate of Hitler, himself and his acolytes like Himmler, Goerring, Goebbels and a few dozen generals, is the question of what to do with Germany's hundred billion dollar industrial plant. It seems now agreed that the key to the future peace of Europe lies in the question of whether it is possible or not to come to an agreement between the United States and Great Britain, on the one hand, and Russia on the other as to the disposition of Germany's industrial potential which has traditionally been the economic base for Germany's imperialist ambitions and her wars of aggression.

Page 4

The question is not that of a soft peace versus a harsh peace -- the question is this -- whose Germany is it going to be? Who will get control of the German steel trust -- who will get control of the German dye and chemical trust -- who will get control of the German electrical and power trust -- the machine tool industry -- the coal industry -- the optical industry, and so forth, ad infinitum.

And that, of course, brings us to the new report by the United States Senate's Kilgore Committee on cartels and national security which has just been made public.

Senator Harley M. Kilgore is to be congratulated on a magnificent and very necessary job which will lead to a clarification of the issues involved and certainly will provide President Roosevelt with an intelligent and basic framework of reference when he shortly talks with Stalin and Churchill on this major problem facing the Allies today.

Page 5

Senator Kilgore's committee proposes the out-lawing of cartels. It is a proposal which, incidentally, is very much like Secretary Morgenthau's plan which, as you will remember was so stupidly and recklessly attacked by Mr. Dewey in his Madison Square Garden speech.

Paraphrasing it may be said here that it is necessary to recall that attack of Mr. Dewey's which may be described as the notice which American monopoly capital gave to the effect that it wants the preservation of these cartels which have made for war.

Here lies the basic difference between the foreign policy of the President and his defeated opponent. It is necessary to recall that because the cartels who backed Mr. Dewey certainly have not given up and will continue to exercise their octopus-like pressures upon this administration as well as that of Mr. Churchill.

Page 6

Specifically, the Kilgore Committee adopted Secretary Morgenthau's plan in substance by saying: "A real disarmament program requires not only the dismantling of all direct munitions industries but also the dismantling and removal to the devastated areas of Europe of the primary indirect munitions industries, including the metallurgical and chemical industries."

The Germans "are already deploying their economic reserves throughout the world for a third attempt at world domination" and warned that international cartels must be wiped out in the interest of an enduring peace.

In taking a stand against cartels, the Kilgore Committee asked Congress to implement the third article of the "economic bill of rights" proposed by President Roosevelt in his message to Congress last January.

Page 7

The committee, which promised to supplement its recommendations with a digest of testimony to be revealed Thursday, pointed out that German industry and German cartels were integral parts of the German scheme of world conquest.

"The German industrial group has been the mainstay of the international cartel system," the report said. "In their agreements with American and British companies, the German cartelists specifically provided that in the event of war, cartel arrangements would be resumed when hostilities terminated.

"Any efforts to retain the international cartel system will help keep in power the German militarist-industrialist clique who have already launched two wars."

The committee proposed these cooperative measures by the United Nations:

Page 3

(1) Pooling information to get a complete picture of German economic penetration into other nations.

(2) Obtaining a complete inventory of German holdings abroad, including those hidden away in such countries as Argentina, Switzerland and Holland.

(3) Confiscation of all German property in the United Nations and removal of management control from Nazi collaborators.

(4) Seizure of German stock in so-called neutral companies.

These recommendations of Senator Kilgore's committee may then be described as the first blueprint for some sort of solution of what constitutes the real German problem -- the control of Germany's instruments ^{of} and production.

Obviously, these ^{recommendations} have been made public as a basis for discussion in the forthcoming conference between Messrs. Roosevelt, Churchill and Stalin. As such they constitute the most realistic and the greatest contribution toward the making of a sound peace yet offered. Congratulations to Senator Kilgore.



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

OFFICE OF THE
EXECUTIVE DIRECTOR

NOV 29 1944

My dear Mr. Secretary:

I am pleased to send you herewith a copy
of the report of the War Refugee Board for the week
of November 13 to 18, 1944.

Very truly yours,

J. W. Pehle
J. W. Pehle
Executive Director

The Honorable,
The Secretary of the Treasury.

Enclosure.

Report of the War Refugee Board
for the Week of November 13 to 18, 1944

SITUATION IN HUNGARY

Representative McClelland cabled us on November 15 that the Swiss had just received a wire from their Legation at Budapest dated November 3, stating that the departure of 7,000 Palestine certificate holders and 4,500 holders of Swedish protective documents was being organized and should take place "within about two weeks, the military situation permitting." Definite reports are still awaited as to the progress actually made in arranging for the evacuation to Switzerland of the 8,000 Jews whose departure from Hungary was reportedly agreed to by the German and Hungarian governments and as to the composition of the group. The increasing difficulty encountered by the Swiss Legation in supplying precise information concerning the possibilities for the departure of these persons McClelland attributed to the unsettled conditions in Budapest and to the uncertainty of communications, apparently the effect of military developments in that area. While McClelland stated that it seemed most unlikely that the proposed evacuation could be effected by November 15, the deadline for completion of the operation specified by the Germans and Hungarians in the reported agreement, no indication was given as to whether or not the question of an extension of the agreement beyond that date has been raised.

Representative Katzki cabled us a summary of a radio broadcast from Budapest intercepted by the Office of War Information in Istanbul on November 8, in which "competent circles" warned the public, the military and civil authorities, and the "services" of the Arrow Cross Party that persons with passes (passports?), visas, and immigration certificates delivered by foreign legations and the International Red Cross cannot be called for military or civil work and that legation buildings and surrounding areas have extraterritorial rights. Katzki also reported that broadcasts to Hungary are being made from Sofia by the free Hungarian movement, urging more humane treatment for the Jews in Hungary. He suggested that any available contacts with this group might be used to furnish them with material for future such broadcasts.

By cable from Minister Johnson in Stockholm we learned that the Swedish Foreign Office was informed by the Swedish Minister in Hungary on November 8 that Hungarian Jews had become the object of extreme terrorism by the Arrow Cross Party, with brutality increasing, ration cards being withdrawn, and severe

- 2 -

conditions prevailing in labor camps. The Swedish Legation was reported to have succeeded in obtaining the release of more than 1,000 Jews with Swedish or Swiss protective passports from labor camps and other places of detention. On November 9 the Swedish Minister telephoned the Foreign Office that approximately 200 Jews under Swedish protection were arrested during the night. He was instructed to make the strongest possible representations to the Hungarian authorities, demanding that Jews under Swedish protection continue to have personal safety until their transportation from Hungary can be arranged.

Representative Mann relayed to us the substance of a message received by the Jewish Agency in London from its representative in Bern quoting a reliable report dated November 1 that 50,000 Jewish men deported from Budapest for forced labor in Austria had left on foot. According to this report, the repeated interventions of the British and American Legations in Bern and the helpful attitude of the protecting power had resulted in the exemption from deportation for labor service and from other restrictive measures the bearers of certificates issued by the protecting power, including holders of South American passports and Palestine certificates, as well as the holders of Swedish passports. It was indicated that two weeks before the date of the report there appeared to be good prospects that up to 12,000 persons with such documentation would be permitted to leave.

Palestine Certificates

Representative Katzki advised us that Jewish Agency representatives in Istanbul have received instructions from Jerusalem and from the Istanbul British Passport Control Office that immigration to Palestine for a period of six months from October 1 is to be limited to 10,300. Allocation of this number of certificates is divided as follows: 5,000 to Bulgaria and Rumania, 2,000 to France for children, 1,000 to Switzerland for children, 200 to Belgium, mainly for children, 900 to Italy, 1,000 to Yemen, and 200 to Turkey, mainly for children. Since the new schedule makes no mention of Jews in Hungary, Slovakia, or other areas still under Nazi control, the Jewish Agency in Istanbul has requested clarification from Jerusalem as to whether these quota limitations apply only to liberated areas, with unlimited immigration still to be permitted from occupied countries to Palestine. Katzki pointed out that, if the answer is in the negative, the entire mechanism for the protection and evacuation of Jews still in occupied areas, which is predicated to a very great extent on their possession of Palestine certificates or confirmations, will be jeopardized as soon as the new limitations become known to the Nazis, and that

- 3 -

if Palestine becomes unavailable for the reception of refugees, it will be urgently necessary to find other possibilities for countries of immigration. Specific groups involved would be the 1,200 to 1,300 Hungarian Jews at Bergen Belsen and the group of 2,000 in Hungary who have been awaiting exit permits. (In one of McClelland's reports this week, he referred to "credible intimations" that the remainder of the Hungarian Jewish group at Bergen Belsen will be sent to Switzerland shortly.) According to a report from London, the British Foreign Office anticipates no policy change with respect to the Palestine situation. Our Embassy is attempting to obtain confirmation of the quota limitation figures given.

FOOD PARCELS

A cable from our Embassy in London advised that the Relief Sub-Committee has approved the proposed shipment of an additional 300,000 3-kilogram parcels from this country for distribution by the International Red Cross to unassimilated civilians in concentration camps in German-controlled territories, and we are now working on the problems incident to this expansion of our food parcel program.

VISAS FOR CHILDREN

Ambassador Hayes has returned unused the remaining 25% of the block of non-preference quota numbers allotted for refugee children for October 1944, with the exception of one French non-preference quota number assigned to Lisbon.

EVACUATIONS THROUGH TURKEY

Representative Katzki reported the arrival of 115 persons, including 87 children, in Istanbul from Bulgaria on November 8. This group and the group of 43 Polish refugees whose arrival in Istanbul from Rumania was reported last week proceeded to Palestine by railroad on November 10.

EVACUATIONS FROM NORWAY TO SWEDEN

A report on the rescue and relief operations in Norway conducted from Sweden during the month of October was received from Minister Johnson. Supplies sent into Norway aggregated more than thirteen tons of food, clothing, shoes, and tobacco. Through the escape routes arranged in connection with these operations approximately 1,260 Norwegian refugees were brought to Sweden. Minister Johnson advised us that suitable vessels are now available and arrangements have been concluded with the Swedish authorities to expand the sea escape routes.

- 4 -

He indicated, however, that difficulties may be anticipated since German control of the sea areas has been considerably tightened.

RECOGNITION OF LATIN AMERICAN PASSPORTS

In response to our recent request, Ambassador Hayes advised us that an official of the Spanish Ministry of Foreign Affairs orally confirmed that instructions have been sent on several occasions to the Spanish Embassy in Berlin "to take with all possible speed and interest" necessary steps for the protection of Jews in general and in particular those holding Latin American passports, as indicated in a letter of October 13 from the Spanish Ambassador in Washington to a representative of a Jewish welfare organization. The Spanish official stated, however, that the efforts of the Embassy in Berlin are being met with increasing unwillingness on the part of the German Government to cooperate in matters of this nature.

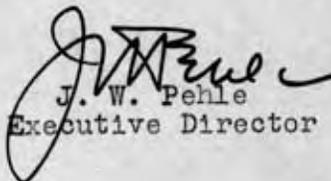
We advised Minister Harrison and Representative McClelland of information received from our Embassy in Quito indicating that the Ecuadoran representative in Switzerland has been instructed by the Ecuadoran Foreign Office to confirm or suggest changes in the lists being compiled by our Legation in Berlin of holders of documents purporting to indicate Ecuadoran nationality for consideration in exchange proposals. We also advised them that our Embassy in Caracas has been informed by the Venezuelan Foreign Office that the latter has notified the Swiss Government through the Venezuelan Charge d'Affaires in Bern that the Venezuelan Government ratifies the lists insofar as the names of bearers of Venezuelan documents are concerned, and agrees to the delivery of such lists to the Swiss authorities.

RELEASE OF EYE-WITNESS REPORTS ON GERMAN EXTERMINATION CAMPS

Representative McClelland recently forwarded to us copies of two reports on the German concentration and extermination camps at Auschwitz and Birkenau. The reports, which reached Switzerland from Bratislava in June through Czech underground channels, were independently prepared by prisoners who had escaped from the Nazis, the first by two young Slovak Jews, the second by a Polish major. Seeking to confirm their authenticity before submitting these reports to the Board, McClelland talked with a member of the Bratislava Papal Nuncio in Bern who had personally interviewed the two young Jews and found their story thoroughly convincing. McClelland was further given to understand that responsible members of the

- 5 -

Bratislava Jewish Community closely cross-examined the authors of this report, so that the material finally incorporated into it includes only that about which there was no uncertainty or equivocation in their minds or in the minds of their examiners. The report of the Polish major was forwarded by the Czech resistance movement in Slovakia to the representative of the Czechoslovakian government in Geneva who vouched for the reliability of the man who composed it and for its authenticity. The statements concerning periods of arrival and the countries of origin of Jewish convoys were found by McClelland to check very closely with information in the possession of reliable Jewish and non-Jewish organizations in Switzerland as to the departure of such deportees from various European countries. He was himself in Southern France during the deportations of large convoys of foreign Jews from such internment camps as Rivesaltes, Gurs, Les Milles, and Récébédou in August and September 1942 and thus had first-hand information with respect to their composition, number, and dates of departure. Believing that these eye-witness accounts present truthful descriptions of conditions in these camps and the atrocities committed there with which the public should be acquainted, the Board is making these reports available to the press for release on Sunday, November 26. A copy of the document in the form in which it was released to the press is attached hereto.


J. W. Pehle
Executive Director

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

194

GERMAN EXTERMINATION CAMPS — AUSCHWITZ AND BIRKENAU

It is a fact beyond denial that the Germans have deliberately and systematically murdered millions of innocent civilians — Jews and Christians alike — all over Europe. This campaign of terror and brutality, which is unprecedented in all history and which even now continues unabated, is part of the German plan to subjugate the free peoples of the world.

So revolting and diabolical are the German atrocities that the minds of civilized people find it difficult to believe that they have actually taken place. But the governments of the United States and of other countries have evidence which clearly substantiates the facts.

The War Refugee Board is engaged in a desperate effort to save as many as possible of Hitler's intended victims. To facilitate its work the Board has representatives in key spots in Europe. These representatives have tested contacts throughout Europe and keep the Board fully advised concerning the German campaign of extermination and torture.

Recently the Board received from a representative close to the scene two eye-witness accounts of events which occurred in notorious extermination camps established by the Germans. The first report is based upon the experiences of two young Slovakian Jews who escaped in April, 1944 after spending two years in the Nazi concentration camps at Auschwitz and Birkenau in southwestern Poland. The second report is made by a non-Jewish Polish major, the only survivor of one group imprisoned at Auschwitz.

The two reports were prepared independently and are reproduced exactly in the form they were received by the War Refugee Board, except for a few deletions necessary for the protection of persons who may still be alive. The figures concerning the size of the Jewish convoys and the numbers of men and women admitted to the two camps cannot be taken as mathematically exact, and, in fact, are declared by the authors to be no more than reliable approximations. They are accepted as such by the Board.

The Board has every reason to believe that these reports present a true picture of the frightful happenings in these camps. It is making the reports public in the firm conviction that they should be read and understood by all Americans.

November, 1944

No. 1

FORWARD

Two young Slovak Jews - whose names will not be disclosed for
 the time being in the interest of their own safety - have been
 fortunate enough to escape from the extermination camps of
 BIRKENAU, AUSCHWITZ and SILESIA. These two young Jews
 had been deported in 1942 from SILESIA.

and BIRKENAU

One of them was sent on April 13, 1942 from the Silesian camp
 of GEMNI directly to AUSCHWITZ and then to BIRKENAU, while the
 other was sent from the camp of GEMNI on June 12, 1942
 and after a short stay there, transferred to AUSCHWITZ and later
 to BIRKENAU.

The following report does not contain everything known to
 men experienced during their captivity, but only what one or both
 together understood, heard, or experienced at first hand. No
 individual impressions or judgments are recorded and nothing
 based on fact hearsay.

The report starts with the story of the young Jew who was
 removed from GEMNI. The account of his experiences in BIRKENAU
 begins at the time the second Jew arrived there and is therefore
 based on the statements of both. This follows the individual
 narrative of the second Jew who was sent from NOWY to BIRKENAU
 and from there to AUSCHWITZ.

The destination tally with all the information we possess
 early reports received, and the dates given in the report
 do correspond to various camps with the official records.
 These statements can, therefore, be considered as entirely reliable.

FOREWORD

Two young Slovak Jews - whose names will not be disclosed for the time being in the interest of their own safety - have been fortunate enough to escape after spending two years in the concentration camps of BIRKENAU, AUSCHWITZ and LUBLIN-MAJDANEK, where they had been deported in 1942 from SLOVAKIA.

One of them was sent on April 13, 1942 from the assembly camp of SERED directly to AUSCHWITZ and then to BIRKENAU, while the other was sent from the camp of NOVAKY to LUBLIN on June 14, 1942 and, after a short stay there, transferred to AUSCHWITZ and, later, to BIRKENAU.

The following report does not contain everything these two men experienced during their captivity, but only what one or both together underwent, heard, or experienced at first hand. No individual impressions or judgments are recorded and nothing passed on from hearsay.

The report starts with the story of the young Jew who was removed from SERED. The account of his experiences in BIRKENAU begins at the time the second Jew arrived there and is, therefore, based on the statements of both. Then follows the individual narrative of the second Jew who was sent from NOVAKY to LUBLIN and from there to AUSCHWITZ.

The declarations tally with all the trustworthy yet fragmentary reports hitherto received, and the dates given with regard to transports to various camps agree with the official records. These statements can, therefore, be considered as entirely credible.

I. AUSCHWITZ AND BIRKENAU

On the 13th April, 1942 our group, consisting of 1,000 men, was loaded into railroad cars at the assembly camp of SERED. The doors were shut so that nothing would reveal the direction of the journey, and when they were opened after a long while we realized that we had crossed the Slovak frontier and were in ZWARDON. The train had until then been guarded by Hlinka men, but was now taken over by SS guards. After a few of the cars had been uncoupled from our convoy, we continued on our way arriving at night at AUSCHWITZ, where we stopped on a sidetrack. The reason the other cars were left behind was apparently the lack of room at AUSCHWITZ. They joined us, however, a few days later. Upon arrival we were placed in rows of five and counted. There were 643 of us. After a walk of about 20 minutes with our heavy packs (we had left Slovakia well equipped), we reached the concentration camp of AUSCHWITZ.

We were at once led into a huge barrack where on the one side we had to deposit all our luggage and on the other side completely undress, leaving our clothes and valuables behind. Naked, we then proceeded to an adjoining barrack where our heads and bodies were shaved and disinfected with lysol. At the exit every man was given a number which began with 28,600 in consecutive order. With this number in hand we were then herded to a third barrack where so-called registration took place. This consisted of tattooing the numbers we had received in the second barrack on the left side of our chests. The extreme brutality with which this was effected made many of us faint. The particulars of our identity were also recorded. Then we were led in groups of a hundred into a cellar, and later to a barrack where we were issued striped prisoners' clothes and wooden clogs. This lasted until 10 a.m. In the afternoon our prisoners' outfits were taken away from us again and replaced by the ragged and dirty remains of Russian uniforms. Thus equipped we were marched off to BIRKENAU.

AUSCHWITZ is a concentration camp for political prisoners under so-called "protective custody." At the time of my arrival, that is in April of 1942, there were about 15,000 prisoners in the camp, the majority of whom were Poles, Germans, and civilian Russians under protective custody. A small number of prisoners came under the categories of criminals and "work-shirkers."

AUSCHWITZ camp headquarters controls at the same time the work-camp of BIRKENAU as well as the farm labor camp of HARMENSE. All the prisoners arrive first at AUSCHWITZ where they are provided with prisoners' immatriculation numbers and then are either kept there, sent to BIRKENAU or, in very small numbers, to HARMENSE. The prisoners receive consecutive numbers upon arrival. Every number is only used once so that the last number

always corresponds to the number of prisoners actually in the camp. At the time of our escape, that is to say at the beginning of April, 1944, the number had risen up to 180,000. At the outset the numbers were tattooed on the left breast, but later, due to their becoming blurred, on the left forearm.

All prisoners, irrespective of category or nationality, are treated the same. However, to facilitate identification, they are distinguished by various coloured triangles sewed on the clothing on the left breast under the immatriculation number. The first letter indicates the nationality of the prisoner. This letter (for instance "P" for Poles) appears in the middle of the triangle. The coloured triangles have the following meaning:

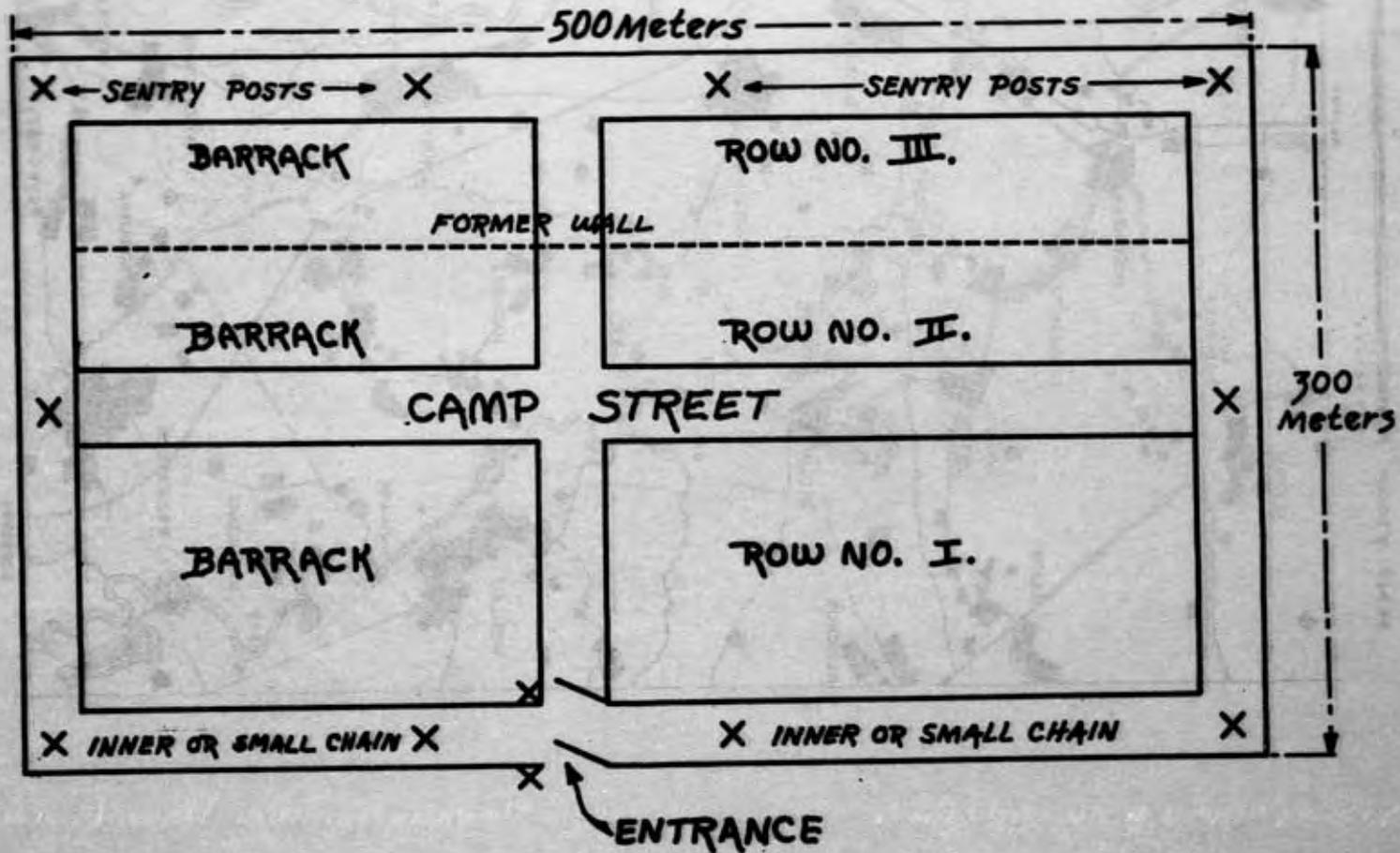
| | |
|--------------|--|
| red triangle | political prisoners under protective custody |
| green " | professional criminals |
| black " | "dodgers" (labor slackers), "anti-socials" (mostly Russians) |
| pink " | homosexuals |
| violet " | members of the religious sect of "Ribelforscher" |

The Jewish prisoners differ from the Aryan prisoners in that their triangle (which in the majority of cases is red) is turned into a David's star by adding yellow points.

Within the enclosure of the camp of AUSCHWITZ there are several factories: a war production plant, Deutscher Aufrüstungswerk (DAW), a factory belonging to the KRUPP works and one to the SIEMENS concern. Outside the boundary of the camp is a tremendous plant covering several square kilometers named "BUNA." The prisoners work in all the aforementioned factories.

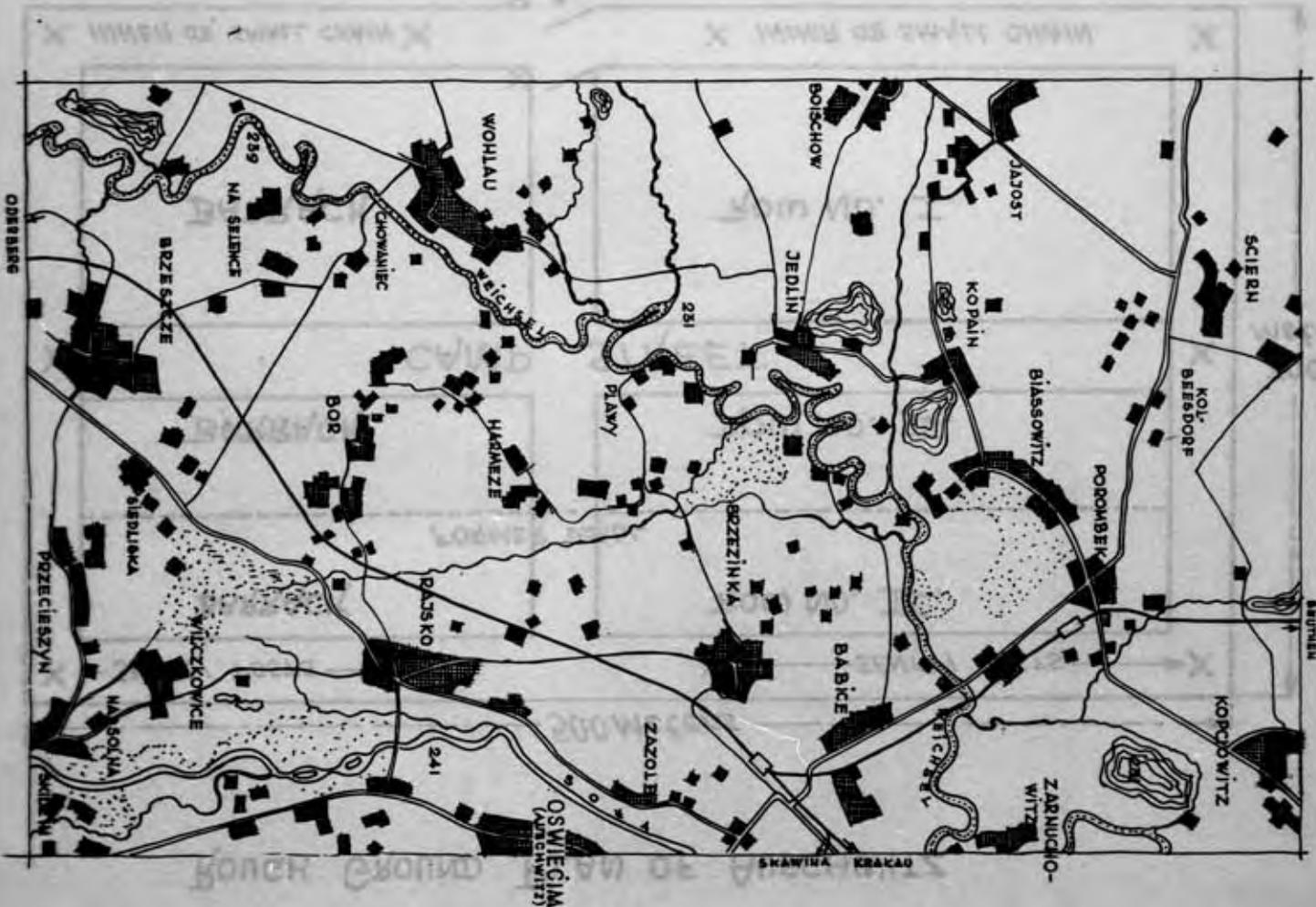
The prisoners' actual living quarters, if such a term may at all be used, inside the camp proper cover an area of approximately 500 by 300 meters surrounded by a double row of concrete posts about 3 meters high which are connected (both inside and outside) with one another by a dense netting of high-tension wires fixed into the posts by insulators. Between these two rows of posts, at intervals of 150 meters, there are 5 meters high watchtowers, equipped with machine guns and searchlights. In front of the inner high-tension circle there is further an ordinary wire fence. Merely touching this fence is answered by a stream of bullets from the watchtowers. This system is called "the small or inner chain of sentry posts." The camp itself is composed of three rows of houses. Between the first and second

ROUGH GROUND PLAN OF AUSCHWITZ



- 3 -

ENTRANCE



SCALE: 1/50 000



- 5 -

row is the camp street, and between the second and third there used to be a wall. The Jewish girls deported from Slovakia in March and April, 1942, over 7,000 of them, lived in the houses separated by this wall up to the middle of August, 1942. After these girls had been removed to BIRKENAU, the wall between the second and third row of houses was removed. The camp entry road cuts across the row of houses, while over the entrance gate, which is of course always heavily guarded, stands the ironic inscription: "Work brings freedom."

At a radius of some 2,000 meters the whole camp is encircled by a second line called "the big or outer chain of sentry posts" also with watchtowers every 150 meters. Between the inner and outer chain of sentry posts are the factories and other workshops. The towers of the inner chain are only manned at night when the high-tension current is switched into the double row of wires. During daytime the garrison of the inner chain of sentry posts is withdrawn, and the men take up duty in the outer chain. Escape through these sentry posts - and many attempts have been made - is practically impossible. Getting through the inner circle of posts at night is completely impossible, and the towers of the outer chain are so close to one another (one every 150 meters, i.e. giving each tower a sector with a 75-meter radius to watch) that approaching unnoticed is out of the question. The guards shoot without warning. The garrison of the outer chain is withdrawn at twilight, but only after it has been ascertained that all the prisoners are within the inner circle. If the roll call reveals that a prisoner is missing, sirens immediately sound the alarm.

The men in the outer chain remain in their towers on the lookout, the inner chain is manned, and a systematic search is begun by hundreds of SS guards and bloodhounds. The siren brings the whole surrounding countryside to a state of alarm, so that if by miracle the escapee has been successful in getting through the outer chain he is nearly certain to be caught by one of the numerous German police and SS patrols. The escapee is furthermore handicapped by his clean-shaven head, his striped prisoner's outfit or red patches sewn on his clothing, and the passiveness of the thoroughly intimidated inhabitants. The mere fact of neglecting to give information on the whereabouts of a prisoner, not to speak of extending help, is punished by death. Provided that the prisoner has not been caught sooner, the garrison of the outer chain of sentry posts remains on the watch for three days and nights after which delay it is presumed that the escapee has succeeded in breaking through the double circle. The following night the outer guard is withdrawn. If the escapee is caught alive, he is hanged in the presence of the whole camp; but if he is found dead, his body - wherever it may have been located - is

brought back to camp (it is easy to identify the corpse by means of the tattooed number) and seated at the entrance gate, a small notice clasped in his hands, reading: "Here I am." During our two years' imprisonment many attempts to escape were made by prisoners but, with the exception of two or three, all were brought back dead or alive. It is not known whether the two or three escapees who were not caught actually managed to get away. It can, however, be asserted that among the Jews who were deported from SLOVAKIA to AUSCHWITZ or BIRKENAU we are the only two who were lucky enough to save ourselves.

As stated previously, we were transferred from AUSCHWITZ to BIRKENAU on the day of our arrival.

Actually there is no such district as BIRKENAU. Even the word BIRKENAU is new in that it has been "adopted" from the nearby Birch Forest (BREZINSKY). The district now called BIRKENAU was, and is still, called "RAJSKA" by the local population. The existing camp center of BIRKENAU lies 4 kilometers distant from AUSCHWITZ. The outer control zones of both BIRKENAU and AUSCHWITZ meet and are merely separated by a railway track. We never found anything out about NEW-BERUN, probably about 30 to 40 kilometers away which, oddly enough, we had to indicate as postal district for BIRKENAU.

At the time of our arrival in BIRKENAU we found there only one huge kitchen for 15,000 people and three stone buildings, two of which were completed and one under construction. The buildings were surrounded by an ordinary barbed wire fence. The prisoners were housed in these buildings and in others later constructed. All are built according to a standard model. Each house is about 30 meters long and 8 to 10 meters wide. Whereas the height of the walls hardly exceeds 2 meters, the roof is disproportionately high - about 5 meters - so that the house gives the impression of a stable surmounted by a large hayloft. There is no inner ceiling, so that the room reaches a height of 7 meters in the center; in other words the pointed roofing rests directly on the four walls. The room is divided in two by a partition running its whole length down the middle and fitted with an opening to enable communication between the two parts thus separated. Along both side walls, as well as along the middle partition, two parallel floors, some 80 centimeters apart, have been built which are in turn divided into small cells by vertical partitions. Thus there are three floors; the ground floor and the two built in the side walls. Normally three people live in each cubicle. As can be judged from the dimensions indicated, these cubicles are too narrow for a man to lie stretched out and not high enough for him to sit upright.

- 7 -

There is no question of having enough space to stand upright. In this way some 400 to 500 people are accommodated in one house or "block," as they are also called.

The present camp of BIRKENAU covers an area of some 1,600 by 500 meters which is surrounded - similar to AUSCHWITZ - by a so-called small or inner chain of sentry posts. Work is now proceeding on a still larger compound which is to be added later on to the already existing camp. The purpose of this extensive planning is not known to us.

Within a radius of 2 kilometers, as with AUSCHWITZ, BIRKENAU is also surrounded by an outer chain of sentry posts with the same type of watch system as at AUSCHWITZ.

The buildings we found on our arrival had been erected by 12,000 Russian prisoners of war brought there in December, 1941. In severe winter weather they had to work under inhuman conditions as a result of which most of them, with the exception of a small number employed in the kitchen, died of exposure. They were numbered from 1 to 12,000 in a series which had no connection with the ordinary camp numbering system previously described. Whenever fresh convoys of Russian prisoners arrived, they were not issued the current AUSCHWITZ prisoner numbers, but received those of deceased Russians in the 1 to 12,000 series. It is, therefore, difficult to estimate how many prisoners of this category passed through the camp. Apparently Russians were transferred to AUSCHWITZ or BIRKENAU on disciplinary grounds from regular prisoner-of-war camps. We found what remained of the Russians in a terrible state of destitution and neglect living in the unfinished building without the slightest protection against cold or rain. They died "en masse." Hundreds and thousands of their bodies were buried superficially, spreading a stench of pestilence. Later we had to exhume and burn the corpses.

A week before our arrival in AUSCHWITZ the first group of Jews reached the camp; (the women were dealt with separately and received numbers parallel to those of the men; the Slovak women received serial numbers from 1 to 8,000) 1,320 naturalized French Jews from Paris. They were numbered from 27,500 onwards. It is clear, therefore, that between this French group and our convoy no other men arrived in AUSCHWITZ, since we have already pointed out that our numbers started with 28,600. We found the 700 French Jews who were still alive in terrible condition, the missing 600 having died within a week after their arrival.

The following categories were housed in the three completed buildings:

I. The so-called "prominencia": professional criminals and older Polish political prisoners who were in charge of the administration of the camp.

II. The remainder of the French Jews, namely some 700.

III. The 643 original Slovak Jews to whom were added a few days later those who had been left at ZWARDON.

IV. Those Russians who were still alive and housed in the unfinished building as well as in the open air and whose numbers diminished so rapidly that as a group they are scarcely worth mentioning.

Together with the remaining Russian prisoners the Slovak Jews worked at the construction of buildings, whereas the French Jews had to do spade work. After three days I was ordered, together with 200 other Slovak Jews, to work in the German armament factories at AUSCHWITZ, but we continued to be housed in BIRKENAU. We left early in the morning returning at night and worked in the carpentry shop as well as on road construction. Our food consisted of one litre of turnip soup at midday and 300 grams of bad bread in the evening. Working conditions were inconceivably hard, so that the majority of us, weakened by starvation and the inedible food, could not stand it. The mortality was so high that every day our group of 200 had 30 to 35 dead. Many were simply beaten to death by the overseers - the "Capos" - during work, without the slightest provocation. The gaps in our ranks caused by these deaths were replaced daily by prisoners from BIRKENAU. Our return at night was extremely painful and dangerous, as we had to drag along over a distance of 5 kilometers our tools, fire wood, heavy caldrons, and the bodies of those who had died or had been killed during the working day. With these heavy loads we were forced to maintain a brisk pace, and anyone incurring the displeasure of one of the "Capos" was cruelly knocked down, if not beaten to death. Until the arrival of the second group of Slovak men some 14 days later, our original number had dwindled to 150. At night we were counted, the bodies of the dead were piled up on flat, narrow-gauge cars or in a truck and brought to the Birch Forest (BREZINSKY) where they were burned in a trench several meters deep and about 15 meters long. Every day on our way to work we met a working party of 300 Jewish girls from Slovakia who were employed on ground work in the vicinity. They were dressed in old Russian uniform rags and wore wooden clogs. Their heads were shaven and, unfortunately, we could not speak to them.

- 9 -

Until the middle of May, 1942, a total of four convoys of male Jews from Slovakia arrived at HIRKENAU and all received similar treatment to ours.

From the first and second transports 120 men were chosen (including myself) and placed at the disposal of the administration of the camp of AUSCHWITZ, which was in need of doctors, dentists, intellectuals, and clerks. This group consisted of 90 Slovak and 30 French Jews. As I had in the meantime managed to work my way up to a good position in HIRKENAU - being in command of a group of 50 men, which had brought me considerable advantage - I at first felt reluctant to leave for AUSCHWITZ. However, I was finally persuaded to go and left. After eight days, 18 doctors and attendants as well as three further persons were selected from this group of 120 intellectuals. The doctors were used in the "sick building" or "hospital" at AUSCHWITZ, while we three were sent back to HIRKENAU. My two comrades, Ladislav Braun from Trnava and Gross from Vrbové (?), both of whom have since died, were sent to the Slovak block while I was ordered to the French section where we were employed at collecting "personal data" and at "nursing the sick." The remaining 99 persons were sent to work in the gravel pit where they all died within a short time.

Shortly thereafter a so-called "sick-building" (Krankenbau) was set up. It was destined to become the much dreaded "Block 7" where at first I was chief attendant and later administrator. The chief of this "infirmary" was a Pole. Actually this building was nothing else than an assembly centre for death candidates. All prisoners incapable of working were sent there. There was no question of any medical attention or care. We had some 150 dead daily and their bodies were sent for cremation to AUSCHWITZ.

At the same time the so-called "selections" were introduced. Twice weekly, Mondays and Thursdays, the camp doctor indicated the number of prisoners who were to be gassed and then burned. These "selectees" were loaded into trucks and brought to the Birch Forest. Those still alive upon arrival were gassed in a big barrack erected near the trench used for burning the bodies. The weekly "draft" in dead from "Block 7" was about 2,000, of whom 1,200 died of "natural death" and about 800 through "selection." For those who had not been "selected" a death certificate was issued and sent to the central administration at ORANIENBURG, whereas for the "selectees" a special register was kept with the indication "S.B." ("Sonderbehandelt" - special treatment). Until January 15, 1943, up to which time I was administrator of "Block 7" and therefore in a position to directly observe happenings, some 50,000 prisoners died of "natural death" or by "selection."

As previously described, the prisoners were numbered consecutively so that we are able to reconstruct fairly clearly their order of succession and the fate which befell each separate convoy on arrival.

The first male Jewish transport reaching AUSCHWITZ for BIRKENAU was composed, as mentioned, of 1,320 naturalized French Jews bearing approximately the following numbers:

- 27,400 - 28,600
28,600 - 29,600 In April, 1942 the first convoy of Slovak Jews (our convoy).
29,600 - 29,700 100 men (Aryans) from various concentration camps.
29,700 - 32,700 3 complete convoys of Slovak Jews.
32,700 - 33,100 400 professional criminals (Aryans) from Warsaw prisons.
33,100 - 35,000 1,900 Jews from Cracow.
35,000 - 36,000 1,000 Poles (Aryans) - political prisoners.
36,000 - 37,300 In May, 1942 - 1,300 Slovak Jews from LUBLIN-MAJDANEK.
37,300 - 37,900 600 Poles (Aryans) from RADOM, amongst them a few Jews.
37,900 - 38,000 100 Poles from the concentration camp of DACHAU.
38,000 - 38,400 400 French naturalized Jews who arrived with their families.

This whole convoy consisted of about 1,600 individuals of whom approximately 200 girls and 400 men were admitted to the camp, while the remaining 1,000 persons (women, old people, children as well as men) were sent without further procedure from the railroad siding directly to the Birch Forest, and there gassed and burned. From this moment on all Jewish convoys were dealt with in the same manner. Approximately 10 percent of the men and 5 percent of the women were allotted to the camps and the remaining members were immediately gassed. This process of extermination had already been applied earlier to the Polish Jews. During long months, without interruption, trucks brought thousands of Jews from the various "ghettos" direct to the pit in the "Birkenwald."

- 11 -

- 38,400 - 39,200 800 naturalized French Jews, the remainder of the convoy was - as previously described - gassed.
- 39,200 - 40,000 800 Poles (Aryans), political prisoners.
- 40,000 - 40,150 150 Slovak Jews with their families.
- Outside of a group of 50 girls sent to the women's camp, all other members were gassed in the Birch Forest. Among the 150 men who came to camp there were a certain Zucker (Christian name unknown) and Sonnenschein, William, both from Eastern Slovakia.
- 40,150 - 43,800 Approximately 4,000 French naturalized Jews, almost all intellectuals; 1,000 women were directed to the women's camp, while the balance of about 3,000 persons were gassed in the usual manner.
- 43,800 - 44,200 400 Slovak Jews from LUBLIN, including Matej Klein and No. 43820, Meiloch Laufer from Eastern Slovakia. This convoy arrived on June 30, 1942.
- 44,200 - 45,000 200 Slovak Jews. The convoy consisted of 1,000 persons. A number of women were sent to the women's camp, the rest gassed in the Birch Wood. Among the prisoners sent to camp were: Jozef Zelmanovic, Snina - Adolf Kahan, Bratislava - Walter Reichmann, Sucany - Esther Kahan, Bratislava.
- 45,000 - 47,000 2,000 Frenchmen (Aryans), communists and other political prisoners, among whom were the brother of Thorez and the young brother of Léon Blum. The latter was atrociously tortured, then gassed and burned.
- 47,000 - 47,500 500 Jews from Holland, in the majority German emigrants. The rest of the convoy, about 2,500 persons, gassed.
- 47,500 - 47,800 About 300 so-called Russians under protective custody.

- 48,300 - 48,620 320 Jews from Slovakia. About 70 girls were transferred to the women's camp, the remainder, some 650 people, gassed in the Birch Wood. This convoy included about 80 people who had been handed over by the Hungarian police to the camp of SERED. Others from this convoy were: Dr. Zoltan Mandel (since deceased) - Holz (Christian name unknown), butcher from Piestany, Miklos Engel, Zilina - Chaim Katz, Snina, (his wife and 6 children were gassed).
- 49,000 - 64,800 15,000 naturalized French, Belgian, and Dutch Jews. This figure certainly represents less than 10 percent of the total convoy. This was between July 1 and September 15, 1942. Large family convoys arrived from various European countries and were at once directed to the Birch Wood. The special squad ("Sonderkommando") employed for gassing and burning worked in day and night shifts. Hundreds of thousands of Jews were gassed during this period.
- 64,800 - 65,000 200 Slovak Jews. Out of this transport about 100 women were admitted to the camp, the rest of them gassed and burned. Among the newly arrived were: Ludwig Katz, Zilina - Avri Burger, Bratislava - Poprad (wife dead) - Mikulas Steiner, Povazska Bystrica - Juraj Fried, Trencin - Buchwald - Josef Rosenwasser, Eastern Slovakia - Julius Neuman, Bardejov - Sandor Wertheimer, Vrbove - Misi Wertheimer, Vrbove - Bela Blau, Zilina.
- 65,000 - 68,000 Naturalized French, Belgian, and Dutch Jews. Not more than 1,000 women were "selected" and sent to the camp. The others, at the lowest estimate 30,000, were gassed.
- 71,000 - 80,000 Naturalized French, Belgian, and Dutch Jews. The prisoners brought to the camp hardly represent 10 percent of the total transport. A conservative estimate would be that approximately 65,000 to 70,000 persons were gassed.

- 13 -

On December 17, 1942, the 200 young Slovak Jews, the so-called "special squad" employed in gassing and burning the condemned, were in turn executed at BIRKENAU. They were executed for having planned to mutiny and escape. A Jew betrayed their preparations. This frightful job had to be taken over by a group of 200 Polish Jews who had just arrived at camp from MAKOW.

The men belonging to the "special squad" lived separately. On account of the dreadful smell spread by them, people had but little contact with them. Besides they were always filthy, destitute, half wild and extraordinarily brutal and ruthless. It was not uncommon to see one of them kill another. This was considered by the others a sensation, a change. One simply recorded that number so-and-so had died.

Once I was an eye-witness when a young Polish Jew named Jossel demonstrated "scientific" murder on a Jew in the presence of an SS guard. He used no weapon, merely his bare hands, to kill his victim.

No. 80,000 marks the beginning of the systematic extermination of the Polish ghettos.

80,000 - 85,000 Approximately 5,000 Jews from various ghettos in MLJAWA - MAKOW - ZICHENOW - LOMZA - GRODNO - BIALOSTOK.

For fully 30 days truck-convoys arrived without interruption. Only 5,000 persons were sent to the concentration camp; all the others were gassed at once. The "special squad" worked in two shifts, 24 hours daily and was scarcely able to cope with the gassing and burning. Without exaggerating it may be said that out of these convoys some 80,000 to 90,000 received "special treatment." These transports also brought in a considerable amount of money, valuables, and precious stones.

85,000 - 92,000 6,000 Jews from GRODNO, BIALOSTOK and CRACOW as well as 1,000 Aryan Poles. The majority of the Jewish convoys were directly gassed and daily about 4,000 Jews were driven into the gas chambers.

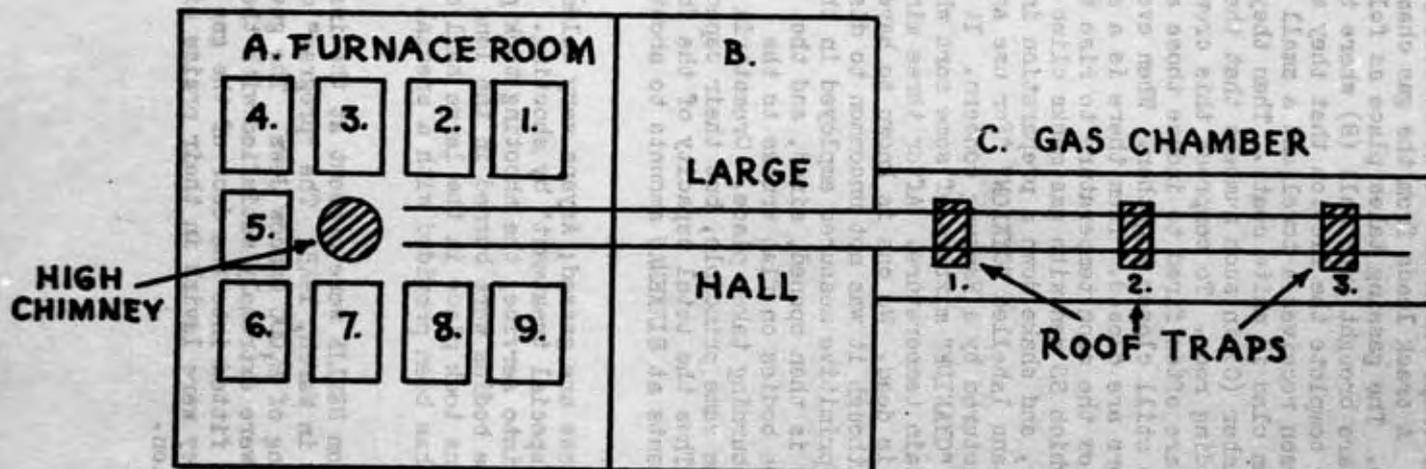
During mid-January, 1943 three convoys of 2,000 persons each from THERESIENSTADT arrived. They bore the designations "CU" "CR" and "R." (The meaning of these signs is unknown to us). These markings were also stamped on their luggage. Out of these 6,000 persons only 600 men and 300 women were admitted to the camp. The remainder were gassed.

- 99,000 - 100,000 End of January, 1943 large convoys of French and Dutch Jews arrived; only a small proportion of them reached the camp.
- 100,000 - 102,000 In February, 1943, 2,000 Aryan Poles, mostly intellectuals.
- 102,000 - 103,000 700 Czech Aryans. Later, those still alive were sent to BUCHENWALD.
- 103,000 - 108,000 3,000 French and Dutch Jews and 2,000 Poles (Aryans).

During the month of February, 1943, two contingents arrived daily. They included Polish, French, and Dutch Jews who, in the main, were sent to the gas chambers. The number gassed during this month can well be estimated at 90,000.

At the end of February, 1943 a new modern crematorium and gassing plant was inaugurated at BIRKENAU. The gassing and burning of the bodies in the Birch Forest was discontinued, the whole job being taken over by the four specially built crematoria. The large ditch was filled in, the ground levelled, and the ashes used as before for fertilizer at the farm labour camp of HERMENSE, so that today it is almost impossible to find traces of the dreadful mass murder which took place here.

At present there are four crematoria in operation at BIRKENAU, two large ones, I and II, and two smaller ones, III and IV. Those of type I and II consist of 3 parts, i.e.: (A) the furnace room; (B) the large hall; and (C) the gas chamber. A huge chimney rises from the furnace room around which are grouped nine furnaces, each having four openings. Each opening can take three normal corpses at once and after an hour and a half the bodies are completely burned. This corresponds to a daily capacity of about 2,000 bodies. Next to this is a large "reception hall" which is arranged so as to give the impression of the antechamber of a bathing establishment. It holds 2,000 people and apparently there is a similar



**ROUGH GROUND PLAN OF
CREMATORIA: TYPES I & II IN BIRKENAU**

waiting room on the floor below. From there a door and a few steps lead down into the very long and narrow gas chamber. The walls of this chamber are also camouflaged with simulated entries to shower rooms in order to mislead the victims. The roof is fitted with three traps which can be hermetically closed from the outside. A track leads from the gas chamber towards the furnace room. The gassing takes place as follows: the unfortunate victims are brought into hall (B) where they are told to undress. To complete the fiction that they are going to bathe, each person receives a towel and a small piece of soap issued by two men clad in white coats. Then they are crowded into the gas chamber (C) in such numbers that there is, of course, only standing room. To compress this crowd into the narrow space, shots are often fired to induce those already at the far end to huddle still closer together. When everybody is inside, the heavy doors are closed. Then there is a short pause, presumably to allow the room temperature to rise to a certain level, after which SS men with gas masks climb on the roof, open the traps, and shake down a preparation in powder form out of tin cans labelled "CYKLON" "For use against vermin," which is manufactured by a Hamburg concern. It is presumed that this is a "CYANIDE" mixture of some sort which turns into gas at a certain temperature. After three minutes everyone in the chamber is dead. No one is known to have survived this ordeal, although it was not uncommon to discover signs of life after the primitive measures employed in the Birch Wood. The chamber is then opened, aired, and the "special squad" carts the bodies on flat trucks to the furnace rooms where the burning takes place. Crematoria III and IV work on nearly the same principle, but their capacity is only half as large. Thus the total capacity of the four cremating and gassing plants at BIRKENAU amounts to about 6,000 daily.

On principle only Jews are gassed; Aryans very seldom, as they are usually given "special treatment" by shooting. Before the crematoria were put into service, the shooting took place in the Birch Wood and the bodies were burned in the long trench; later, however, executions took place in the large hall of one of the crematoria which has been provided with a special installation for this purpose.

Prominent guests from BERLIN were present at the inauguration of the first crematorium in March, 1943. The "program" consisted of the gassing and burning of 8,000 Cracow Jews. The guests, both officers and civilians, were extremely satisfied with the results and the special peephole fitted into the door of the gas chamber was in constant use. They were lavish in their praise of this newly erected installation.

- 17 -

109,000 - 119,000 At the beginning of March, 1943, 45,000 Jews arrived from Saloniki. 10,000 of them came to the camp, including a small percentage of the women; some 30,000 however went straight to the cremating establishment. Of the 10,000 nearly all died a short time later from a contagious illness resembling malaria. They also died of typhus due to the general conditions prevailing in the camp.

Malaria among the Jews and typhus took such toll among the prisoners in general that the "selections" were temporarily suspended. The contaminated Greek Jews were ordered to present themselves and in spite of our repeated warnings many of them did. They were all killed by intracardial phenol injections administered by a lance-corporal of the medical corps.

Out of the 10,000 Greek Jews, some 1,000 men remained alive and were later sent, together with 500 other Jews, to do fortification work in Warsaw. A few weeks later several hundred came back in a pitiful state and were immediately gassed. The remainder presumably died in Warsaw. Four hundred Greek Jews suffering from malaria were sent for "further treatment" to LUBLIN after the phenol injections had been stopped, and it appears that they actually arrived. Their fate is not known to us, but it can be taken for granted that out of the original number of 10,000 Jews not one eventually remained in the camp.

Simultaneously with the stopping of the "selections" the murdering of prisoners was forbidden. Prominent murderers such as: the Reich German professional criminals Alexander Neumann, Zimmer, Albert Haemmerle, Rudi Osteringer, Rudi Bechert, and the political prisoners Alfred Kien and Alois Stahler, were punished for repeated murder and had to make written declaration that they had killed so and so many prisoners.

At the beginning of 1943 the political section of AUSCHWITZ received 500,000 discharge certificates and we thought with ill-concealed joy, that at least a few of us would be liberated. But the forms were simply filled out with the names of those gassed and filed away in the archives.

119,000 - 120,000 1,000 Poles (Aryans) from the PAWIAK penitentiary in Warsaw.

120,000 - 123,000 3,000 Greek Jews, part of whom were sent to replace their comrades in Warsaw. The remainder quickly died off.

123,000 - 124,000 1,000 Poles (Aryans) from RADOM and TARNOW.

124,000 - 126,000 2,000 from mixed Aryan convoys.

In the meantime, ceaseless convoys of Polish and a few French and Belgian Jews arrived and, without exception, were dispatched to the gas chambers. Among them was a transport of 1,000 Polish Jews from MAJDANEK which included three Slovaks, one of whom was a certain Spira from Stropkow or Vranov.

The flow of convoys abruptly ceased at the end of July, 1943 and there was a short breathing space. The crematoria were thoroughly cleaned, the installations repaired and prepared for further use. On August 3 the killing machine again went into operation. The first convoys consisted of Jews from BENZBURG and SOSNOWITZ and others followed during the whole month of August.

132,000 - 136,000 Only 4,000 men and a very small number of women were brought to the camp. Over 35,000 were gassed. Of the aforementioned 4,000 men, many died as a result of bad treatment, hunger or illness; some were even murdered. The main responsibility for these tragedies lies with the criminal TYN, (a Reich German) from the concentration camp of SACHSENHAUSEN and the Polish political prisoner No. 8516, Mieczyslaw KATERZINSKI, from Warsaw.

The "selections" were introduced again and this time to a murderous extent, especially in the women's camp. The camp doctor, an SS "Hauptsturmführer" and the son or nephew of the police president of Berlin (we forget his name) outdid all the others in brutality. The selection system has been continued ever since, until our escape.

137,000 - 138,000 At the end of August 1,000 Poles came from the PAWLAK prison and 80 Jews from Greece.

138,000 - 141,000 3,000 men from various Aryan transports.

142,000 - 145,000 At the beginning of September, 1943, 3,000 Jews arrived from Polish working camps and Russian prisoners of war.

- 19 -

148,000 - 152,000 During the week following September 7, 1943 family transports of Jews arrived from THERESIENSTADT. They enjoyed quite an exceptional status which was incomprehensible to us. The families were not separated and not a single one of them received the customary and "normal" gas treatment. Their heads were not even shaven, they were able to keep their luggage, and were lodged in a separate section of the camp, men, women and children together. The men were not forced to work and a school was even set up for the children under the direction of Fredy HIRSCH (Makabi, Prague). They were allowed to correspond freely. The worst they had to undergo was mistreatment at the hands of their "camp eldest," a certain professional criminal by the name of Arno BÖHM, prisoner No. 8. Our astonishment increased when we learned of the official indication given to this special transport:

"SB" - transport of Czech Jews with six months' quarantine -

We very well knew what "SB" meant ("Sonderbehandlung"), but could not understand the long period of six months' quarantine and the generally clement treatment this group received. The longest quarantine period we had witnessed so far was only three weeks. Towards the end of the six months' period, however, we became convinced that the fate of these Jews would be the same as that of most of the others - the gas chamber. We tried to get in touch with the leader of this group and explain their lot and what they had to expect. Some of them declared (especially Fredy HIRSCH who seemed to enjoy the full confidence of his companions) that if our fears took shape they would organize resistance. Thus, some of them hoped to instigate a general revolt in the camp. On March 6, 1944 we heard that the crematoria were being prepared to receive the Czech Jews.

I hastened to inform Fredy HIRSCH and begged him to take immediate action as they had nothing to lose. He replied that he recognized his duty. Before nightfall I again crept over to the Czech camp where I learned that Fredy HIRSCH was dying; he had poisoned himself with luminol. The next day, March 7, 1944, he was taken, unconscious, along with his 3,791 comrades who had arrived at BIRKENAU on September 7, 1943 on trucks, to the crematoria and gassed. The young people went to their death singing, but to our great disappointment nobody revolted. Some 500 elderly people had died during quarantine. Of all these Jews only 11 twins were left alive. They are being subjected to various medical tests at AUSCHWITZ, and when we left BIRKENAU they were still alive. Among the gassed was Rozsi FURST, from SERED. A week before the gassing, that is to say on March 1, 1944, everyone in the Czech group in the camp had been asked to inform his relatives about his well being. The letters had to be dated March 23 to 25, 1944 and they were requested to ask for food parcels.

- 153,000 - 154,000 1,000 Polish Aryans from the PAVIAK penitentiary.
- 155,000 - 159,000 During October and November, 1943, 4,000 persons from various prisons and smaller transports of Jews from BENZBURG and vicinity, who had been driven out of their hiding places; also a group of Russians under protective custody from the MINSK and VITEBSK regions. Some more Russian prisoners of war arrived and, as stated, they as usual received numbers between 1 and 12,000.
- 160,000 - 165,000 In December, 1943, 5,000 men originating from Dutch, French, Belgian transports and, for the first time, Italian Jews from FIUME, TRIESTE and ROME. Of these at least 30,000 were immediately gassed. The mortality among these Jews was very high and, in addition, the "selection" system was still decimating all ranks. The bestiality of the whole procedure reached its

- 21 -

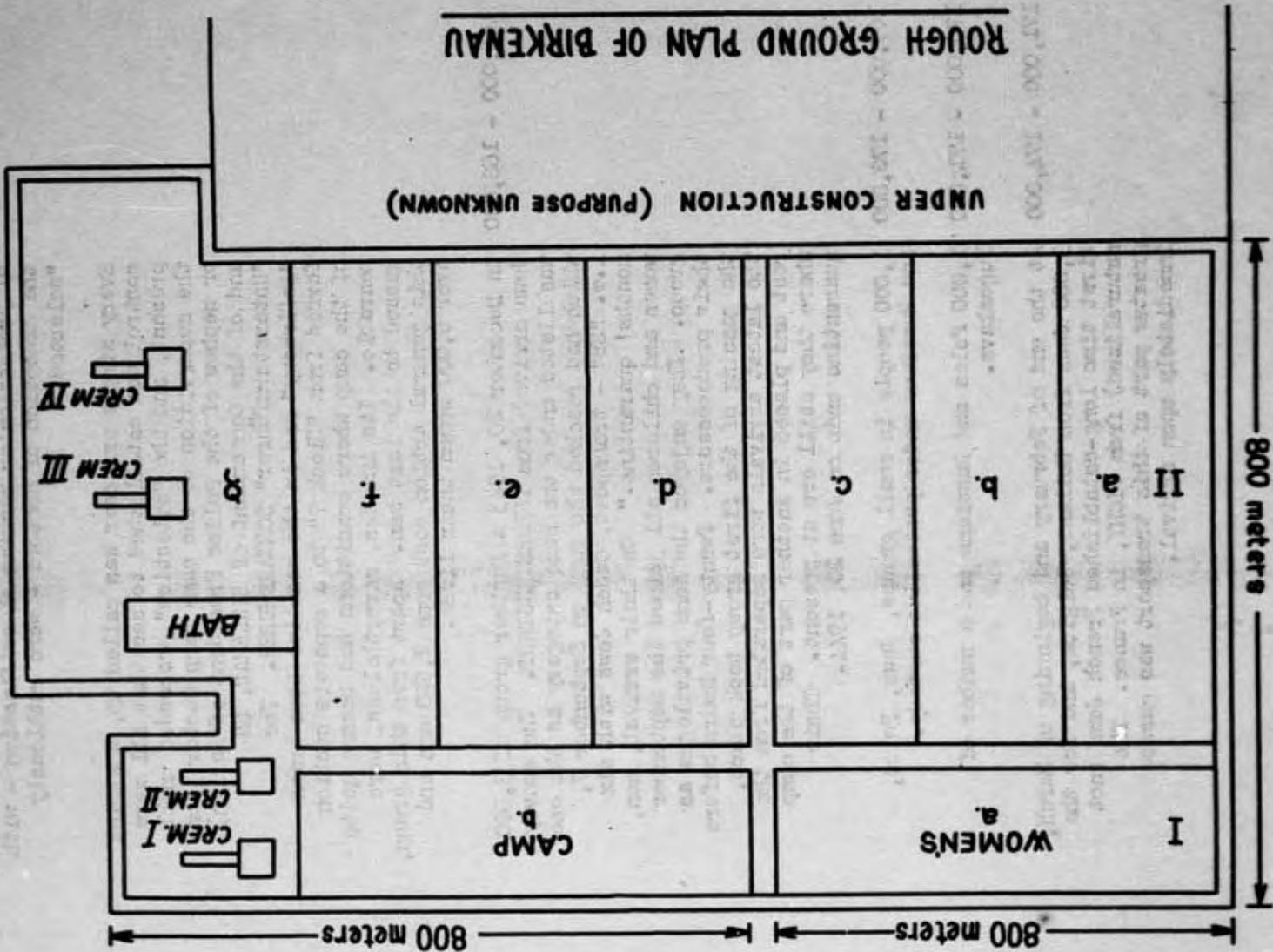
culminating point between January 10 and 24, 1944 when even young and healthy persons irrespective of profession or working classification - with the exception of doctors - were ruthlessly "selected."

Every single prisoner was called up, a strict control was established to see that all were present, and the "selection" proceeded under the supervision of the same camp doctor (son or nephew of the Police President of Berlin) and of the Commandant of HIRKENAU, SS "Untersturmführer" SCHWARZHUBER. The "infirmary" had in the meantime been transferred from "Block 7" to a separate section of the camp where conditions had become quite bearable. Its inmates, nevertheless, were gassed to the last man. Apart from this group, this general action cost some 2,500 men and over 6,000 women their lives.

- 165,000 - 168,000 On December 20, 1943 a further group of 3,000 Jews arrived from THERESIENSTADT. The convoy was listed under the same category as the one which had reached the camp on September 7, i.e. "SB" - transport, Czech Jews with six months' quarantine." On their arrival, men, women and children all joined the September group. They enjoyed the same privileges as their predecessors. Twenty-four hours before the gassing of the first group took place, the latest arrivals were separated from the rest and placed in another part of the camp where they still are at present. Their quarantine ends on June 20, 1944.
- 169,000 - 170,000 1,000 people in small groups, Jews, Poles, and Russians under protective custody.
- 170,000 - 171,000 1,000 Poles and Russians and a number of Yugoslavs.
- 171,000 - 174,000 At the end of February and beginning of March, 3,000 Jews from Holland, Belgium, and for the first time long-established French Jews (not naturalized) from VICHY, in France. The greater part of this transport was gassed immediately upon arrival.

ROUGH GROUND PLAN OF BIRKENAU

UNDER CONSTRUCTION (PURPOSE UNKNOWN)



800 meters

800 meters

800 meters

- 23 -

Small groups of BENZHURGER and SOSNOWITZER Jews, who had been dragged from hiding, arrived in the middle of March. One of them told me that many Polish Jews were crossing over to Slovakia and from there to Hungary and that the Slovak Jews helped them on their way through.

After the gassing of the THERESIENSTADT transport there were no further arrivals until March 15, 1944. The effective strength of the camp rapidly diminished and men of later incoming transports, especially Dutch Jews, were directed to the camp. When we left on April 7, 1944 we heard that large convoys of Greek Jews were expected.

The camp of BIRKENAU consists of three building areas. At present only sections I and II are guarded by the inner chain of sentry posts, whereas section III is still under construction and uninhabited. At the time of our departure from the camp (the beginning of April, 1944), the following categories of prisoners were in BIRKENAU:

Section I (Women's concentration camp)

| | Slov. Jews | Other Jews | Aryans | Remarks |
|-----------|------------|------------|------------|--|
| Ia and Ib | app. 300 | app. 7,000 | app. 6,000 | In addition to the 300 Slovak Jewish girls, app. 100 are employed in the administration building of AUSCHWITZ. |

Section II (Women's Concentration Camp)

| | Slov. Jews | Other Jews | Aryans | Remarks |
|------------------------------|------------|------------|----------|---|
| IIa Quarantine camp | 2 | app. 200 | app. 800 | One of the two Slovak Jews is Dr. Andreas MULLER from Podolinec (block eldest). |
| IIb Jews from THERESIENSTADT | - | " 3,500 | - | With a six months' quarantine. |
| IIc At present uninhabited | - | - | - | |
| IIId "Stammlager" | 58 | " 4,000 | " 6,000 | |
| IIe Gypsy camp | - | - | " 4,500 | This is the remainder of some 16,000 gypsies. They are not used for work and die off rapidly. |
| IIIf Infirmary | 6 | " 1,000 | " 500 | The six Slovak Jews are all employees of the building, namely: |

- No. 36,832 Walter SPITZER, block eldest from NEMSOVA, came to LUBLIN from BIRKENAU.
- " 29,867 Jozef NEUMANN, ("overseer" of the "corpse crew") from SNINA.
- " 44,989 Josef ZEIMANOVIC, "staff" from SNINA.
- Cham KATZ, "staff" from SNINA.
- " 30,049 Ludwig SOLMANN, "clerk" from KESMAREK.
- " 32,407 Ludwig EISENSTADTER, tattooist from KHEMPACHY.

- 25 -

The internal administration of the camp of BIRKENAU is run by specially selected prisoners. The "blocks" are not inhabited according to nationalities but rather according to working categories. Each block is supervised by a staff of five, i.e., a block eldest, a block recorder, a male nurse, and two attendants.

The block eldest

He wears an arm band with the number of his block, and is responsible for order there. He has power over life and death. Until February, 1944 nearly 50 percent of the block eldests were Jews but this was stopped by order of BERLIN. They all had to resign with the exception of three Jews who, in spite of this order, were able to keep their posts.

The block recorder

He is the block eldest's right hand, does all the clerical work, keeping the index cards and records. His work is of great responsibility and he has to keep his ledgers with painful exactitude as the index cards only indicate the number and not the name of the prisoners; errors are fatal. For instance, if the recorder has noted down a death by mistake - and this often occurs with the unusually high mortality - the discrepancy is simply straightened out by killing the bearer of the corresponding number. Corrections are not admitted. The block recorder occupies a key post which is often misused.

Nursing and "room" duties

They consist in keeping the inside of the barracks clean and carrying out small manual jobs in and around the block. Of course there is no question of really taking care of the sick.

The camp eldest supervises the whole camp; he is also a prisoner. This post is at present held by:

Franz DANISCH, No. 11,182, a political prisoner, from KONIGSHÜTTE, Upper Silesia. He is undisputed master of the whole camp and has power to nominate or dismiss block eldests and block-recorders, hand out jobs, etc.

Further we have a "chief recorder" whose position is undoubtedly one of the most powerful in the camp. He is in direct contact with camp headquarters, receiving their orders and reporting on all matters. All camp recorders are directly subordinated to him and have to submit all their reports to him. The chief recorder of BIRKENAU is:

Kasimir GORK, No. 31,029, a Pole from WARSAW, a former bank clerk.

The supreme control over the blocks lies in the hands of six to eight "block leaders," all SS men. Every night they hold roll call, the result of which is communicated to:

The Camp Leader, "Untersturmführer" SCHWARZHUBER, from the Tyrol. This individual is an alcoholic and a sadist. Over him is the camp commander who also controls AUSCHWITZ where there is a second subordinate camp leader. The camp commander's name is: HOESS.

The Chief of a work squad or group is called the "Capo."

During work the "Capo" has full authority over his group of prisoners and not infrequently one of these "Capos" kills a man working under him. In larger squads there may be several "Capos" who are then under the orders of a "Capo-in-chief." At first there were many Jewish "Capos," but an order from BERLIN prohibited their being employed.

Supreme control over work is carried out by German specialists.

II. MAJDANEK

On June 14, 1942 we left NOVAKY, passed through ZILINA and arrived at ZWARDON toward 5 o'clock in the evening. We were assembled, counted, and SS men took over our convoy. One of these guards voiced his surprise at the fact we had made the journey without water by shouting: "Those Slovak barbarians, give them no water!" The journey continued and we reached LUBLIN two days later. Here the following order was issued: "Those fit for work aged between 15 and 50 are to leave the cars. Children and old people remain." We struggled out of the freight car and discovered that the station was surrounded by Lithuanians in SS uniforms, all armed with automatic pistols. The cars containing the children and old people were immediately closed and the train moved on. We do not know where they went and what happened to them.

The SS troop leader in command informed us that we had a long way ahead of us, but that whoever wanted to take his luggage with him could do so. Those who preferred to put it on a truck would certainly receive it later. So some of us dragged along our luggage, whereas others loaded it on the truck.

- 27 -

Behind the town stood a clothing factory called the "Bekleidungswerke." In the courtyard waiting for their noon meal some 1,000 prisoners in dirty striped clothing, obviously Jews, were lined up and the sight of them was none too encouraging. Arriving on a small hill we suddenly sighted the vast barrack camp of MAJDANEK surrounded by a 3-meter-high barbed-wire fence. No sooner had we gone through the entrance gate than I met a prisoner who warned me that all our personal belongings would be taken away. Around us stood Slovak Jews in a wretched condition, their heads shaven, in dirty prison clothes and wooden clogs or simply bare-footed, many of them having swollen feet. They begged us for food and we gave them what we could spare, knowing very well that everything would be confiscated anyway. We were then conducted to the stock room where we had to leave everything we possessed. At double time we were herded into another barrack where we had to undress, were shaved, and given a shower. After this we were issued convict outfits, wooden clogs and caps.

I was assigned to "working section No. 2" as the whole camp was divided into three such sections separated by wire fences. Section No. 2 was occupied by a number of Slovak and Czech Jews. For two full days we were taught how to remove and put on our caps when we met a German. Then in the pouring rain we practiced roll calling for hours.

The barrack accommodations were quite original to say the least. Three long tables (nearly as long as the barrack itself) had been placed one on top of the other. These comprised our "bunks" (4 floors of them, that is ground floor plus the three tables). A small passage was kept open along the walls.

Our food consisted of a fairly thick "soup" early in the morning which had to be eaten with the hands. We got the same soup again at lunch. The evening meal consisted of a brew called "tea," 300 grams of bad bread and some 20 to 30 grams of marmelade or artificial fat of the worst quality.

Great importance was attributed during the first few days to the learning of the "camp song." For hours we stood singing:

From the whole of Europe came
We Jews to Lublin
Much work has to be done
And this is the beginning.

To manage this duty
Forget all about the past
For in fulfillment of duty
There is community.

Therefore on to work with vigour
Let everyone play his part
Together we want to work
At the same pace and rhythm.

Not all will understand
Why we stand here in rows
Those must we soon force
To understand its meaning.

Modern times must teach us
Teach us all along
That it is to work
And only to work we belong.

Therefore on to work with vigour
Let everyone play his part
Together we want to work
At the same pace and rhythm.

(This is a literal translation of the song).

| | | | |
|---------------------|---|-----------------|--|
| Working section No. | I | was occupied by | Slovak Jews |
| " | " | II | " " " Slovak and Czech Jews |
| " | " | III | " " " Partisans |
| " | " | IV & V | was being built by the Jews of Sectors I & II |

The Partisans in section III were locked up in their barracks without having to work and their food was thrown at them as if they had been dogs. They died in great numbers in their overcrowded barracks and were shot at the slightest excuse by the guards who did not dare venture too near them.

The "Capos" were Reich Germans and Czechs; whereas the Germans were brutal, the Czechs helped wherever they could. The camp eldest was a gypsy from HOLIC by the name of GALBAVY. His adjutant, a Jew from SERED called MITTIER, certainly owed his post to his brutal actions. He took full advantage of the power conferred upon him to torment the Jews who, as it was, already had their full share of hardships. The evening roll call brought us more brutal treatment from the SS men and for hours we had to stand in the open after a hard day's work and sing the "camp song." A Jewish orchestra leader was forced to conduct from the roof of one of the barracks. This was the occasion of much hilarity among the SS men.

- 29 -

During these "concert parties" the SS guards were very generous with blows and physical punishment. A tragic end befell Rabbi ECKSTEIN from SERED who was suffering from dysentery and once came a few minutes too late for the roll call. The group leader had him seized and dipped head first into one of the latrines, then poured cold water over him, drew his revolver and shot him.

The crematorium was located between working sections I and II and all the bodies were burned there. With an effective strength of 6,000 to 8,000 men per working section, the mortality was about 30 a day. This figure later increased five and sixfold. In other instances 10 to 20 inmates were removed from the sick room, brought to the crematorium and burned, after having been put to death in a manner which I have not been able to find out. This crematorium was electrically heated and the attendants were Russians.

Illnesses increased as a result of the bad food and intolerable living conditions. Serious stomach troubles and a seemingly incurable foot disease spread throughout the camp. The feet of the victims swelled up to the point where they could not walk. More and more of the sick were now being taken to the crematorium and when on June 26, 1942 the number thus treated rose to 70, I decided to take an opportunity which was offered to me and applied for a transfer to AUSCHWITZ.

On June 27, 1942 I discarded my prisoner's outfit and travelled to AUSCHWITZ in civilian clothes.

After a journey of 48 hours during which we were couped up in freight cars without food or water, we arrived at AUSCHWITZ half dead. At the entrance gate the huge poster, "Work brings freedom," greeted us. As the courtyard was clean and well kept, and the brick buildings made a good impression after the dirty and primitive barracks of LUBLIN, we thought that the change was for the best. We were taken to a cellar and received tea and bread. Next day, however, our civilian clothes were taken away, our heads were shaved, and our numbers were tattooed on our fore-arms in the usual way. Finally, we were issued a set of prisoner's clothes similar to those we had worn in LUBLIN and were enrolled as "political prisoners" in the concentration camp of AUSCHWITZ.

We were billeted in "Block 17" and slept on the floor. In an adjoining row of buildings separated from ours by a high wall, the Jewish girls from Slovakia, who had been brought there in March and April of 1942, were quartered. We worked in the huge "BUNA" plant to which we were herded every morning about 3 a.m. At midday our food consisted of potato or turnip soup and in the evening we received some bread. During work we were terribly mistreated. As our working place was situated outside the large chain of sentry posts, it was divided into small sectors of 10 x 10 meters, each guarded by an SS man. Whoever stepped outside these squares during working hours was immediately shot without warning for having "attempted to escape." Often it happened that out of pure spite an SS man would order a prisoner to fetch some given object outside his square. If he followed the order, he was shot for having left his assigned place. The work was extremely hard and there were no rest periods. The way to and from work had to be covered at a brisk military trot; anyone falling out of line was shot. On my arrival about 3,000 people, of whom 2,000 were Slovak Jews, were working on this emplacement. Very few could bear the strain and although escape seemed hopeless, attempts were made every day. The result was several hangings a week.

After a number of weeks of painful work at the "BUNA" plant a terrible typhus epidemic broke out. The weaker prisoners died in hundreds. An immediate quarantine was ordered and work at the "BUNA" stopped. Those still alive were sent, at the end of July, 1942, to the gravel pit but there work was even still more strenuous. We were in such a state of weakness that, even in trying to do our best, we could not satisfy the overseers. Most of us got swollen feet. Due to our inability to perform the heavy work demanded of us our squad was accused of being lazy and disorderly. Soon after a medical commission inspected all of us; they carried out their job very thoroughly. Anyone with swollen feet or particularly weak was separated from the rest. Although I was in great pain, I controlled myself and stood erect in front of the commission who passed me as physically fit. Out of 300 persons examined, 200 were found to be unfit and immediately sent to BIRKENAU and gassed. I was then detailed for work at the DAW (Deutsche Aufrüstungswerke) where we had to paint skis. The prescribed minimum to be painted each day was 120. Anyone unable to paint this many was thoroughly flogged in the evening. It meant working very hard to avoid this punishment. Another group was employed at making cases for hand grenades. At one time 15,000 had been completed but it was found that they were a few centimeters too small. As punishment several Jews were shot for sabotage.

Somewhere around the middle of August, 1942 all the Jewish girls from Slovakia who lived next to our quarters, on the other side of the wall, were transferred to BIRKENAU. I had the opportunity to talk to them and was able to see how weak and half-starved

- 31 -

all of them were. They were dressed in old Russian uniform rags and wore wooden clogs. Their heads were shaven clean. The same day we again had to undergo a strict examination and those suspected of having typhus were removed to the Birch Wood. The remainder were shaved afresh, bathed, issued a new set of clothes and finally billeted in the barracks the girls had just left. By chance I learned that there was an opening in the "clearance squad" and I handed in my application. I was detailed to this task.

This squad consisted of about a hundred Jewish prisoners. We were sent to a far corner of the camp, away from all our comrades. Here we found huge sheds full of knapsacks, suitcases, and other luggage. We had to open each piece of baggage and sort the contents into large cases specially prepared for each category of goods, i.e. combs, mirrors, sugar, canned food, chocolate, medicines, etc. The cases were then stored away. Underwear, shirts and clothes of all kinds went to a special barrack, where they were sorted out and packed by Jewish girls. Old and worn clothes were addressed to the "TEXTILE FACTORY" at MEMEL, whereas the usable garments were dispatched to a collecting center in BERLIN. Gold, money, bank notes, and precious stones had to be handed over to the political section. Many of these objects were, however, stolen by the SS guards or by prisoners. A brutal and vile individual who often struck the women is commander of this squad. He is SS "Scharführer" WYKLEFF.

Every day the girls who came to their work from BIRKENAU described to us the terrible conditions prevailing there. They were beaten and brutalized and their mortality was much higher than among the men. Twice a week "selections" took place, and every day new girls replaced those who had disappeared.

During a night shift I was able to witness for the first time how incoming convoys were handled. The transport I saw contained Polish Jews. They had received no water for days and when the doors of the freight cars were open we were ordered to chase them out with loud shouts. They were utterly exhausted and about a hundred of them had died during the journey. The living were lined up in rows of five. Our job was to remove the dead, dying, and the luggage from the cars. The dead, and this included anyone unable to stand on his feet, were piled in a heap. Luggage and parcels were collected and stacked up. Then the railroad cars had to be thoroughly cleaned so that no trace of their frightful load was left behind. A commission from the political department proceeded with the "selection" of approximately 10 percent of the men and 5 percent of the women and had them transferred to the camps. The remainder were loaded on trucks, sent to BIRKENAU,

and gassed while the dead and dying were taken directly to the furnaces. It often happened that small children were thrown alive into the trucks along with the dead. Parcels and luggage were taken to the warehouses and sorted out in the previously described manner.

Between July and September, 1942 a typhus epidemic had raged in AUSCHWITZ, especially in the women's camp of BIRKENAU. None of the sick received medical attention and in the first stages of the epidemic a great many were killed by phenol injections, and later on others were gassed wholesale. Some 15,000 to 20,000, mostly Jews, died during these two months. The girls' camp suffered the most, as it was not fitted with sanitary installations, and the poor wretches were covered with lice. Every week large "selections" took place and the girls had to present themselves naked to the "selection committee," regardless of weather conditions. They waited in deadly fear whether they would be chosen or given another week's grace. Suicides were frequent and were mostly committed by throwing one's self against the high tension wires of the inner fence. This went on until they had dwindled to 5 percent of their original number. Now there are only 400 of these girls left and most of them have been able to secure some sort of clerical post in the women's camp. About 100 girls hold jobs at the staff building in AUSCHWITZ where they do all the clerical work connected with the administration of the two camps. Thanks to their knowledge of languages they are also used as interpreters. Others are employed in the main kitchen and laundry. Of late these girls have been able to dress themselves quite well as they have had opportunities to complete their wardrobes which, in some cases, even include silk stockings. Generally speaking they are reasonably well off and are even allowed to let their hair grow. Of course this cannot be said of the other Jewish inmates of the women's camp. It just so happens that these Slovak Jewish girls have been in the camp the longest of all. But if today they enjoy certain privileges, they have previously undergone frightful sufferings.

I was not to hold this comparatively good job with the "clearance squad" for long. Shortly afterwards I was transferred to BIRKENAU on disciplinary grounds and remained there over a year and a half. On April 7, 1944 I managed to escape with my companion.

- 33 -

Careful estimate of the number of Jews gassed
 in BIRKENAU between April, 1942 and April, 1944
 (according to countries of origin).

| | |
|---|--------------------------------|
| Poland (transported by truck) | approximately 300,000 |
| " " " " train | " 600,000 |
| Holland | " 100,000 |
| Greece | " 45,000 |
| France | " 150,000 |
| Belgium | " 50,000 |
| Germany | " 60,000 |
| Yugoslavia, Italy and Norway | " 50,000 |
| Lithuania | " 50,000 |
| Bohemia, Moravia and Austria | " 30,000 |
| Slovakia | " 30,000 |
| Various camps for foreign Jews in Poland .. | " 300,000 |
| | <u>approximately 1,765,000</u> |

III.

On August 6, 1944 a report was received in Switzerland covering the happenings in BIRKENAU during the period between April 7 and May 27. This second report was drawn up by two other young Jews who succeeded in escaping from this camp and reaching Slovakia.

Their declarations complete the first report, particularly in regard to the arrival of the Hungarian Jews in BIRKENAU. They also add certain new details not contained in the previous accounts. It has not been possible, however, to check the origin of this "second report" as closely as it was the first.

After the flight of the two Slovak Jews from BIRKENAU on April 7, 1944 great excitement reigned in the camp. The "Political Division" of the Gestapo instituted a thoroughgoing investigation, and the friends and superiors of the two escapees were closely questioned, although in vain. Since the two had held posts as "block recorders," all Jews exercising such functions, by way of punishment and also as a precautionary measure, were removed and, as the Gestapo suspected that they had succeeded in escaping through Building No. 3, the outer chain of sentry posts was considerably shortened so that now it cuts through the middle of Building No. 3.

At the beginning of the month of April, a transport of Greek Jews arrived, of whom about 200 were admitted to the camp. The remainder of circa 1,500 were immediately gassed.

Between the 10th and 15th of April some 5,000 "Aryans" arrived in BIRKENAU, mainly Poles, some 2,000 to 3,000 women among them being from the abandoned camp of LUBLIN-MAJDANEK. They were given numbers running from approximately:

176,000 to 181,000 Among the women were about 300 Jewish girls from Poland. The greater part of the new arrivals were ill, weak, and very run down. According to their information the healthy ones had been sent from LUBLIN to German concentration camps. Concerning the fate of the Jews held in the camp of LUBLIN-MAJDANEK, we learned from them, especially from the Jewish girls, that on November 3, 1943 all Jews in this camp, that is some 11,000 men and 6,000 women, were killed.

We recalled that about this time the SS in BIRKENAU had reported that LUBLIN had been attacked by partisans and, in order to fight against the latter, a number of the SS personnel from BIRKENAU had been temporarily transferred to LUBLIN. It was now clear to us for what purpose our SS had gone to LUBLIN.

Apparently the Jews had been compelled to dig a long, deep grave in Field V of the camp of MAJDANEK and on November 3 they were brought out in groups of 200 to 300, shot and thrown into the grave. Within 24 hours everything was over. During the execution loud music was played to drown out the shots.

Three hundred girls who were active in LUBLIN on the "clearing-up Commando" and as recorders were left alive. Three days after their arrival in BIRKENAU they were all gassed and burned on special order of BERLIN. Through an error on the part of the "recorder" two of the girls were not sent to the gas chamber. This was discovered, however, the next day, and the girls were immediately shot and the recorder replaced.

The fate of the LUBLIN Jews caused great depression among the Jews in the camp of BIRKENAU who became afraid that one day the whole of BIRKENAU would suddenly be "liquidated" in the same way.

Approximately
No. 182,000

Toward the end of April more Greek Jews were brought to BIRKENAU. Some 200 were admitted to the camp and about 3,000 exterminated.

183,000 to 185,000

At the beginning of May, 1944 smaller transports of Dutch, French, Belgian, and Greek Jews arrived, as well as Polish "Aryans." Most of them were put to work in the Buna plant.

On May 10, 1944 the first transport of Hungarian Jews arrived in BIRKENAU. They were principally from the prisons of Budapest, including those who had been arrested in the streets and railroad stations of the city. Among the women were:

Ruth Lorant
Mici Lorant
Ruth Quasztler
Irene Roth
Barna Fuchs

The transport was received in AUSCHWITZ and BIRKENAU according to the well-known procedure (heads shaved, numbers tattooed, etc.) The men were given numbers beginning with 186,000 and the women were placed in the women's camp. About 600 men, of whom some 150 were between the ages of 45 and 60, were brought to BIRKENAU where they were divided up among various work detachments. The remainder stayed in AUSCHWITZ where they worked in the Buna plant.

The members of the transport were all left alive and none of them, as had been customary, were sent directly to the crematoria. In the postcards which they were allowed to write, they had to give "Waldsee" as return address.

On May 15 mass transports from Hungary began to arrive in BIRKENAU. Some 14,000 to 15,000 Jews arrived daily. The spur railroad track which ran into the camp to the crematoria was completed in great haste, the crews working night and day, so that the transports could be brought directly to the crematoria. Only about 10 percent of these transports were admitted to the camp; the balance were immediately gassed and burned. Never had so many Jews been gassed since the establishment of BIRKENAU. The "Special Commando" had to be increased to 600 men and, after two or three days, to 800 (people being recruited from among the Hungarian Jews who had arrived first). The size of the "Clearing Commando" was stepped up from 150 to 700 men. Three crematoria worked day and night (the 4th was being repaired at that time) and, since the capacity of the crematoria was not enough, great pits 30 meters long and 15 meters wide were once more dug in the "Birkenwald" (as in the time before the crematoria) where corpses were burned day and night. Thus the "exterminating capacity" became almost unlimited.

The Hungarian Jews who were left alive (about 10 percent) were not included in the normal camp "enrollment." Although they were shaved and shorn and received convict's clothing, they were not tattooed. They were housed in a separate section of the camp, section "C", and were later transferred to various concentration camps in the German Reich: Buchenwald, Mauthausen, Grossrosen,

Gusen, Flossenburg, Sachsenhausen, etc. The women were temporarily quartered in the "gypsy camp" in separate blocks and then also transferred elsewhere. Jewish girls from Slovakia were "block eldests" there.

The first Hungarian transports came from: Munkacs, Nagyszőlős, Nyiregyhaza, Ungvar, Huszt, Kassau, Beregszasz, Marmarossziget, Nagyberezna. Among those remaining alive were:

Robert and Ervin Waizen
Stark
Ehrenreich
Katz, Chaim

The last two have already been transferred. The parents of the Waizen brothers were gassed.

The transports of Hungarian Jews were under the particular control of the former Camp Commander "Hauptstumbannführer" HOSS, who travelled continually between AUSCHWITZ and Budapest. The Commandant of Birkenau at this time was HOSS' former adjutant, "Hauptsturmführer" KRAMER.

187,000 to 189,000 1,600 French "Aryans," almost exclusively intellectuals and prominent persons, including a small number of Polish "emigrés." Among the French were high officers, members of leading French financial circles, well-known journalists and politicians, and even, it was said, former ministers. On their arrival some of them rebelled but were put down in an exceedingly brutal fashion by the SS, some of them being shot on the spot. The French were very courageous and self-possessed. They were strictly isolated in BIRKENAU and no one was allowed to have any contact with them. After two weeks, on orders from Berlin, they were sent to Mauthausen (near Linz, in Austria.).

Since the middle of May the newly arrived Jews no longer received consecutive numbers, as formerly. A new numbering system was inaugurated beginning with No. 1 preceded by the tattooed letter "A." We do not know the reason for this measure. At the time of our flight on May 27, 1944 about 4,000 Jews had received these new numbers. The 4,000 were composed of 1,000 Dutch, French, and Italian Jews and 3,000 Jews from THERESIENSTADT who reached BIRKENAU on May 23, 1944. These were treated exactly as the previous two transports from THERESIENSTADT. They were quartered

(unshorn) with the members of the previous convoy from THERESIENSTADT (who have been in BIRKENAU since December 20, 1943 and whose "quarantine" is due to be up on June 20, 1944) in Section IIB.

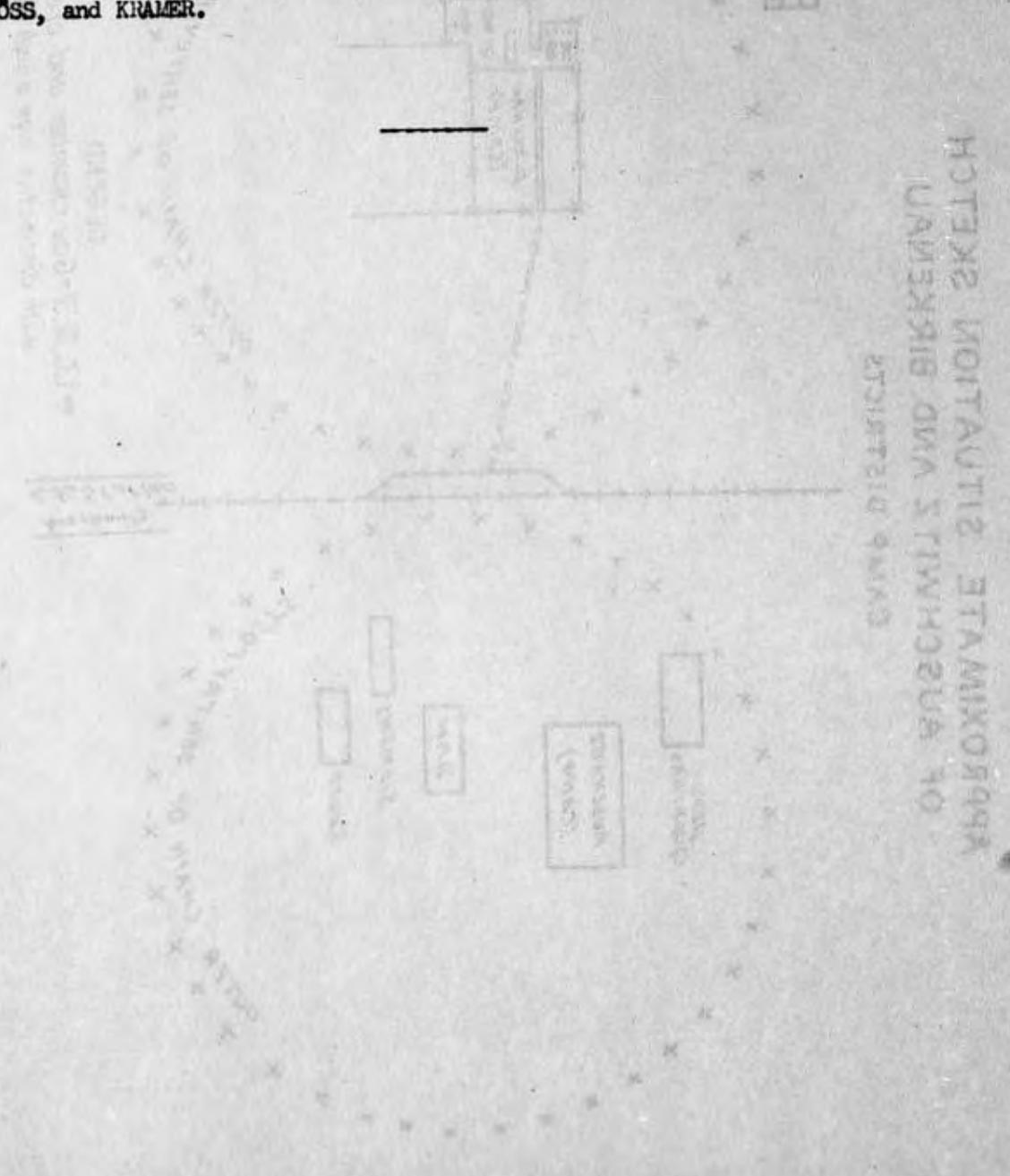
According to the statement of a Jew from the "Special Commando," "Reichsführer" Himmler was said to have visited BIRKENAU on the 15th or 16th of May. On one of these days I myself saw three automobiles and five men in civilian clothing drive toward the crematoria. The Jew who made this statement declared that he, as well as others, recognized Himmler, who had visited crematorium No. 1 and after a stay of about half an hour had again driven off with those accompanying him. On the day after there was an account in the Silesian newspapers of Himmler's visit to Cracow, so that this report could be true.

One other happening should not be forgotten which was told to us by the men of the "Special Commando." In the late summer of 1943 a commission of four Dutch Jews - distinguished looking men - came to AUSCHWITZ. Their visit had already apparently been announced to the Camp Commander, for the Dutch Jews in AUSCHWITZ received better clothes, as well as regular eating equipment (plates, spoons, etc.) and better food. The commission of four were very politely received and were shown over the camp buildings and particularly those portions which were clean and made a good impression. Dutch Jews from the camp were brought to them who reported that only a portion of the Dutch Jews were in this camp, the others being in other similar camps. In this manner the four men were satisfied and signed a statement according to which the commission had found everything in good order in AUSCHWITZ. After the signing the four Dutch Jews expressed a desire to see the camp of BIRKENAU and particularly the crematoria about which they had heard some stories. The camp authorities declared themselves quite willing to show them both BIRKENAU and the crematoria, the latter being used, they said, to cremate those who died in the camp. The commission was then taken to BIRKENAU, accompanied by the camp leader, Aumayer, and immediately to crematorium No. 1. Here they were shot from behind. A telegram was supposedly sent to Holland reporting that after leaving AUSCHWITZ the four men had been victims of an unfortunate automobile accident.

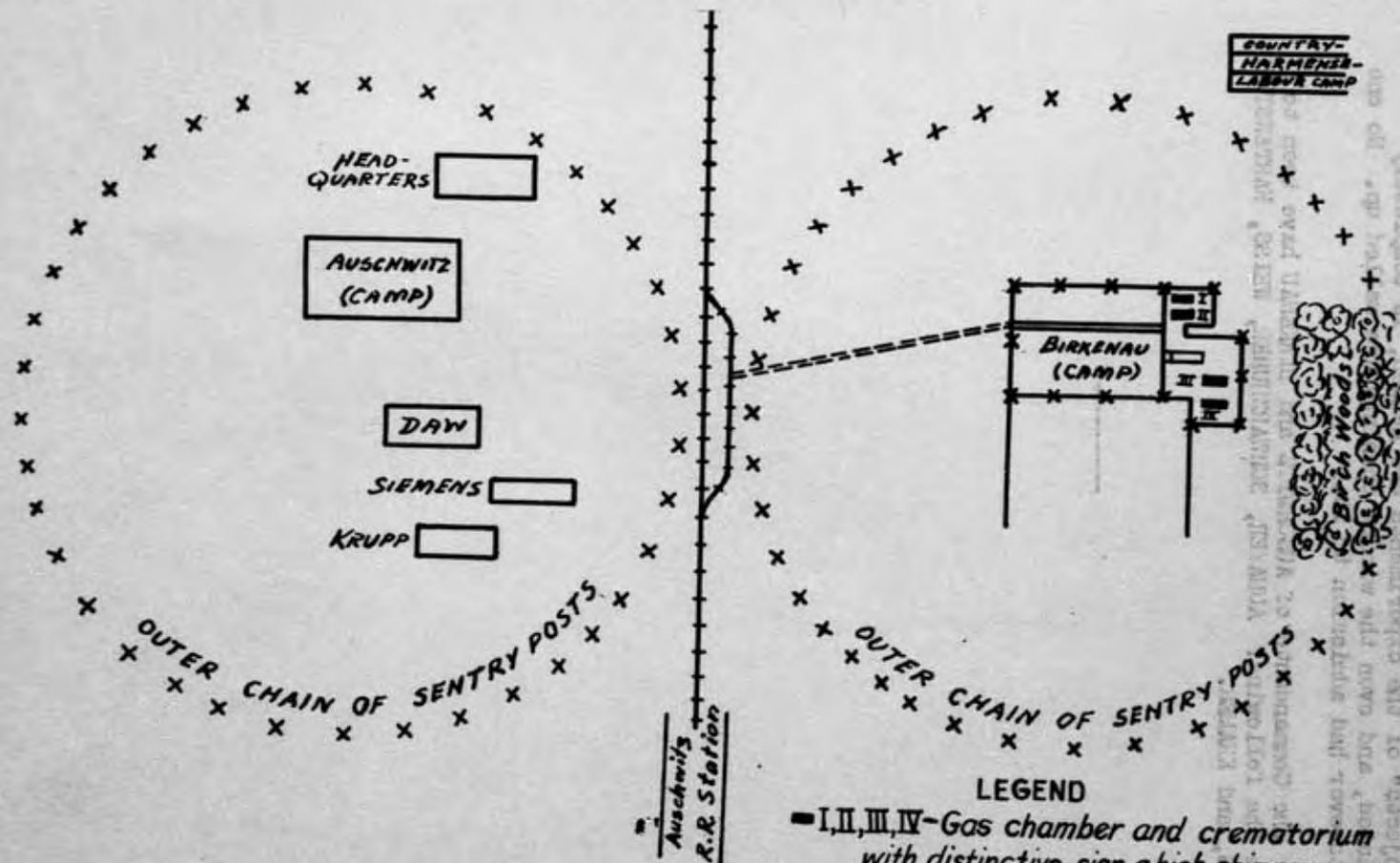
There is a biological laboratory in AUSCHWITZ where SS, civilian, and internee doctors are occupied. The women and girls on whom experiments are performed are housed in Block 10. For a long time the "block eldest" there was Magda Hellinger from Michalovce and a girl named Rozsi (family name unknown) from Humené. Experiments were carried out only on Jewish girls and women, although to date no Slovakian girls have been used.

Experiments were also performed on men but the latter were not housed separately. A great many died as a result of these experiments. Often gypsies were used. Block 10, where the "subjects" of the experiments are housed, is completely isolated, and even the window openings are walled up. No one whatsoever had admission to it.

The Commandants of AUSCHWITZ and BERGENSEE have been to date the following: AUMAYER, SCHWARZHUBER, WEISS, HARTENSTEIN, HOSS, and KRAMER.



APPROXIMATE SITUATION SKETCH OF AUSCHWITZ AND BIRKENAU CAMP DISTRICTS



COUNTRY-
HARMENIA-
LABOUR CAMP

Birch Woods

No. 2

TRANSPORT

(The Polish Major's Report)

I. TRANSPORT

On March 24, 1942 we were gathered together in special "assembling cell" No. 2 of the Montelupich prison in Cracow. We knew that our group consisting of 60 men was to be sent to the concentration camp of OSWIECIM (AUSCHWITZ). At 8 o'clock the next morning, two SS guards appeared with lists and started counting those present. We had to undress and wait. Finally the doors were opened and we caught sight of two columns of SS guards and policemen with fixed bayonets. In the courtyard two trucks were parked in each of which 30 men had to take their places. These trucks were quite small and the space on the inside was divided in two by a chain running across the middle. The first to enter had to stand with bent heads, whereas the others crouched down between the legs of the standing men. In this way it was possible to fill up the very small space with 30 men. We were loaded in with blows from rifle-butts, shouts and kicks. In the second separated section of the truck, two SS men stood guard with machine guns. We departed. Behind us, at a certain distance, followed motor-cyclists with machine guns. Our trucks were hermetically closed so that there was no possibility of seeing where we were going. Our journey lasted 1 1/2 hours with several short stops. Our limbs grew stiff as there was no possibility of changing one's position, and one of our men who was up against the chain became unconscious. He was brought back to his senses by blows from the guards. At last we arrived, staggered to the ground, and found ourselves standing in front of a gate over which we could read: "Work brings freedom." Inside, an orchestra was playing. This was AUSCHWITZ and it appeared that we were expected.

We were lined up in columns of five (a system applied on every conceivable occasion in the camp) and the names of the "newcomers" were once more read out. The man called up had immediately to run over to the one reading the roll and place himself in a line with those already summoned, after having received his number from the hands of an assistant. From this moment on, names were replaced by numbers. This system of "reception" was maintained until the summer of 1943. Later, all the prisoners (with the exception of Germans) had their numbers tattooed on their upper forearms, which had been the practice in the case of the Jews from the beginning. This whole numbering system was apparently applied to lessen the possibility of escape and to make it easier to identify the bodies. These numbers were handed to us by the "block leader" named STUBA, after which we went bareheaded and accompanied by the orchestra into the camp itself. The clock stood at 11 a.m. After a short visit to the "stock" room, we were shut

up in a barrack until 5 p.m. There we were visited by a number of old inmates who earnestly begged us to give them our watches, rings, lighters, and cigarettes to avoid their being confiscated. Any food brought with us should be eaten at once, as it would be taken away as well. In return, the prisoners promised us bread, soup, etc., once we were officially incorporated into their ranks. At last the Capo (a sort of camp overseer) arrived and delivered a short talk in which he stressed that a prisoner could not exist in this camp for more than two months without the help of his comrades; and this was to be confirmed later on by numerous examples. Out of the 60 originally in my group I was to be the only survivor.

At 5 p.m. we were herded out into the corridor. There we had to undress and pack our clothes into bundles provided with our respective numbers. We stood there naked. All we were allowed to keep were a belt and two handkerchiefs. I wanted to keep a small holy picture, but one of the prisoners who acted as assistant in these operations dissuaded me, saying: "It isn't worth while; you will merely be laughed at and it will finally be taken anyway." First, our hair was cut short and then our heads shaved, after which we were given a bath. The water was very warm. All these preparations prior to being admitted as an inmate to the camp took place in "Block 27." Next, although it was snowing, we had to run to "Block 26" where the clothing room was located. There we were issued our prisoner's outfits which consisted of a shirt, underpants, shoes, socks, a warm jacket, trousers, vest, cap, and blanket. Everything was filthy, patched, and practically worn out. My jacket, for instance, could be buttoned up in front, but the back and sleeves merely consisted of black strips of cloth patched together. Finally this operation came to an end and we were again lined up in rows of five and taken to one of the "blocks." There we were awaited by the "block leader" (most of them were Poles from Upper Silesia) who initiated us into the mysteries of barrack duties. We were instructed in sweeping and cleaning the dormitories, in taking off our caps when commanded, and how to keep in line and step. Orders were given in German and when badly carried out the block leader grew furious and struck people right and left. The evening roll call finally put an end to these exercises. The block leader then assembled his people in front of their respective blocks and, in turn, all the block leaders presented their figures to the chief recorder or clerk. If the number of prisoners tallied with the records, the roll call was over; actually the whole tiring ceremony was nothing else but one of the numerous ways in which the prisoners were mistreated. During 1940, 1941, and 1942 the roll call was usually expected to last at least an hour in all weather conditions - frost, rain, or snow - the prisoners having to wait patiently with bare heads. If an escape was reported,

- 3 -

which resulted in a "manco" at evening roll call, all those assembled had to wait outside until the result of the search was known. The search parties usually returned three or four hours later and with disastrous consequences for all the prisoners' health. In 1940, for example, one escape cost the lives of a hundred inmates. It was during severe winter weather and the prisoners were forced to stand out of doors from 3:30 in the afternoon until 11 o'clock the next morning, as a result of which a hundred totally or half-frozen men were counted.

After the roll call we returned to our blocks where we were allotted "rooms;" we slept three to a bed. Old-timers told us that the best thing to do was to use our clothing as a pillow; otherwise something was bound to be stolen. So we lay down without having had the slightest bit of food the whole day. The "reception" had been so strenuous and exhausting that all of us immediately fell asleep.

At 4 a.m. we were awakened by a gong and frightful confusion ensued. About 100 people were compressed into the small hall space and in a wild stampede each one first tried to tidy up his bed (the block leader would not tolerate the smallest wrinkle in the bedding) and dress himself. There was no question of washing. Ten minutes after the gong had sounded the "room eldest" arrived and kicked everyone out into the corridor as the "rooms" had to be cleaned. The corridor was thronged with people who flocked together from all over the block. Most of them had managed to get dressed. There was really scarcely room to move in this crowd and we were pushed against walls and squashed into corners and often kicked or hit for no apparent reason. After having been in the camp for over 24 hours, we finally received some cold, unsweetened coffee, after which there was a further wait of one and one-half hours until roll call; then all the prisoners were taken to work. The newcomers were at first told to fill in questionnaires in which they had to indicate an address where they desired their letters to be sent. It was strictly forbidden not to give an address or not to write, as "they" obviously needed an address to which the death of a prisoner could be reported when the need arose.

Each of us was issued a piece of cloth with a triangle and his number painted on it, which we were instructed to sew on our tunics. Prisoners were numbered from No. 1 onwards, and in November, 1943 the last consecutive serial number had reached 170,000. The triangles in question were of different colors, each representing a category of criminal or prisoner. The "Aryan" triangle was red, the red corresponding to a political prisoner, green to professional criminals, black to "work-shirkers," pink to homosexuals (according to paragraph 175) and

violet to members of the "Bibelforscher" religious sect. In addition, a large letter indicated the nationality of the prisoner, such as "P" for the Poles, etc. For Jews the insignia was composed of a yellow triangle on which was sewn a second triangle whose color corresponded to the "crime," the whole forming a Jewish star. From this marking system one could therefore rapidly pick out, for instance, a Polish Jewish political prisoner or a Jewish "work-slacker," etc.

When we had finished sewing on our triangles and numbers, we were herded over to the "infirmary" where we were to be "examined" by a German doctor regarding our physical aptness for work. Again we had to undress and stand in a chilly corridor for almost three hours, shivering, as the weather was still very cold even at the end of March. We met old acquaintances who were working in the infirmary and their first concern was to have news of their relatives. Upon the doctor's arrival we had to present ourselves in groups, standing stiffly at attention. All that was required of us was to stretch out an arm, move the fingers, turn around and march off. The examination consisted of nothing more and all of us were, of course, considered fit for work. Hadn't we come here for this very purpose and besides, didn't "Work bring freedom?" We knew only too well what it meant to be considered unfit for work: being taken away and condemned to "liquidation" by gas. At last we received our first warm nourishment in 36 hours. The camp food consisted of coffee or cold tea (made from acorn leaves, etc.) in the morning and soup, thick or thin as the case might be, at midday. From the time of our arrival at the camp we had soup made from water and turnips during fully five months. After evening roll call we received 300 grams of bread, although its weight was usually considerably diminished by the time it reached the prisoner. On Mondays and Saturdays, 300 to 400 grams of cheese were distributed. It was some sort of a crude home-made, peasant cheese which often contained more worms than cheese. Rations further included 1/2 kilo of margarine for twelve persons, distributed every Tuesday, Thursday, or Friday, and blood sausage or red sausage on Wednesdays and Mondays. These rations represented approximately 300 to 400 grams. In addition to margarine on Tuesdays and Fridays we also received a spoonful of marmelade per person. Since the barrel, however, bore a label stating that the marmelade was destined for the camp, its quality was correspondingly bad. Theoretically, the above are the rations each inmate received but, practically, a good part of them were stolen before they were actually distributed. In the evening, tea or coffee was distributed with the bread. The soup had to be licked up, as most of the prisoners did not possess spoons. I forgot to mention that we had to eat our food squatting on our haunches as a punishment by the room eldest to us newcomers for having crowded around the soup kettle during distribution.

- 5 -

After our meal we were sent to the identification service where photographs from three different angles were taken. So on that day the camp picture gallery was increased by 60 more criminals! One by one we were called up, and I noticed that my comrades came out of the photographer's room looking frightened. Beware! It was my turn. I was seated on a chair and photographed. When I tried to get up, the floor started moving and, losing my balance, I was thrown against the wall. It was a practical joke played by the photographers, (all of whom are Poles) in setting the revolving platform in motion when one got up. It was not surprising that they sometimes had to have some kind of amusement even at the expense of their camp comrades. We then returned to our quarters and by that time the roll call was again due. So ended our second day in camp; and the next morning we were to be marched off to work with all the other inmates.

All the prisoners had to work except the sick, those in "quarantine," and those confined to their cells. The total camp strength was divided into camp commandos or squads which were each headed by a "Capo," or leader, and several foremen. At the head of large working units was a "Chief Capo" who was assisted by several "Capos" and foremen. The size of one of these squads varied from one to several hundred men. Although the Capo was really in charge, a foreman often took over a group of ten, twenty, or thirty workmen. The head of the labor administration chose the "Capos," with the consent of the "Chief Capo," the prisoners being assigned to squads by the central administration. Work started after the morning roll call, i.e. in summer from 5 a.m. to 12 m. and 1 p.m. to 6 p.m., in winter from 7 a.m. to 3 p.m. without interruption. There were workshops for craftsmen, farmers, industrial workers, and various technical trades. Many, particularly those in favor, worked in the camp administration. The camp was provided with an "infirmary," a "canteen," a laundry, a bakery, and a slaughter house. Thus prisoners with certain technical training could, in principle, work in their own trades. Intellectuals, liberal professional men, shop keepers, or office workers were the worst off and they represented fully 70 percent of the total number of prisoners. The latter were all employed as unskilled labor in the worst and hardest jobs, such as the coal and gravel pits. The mortality among them was frightfully high. But it seemed to be the aim of the camp administration to kill them off as rapidly as possible.

II. MY FIRST DAYS IN CAMP - THE "INFIRMARY"

My first job was with a demolition squad. Since the area surrounding the camp of AUSCHWITZ had been evacuated for a radius of almost 100 kilometers, all buildings, unless taken over by the camp, had to be torn down. Even new buildings were demolished. Our work consisted in tearing down such houses and was exceedingly strenuous, particularly since we were expected to work at top speed. A squad consisting of 50 men was supposed to demolish a large building within three to four days; and we were instructed to salvage all building material. The roof of a house, for instance, had to be carefully taken down and all planks, beams, tiles, etc., stacked away. Nothing was to be broken; in fact, the slightest damage to anything resulted in an immediate and severe beating with a shovel or pick handle. The walls had to be broken down literally by hand, brick by brick, the cement sticking to each brick being afterwards removed and the bricks piled neatly up. Even the foundations had to be torn out and the ground afterwards levelled so that no trace of the house remained. Many men died at this work, not only from exposure and the strain, but from falling walls and beams - especially those who were elderly or slow. From the 50 who set out in the morning seldom more than 40 returned on their own legs. The remainder were either brought as corpses or in a state of complete collapse in wheelbarrows or on boards. These poor souls still were expected to appear at evening roll call, after which they were taken to the infirmary. From my working comrades who went there I never saw one alive again.

My work with this squad lasted over a month. I was then transferred to the ditch-digging squad. Trenches of from 2 1/2 to 3 meters deep had to be dug, and for the last 50 centimeters we worked standing in water. We were, of course, not allowed to leave the trench during work, and this job was considered as one of the hardest in the camp. Many died at it daily. Some time later I was shifted to the "concrete squad" where I had to heave heavy posts and sacks of cement; but after the arrival of new prisoners I was detailed to the making of concrete bricks. This had the advantage of at least being work under a roof, which was very important inasmuch as work went on regardless of the weather.

In addition, the prisoners were continually mistreated and struck by commando leaders, Capos, and foremen. In general, anyone holding a commanding position in the camp liked to give special emphasis to his position of superiority. Naturally, the character of the person concerned played a considerable role; but the fundamental rule was the direct responsibility of the superior

- 7 -

for his inferiors, each individual being in turn responsible to the collectivity.

These circumstances fostered the "stool pigeon" system. For example, one day a working comrade discovered a few pieces of turnip which he carefully hid. He continued his work but, from time to time, took surreptitious bites off his treasure. Another prisoner having "squealed" on him, the Capo arrived a few minutes later. It must be remembered that the Capo is absolute master of his commando, and that everybody tries to get into his good graces. Unfortunately, this favor often had to be attained to the detriment of the well-being or sometimes even of the lives of other prisoners. The Capo proceeded to search our comrade and, finding the pieces of turnip, knocked the weakened man to the ground, hitting him brutally about the head and face and in the stomach. He then ordered him to sit up, hands outstretched in front of him on the ground with a weight of bricks on each hand; the pieces of turnip were stuck in his mouth. All the men were then assembled and informed that the unfortunate man was to stay in this position for a whole hour. We were warned that this punishment would befall any member of the commando who committed a similar "offense." The condemned man underwent this ordeal guarded by one of the foremen, very eager to fulfill his task to the satisfaction of the Capo, so that he hit our friend every time he tried to shift his position slightly. After 15 to 20 minutes the man became unconscious, but a bucket of water was poured over him and he was again forced into his original position. After he had slumped over senseless for a second time, his body was thrown aside and nobody was allowed to pay further attention to him. After roll call that evening he was taken to the "infirmary" where he died two days later.

Or another example: on Easter Monday, 1942 the weather was extremely bad with a heavy snowfall. We were sitting in the mud scraping cement off bricks, frozen half stiff. Suddenly the Commando Chief appeared and barked the following order: "Discard caps, coats and jackets!" Sick with fear for what might follow, we obeyed and continued working in our shirt sleeves. The Capo sneered at us: "You dirty Poles, now you can celebrate!" A young prisoner, not more than 16 years old, had hidden in a trench. He was terribly thin and so trembling with the cold that he evidently did not hear the order. Or perhaps he didn't care whether he heard it or not. The Capo, however, had meanwhile staggered off (he was half drunk) since he didn't intend to remain out-of-doors in this wretched weather. As a matter of fact, he cared very little about the prisoners; the sooner they died, the better. The snow had stopped falling, but in the cold wind we froze in our shirt sleeves; certain death awaited us. Nobody knew when the Capo might come back, perhaps in a moment,

perhaps in a week, or in a month. While we waited, the snow started to fall again. A few foremen came running in our direction from a stove around which they had been sitting, to see how we are getting on with our work. One of them discovered the hidden youngster and shouted: "All your clothes off, at once, you swine!" As the kid did not react, the foreman pounced on him and started beating him: "Undress or I will beat the life out of you or, better still, I will report you to the chief." At that moment the Capo arrived. A sharp blow of a whistle: "Fall in!" We formed our columns and knew that it meant "sticking together." We were led into an open space where we sank ankle-deep in mud. Now the "sport" started. "Down! Up! Quick march! etc." We literally rolled in the mud. "Flatten out! Jump! Run! Hands out front!" We were covered with mud from head to foot and scarcely able to stand. The "exercise" had now been going on for about half an hour. To finish we had to do "push up" exercises, alternately lying down flat and supporting our bodies on our hands. "Up, Down, Up, Down!" The Chief of the Commando inspected the rows and saw an old man who was unable to continue. Immediately an SS guard threw himself upon him and kicked him in the head and face with heavy hob-nailed boots. When at last the poor old man gave no further sign of life, he was left alone. We were then allowed to stand up and continue with our work. The badly injured man was carried over to a dry spot among piles of bricks. He opened his eyes, tried to say something but couldn't utter a word; and we had to leave him as in the meantime the order was given to resume work. The result was that at the end of the day we carried home another corpse. But we had grown used to it. We marched and sang jolly German songs, as the Capo wanted it to be so. The Commando Chief walked alongside the group; he grinned: "You do sing well!"

During my work in the "concrete squad" I caught pneumonia (as was found out later). At the beginning I avoided the "infirmary" and hoped I would get over it. I knew too well what happened there and that seldom one left the place alive. But I became so weak that I could hardly move, and finally had to give in. I became completely indifferent. In one way I was lucky that my friends in the "infirmary" took care of me so that I was then able to enjoy "privileged" conditions. When I entered the "Krankenbau" it was composed of three different buildings: Block 28 - internal illnesses -, Block 20 - infectious illnesses -, Block 21 - surgery. Later on three new "blocks" (Blocks 19, 9, and 10) were attached to the "infirmary." They composed the so-called "Hygiene Institute." Here, sterilizing by X-ray treatment, artificial insemination of women, as well as experiments on blood transfusions were carried on. Male and female prisoners, especially Jews, served as "guinea pigs" for these experiments. This "block" was completely isolated from the rest of the camp so that news from it reached us only very seldom.

- 9 -

It was not easy to be admitted to the "infirmary," as the "minimum" symptom was a fever of from 38.6 to 39 degrees (C). Light cases of fever were not admitted. All applications for transfer to the "infirmary" had to be submitted to the chief of one's own "block," who had the right to reject any such request. Then the sick person had to wait for hours in the courtyard of the "infirmary" before being called in for preliminary examination. If the doctor (a prisoner) considered him worth treating, he had to undress and usually take a cold bath before being presented to the German doctor, after further long hours of waiting. The sick were classified into two groups, "Aryans" and Jews. These groups were again subdivided into further groups, of which the first included the sick who were to remain in hospital, being considered "curable." The second consisted of extremely run down patients, chronic cases, and the half-starving or mutilated whose recovery could only be effected by a long stay in the hospital. This group was practically condemned to death by phenol injections in the heart region. Racial considerations played an important role. An "Aryan" really had to be seriously ill to be condemned to death by injection, whereas 80 to 90 percent of the Jews "hospitalized" there were "eliminated" in this manner. Many of them knew about this method and applied for admission as so-called "suicide candidates," not having the courage to throw themselves on to the high tension wires.

This situation lasted during the whole of 1942 until the time the mass extermination of interned Jews at AUSCHWITZ began. Danger of death by injection did not only threaten the newly-arrived hospital cases or casualties. From time to time (usually once a month) the German doctor used to effect a minute control of all the sick. In each ward an attendant (usually a doctor) had to "present" each patient and give full account of his illness. If the patient's stay happened to have exceeded a month, or if he were very weak, he was listed. The German doctor always kept the sick records of the condemned so as to avoid any attempt at interference on the part of the prisoners themselves. Each such special check-up by the German doctor usually resulted in a list of 200 to 400 men condemned to death, while the "normal" death list of the daily routine inspection varied from 20 to 80. The injections were given on the same day. The new patients who were booked for the "syringe" (as it was called in the camp jargon) received no clothes and had to remain waiting in the corridor - naked. They were then led from Block 28 to Block 20 where the "operation" took place in a special room. An SS man by the name of KLER, a shoemaker by profession, gave the injections. He had taken up this post in the hospital as a simple SS private, but was later promoted to SS "group leader," although practically a moron. He also

received supplementary food rations and was awarded the Iron Cross. There were days when this psychopath picked out victims from the wards on his own initiative, without instructions from the German doctor, on whom to practice his "technique." He was a complete sadist, torturing his victims with animal-like brutality before putting them to death. Later it was decided that his nerves had been strained by "overwork" so an "assistant" was recruited, a Polish volunteer, by the name of PANSZCZYK, No. 607 from Cracow, who was transferred to Germany during the winter of 1942 where he presumably died. The injections were then sporadically administered by "Sanitätsdienstgehilfen," or given by the chief of the "infirmary." For a certain time, another Pole named JERZY SZYMKOWIAK, No. 15490, "functioned" voluntarily; he died in the summer of 1943.

The injections were not only administered to the weak and ill, but also to prisoners in the political section who were condemned to death. Apart from this, on one occasion, two groups (the first composed of 40, the second of 80 prisoners) of young and strong youths between the ages of 13 and 16 years were put to death, on the ground that they were "orphans" and could not be considered in the camp as full-fledged workers.

In the autumn of 1942 came the massacre of the LUBLIN transports which caused great unrest in the camp. One of the sanitary service attendants refused to administer injections, stating that he was an SS man and not a murderer of children. Another attendant had to be summoned to carry out the job. This affair caused a lot of talk and stir as at least 15,000 to 20,000 people lost their lives and even BERLIN asked for an explanation of the high mortality rate in the hospital. The head-doctor, WIRTZ, disclaimed all knowledge of such events and laid the blame on the camp doctor whose name was ENTREST, a German from the POSEN district. A mock inquiry was held at which witnesses from the hospital administration had to testify and the lists of the "deceased" were checked. As "punishment" the camp doctor was simply transferred in the same capacity to the "BUNA." As a result of all this, murdering by means of injections stopped for a while, although it was resumed on a smaller scale soon afterwards for hopelessly sick cases. Many of those condemned to the "syringe" were used as experimental material in the "Hygiene Institute" (Block 10). The injections doubtlessly frightened the prisoners from asking to be admitted to the hospital.

Another major danger in the camp was "delousing," as it was euphemistically called. The whole camp obviously was covered with lice and fleas and large disinfection programs were carried out. However, the results were never apparent and our "washing" always came back almost as full of lice. Actually, the "delousing" was

- 11 -

designed to combat typhus epidemics which had become a real plague at the camp. During these actions everybody was examined and those with bad complexions or in weakened bodily condition were, according to the camp doctor's mood, destined to be gassed. They were simply led to the "infirmary" from where 40 to 50 percent were "evacuated." A "delousing" action which took a particularly large toll in victims was conducted in July, 1942. During the course of this "purge" the weak, those ill with typhus or in post-typhus quarantine, were all sent to BRZINSKI without exception. This method was considered the most radical for eliminating typhus. The way in which those condemned to the gas chambers were transferred to their doom was exceptionally brutal and inhuman. Serious cases from the surgical ward who still had their bandages on, and a procession of exhausted and horribly emaciated patients, even convalescents on the road to recovery, were loaded on to trucks. They were all naked and the spectacle was dreadful in the extreme. The trucks pulled up at the entrance of the block and the unfortunate victims were simply thrown or piled on by the attendants (I frequently witnessed such tragic transports). A hundred people were often jammed into a small truck. They all knew exactly what their fate was to be. The large majority remained completely apathetic while others, mostly patients from the surgery with bloody and gaping wounds or frightful sores, struggled frantically. All around the trucks SS men milled about like madmen, beating back the howling crowd trying to lean out. Every time it was a terrible experience to have to drag our friends to the truck. Most of them were quiet and bid us farewell, but never forgot to remind us: "Do not forget revenge." Under such conditions men's hearts turn to stone. Imagine a prisoner's killing his brother in one of the wards so as to avoid his having to undergo the dreadful trip by truck. (I happen to know the names and immatriculation numbers of these two particular prisoners). It can well be imagined that we just shrugged our shoulders when told the German fairy tales regarding the KATYN incident.

III. THE JEWS

Originally, the camp of AUSCHWITZ was intended only for Poles. It was guarded by a group of Germans (no more than 30 at the beginning) who had been transferred from a German concentration camp. They were prisoners as well but "camp veterans," if such an expression may be used. Most of them had been imprisoned as far back as 1934 and were all more or less professional criminals. But as time went on AUSCHWITZ became more and more of an international camp and the first Jews started to arrive in 1941. They were immediately separated from the "Aryans" and quartered in special "blocks." Although at the time systematic executions were

not an established rule, it can be stated that as a result of bad treatment by SS men, Capos and foremen (the majority of German origin but often Poles who were enlisted by force), a Jew - irrespective of his physical condition - could not last more than two weeks. A young Jew, for instance, who was robust enough to be able to do his work "on the double" (for example pushing a heavily laden wheelbarrow) would most probably be unable to keep it up in the long run. If he should show signs of holding out, he would inevitably be killed sooner or later by such mistreatment as being beaten with a shovel or pick handle.

In those days all the Jews had to work in the "quarry squad." At a trot they had to bring gravel on wheelbarrows from a pit about 15 to 20 meters deep up a steep slope. At the top, SS men and Capos checked their work and the speed at which it was carried out, and anyone considered as "loafing" was simply pushed over backwards when he arrived at the top so that he crashed back down the incline with his fully laden barrow. This was one of the guards' favourite pastimes. Such treatment of Jewish prisoners prevailed from the time the first Jews arrived at the camp until the spring of 1942, when the first large transports of Jews (tens of thousands) began to arrive and the extermination campaign was getting underway. At first there were few Jews at the camp, most of them of Polish origin, who had been sent there along with other Poles. They were immediately separated from the latter. They had been arrested not as a consequence of their being Jewish, but for offenses directed against "the security of the German State." Only from the spring of 1942 on were they rounded up and exterminated "en masse" on racial grounds. Certain large scale preparations had to be made to receive these mass transports and a special concentration camp was opened at BIRKENAU (the Polish name of the village is RAJSKO). Administered by Germans and Poles, the camp was guarded by SS detachments. Conditions were appalling. The camp had no water, no drainage system, and not even the most elementary hygienic installations. The Jews remained in civilian clothes which were marked with red paint. Food was supposed to be distributed to them on a basis similar to that prevailing in AUSCHWITZ, but abuse was flagrant. It often happened that the inmates received nothing to eat for days and then only a small part of the rations they should have had. Altogether they were inhumanly treated. The slightest complaint was punishable by death.

The first large convoys arrived from France and Slovakia. Physically able men and women - those without children or the mothers of grownup children - were sent to the camp of BIRKENAU. The remainder, i.e. old or weak men, women with

- 13 -

small children, and all those unfit for labour, were taken to the Birch Wood (BRZEZINKI) and killed by means of hydrocyanic gas. For this purpose special gassing barracks had been built there. These consisted of large halls, airtight, and provided with ventilators which could be opened or closed according to the need. Inside they were equipped so as to create the impression of bathing establishments. This was done to deceive the victims and make them more manageable. The executions took place as follows: each death convoy consisted of some 8 to 10 trucks packed with the "selectees;" the convoy was unguarded as the whole frightful drama took place on camp territory. A private car containing the camp doctor followed each truck convoy since it was compulsory for him to be present at these mass executions. On their arrival at the gassing establishment, which was surrounded by a double barbed wire fence, men, women, and children had to completely undress. Each of them was given a towel and a piece of soap. Then they were driven into the barrack until it was completely filled up. Everything was hermetically closed, and specially trained SS units threw hydrocyanic bombs through the ventilation openings. After about ten minutes the doors were opened, and a special squad composed exclusively of Jews had to clear away the bodies and prepare for a new group of "selectees." The crematoria had not yet been constructed, although there was a small one at AUSCHWITZ which, however, was not employed for burning these bodies. Mass graves were dug at that time into which the corpses were simply thrown. This continued into the autumn of 1942. By this time extermination by gas was being intensified and there was no more time even for such summary burial. Row upon row of bodies of murdered Jews, covered only by a thin layer of earth, were widely dispersed in the surrounding fields, causing the soil to become almost marshy through the putrefaction of the bodies. The smell emanating from these fields became intolerable. In the autumn of 1942 all that remained of the bodies had to be exhumed and the bones collected and burned in the crematoria (by that time four had been completed). An alternative was to gather the remains of the unfortunate victims into heaps, pour gasoline over them, and leave it to the flames to finish the tragedy. The immense quantity of human ashes thus collected was carted away in every direction to be scattered over the fields where these martyrs had found their last rest.

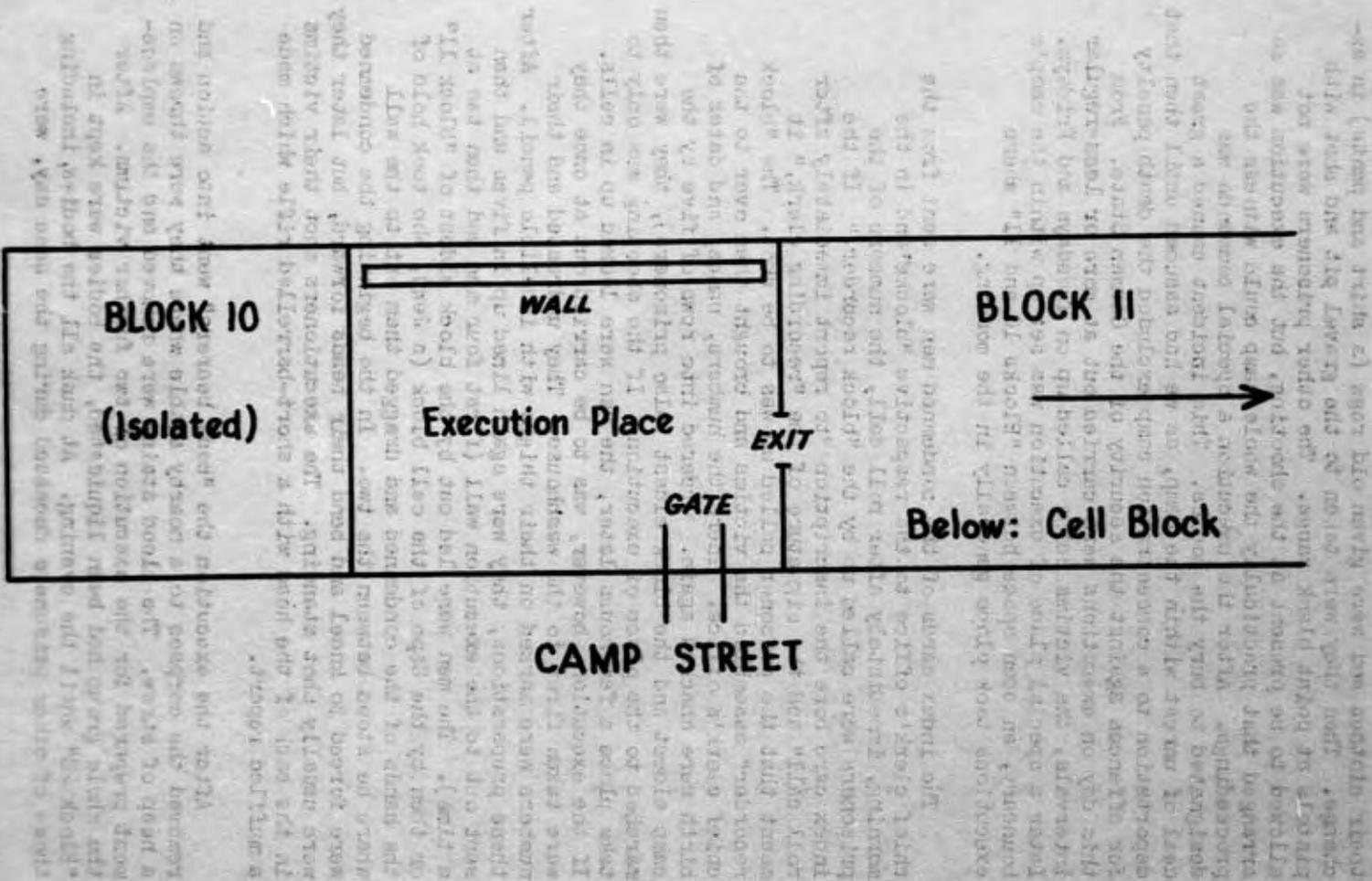
In the meantime, the crematoria had been finished and the number of arrivals was steadily increasing. Gassing and burning were carried out at record speed but the supply of corpses became so large that occasionally they had to resort to the old method of open air cremation. It is estimated that approximately 1 1/2 million Jews were exterminated in this manner. With the exception of the Polish Jews, the other Jews had no idea what was in store for them at AUSCHWITZ. We were told by Dutch and

French Jews that the Germans had informed them that they were leaving their country to be transferred to Poland where everyone would be able to continue work in his own profession or, still better, where for each shop, concern, or factory seized by the Germans an equivalent source of livelihood would be put at their disposal. They were to take their whole fortunes with them and liquid cash for at least six weeks. This resulted in considerable amounts of money and valuables being brought to AUSCHWITZ (most of them by Dutch bankers and diamond merchants), most of which was stolen by the camp staff, SS men, and prisoners. The condemned Jews generally faced their fate calmly, although those arriving in 1943 had a clearer idea of what awaited them. The sporadic attempts at rebellion and mass escape, when the freight cars were unloaded upon arrival, were bloodily repelled. The special railway siding reserved for the convoys was surrounded by searchlight and machine gun posts. On one occasion these unfortunate people scored a small success. It must have been during September or October, 1943 after a transport of women had arrived. The accompanying SS men had ordered them to undress and were about to drive them into the gas chamber. This moment was always used by the guards as a good opportunity for looting, and rings and wrist watches were torn off women's fingers and arms. In the confusion resulting from one such attack, one woman managed to snatch the pistol of SS Group leader SCHILLINGER and fire three shots at him. He was seriously wounded and died the next day. This gave the signal for the others to attack the executioners and their henchmen. One SS man had his nose torn off, another was scalped, but unfortunately none of the women was able to escape. Although an attempt was made to keep this incident secret, it resulted in an order's being issued whereby SS men were not allowed to remain in camp after 8 p.m.

The extermination of Jews continued relentlessly, although in the camp tension relaxed to a certain extent. The fate of those Jews admitted to the camp has been described in the sections of my report dealing with the gassing and killing of the ill by means of injections.

IV. EXECUTIONS

Until the summer of 1941 AUSCHWITZ was mainly a concentration camp in which no executions had taken place so far. The first executions came as a surprise for the majority of the camp's inmates. They began in the summer of 1941 when one evening after roll call, various numbers were called up (I well remember there were 18 men from Cracow alone). The men whose numbers had been called were ordered to the stock room, where they had to give up



their clothes and were given old rags (a shirt and pants) in exchange. Then they were taken to the gravel pit and shot with pistols at point blank range. The other prisoners were not allowed to be present at the shooting, but the execution was so arranged that practically the whole camp could witness the proceedings. After the execution a special commando was designated to bury the bodies. This incident caused a great deal of unrest within the camp, as we had assumed until then that deportation to a concentration camp excluded the death penalty for offences against the security of the German State. From this day on executions were carried out at more or less-regular intervals, the victims being called up on Tuesdays and Fridays. Later a special place of execution was set up within the camp's boundary, an open space between "Blocks 10 and 11" where executions took place generally in the morning.

The index cards of the condemned men were sent from the chief clerk's office to the respective "blocks" and in the morning, immediately after roll call, the numbers of the prisoners were called up by the "block recorder." If the index card bore the inscription "to report immediately after roll call" and the signature of the "recording clerk," it meant that the prisoner called up was to be shot. The "block recorder" assembled the victims and brought them over to the chief clerk's office. There the numbers, names, and dates of birth were checked again. Ordered into rows of five by the camp eldest and the block eldest (also prisoners), they were then marched to the place of execution. If the shooting was only to take place a few hours later, the men were locked up in cells. If the execution, however, was to be carried out at once they were taken first to the washhouse. They undressed and their numbers were marked on their thighs with indelible pencil. After these preparations, they were again lined up in fives and then sent out to the execution wall (first four men and then two at a time). The men were led out by the block eldest of "Block 11" or then by the Capo of the cell block (a Jew), who took hold of the hands of the condemned and dragged them out to the wall where he stood between the two. In the beginning the condemned were forced to kneel and bend their heads forward, but later they were usually shot standing. The executioners shot their victims in the back of the head with a short-barrelled rifle which made a muffled report.

After the execution the "body bearers" went into action and removed the corpses to a nearby stable where they were thrown on a heap of straw. The blood stains were removed and the emplacement prepared for the execution of two further victims. After the whole group had been liquidated, the bodies were kept in "Block 28" until the evening. At dusk all the bodies, including those of other prisoners deceased during the same day, were

- 17 -

piled on to a big cart and pulled to the crematoria. Later, the corpses were also removed from the place of execution in coffins and, if a considerable number were involved, a truck was used for this purpose. These "death transports" always took place during hours of curfew, as the camp authorities wished to keep the executions as secret as possible, in which they were, however, not particularly successful.

As mentioned before, such executions started during the summer of 1941 and reached a peak in 1942 with the transfer of "disciplinary companies" from AUSCHWITZ to RAJSKO (BIERKENAU) towards the end of May, 1942. Together with a large group of "Muselmänner" ("Muselmann" was a term applied in camp jargon to convicts utterly exhausted by starvation or over work) many young and sturdy men were selected and drafted into these "disciplinary companies." They were all marked with a large red dot, as in these special groups the inmates were differentiated by red dots on their chests and backs for offences committed in civil life and by black circles for "crimes" committed in the camp itself. Such "companies" were made up of about 500 men of whom, every second day, 10 to 15 were shot. The rest of them had to work extremely hard and await their turn. At the same time mass executions started in AUSCHWITZ (middle of May, 1942). Once, twice, or three times a week, 40 to 60 men were simply picked out and shot. Restlessness increased in the camp, when by the middle of June the situation had not changed, to a point approaching open rebellion, especially after one mass execution which cost the lives of 120 prisoners. The camp administration apparently got wind of this and, during a roll call sometime in June, it was announced that executions would cease and the death penalty would be abolished. It was true that the prisoners reacted with deep distrust, but on the whole the news had a quieting effect on everybody. And, in fact, there was a pause of 1 to 1 1/2 months after which executions began again, although less often and only in small groups. This state of affairs continued until October, 1942 when one of the largest mass executions ever held took 247 victims, all Poles from the LUBLIN and PODHALA districts. Terror broke out in the camp as a result, although again many reacted with complete apathy. This ended a ghastly series of executions of prisoners who, upon arrival in the camp, were already condemned to death. But some of them had been in camp over a year without knowing that their fate was already sealed. If often happened, for instance, that a prisoner selected for execution would be lying ill in the hospital but, as the sentence had to be carried out, he received a deadly injection in his bed. The famous Polish actor Witold ZACHAREWICZ was murdered in this way.

All this, of course, did not mean that October, 1942 saw the end of the execution of prisoners brought to AUSCHWITZ with death warrants already signed. Only the method underwent certain changes. In the early days, for instance, the Aryan prisoners had always been given numbers and then incorporated into the camp. Later a new method was evolved consisting in immediately dividing the newcomers into two groups: those condemned to death and those who were to remain as regular inmates. The first group was not allotted serial numbers but directly transferred from the "block leader's" central office to the cells in "Block 11." The executions took place there and the arrivals were either shot at once or a few days later. This procedure was adopted in an attempt to keep the whole matter secret, and executions were only carried out late at night. In addition, the camp inmates were led to believe that only "civilians" were submitted to this radical treatment (it must be stated that only a permanent camp inmate was considered a "prisoner," whereas newcomers, without numbers and who had not yet joined the ranks, were still designated as "civilians"). So as long as only "civilians" were executed the regular inmates were not particularly upset.

Executions of "prisoners," however, did not cease altogether. The camp administration was extremely severe regarding discipline and respect of camp rules. For the slightest omission one was marched off to the execution cells and, of course, never returned. Things became even worse when the political section (meaning the camp Gestapo) decided to take charge of the punishment of petty internal offences. The frequent result was that they decided questions of life and death according to their own judgment. Bribery became the order of the day. Among the "offences" for being locked up in the execution cells were: being "politically suspect" on the grounds of having contacted "civilians" in the camp, spreading political news or commenting on the German High Command's communique, drunkenness, theft (foodstuffs, gold, precious stones), premeditated escape, etc. The death cells were always overcrowded and every now and then they had to be "evacuated." This took place as follows: the camp leader, chief of the political section, GRABNER by name, dashed in, accompanied by a number of SS men as drunk as himself. They went from cell to cell, taking down the particulars of each occupant's case, the reason for his punishment, etc. If the camp leader had a list of those condemned to death in hand, the prisoners could consider themselves lucky, inasmuch as it might not yet be their turn. But usually no notice was taken of such a list. What decided the individual prisoner's fate was mainly the impression he made on this gang of drunkards and the mood in which the camp leader happened to be. There was no question of considering the actual penalty. If the impression he made was not too unfavourable, the prisoner remained in his cell to await his execution at a later date unless he went to his death voluntarily. The whole

- 19 -

inspection was accompanied by a great deal of vile language and brutal treatment. Usually 85 to 90 percent of the death cell occupants were "evacuated" and shot in front of the wall so that space was again available for new arrivals. The camp in general was, of course, never informed of this secret justice nor who were its victims. It is true that the relatives of the victims were duly informed, but the cause of death was always given as being "natural." An incredible amount of paper was wasted compiling fake records of illnesses, fever charts, etc., destined to justify each single death. Death announcements were telegraphed never more than at the rate of two a day so as not to arouse suspicion on the "outside." From the beginning the executions were carried out by a single man: first, by "Oberscharführer" PALITSCH, who was later sent to an officers' training center, and then by "Scharführer" STIWETZ, who still performs these duties. Executions of women were reported from AUSCHWITZ, but in small numbers. On the other hand, great numbers of people were shot after having been brought in by truck straight from freedom or from prisons. In two instances whole families were executed, parents together with their children. In one case, an infant a few months old ended his short life in the arms of his mother before the execution wall.

CABLE TO AMERICAN CONSULATE, JERUSALEM, FROM WAR REFUGEE BOARD.

Please deliver following message to Charles Passman, Jerusalem,
from M. A. Leavitt of American Jewish Joint Distribution Committee:

QUOTE YOUR 273 WE CONFIRM PREVIOUS AUTHORIZATION TO YOU
PURCHASE SUPPLIES AND AGREE YOU PURCHASE BALANCE USED CLOTHING.
PLEASE CABLE BREAKDOWN SUPPLIES PURCHASED ALSO ADVISE WHEN
FIFTY TONS SHIPPED. UNQUOTE

2:00 p.m.
November 29, 1944

Miss Chauncey (for the Sec'y) Abrahamson, Ackermann, Cohn, DuBois, Friedman,
Hodel, Lesser, Mannon, McCormack, Files

RDrury 11/29/44

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 3482

Madrid, November 29, 1944

Subject: Sephardic Jews at Bergen Belsen camp.

Confidential

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

Sir:

I have the honor to refer to my telegram No. 3873, November 28, 9 a.m., in reply to the Department's No. 3005, November 11, 5 p.m., concerning the situation of the 155 Sephardic Jews at Bergen Belsen, Germany, whose temporary entry into Switzerland it is desired to facilitate and to expedite.

- 1/ There is transmitted herewith a copy of the memorandum of November 15, 1944, to which my telegram made reference. The Foreign Office official to whom the memorandum was handed stated, as telegraphically reported, that some days before, but after Bern's telegram of November 4 to the Department, instructions had been sent to the Spanish Embassy at Berlin which it was thought already were adequate. However, the Foreign Office would send further instructions to the Spanish Legation at Bern to cooperate with the Swiss Government to the end mutually desired.

The following paragraph relating to the subject memorandum is taken from Foreign Office Note No. 875 of November 16, 1944, which includes reply on the Sephardites with another Jewish question which is engaging the Embassy's attention:

" ... appropriate instructions have been transmitted to the Legation of Spain at Bern that the collaboration of the Swiss Government is to be requested to the end of securing the transfer to its territory of a group of Sephardites whose liberation from the Bergen Belsen camp had already concerned the Embassy of Spain at Berlin."

Respectfully yours,

Carlton J. H. Hayes.

Enclosure:

1/ Copy of Embassy's Memorandum of
November 15, 1944, to Foreign Office.

File No. 800
FJF:phf

Single copy to Dept.
(for Ozalid machine)
Copy to Legation, Bern.

Enclosure No. 1 to despatch
No. 3482 of November 29, 1944,
from American Embassy, Madrid.

C O P Y

MEMORANDUM

Reference is made to the memorandum left at the Ministry of Foreign Affairs on September 25, 1944, by Mr. Bond concerning the precarious situation of some 155 Sephardic Jews at Bergen-Belsen, Germany, who are in the possession of Spanish passports but whose departure for Switzerland is being impeded by Nazi authorities.

It will be recalled that in the ensuing discussion of this matter, Mr. Bond was informed that instructions had already been sent by the Ministry to the Embassy at Berlin and to the Legation at Bern that the efforts of those missions should be directed to endeavoring to arrange for the temporary admission of these persons into Switzerland.

The Embassy has lately had telegraphic information from the Department of State stating, in effect, that permission for the entry into Switzerland of the Sephardic Jews in question was given by the Swiss Federal Police several weeks ago and that the problem of securing their release from Bergen-Belsen is of principal present concern. The telegram continues that the Government of Switzerland would welcome and would be assisted by a formal request from the Spanish Government, as the Swiss might then have a basis for taking up with the German Government the specific question of the departure of the Sephardic group from Germany.

The Embassy is confident that, in view of the overwhelming humanitarian issue, the Spanish Legation at Bern will be appropriately and promptly instructed by the Ministry to approach the Swiss Government in the sense indicated in the immediately preceding paragraph.

Madrid, November 15, 1944.

FJF:phf

Cpd:phf

Miss Chauncey (for the Sec'y) Ackermann, Akzin, Cohn, Drury, DuBois, Gaston, Hodel, Marks, McCormack, Pehle, Files

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Madrid
TO: Secretary of State, Washington
DATED: November 29, 1944 (Rec'd Nov. 30, 5:46 p.m.)
NUMBER: 3896

SECRET

The Spanish Legation at Budapest has informed the Foreign Office that it was successful in extending the protection of Spain to 300 Jews living in Budapest.

Moreover 2,000 letters of protection have been issued to other Jews by the Legation. Until the present these letters of protection have made it possible for the holders to avoid deportation or internment successfully. It is reported by the Legation that pending possibility of transfer to a foreign country, these protected persons are concentrated in determined houses in Budapest.

At Madrid it is not clear whether numbers of Jews given above include the 700 mentioned in the despatch from Tangier dated October 3, No. 2374 and Embassy's cable of October 18, No. 3488, in whom we are taking continued interest in consultation with representative of Jewish community in Tangier.

Foregoing message was repeated to Tangier as 155 and was repeated to Bern for the information of our Legation there.

HAYES

DCR:IDB:MLM 12-1-44

MOB-1667
Distribution of true
reading only by special
arrangement. (SECRET - W)

Stockholm

Dated November 29, 1944

Rec'd 4:37 p.m.

Secretary of State,

Washington.

4890. November 29, 5 p.m.

THIS IS OUR NUMBER 107 FOR WRB.

Hitelstorch sends following message for World
Jewish Congress New York.

"Dispatching 10,000 food parcels consisting 2½
kilos net last week and this week about 7,000 parcels
to Theresienstadt remainder Bergen Belsen. Have
received about 8,000 addresses from Geneva inter alia
1366 Hungarian Jews Bergen Belsen. In order to dis-
patch without delay have opened personal guarantee
for first 10,000 parcels as we must pay postage for
parcels. Each parcel costs 9½ Swedish crowns. Will
send as many parcels as possible next week as Germany
does not forward further parcels after December 8.
Require money urgently. Cable how much remitted."
See following cable explaining date.

JOHNSON

WTD

CABLE TO MINISTER HARRISON, BERN, FOR MC CLELLAND, FROM WAR REFUGEE BOARD.

Please deliver the following urgent message to Adolph Freudenberg and Dr. Vissor t'Hooft, 41 Avenue de Champel, Geneva, from Drs. Robinson and Leiper of American Christian Committee for Refugees, 139 Centre Street, New York:

QUOTE NEED DETAILED INFORMATION CONCERNING PROGRAM CIMADE OTHER REFUGEE ORGANIZATIONS FRANCE EXTENT THEIR PRESENT DEPENDENCE UPON AMERICAN CHRISTIAN COMMITTEE REFUGEES REMITTANCES THROUGH GENEVA SIMILAR DATA HUNGARIAN REFORMED CHURCH COMMITTEE. WHAT PROPORTION ECUMENICAL REFUGEE COMMITTEES PRESENT AND PROJECTED BUDGETS EXPECTED FROM ACCR ALSO MINIMUM MONTHLY AVERAGE REQUIRED. COLLECTIONS FROM DENOMINATIONAL BODIES SLOW UNTIL YEAR END BUT PROMPT INCLUSIVE ADVICES GREATLY AID APPEALS. REGARD ADVISABLE IMMEDIATE VISIT FRANCE SWITZERLAND ACCR EXECUTIVE DIRECTOR FOR BETTER PLANNING ESTABLISHMENT DIRECT WORKING RELATIONS. ADVISE WHAT CAN BE DONE YOUR END TOWARD FACILITATING SUCH VISIT. MEETING CHURCH LEADERS PLANNED DECEMBER 11 PURPOSE RAISING ENTIRE REFUGEE BUDGET FORTHCOMING YEAR. URGE YOUR STRONG ENDORSEMENT ALSO DRAMATIC DESCRIPTION PRESENT PROGRAM TO BE PRESENTED THIS MEETING. ARE DEPENDING UPON YOUR PROMPT CABLED REPORT. UNQUOTE

THIS IS WRB BERN CABLE NO. 301.

10:15 a.m.
November 29, 1944

Miss Chauncey (for the Sec'y) Abrahamson, Ackermann, Cohn, DuBois, Friedman, Hodel, Lesser, Mannon, McCormack, Files.

RDrry 11/28/44

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

Reference your No. 7722 of November 24th. Board wishes to call your attention to certain difficulties (including those of a political nature) encountered in Stockholm in connection with aid to refugees from the Baltic countries. It should constantly be borne in mind that the War Refugee Board was established to save persons who are victims of enemy oppression and that we are in no way concerned with helping persons fleeing from our allies.

It is suggested that you advise Dr. Turauskas to communicate directly with the United Lithuanian Relief Fund concerning relief to Lithuanian refugees.

The Department concurs in the foregoing.

THIS IS WRB BERN CABLE NO. 304.

3:45 p.m.
November 29, 1944

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

November 29, 1944
1 p.m.

AMLEGATION

BERN

4027

The following for McClelland is WRB 299.

Reference your 7589 of November 17.

The authorization to which you refer was given for the purpose of encouraging Swiss willingness to receive refugee children by concrete U. S. action assuring their evacuation. Accordingly, the authorization will remain in effect as long as necessary to influence Swiss action with respect to refugee children seeking admission to Switzerland to escape enemy persecution. Whether in order to accomplish this purpose it will be desirable to continue the authorization for a period beyond the time when flight from enemy persecution is necessary, is a matter on which the Board would appreciate your views.

Of course, visas issued pursuant to this authorization are subject to the assurances with respect to replacement contained in Department's 891 of March 18.

STETTINIUS .
(Acting)
(OLW)

WRB:MMV:KO
11/28/44

WE VD

MB-1560

PLAIN

Bern

Dated November 29, 1944

Rec'd 9:35 a.m.

Secretary of State,
Washington.

7831, Twenty-ninth

Bratislava official communique dated November 21, directs all Jews residing in Slovak capital to prepare for transfer to Sered Jewish concentration camp in southern Slovakia. Comment declares complete elimination Jews from Bratislava ordered to meet demands Slovak nationalists.

HUDDLE

RR

CABLE TO AMBASSADOR STEINHARDT AT ANKARA FOR KATZKI

Please refer to your No. 2178 of November 13.

While we have not been able to obtain a full clarification of the matter referred to in your cable, we have been led to believe that the new allocation of quotas will not prevent the granting of Palestine certificates to persons in enemy controlled territory. Please follow the situation closely and advise us of any developments which affect the matter with which the Board is concerned, namely, rescue of persons in imminent danger of death.

THIS IS WRB ANKARA CABLE NO. 131.

10:15 a.m.
November 29, 1944

Miss Chauncey (for the Sec'y) Abrahamson, Ackermann, Cohn, DuBois, Friedman, Hodel, Lesser, Mannon, McCormack, Files.

JBFriedman:ro
11/27/44.

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

November 29, 1944
10 p.m.

AMEMBASSY

ANKARA

1105

The following for Katski is WRB 131.

Please refer to your No. 2176 of November 13.

While we have not been able to obtain a full clarification of the matter referred to in your cable, we have been led to believe that the new allocation of quotas will not prevent the granting of Palestine certificates to persons in enemy controlled territory. Please follow the situation closely and advise us of any developments which affect the matter with which the Board is concerned, namely, rescue of persons in imminent danger of death.

STETTINIUS
(Acting)
(GHW)

WRB:MRV:KO
11/29/44

NE

RS-1879

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

Ankara

Dated November 29, 1944

Rec'd. 9:45 p.m.

Secretary of State

Washington

2270, November 29, 5 p.m.

FROM KATZKI TO PEHLE WAR REFUGEE BOARD, ANKARA'S NUMBER 193

We have been informed that a delegation of the International Red Cross led by Dr. Ernest Marton (see Embassy's 2225 Ankara's 188) visited north Transylvania. The delegation reports that of approximately 150,000 Jews who formerly lived in north Transylvania 242,000 have been deported to Germany and Poland. Only 6,000 Jews were found by the delegates including 1,200 in Arad, 1,050 in Gluj; (350 ?) in Satumare; 250 in Harnarossighet, and 80 in Dej. The Jewish communities in these cities formerly included thousand's of persons. The greater part of the Jews still alive escaped from forced labor battalions to the Soviet troops. Those Jews who were able to return home found neither families nor homes. Jewish communal institutions have been destroyed.

Encouraged by the delegation the Jews are making efforts to reorganize and reconstitute their communities. The delegation has taken measures to protect the assets of the deported Jews. In the future a new delegation of the International Red Cross will proceed to liberated areas of Hungary and Czechoslovakia.

STEINHARDT

JAS

MS-1770

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

Ankara

Dated November 29, 1944

Received 9:45 p.m.

Secretary of State,

Washington.

2271, November 29, 6 p.m.

FROM KATZKI TO FEHLE WAR REFUGEE BOARD, Ankara's No, 194.

According to reports from Geneva just received by Jewish agency representatives in Istanbul. The position of the remainder of Hungarian Jewry has reached a climax. Deportations to Germany many persons being forced to travel on foot have been proceeding very actively during recent days. The project for the emigration of the 800,000 Palestine certificate holders again has been stopped. The deportees are in great need. Funds also are required for hiding people facing deportation and for aiding their escape from Hungary.

Intervention and assistance by the International Red Cross are not sufficient and the aid of England and the United States to stay the deportations and to protect the certificate holders is urgent the report concludes.

STEINHARDT

EH

RS-1785

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

Ankara

Dated November 29, 1944

Rec'd. 10:07 p.m.

Secretary of State

Washington

2272, November 29, 7 p.m.

FROM KATZKI TO PEHLE WAR REFUGEE BOARD

Ankara's No. 195

The State Department radio bulletin of November 17 number 277 included a general request for the names and other data regarding persons alleging the possession of American citizenship now interned at Bergen-Belsen. We have been advised that the representatives of the Jewish agency and the Agudath Israel in Switzerland might have such information as well as that regarding the holders of South American passports. Accordingly, I have requested the Istanbul representatives of these organizations to telegraph their delegates in Geneva to deliver to McClelland in Switzerland such information as they might have. The representatives are for the Jewish agency Dr. Chaim Posner, Palestine office of the Jewish agency, 8 Rue Petitot, Geneva, and for the Agudath Israel Maitre Mathieu Muller, Rue de Deux Ponts 30, Geneva.

You might wish to advise McClelland to follow up on these matters.

STEINHARDT

WMB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMERICAN EMBASSY, CHUNGKING
TO: Secretary of State, Washington
DATED: November 29, 1944
NO.: 1918

SECRET

Continued Chinese defeats in South China have caused violent reaction in the financial market in Chungking during the week which ended November 25th, with a temporary rise to heights without precedent of open market quotations for gold bullion, Chinese Government US dollar savings bonds and certificates, and United States and Indian currency notes. Although several Chinese bankers anticipate that additional reverses might result in a repetition of what they termed a panic, confidence was regained by the end of the week to some extent, reported to be due to reassuring statement made by General Wedemeyer that great effort would be made to hold Kunming.

Bankers stated that factors for the quick rise in rates for United States currency notes (peak CN dollars 680 to US dollars 1) and for gold bullion (peak CN dollars 36,000 selling per ounce 1/32 kilogram) include the following: (A) Local Chinese who are wealthy wish to convert fapi into more portable and more stable mediums for purposes of possible evacuation and for hoarding; (B) Operations on a large scale by speculators who, due to stability in prices, have lost interest recently in financing the hoarding of commodities; (C) Demand from occupied areas which is great; (D) The continued purchases which Chinese going abroad have made.

The increased demand of Chinese Government US dollar savings bonds and certificates at higher prices is also reported to be caused by the foregoing.

Bankers state that factors resulting in decline in quotations by the end of the week include the following: (A) The reassuring statement made by General Wedemeyer; (B) The untrue reports circulated presumably by large speculators with regard to landings by Americans on the coast of China; (C) The tightness of the money market, in part caused by losses which speculators who attempted to cover forward positions sustained.

The commodity price structure was not affected by the flurry in the financial market, for while eggs advanced in price, this being attributed to shortage, the prices of pork, beef, and rice remained stabilized. During the week there appeared no change of note in the prices for local commodities which were purchased by the United States Army. An increase in the quantity and the variety of consumer commodities offered for sale at retail resulted from dehoarding during the week. There was a moderate decline in prices for American sulfa drugs and vitamins.

Quotations for rupees stayed unchanged at 150 to 156 from November 20 to 27, in spite of a decline in the rates for United States currency notes (from 528 to 450 for notes of small denomination and from 540 to 470 for notes of large denomination). While quotations for large Chinese Government US dollar bonds (500-1,000) held firm at about 240 to US dollars 1, quotations for Chinese Government US dollar savings certificates dropped slightly, from 385 to 1 on the 20th of November to 350 to 360 on the 27th of November.

It is reported that United Clearing Board made an attempt last week to secure fapi at 370 per US dollars 1, but due to the fact that the rate was considered too high, the transactions were reported to be limited.

The reason for the rise in the selling price of gold bullion in the open market is attributed to purchases by speculators, in part for hoarding and for re-sale to occupied areas, also to rumors that the official selling price will be newly increased. Although the latter stayed at CN dollars 24,000 (which included twenty per cent surcharge in the form of a compulsory purchase of rural welfare savings certificates), from November 20 to November 27 there was an increase in the open market selling quotation from CN dollars 31,500 to 34,000.

Chinese bankers stated that tightness in the money market of Chungking is partly responsible for the slack demand for the US dollar savings certificates and bonds mentioned above and for the decline in present demand for Indian and US currency notes.

There was an advance from 8.4% per month on November 20th to 9% on November 27th in the interest rate for short-term commercial loans.

Developments in the financial market were reported factually by the local press, and in order to curb speculation by absorbing floating capital the press urged increasing the official selling price of gold.

ATCHESON.

DCR:LCW 12-1-44
CR

ef:copy
12-6-44

C
O
P
Y

November 29, 1944

6 p.m.

U. S. URGENT

AMEMBASSY

PARIS

581

For Hoffman from Treasury

Secretary Morgenthau requests that you extend his thanks to M. Rene Pleven (Reference your 678, November 25) for his cooperation in this matter.

STETTINIUS
(ACTING)
(GL)

NOT TO BE RE-TRANSMITTEDCOPY NO. 3SECRETOPTEL No. 387

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

1. NAVAL

NORWEGIAN WATERS. 27th. Aircraft from one of H.M. Escort Carriers attacked a southbound convoy off Narvik. 2 ships, one carrying troops, sunk. 1 ship and a trawler set on fire and beached and 2 ships and an L.C.T. set on fire.

27th/28th. 4 MTB's attacked a northbound convoy off Stavanger. A trawler and an armed coaster sunk, an E/R boat probably sunk, an 8,000 ton ship and a patrol vessel possibly sunk and an R-boat damaged.

SUMATRA. 16th. One of H.M. Submarines set on fire a coaster, which was forced to beach, off Indrapura.

2. MILITARY

WESTERN FRONT. Continued good progress by First French and Seventh U.S. Armies east of Vosges in Alsace Plain. Pocket between Belfort and Mulhouse further compressed, despite stubborn resistance. South of Strasbourg, after clearing remaining forts around the town, French armour has thrust southwards up to five miles and has reached Oberenheim. In Metz sector U.S. infantry has gone forward beyond St. Avold and at one point has reached Maginot defences. Fighting still bitter east of Weisweiler although an advance of two to three miles has been made south of Julich,

ITALY. All rivers risen considerably and vehicle movement forward areas much restricted.

EASTERN FRONT. In Czechoslovakia Russians have advanced from S.E. to within 12 miles of Kosice and in Hungary have crossed River Tisza, N.E. of Tokay.

3. AIR

WESTERN FRONT, 27th/28th. Tennessees - Freiburg - 1699, Neuss 1202, and Berlin - 75. Bombing was good.

28th. 172 Marauders and Bostons attacked two defended villages, one railway bridge and one ammunition dump in Northern battle area, dropping 289 tons with good results. 1203 aircraft flew offensive patrols, provided support for Allied troops and gave fighter cover. Enemy casualties 5, 1, 3. Ours - 14 fighters, 2 Marauders missing.

28th/29th. 618 aircraft despatched: Essen - 316, Neuss - 153, Nuremberg - 75 Mosquitoes (1 missing), Hallendorf, S.E. of Brunswick - 9 Mosquitoes and bomber support - 65. Nuremberg attacked in good visibility, markers well placed and bombing good. Reports from other missions not yet available. Four Halifaxes missing from Essen.

MEDITERRANEAN. On 26th/27th and 27th all operations Strategic Air Force cancelled owing to bad weather. 81 sorties by Tactical and Balkan Air Forces against communications Yugoslavia and Albania.

4. HOME SECURITY

To 7 a.m., 29th. Last night four rocket incidents.

C
O
P
Y

November 30, 1944

TELEGRAM TO BE SENT TO THE PRESIDENT

Secretary asks me to advise you that he has, with the permission of Messrs. Stettinius and Stimson, given John Pehle, as Assistant to the Secretary, the additional duties of administering the Procurement Division and sale of surplus property. This will not interfere with his duties as Executive Director of War Refugee Board.

D. W. BELL

246

| CHECK SERVICE DESIRED OTHERWISE MESSAGE WILL BE SENT AT FULL RATE | |
|---|--------------|
| DOMESTIC | FOREIGN |
| FULL RATE | FULL RATE |
| DAY LETTER | COE RATE |
| NIGHT LETTER | URGENT |
| DEFERRED | DEFERRED |
| DEFERRED | NIGHT LETTER |
| TOUR-RATE | SHIP RADIO |

Postal Telegraph

Machay Radio

Commercial Cables



All America Cables

Canadian Pacific Telegraphs

| | |
|-----------------------|---------------|
| CHARGE ACCOUNT NUMBER | |
| CASH NO. | TOLLS |
| CHECK | |
| TIME FILED | STANDARD TIME |

Send the following message, subject to the Company's rules, regulations and rates set forth in its tariffs and on file with regulatory authorities

Form 5

To Plan Bell 11-29 1944

Street Address _____

City Please telegraph Pres. via White House

about new job that we have given
John Peble with consent of
Stethinius and Stinson. Be
sure and point out he is continuing
with old job. Copy to Mrs Klotz
H Wynethan.

Sender's Full Name (if not shown) and Address for Reference _____

Sender's Telephone Number _____

copy of telegram. 11/30/44 6.30 P.M. (MWT)

247

| | |
|-------------------------|----------------|
| TYPE OF SERVICE DESIRED | |
| STIC | CABLE |
| DAY LETTER | ORDINARY |
| SERIAL | URGENT RATE |
| OVERNIGHT TELEGRAM | DEFERRED |
| SPECIAL SERVICE | NIGHT LETTER |
| | SHIP RADIOGRAM |

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1214

| |
|------------------------|
| CHECK |
| ACCOUNTING INFORMATION |
| TIME FILED |

A. N. WILLIAMS
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

To Mr. Dan Bell Nov. 30th 1944 1944

Street and No. Assistant Secretary of the Treasury,

Place Treasury Building, Washington, DC

In reference to Charles Bell's telegram received today. Agreeable to me to transfer foreign funds from Joe O'Connell to Harry White.

H. Morgenthau, Jr.

WANT A REPLY?
 "Answer by WESTERN UNION"
 Similar phrases may be included without charge.

Sender's address for reference

Sender's telephone number

CLASS OF SERVICE

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WESTERN UNION

1201

(32) *W. J. W.*

SYMBOLS 248

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|--------------------------|
| DL = Day Letter |
| NL = Night Letter |
| LC = Deferred Cable |
| WLT = Cable Night Letter |
| Ship Radiogram |

A. N. WILLIAMS
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

DA12

D WA182 67 GOVT=WUX WASHINGTON DDC 30 129P

1944 NOV 30 AM 11 49

HENRY MORGENTHAU JR=
PHOENIX ARIZ=

CONCURRENT WITH ESTABLISHING INTERNAL REVENUE UNDER JOE O'CONNELL DECEMBER 1 WOULD YOU CONSIDER TRANSFERRING SUPERVISION OVER FOREIGN FUNDS ACTIVITY FROM O'CONNELL TO HARRY WHITE STOP HAVE DISCUSSED THIS ARRANGEMENT WITH O'CONNELL WHO INFORMS ME THAT HE HAS NOT THE SLIGHTEST OBJECTION STOP HARRY WHITE HAS EXPRESSED WILLINGNESS TO ACCEPT THIS RESPONSIBILITY WITH THE UNDERSTANDING THAT O'CONNELL IS AGREEABLE TO BEING RELIEVED OF IT AND THAT YOU APPROVE=

CHARLES S BELL ADMINISTRATIVE ASSISTANT TO THE SECRETARY

STANDARD FORM No. 14 A
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

HENRY MORGENTHAU, JR.
PHOENIX, ARIZONA

CONCURRENT WITH ESTABLISHING INTERNAL REVENUE UNDER JOE O'CONNELL DECEMBER 1
WOULD YOU CONSIDER TRANSFERRING SUPERVISION OVER FOREIGN FUNDS ACTIVITY FROM
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WHO INFORMS ME THAT HE HAS NOT THE SLIGHTEST OBJECTION STOP HARRY WHITE
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THAT O'CONNELL IS AGREEABLE TO BEING RELIEVED OF IT AND THAT YOU APPROVE

(SIGNED) CHARLES S. BELL

ADMINISTRATIVE ASSISTANT
TO THE SECRETARY

TREASURY DEPARTMENT ²⁴⁹

WASHINGTON

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR

CONTINGENT EXPENSES, TREAS. DEPT., 1946

(The appropriation from which payable must be stated on above line)

U. S. GOVERNMENT PRINTING OFFICE

2-14117

NOVEMBER 30, 1946

from Mr. White:

250

The matter is not entirely complete, although they have all the signatures it is necessary to have confirmation from the State Department and after taking the matter up with Mr. Gaston it was thought that publicity at this time would be a bit early, as the consequences might be adverse and felt further that they could hold off for a little while.



SAHUARO LAKE RANCH
MESA, ARIZONA

Dear Harry:

I wish you would find a way to officially break the story that we have settled with China.

That in paying them in dollars instead of yuan (which was my idea) I have saved the tax payer millions of dollars. Talk it over with Gaston. Consult State Dept. and King and Army.

(Refer to the White telephone log p. 2)

252

Released by
O.W.I.

ADVANCE RELEASE

ADVANCE RELEASE

Foots - FEA 575

OWI - 3798

FOREIGN ECONOMIC ADMINISTRATION

ADVANCE RELEASE: Not For Use By Press or Radio:
Before 7 A.M., EST, Thursday,
November 30, 1944.

Cleared and Issued
Through Facilities of the
Office of War Information

Leo T. Crowley, Foreign Economic Administrator; Henry Morgenthau, Jr., Secretary of the Treasury, and Edward R. Stettinius, Jr., Acting Secretary of State, acting as a special committee of the Government on lend-lease and reverse lend-lease discussions with the British following up the Quebec Conference, today made the following statement:

Throughout the war the lend-lease and reverse lend-lease requirements of the United Nations have been reviewed from time to time in the light of the military strategy for the war against Germany and Japan.

Such a review has been carried out in discussions now concluded between the appropriate military, naval, air and civilian representatives of the United States and United Kingdom Governments. These discussions concerned the lend-lease and reverse lend-lease aid required to enable the carrying out of the strategic decisions made at Quebec for winning victory over both Germany and Japan at the earliest possible moment.

The programs of lend-lease and reverse lend-lease aid should be continued in accordance with the fundamental principle laid down by the President that: "Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it."

The amounts and types of supplies required continue to be subject, as always, to adjustment from time to time in accordance with the changing conditions of the war. When finished munitions are produced and available for delivery, they are assigned by the Munitions Assignments Board under directives of the Combined Chiefs of Staff in the light of the strategic considerations prevailing at the time of the assignment. Similar procedures are and will continue to be in effect for other war supplies that each country may make available to the other.

From the beginning of the lend-lease program in March 1941, lend-lease aid has been extended for one purpose -- and for one purpose only -- the defense of the United States and to enable our allies to bring the full weight of their men and resources to bear against our common enemies. That policy will be continued without change.

Since lend-lease aid is made available to our allies only when it contributes directly to the winning of the war, lend-lease articles have from the beginning not been available for re-export commercially. That policy will also be continued without change. There will be no change in the principle as laid down by the Government of the United Kingdom in its White Paper of September 1941 that no articles received under lend-lease from the United States shall be exported commercially.

After the defeat of Germany, there will be no impediment to the United Kingdom's exporting articles, so far as war conditions permit, which are no longer supplied under lend-lease and are obtained out of their own production or purchased from this country for cash.

(over)

Regraded Unclassified

To some degree lend-lease aid for the United Kingdom will be reduced even before the defeat of Germany. It is now expected that some raw and semi-fabricated materials, such as iron and steel, will no longer be provided by the United States to the United Kingdom under lend-lease after January 1, 1945. This will have the effect, under the terms of the White Paper itself, of removing products made from such materials from limitations that will continue to apply to articles received under lend-lease. Such materials no longer obtained under lend-lease will, of course, be available to the United Kingdom in commercial exports only after the overriding considerations of war supply and war shipping are met.

The committee understands that, as in the past, the United States and the United Kingdom will both endeavor to insure, to the extent practicable, that neither United States nor United Kingdom exporters receive undue competitive advantage over the other as a result of the war situation.

It appeared in the discussions that in the period immediately following the defeat of Germany, the British need for lend-lease assistance would be not much more than one-half of that currently furnished in 1944.

After the defeat of Germany the United Kingdom and the United States will both use all the fighting power that is required for the earliest possible defeat of Japan. It is likely, however, that both the United Kingdom and the United States will be able to reconvert part of their resources on an equitable basis to meet essential civilian needs in the period between the defeat of Germany and the defeat of Japan. As a result of such a partial and equitable reconversion there will be some improvement in the conditions of life of the British people. For six years, first standing alone against the enemy and later fighting alongside our own forces on battlefields, on seas and in the sky all over the world, they have endured privation in diet, had their houses destroyed about them and have been sent to distant parts of the country to work wherever the needs of war called them. After the defeat of Germany, it is necessary that their inadequate diet be improved, temporary emergency housing be provided, and such other measures adopted as may relieve in some degree their present extremely difficult circumstances.

This committee believes that a program which will help in achieving this objective is a matter of necessity for the most effective prosecution of the war against Japan, and that it expresses in some measure the common bond which has carried our countries through the hard days of the war to approaching victory.

Since lend-lease and reverse lend-lease are concerned solely with war supply, problems of post-war foreign trade throughout the world did not enter into the review of these programs. Economic and financial cooperation by all the United Nations in many different forms will be required to meet these separate post-war problems. Effective measures in this field will require both international and national action by the respective governments, including in many cases, legislative action.

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END OF ADVANCE RELEASE: Not For Use By Press Or Radio Before 7 A.M.,
E.W.T, THURSDAY, November 30, 1944.

ADVANCE RELEASE

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FOREIGN ECONOMIC ADMINISTRATION

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Since lend-lease aid is made available to our allies only when it contributes directly to the winning of the war, lend-lease articles have from the beginning not been available for re-export commercially. That policy will also be continued without change. There will be no change in the principle as laid down by the Government of the United Kingdom in its White Paper of September 1941 that no articles received under lend-lease from the United States shall be exported commercially.

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R.W.T, THURSDAY, November 30, 1944.

Swing Broadcast

The following are excerpts from Raymond Gram Swing's
program broadcast over the Blue Network by John W.
Vandercook, Thursday, November 30, at 10:00 PM.

"The Executive branches of the governments of the United States and Great Britain have drawn up a detailed though still tentative plan of how lend-lease is to operate between them after the war with Germany is won. The plan revealed today has been under study for a long time. It was because of the need for considering the mutually most important question that Secretary of the Treasury Morgenthau attended the Quebec Conference, and not, as his detractors suggested, to thrust before the two heads of State his own private plan for the post-war control of Germany.

"At the very least, lend-lease shipments from the United States to Britain will be cut in half when the last shot is fired in Europe. The United States officially recognizes, however, that the early recovery of the United Kingdom is essential for the safety of the world and to the long range prosperity of the United States. When Germany is beaten the British will, as soon as possible, begin to manufacture peacetime goods for export. Some of those goods will

- 2 -

be fabricated from raw materials of American origin. But the British intend and are prepared to pay for those raw materials. Some of that payment will be in cash. Some of it will be in finished goods, which after all are the only efficient medium of exchange in long term international transactions.

"Our Government believes that Britain with one house out of every three damaged by German bombs, will need our help in a quick re-housing of her population. Washington also believes that re-housing is essential if the British, as is their resolute intention, are to make the greatest possible contribution in our common war against Japan. For that reason the United States expects to furnish to the British after the European phase of the war a certain quantity of the basic materials of housing, but not the finished products. Just as obviously, our great Ally cannot give its best efforts to the war in the Pacific or to the stern task of post-war recovery if the inhabitants of the United Kingdom go hungry. For that sound reason, it is anticipated that the United States will draw for a time on its food surplus to keep the British fit until such time as her revived export trade will enable

- 3 -

England to purchase all it needs from the United States and from other countries. British and American exporters by common agreement will be checked from taking undue competitive advantage of each other in the scramble for post-war business. As part of the same vitally important after victory plans, The State Department makes several useful proposals. Among them, the Johnson Act, which forbids private loans to governments which have not fully paid up their debts of World War I, should be repealed.

"The State Department also suggests a world trade conference which would seek to reduce 'all kinds of barriers' to the international flow of goods."

oOo

JOHN W. VANDERCOOK - SUBSTITUTING FOR RAYMOND GRAM SWING - NOV. 30, 1944

Occasionally, the enemy gives us some suggestion information about what we ourselves are doing. A Nazi military spokesman is hardly a trustworthy guide. But in one particular, we probably can depend on German military spokesmen. They are not likely for German home consumption, to overestimate the forces which we are bringing to bear against them. They are apt to know how many divisions are in actual contact with the Nazi line. They are much less apt to know how much additional strength the Allied commanders are keeping in the background. A speaker on the Berlin radio today informed German listeners that General Eisenhower has already committed seventy divisions .. American, British, French, and Canadian .. into the great offensive in the west. By a rough reckoning, that means that about eight hundred and fifty thousand troops are already in action, or .. within sound of action. If the German officer is right, by a simple process of subtraction, the probability is that an almost equal number of fully-trained and fully-equipped Allied troops have not yet been sent into the battle. Presumably, that huge force is being held in reserve to take part in the swift slashing dash across Germany, which should follow the first real breakthrough of the Westwall. That break has not yet come. One cannot speak of a twenty-mile thick system of steel, earth, and concrete forts as bending. But certainly the solid masonry of Germany's redoubtable defense has been chipped and cracked, and some of it cleared away. The last twenty-four hours has marked the capture of several more shattered Germany villages. In the Aachen sector, where the battle is continuous and mortal, not along a line, but in a terrible

JOHN W. VANDERCOOK - NOV. 30th, 1944

Page 2

rectangle of fire and fury sixteen miles wide and nine miles deep. The U.S. First and Ninth Armies are steadily pushing toward the west banks of the flood-swollen Roer River, more than 10 miles of which we now hold. To the south, the neutral peaceful Swiss today have had the extraordinary experience of being able to watch in safety from their side of the frontier .. an advance of French troops to the banks of the Rhine, at the point where the three countries meet. A German garrison which has been clinging to an Alsacion town on this side of the river is now prevented from withdrawing to comfortable internment in Switzerland.

In Washington today, Seecretary of War Stimson tried, perhaps with incomplete success, to clear up the confusion which has existed in the public mind about the alleged shortage of large caliber artillery ammunition on the western front. As Mr. Stimson is quoted: "We experienced a series of artillery difficulties .. following the rapid reconquest of France. First was the limitation imposed by disrupted French railway lines for the delivery of the ammunition available in the ports. As the railroad situation greatly improved," continued the Secretary of War, "the next bottleneck was the incapacity of the ports to deliver the ammunition available in Great Britain." Mrs. Stimson concluded, "as other factors improve, we are reaching another limitation, and that is the availability of ammunition in the United States." In other words, there has not yet been any actual shortage of ammunition on the firing line. That is the most important point to bear in mind. Some of the recent official statements including a remark of General Eisenhower, have led some worried citizens to believe that American men were dying in Germany because they had no shells, with which to fill their guns.

JOHN W. VANDERCOOK - NOV. 30th, 1944

Page 3

In warfare, it is true that quite local shortages of ammunition do sometimes develop. That has happened on every front in every war. It has doubtless also happened on occasion along the German border. To date, however, such extremely rare, brief, and always local shortages of ammunition have been due only to local transport difficulties. Or perhaps to an abrupt change in a military situation at one point, which has required the expenditure of more shells in a given period than the planners on the spot had anticipated. But I can report positively, that at no time during any engagement of this war, on any front, have American troops been in either difficulty or danger due to the manufacture in American factories, or overseas shipment, of insufficient ammunition. Or for that matter, insufficient anything else. A General looks far ahead. That is his job. All of the recent discussion of shortages refers to the potential, therefore potentially dangerous shortages, which might develop at some future time. As the Germans will discover .. we have ample shells in the great munition dumps of Belgium, Luxembourg, and eastern France, to keep this present offensive going for a long, long time. But only an idiot would reckon that the supplies already manufactured were just exactly what would be needed, to end the war. The course of battles is not as predictable as that. The necessity in recent weeks for literally sledge-hammering our way through the thick fortifications of the Siegfried Line, has compelled us to use more heavy shells than could have been foreseen a year ago. One reason we have consumed our projectile ammunition with such abandon, is that General Eisenhower prefers, wherever possible, to use chemical explosives and mechanical methods to obtain his objectives .. in preference to human lives. Our allies and our enemies shake their

JOHN W. VANDERCOOK - NOV. 30th, 1944

Page 4

heads over the American Army .. in admiration or despair ... depending on their point of view, because of its "extravagance." What it comes down to, is that the American fighting services do have a definite policy of extravagance, in terms of material as a means of achieving economy .. in human lives. It is inconceivable that there is an American living, who could complain of such a policy. But the carrying out of that practice does place a heavier burden of responsibility upon the civilian population, and a heavier load on the U.S. production line. During those days of summer madness when we were all telling each other the war would soon be over. A certain number of war workers quit their jobs .. either to go home and get on with their housework, or to seek more permanent peacetime employment. Most of those men and women acted, of course, in perfect innocence. But they were deserters just the same. If our armies are not to run the risk at some possible future date of finding vital munitions lacking .. perhaps at the critical hour and instant of victory .. American management and labor .. both actual and that not yet recruited .. must resume their maximum effort, and bring fresh ardor to their task.

The executive branches of the governments of the United States and Great Britain have drawn up a detailed, though still tentative plan, of how lend-lease is to operate between us after the war with Germany is over. The plan revealed today has been under study for a long time. It was because of the need for considering that mutually most important question, that Secretary of the Treasury Morgenthau attended the Quebec conference. And not as his detractors suggested .. to thrust before the 2 heads of state, his own private

JOHN W. VANDERCOOK - NOV. 30th, 1944

Page 5

plan for the post-war control of Germany. At very least, lend-lease shipments from the United States to Britain will be cut in half when the last shot is fired in Europe. The United States officially recognizes, however, that the early recovery of the United Kingdom is essential for the safety of the world, and to the long range prosperity of the United States. When Germany is beaten, the British will, as soon as possible begin to manufacture peactime goods for export. Some of those goods will be fabricated from raw materials of American origin. But the British intend and are prepared to pay for those raw materials. Some of that payment will be in cash. Some of it will be in finished goods, which after all, are the only efficient medium of exchange in long term international transactions. Our government believes that Britain, with one house out of every three damaged by German bombs will need our help in a quick rehousing of her population. Washington also believes that rehousing is essential if the British, as is their resolute intention, are to make the greatest possible contribution in our common war against Japan. For that reason, the United States expects to furnish to the British, after the European phase of the war, a certain quantity of the basic materials of housing .. but not the finished products. Just as obviously, our great ally cannot give its best efforts to the war in the Pacific, or to the stern task of post-war recovery, if the inhabitants of the United Kingdom go hungry. For that sound reason, it is anticipated that the United States will draw, for a time, on its food surplus to keep the British fit; until such time as her revived export trade will enable England to purchase all it needs from the United States, and from other countries. British and American exporters by common agreement will be checked from taking "undue competitive advantage" of each other in the scramble for

JOHN W. VANDERCOOK - NOV. 30th, 1944

Page 6

post-war business. As part of the same vitally important after-victory planning, the State Department makes several useful proposals. Among them, that the surly Johnson Act, which forbids private loans to governments which have not fully paid up their debts of World War I .. should be repealed. The State Department also suggests a World Trade Conference, which would seek to reduce "all kinds of barriers" to the international flow of goods.

Japan, like history, repeats itself. Daily, the Japanese attempt to defend the Philippines more closely resembles Japan's attempt to defend the Solomon Islands. On Leyte, as on Guadalcanal, we have made a bold landing in the midst of a Jap controlled area. On the Philippines, as in the Solomons, the Japs first sent in their fleet to drive us off, and after suffering a defeat, resorted to the unsatisfactory tactic of sending in odd lots of reinforcements, a handful at a time. That stubborn, repetitious behavior of the enemy in the Philippines it is true, is delaying our conquest of the archipelago. At the same time, it has given us an opportunity to spin a deadly web in which Jap lives are being drawn and lost like flies. American fighter and fighter bombers, it was announced late today, have destroyed another convoy of enemy ships carrying supplies and reinforcements to the Leyte port of Ormoc. A nine-thousand ton troop transport, and three small freighter transports were sunk. Another medium freighter and a Jap destroyer were set afire. With the exception of one ship, all the vessels were victims of extremely low-level dive-bombing attacks. The different loaded craft were picked off separately in different parts of the adjoining seas. It is reckoned that at least another five thousand Japanese soldiers and sailors lost their lives. The recent American victories against troop-laden

JOHN W. VANDERCOOK - NOV. 30th, 1944

Page 7

shipping off Leyte have more than compensated us for the difficulties we have experienced in the rain-drenched mountain fighting. Seven such Leyte-bound enemy flotillas have been intercepted this month, with resulting Japanese losses, just at sea, of perhaps as much as twenty-six thousand men. In addition to that useful bag, we learn today that a Jap submarine was sunk off Leyte on Monday. If General MacArthur's communique is up to date, the varied actions this week have cost only two American planes. The weather of Europe continues to be all too typically European. In spite of it, the United States Strategic Air Force persists in its steady dangerous work of destruction inside Germany. Today more than twenty-two hundred American heavy bombers and fighter escorts concentrated their attack on four German synthetic oil plants near the city of Leipsig, ninety miles south of Berlin. The ever-dying but never quite dead Luftwaffe turned out in great force. Anti-aircraft fire around the targets was as furious as any that has been encountered. The high total of fifty-six big bombers was shot down. Thirty American fighter planes are also reported missing. But the hope is held out that the majority of them may have landed safely in "friendly territory." That is to say, in neutral Switzerland or in scattered airfields in France. Such incessant bombardment, however little, the Nazi armies at the front may yet show the effects of it, must have produced terrible confusion inside the Reich. Indeed, there are ample photographs and reports of secret agents to prove it. General Eisenhower has sought again today to take advantage of that disruption of German cities by appealing to foreign workers in the Ruhr and Rhineland to

JOHN W. VANDERCOOK - NOV. 30th, 1944

Page 8

stand by for orders as to how best they can turn upon their German masters. Previously, such appeals have produced no visible result. The Gestapo's savage grip is still too strong. But the picture changes like a dissolving view. With the Allied armies almost within hearing, wise Germans will walk warily at night.

END OF SCRIPT.

WAR DEPARTMENT
 Bureau of Public Relations
 PRESS BRANCH
 TEL. - RE 6700
 Brs. 3425 and 4860

November 30, 1944

MEMORANDUM FOR THE PRESS

The Honorable Henry L. Stimson, Secretary of War, was asked the following question today at his press and radio conference:

Can you give us information on the present ammunition situation?

Mr. Stimson replied as follows:

This situation has been and is extremely complicated and equally critical and bids fair to be more so unless production rates in the United States are greatly increased.

In brief, last April following our experiences in the mountain warfare in Italy where artillery consumption tremendously increased beyond all previous estimates of theater commanders or the War Department, a careful survey of the entire situation was made and it was then decided to increase greatly the heavy artillery both as to guns and as to ammunition and to make general increases in artillery ammunition throughout, anticipating an approach to a trench warfare situation during periods of stalemate in the campaigns which had then been decided upon, notably the landing in France.

Following the breakthrough at Avranches and the rush across France we experienced a series of artillery difficulties; first was the limitation imposed by disrupted railroad lines for the delivery of the ammunition available in the ports. As the railroad situation greatly improved, the next bottleneck was the incapacity of the ports to deliver the ammunition available in Great Britain. Following this we arrived at a situation as the Armies approached the Rhine where it became necessary for General Eisenhower to delay a general offensive until an adequate reserve of artillery ammunition could be accumulated. Rail deliveries were partially responsible, port limitations were principally responsible. As both these two factors improve we are reaching another limitation and that is the availability of ammunition in the United States. We could disembark more if it were available and we could transport across France more if it were available. However, the delay accepted by General Eisenhower has enabled us to accumulate the ammunition for the great offensive now in process. Even so, as a result of the transportation difficulties, portions of the front that otherwise would have been very active were forced to remain quiescent due to the limitation of artillery ammunition.

At the present time the consumption of ammunition is necessarily on a tremendous scale. Throughout the Apennines, in Italy and along the entire Western Front we are firing probably 10 times the amount of ammunition the Germans are but we are forced to use it to destroy concrete structures as well as to destroy the enemy himself. We insist on an overwhelming artillery power for the support of our infantry not merely to gain success in battle but more particularly to hold down the number of the casualties. We foresee still further increased requirements and it is for that reason that every possible measure should be taken to stimulate production in this country.

The opening of the Port of Antwerp will tremendously increase the possibility of delivering ammunition to the battlefield. It will therefore correspondingly increase the amounts which must be manufactured in and delivered from the United States. The fanaticism of the enemy who apparently has accepted the inch by inch destruction of Germany has imposed additional requirements. Our determination is to smash the German Army and to give our troops every conceivable advantage of weapons and materiel. That I think should be the point of view of every American.

END

Treasury Department
Division of Monetary Research 268 ✓

Date.....Nov..25.....19 44

To: Mrs. McHugh

From: Mr. White

I think the Secretary will be
interested in reading the paragraph
marked in red crayon.

MR. WHITE
Branch 2058 - Room 214-1/2

October 30, 1944

MEMORANDUM FOR THE FILES

Subject: Conditions in liberated areas of Czechoslovakia.

Today I had lunch with Mr. Jan Becko, Czechoslovak Minister of Social Welfare, and his secretary. I had a number of War Refugee Board problems to take up with Mr. Becko, but after we had disposed of them we talked generally about problems in Czechoslovakia. At first Mr. Becko was reluctant to discuss any financial matters with me and suggested that I see the Minister of Finance, but when I explained that I had only a personal interest, he loosened up a bit and gave me some information.

Pursuant to an agreement regarding the government of liberated Czechoslovakia (between Czechs and Soviets) which became effective October 28, 1944, the Russians are using invasion currency, and are employing the principles used by the Allies in France, Belgium and Holland. No rate in terms of any other currency has yet been set so far as Mr. Becko knows, and that is to be discussed this week. Mr. Frantisek Nemes of the Czech Government is the head of the administration of the Liberated part. However, only a small part has as yet been freed. This part consists of forests largely and has a population of 500,000 (Czechoslovakia has a total population of 16,000,000). Last week the Russians brought in 500 tons of flour. While Minister Becko was not clear on just how long this would last, he stated that there were a number of people who lived in the forests and could not get out once snow fell, and that this quantity of flour was sufficient to give them their winter supply.

According to Mr. Becko, the Germans are destroying everything. Such things as are left are saved only because the Germans did not have sufficient time to destroy them. He mentioned that, according to his information, they were even taking the windows and window frames out of houses, taking out the floors and moving them back as they retreated. The whole eastern part of Czechoslovakia is said to be completely wrecked and desolated. He mentioned that it was a pity that the people in the United States did not fully appreciate the acts of which the Germans were capable. I told him I thought some of the people realized how brutal and destructive the Germans were, but that I was frank to say that some of them had been very slow in waking up to the atrocities committed on Jews and other minorities, and the tremendous destruction which the Germans had wrought.

I asked the Minister if he had read what the newspapers termed the "Morgenthau plan" of what to do with Germany. He said he had and that what prompted his remark that "it was a pity that the Americans did not appreciate the cruelties and barbarism of which the Germans were capable, for, he stated, if they did, there could be no divergence of opinion on the plan attributed by the newspapers to Secretary Morgenthau." He went on to say that he had read only the newspaper comment on the plan and of course was not familiar with its details, but on the basis of what he knew about it, he strongly favored it.

The Minister and his secretary talked quite a bit about the German occupation policies. They said there could be no doubt but that the policy was to destroy good segments of the population of the occupied areas and to throttle the countries economically. At least, he said that was the intention.

Minister Becko stated that he expected an "envoy" from the underground this week and if he should arrive he would be able to give me much more information on what was happening both in occupied and liberated Czechoslovakia.

James H. Mann
James H. Mann,
Special Representative,
War Refugee Board.

RECEIVED
TREASURY DEPARTMENT
MAY 18 1945
WASHINGTON, D. C.

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMERICAN EMBASSY, MADRID
DATED: November 30, 1944
NUMBER: 3129

SECRET

See Department's telegram 2781 of the thirteenth of October.

Spanish Embassy, Berlin states that no instructions received concerning issuance of new documents to holders of Paraguayan passports due to expire according to Swiss officials.

We request you to investigate and of developments advise the Department.

STETTINIUS

(Acting)

SNP:RCE:DMH

Paraphrase

DCR:MEG
12-6-44

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

November 30, 1944
Midnight

AMLEGATION

BERN

4050

The following for McClelland is WRB 304.

Reference your No. 7722 of November 24th. Board wishes to call your attention to certain difficulties (including those of a political nature) encountered in Stockholm in connection with aid to refugees from the Baltic countries. It should constantly be borne in mind that the War Refugee Board was established to save persons who are victims of enemy oppression and that we are in no way concerned with helping persons fleeing from our Allies.

It is suggested that you advise Dr. Turaukas to communicate directly with the United Lithuanian Relief Fund concerning relief to Lithuanian refugees.

The Department concurs in the foregoing.

STETTINIUS
(ACTING)
(GLW)

WRB:AMV:KG WE EE

LC - 1910
Distribution of
true reading only by
special arrangement.
(SECRET W)

Bern

Dated November 30, 1944

Rec'd 9:50 a.m.

Secretary of State,

Washington.

7845, November 30, 11 a.m.

FOR WRB FROM MCCLELLAND.

Legation's 7716, November 24.

Wire dated November 27 received by Swiss Political Department from Hungary reports that Swiss Legation at Budapest is assembling a first train group of 700 Hungarian Jews possessing Swiss entry visas (close relatives of persons in Switzerland) and Palestine certificates. Swiss are now in pour parler with Wehrmacht officials with view to obtaining necessary rolling stock. We have urged them to do their best to get at least this first convoy off.

HUDDLE

JMB

CABLE FROM WAR REFUGEE BOARD TO AMBASSADOR STEINHARDT FOR KATZKI,
ANKARA, TURKEY.

Please refer to your 2257 of November 27.

The War Refugee Board is in full agreement as to the desirability of your proceeding to Rumania and Bulgaria as soon as possible in order to explore rescue possibilities there. At the Board's request the State Department is now arranging for the necessary travel permits for you and Passman. You will be advised as soon as these permits are granted.

It is not clear to us that the matter referred to in your No. 2256 of November 28 is within the jurisdiction of the War Refugee Board. The matter has, however, been brought to the attention of the State Department for such action as it may deem appropriate.

THIS IS WRB ANKARA CABLE NO. 132.

11:15 a.m.
November 30, 1944

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

November 30, 1944
10 p.m.

AMEMBASSY

ANKARA

1115

The following for Katski is WRB 132.

The War Refugee Board is in full agreement as to the desirability of your proceeding to Rumania and Bulgaria as soon as possible in order to explore rescue possibilities there. At the Board's request the State Department is now arranging for the necessary travel permits for you and Passman. You will be advised as soon as these permits are granted.

It is not clear to us that the matter referred to in your No. 2256 of November 28 is within the jurisdiction of the War Refugee Board. The matter has, however, been brought to the attention of the State Department for such action as it may deem appropriate.

STETTINIUS
(Acting)
(GIN)

WRB:MMV:KG
11/30/44

NE

SE

Miss Chauncey (for the Sec'y) Abrahamson, Aokermann, Akwin, Cohn, Drury, DuBois, Friedman, Gaston, Hodel, Marks, Mannon, McCormack, Pehle, Files

ENF-62

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

Ankara

Dated November 30, 1944

Rec'd 5:35 p.m., 30th

Secretary of State,

Washington.

2276, November 30, 12 Noon

FROM KATZKI TO PEHLE WAR REFUGEE BOARD. ANKARA'S NO. 196.

Solomon Leibovitch, 1800 M Street NW., Washington wrote us direct concerning his wife Olga and children Lill Pion and Marco in Bulgaria. Please advise him that we have made inquiry and have been informed that all are well and residing at Lozenetz Diskotzeff 59 Sofia.

Leibovitch wrote that the State Department had cabled Sofia in 1941 authorizing the issuance of visas for his family but that due to war conditions they were unable to emigrate. If you are able to verify this we might attempt the experiment mentioned in paragraph 4 of Department's telegram 665 WRB's 85. Should this not be feasible at this time you might wish to advise one of the private agencies regarding this case.

With the establishment of American political missions in Bucharest and Sofia you might wish to inquire whether it is in order to transmit to the respective missions lists of persons in Rumania, Bulgaria and Hungary for whom advisory approvals had been authorized by the Visa Division but whose emigration was halted because of war conditions. My recollection is that such lists were being prepared by the board or the interested private organizations. If this is not feasible the lists might be transmitted to the American Consulate General in Istanbul or turn over to the private agencies. Emigration to the United States in those instances where visas have been authorized will be helpful in keeping Palestine emigration certificates free for use in rescue operations elsewhere.

Please advise me of the action you take.

STEINHARDT

BB

CORRECTION OF
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Ankara
TO: Secretary of State, Washington
DATED: November 30, 1944
NUMBER: 2277

SECRET

On page one, line 12, delete "(?)anca" and insert "the Seguranca " making the line read "addressees was summoned to the Seguranca for question on matters etc."

RHO-1916

PLAIN

Moscow

Dated November 30, 1944

Rec'd 10:02 a.m.

Secretary of State,
Washington.

4567, Thirtieth.

Press for November 29 published following
American items:

1. Fifteen inch coverage in New York despatch of War Refugee Board release describing German atrocities in Polish concentration camps. Details are given.
2. Report of exchange of letters between President and Hull including mention of President's reported hope that despite resignation Hull might preside at first session of planned organization of United Nations.
3. London despatch reporting arrival in Chungking of President's personal representative Joseph Mansfield.
4. Announcement of Hurley's appointment as Ambassador to China.
5. IZVESTIYA despatch reporting President's appeal to American people to support campaign against tuberculosis.

KENNAN

BB

OPTEL No. 388

Information received in London up to 10 A.M. 30th November 1944

1. NAVAL

First convoy of 18 ships arrived ANTWERP 28th. Eleven ships berthed, remainder anchored in river.

Mediterranean 28th. Small naval party landed PISKOPI and re-embarked on 27th. German garrison refused to surrender. Two British Destroyers shelled enemy position on island on 27th and 28th.

2. MILITARY

Western Front French troops from MULHOUSE and BELFORT have sealed off a pocket some 10 miles by five in area five miles north of RHINE-REONE Canal; unconfirmed report suggests that it has been cleared of enemy.

South of STRASBOURG, U.S. forces advanced southwards and widened salient by an average of 10 miles along its whole length.

In SAAR the advance has carried line to outskirts of SAARUNION and further north has penetrated in direction of SAAR-GUENIMES. West of SAARLAUTERN line has been advanced on 15 mile front and is at one point not more than three miles from SAAR River. There have been small advances towards DUREN and JULICH. South of JULICH enemy has blown eastern approaches to bridge over the ROER.

Eastern Front Russians report they have broken through German defences on Western bank of DANUBE north of River DRAVA and have advanced 25 miles on a 96 mile front; PEGS 35 miles WSW of RAJA and some 300 places captured.

Finnish troops have advanced beyond KARESUANDO on SKIBOTN road.

3. AIR OPERATIONS

Western Front 28th/29th. 1147 tons dropped on ESSEN, 732 on NEUSS, and 86 on NUREMBERG; all through cloud. 29th. 292 escorted aircraft of Bomber Command (6 missing) dropped 1,618 tons on DORTMUND and 30 Mosquitoes attacked DUISBURG (MEIDERICH) Benzol Plant 43 tons. In both cases weather prevented observation of results.

1,028 U.S. Heavies, escorted by 880 fighters, attacked MISBURG Oil refinery, 1029 tons, HAMB railway centre 736 tons, and railway viaducts at BIELEFELD 457 tons and ALTENBEKEN 393 tons. Cloud prevented observation of results. 3 Bombers, 4 fighters missing.

89 Bombers dropped 115 tons on targets at DUNKIRK and two railway viaducts in HOLLAND; results fair. 301 bombers attacked targets in COLOGNE, COBLENZ and KARLSRUHE areas, dropping 478 tons with fair results. 1,300 other aircraft (7 missing) effectively attacked railway targets and operated over northern battle area, 47 Spitfires of Fighter Command attacked rocket sites in HOLLAND with unobserved results.

29th/30th. 137 aircraft despatched: HANOVER 60 Mosquitoes BIELEFELD 7 Mosquitoes; Seaming 6, Weather reconnaissance 1, and Bomber support 63.

Mediterranean 28th/29th. Operations by strategic air force were cancelled owing to bad weather but on 28th 410 medium and fighter bombers and fighters successfully attacked communications in North ITALY. Three bridges hit. Railways cut in 33 places and railway rolling stock and vehicles destroyed and damaged

Burma 28th. 21 Liberators dropped 78 tons on MANBALAY railway centre. Hits obtained on station and other buildings and large fires started.

4. HOME SECURITY

Nine rocket incidents during period.