PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE March 13, 1945

TO Mr. Luxford

FROM Secretary Morgenthau

Please talk to me about the attached letter from R. L. Thornton within the next 24 hours.

MERCANTILE NATIONAL BANK AT DALLAS
DALLAS, TEXAS

R. L. THORNTON
PRESIDENT

March 10, 1945

Dear Mr. Morgenthau:

I have contacted about sixty bankers in Texas on the matter of the Bretton Woods Plan. I believe that the bankers are for it, once they really understand it.

I am mailing out also to the bankers of Texas the Editorial that was printed in the Nashville Banner, March 8; which seems to me the best explanation of the plan that has come to my attention from the standpoint of the ordinary banker who doesn't put in a lot of his time studying mediums of exchange and international affairs.

Hoping this will be helpful in the matter, and with kindest regards and best wishes, I am

Very Sincerely,

R. L. Thornton

Mr. Henry Morgenthau
c/o Secretary of the Treasury
Washington, D. C.

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March 13, 1945.

Dear Mr. Harkness:

I am glad you liked last Wednesday's party. So did we.

We definitely have it in mind that there should be more get-togethers of the kind, whenever there is occasion for them. And in view of your new honors (and responsibilities) we will look to you to let us know when you think future meetings would be helpful and what improvements we might arrange.

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Richard Harkness
National Broadcasting Company, Inc.
Trans-Lux Building
Washington 5, D.C.

EBF/mah

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5,000 W WRC 950 KC
NATIONAL BROADCASTING COMPANY, INC.
A RADIO CORPORATION OF AMERICA SERVICE
TRANS-LUX BUILDING
WASHINGTON 5, D. C.
REPUBLIC 4000

Mar. 8, 1945.

My dear Mr. Secretary:

I want you to know how much I enjoyed, and profited by Wednesday's luncheon. I had pored over the Bretton Woods agreements. But, to have them outlined informally, brings them into much sharper focus. Don't you agree that such a session is much more valuable -- both to the Treasury and news-men -- than a regular press conference. And besides, it's a treat to get chicken these days.

Sincerely,

Richard Harkness.

The Secretary of Treasury,
Washington, D.C.

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MAR 13 1945

Dear Mr. Swing:

Upon my return from a trip to Minneapolis, in behalf of Bretton Woods and in connection with the coming Seventh War Loan Drive, I find a copy of excerpts from your March 8 broadcast which you so kindly sent me.

I know I speak for both the Treasury people and the other commentators and columnists in saying how sorry we were that your schedule made it impossible for you to be with us at the luncheon discussion of Bretton Woods last Wednesday. But I do not see how you could have improved upon the basic theme covered by your broadcast -- the necessity of agreements on the economic level to buttress the peace, and the fact that Bretton Woods represents the first completed agreement to be submitted to Congress, calling for action that will demonstrate how sincere we are in our recognition that the United Nations must be partners in peace as well as in war.

Of course the Bretton Woods proposals have evoked opposition, and I am particularly interested in your awareness of the nature of that opposition when you say in the concluding section of your comments . . . "the Bretton Woods proposals are no matter that can be left exclusively to any special interests."

Please call on us for any information you desire. And may I again thank you, both for your extremely helpful analysis and for your thoughtfulness in providing me with the transcript.

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Raymond Swing
1613 Nineteenth St., N.W.
Washington 9, D.C.

EBS/mah

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RAYMOND SWING 1613 NINETEENTH ST., N. W. WASHINGTON 9, D. C.
Columbia 5119

March 8, 1945

With the compliments of Mr.
Raymond Swing.

EXCERPTS FROM RAYMOND SWING'S BROADCAST OF MARCH 8, 1945

Opposition in Congress to the Bretton Woods program promises to be lively, perhaps to the point of not giving this first attempt at international regulation of currency and credit a favorable opportunity. So far the view of congressmen seems to be that here is a separate project offered up for the exercise of their partisan talents, which can be mangled without danger to anything but the project itself. Secretary Morgenthau presented it as a parallel to Dumbarton Oaks, which it would be well to adopt before the San Francisco conference. He might have put the case still more strongly. Making the peace is an operation on two levels, political and economic. Dumbarton Oaks deals with the political level. It is the level about which Americans have thought almost exclusively. The debate which has gone on in this country for the past two years has been about our assuming political responsibilities. It would be interesting to try to measure the relative importance of the political level of the peace as compared with the economic level. Naturally they are interdependent, and one cannot function without the other. But it cannot be far wrong to say that the economic level is at least two or three times as important as the political level. That suggests that what the Senate does about Bretton Woods ranks in its effect with what it does about Dumbarton Oaks, not because Bretton Woods is the whole of our economic program by any means. Indeed it is only a fraction of it. But it is the first expression of our economic intentions. To say this is not to suggest that the Bretton Woods program is sacrosanct, that it cannot be improved in time, and that it should not be adequately debated now. But it is to point out that Bretton Woods ought to be discussed not as a project apart, but as the beginning of an American economic program in the postwar world.

It is a familiar statement that the United States will be the greatest creditor nation after this war. It needs to be understood that we shall be the only great creditor nation. The reconstruction of the world will depend on American wealth and productivity in just the same way that the destruction of the Axis has depended on it. This idea is distorted into the silly assertion that after the war the world will expect us to be Santa Claus. The real picture is that we cannot hope to maintain full employment unless we restore productivity in Europe and build it up in Asia and Latin America. What we undertake will not be munificence, but investment, and our ability to use all our manpower and all our wonderful industrial equipment depends on it. That is going much further than Bretton Woods, which is only a starter. Indeed it is a conservative starter. For though we are to be the chief source of credit in the postwar world,

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in the Bretton Woods agreement we are spreading our risk, and requiring other nations to share it. We cut our part of the risk down to a third.

Congress will do well to bear in mind, too, that the Bretton Woods agreement represents an international achievement, where the hardest part of the task of planning, discussing, negotiating and compromising, already has been done. The minds of the financial experts have wrestled and tussled with it, and finally compromised on an all-around workable plan. It does not meet all desires, it is as imperfect as any compromise. But it is the kind of cooperation by which the world must be governed after this war. And to reject it or delay it by amendments would be to give this kind of cooperation a very wounding defeat. Ordinary people may feel timid about asserting themselves in favor of so technical a project. But nothing could possibly be more the business of ordinary people than that this start on economic cooperation should be made. For unless it is, and is then followed by the wisest planning to employ our resources for our own and the common good, we shall have economic ills that will jeopardize victory, and a security organization, or any other allied achievement of this epoch. So it is to be devoutly hoped that Congress will not approach the Bretton Woods program in a partisan spirit, and will assign the purely technical criticisms to their subordinate place. And the public should have no doubt about it, that the Bretton Woods proposals are no matter that can be left exclusively to any special interests. They vitally concern everyone who hopes to live in a prosperous America and in a prosperous world.

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MAR 13 1945

Dear Mr. Brand:

Please thank the Chancellor for telling me that the Bankers' program would not be acceptable to the British Government. I was glad to receive this information concerning your Government's attitude on this matter.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Mr. R. H. Brand,
United Kingdom Treasury Delegation,
Box 680,
Benjamin Franklin Station,
Washington, D.C.

FCurl 3/8/45

Brought in by Miss Chauncey 3/7

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UK-881

UNITED KINGDOM TREASURY DELEGATION

BOX 880
BENJAMIN FRANKLIN STATION
WASHINGTON, D.C.

TELEPHONE EXECUTIVE 8000

REFERENCE

March 5, 1945.

PERSONAL

Dear Mr. Secretary:

The Chancellor of the Exchequer has asked me to tell you that he fully shares your criticisms of the proposals put forward in the report of the American Bankers' Association on the Bretton Woods Plan, as it has been reported in the British press. The Chancellor of the Exchequer has asked me to say that the belief expressed in the A.B.A. report that the Bankers' program would be accepted as readily as the Bretton Woods Plan by other countries is not the case, so far as the United Kingdom is concerned, since it would not be acceptable there.

Sir John Anderson does not, of course, wish that this expression of his view should become public, since Congress might then complain that the British Government were trying to interfere in their consideration of what American policy should be. But he thought it might be helpful to you to know and, if necessary, be able to say that you understood that the Bankers' proposals in their present form would be quite unacceptable to Great Britain.

Yours sincerely,

R.H. Brand

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

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12"

March 13, 1945

Dear Mr. Turek:

Thank you very much for your telegram on Bretton Woods.

The Minnesota United Nations Committee has a great opportunity to further the cause of world peace through their support of the Bretton Woods Agreements.

I was gratified at the warm reception we received on Bretton Woods in the Twin Cities.

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Charles J. Turek,
Chairman, Executive Committee,
Minnesota United Nations Committee,
St. Paul, Minnesota.

AFL:mrd - 3/13/45

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WESTERN UNION

A. N. WILLIAMS
PRESIDENT

CLASS OF SERVICE
This is a full-rate Telegram or Cable-gram unless its defined character is indicated by a suitable symbol above or preceding the address.

SYMBOLS
DL = Day Letter
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

Time of receipt is STANDARD TIME at point of destination

PUA17 LG PD=STPAUL MINN 11 927A
HON HENRY MORGANTHAU JR=
NICOLLET HOTEL MPLS=

D45 MAR 11 AM 9 32

MINNESOTA UNITED NATIONS COMMITTEE WITH REPRESENTATIVES IN EVERY MINNESOTA COUNTY HAS HEARTILY APPROVED BRETTON WOODS PROPOSALS AND HAS URGED OUR CONGRESSMEN AND SENATORS TO VOTE IN FAVOR OF CONCURRENT RESOLUTION AUTHORIZING PRESIDENT TO JOIN IN FINANCIAL PLANS AND INTERNATIONAL ORGANIZATIONS THAT WERE DRAWN UP BY BEST FINANCIAL EXPERTS OF 44 NATIONS AT BRETTON WOODS. TRUST YOUR VISIT TO TWIN CITIES WILL GREATLY STRENGTHEN THIS ATTITUDE=

CHARLES J TURCK CHAIRMAN EXECUTIVE COMMITTEE.(

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

Mr. White
Mr. Luxford
Mr. Feltus
Mr. Fussell

March 13, 1945

Secretary Morgenthau

Mr. Richard L. Wilson, Chief of the Minneapolis Star Journal & Tribune Bureau, National Press Building, is a good friend of Sen. Shipstead's.

For your information, I am attaching hereto a copy of a letter to Rep. Judd and also a memorandum to me from Mr. Hubbard of Radio Station KSTP. I think that I ought to see Rep. Judd myself.

March 12, 1945

PERSONAL and CONFIDENTIAL

To: Henry Morgenthau, Jr.
Secretary of the Treasury

From: Mr. Hubbard
Radio Station KSTP

Senator Shipstead feels there are certain parts of the plan which are not carried by the newspapers and radio stations.

As an example, the sterling area. The sterling area is the area in which Great Britain has an agreement with certain countries. The countries in this area trade in sterling and we are not in a position to trade with these countries because of the sterling trade agreement with England.

This new setup will, in Shipstead's opinion, start a trade war unless there is something in the plan to require Great Britain to release their sterling agreement with these countries and go along on the gold basis.

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March 12, 1945

Hon. Walter H. Judd
House of Representatives
Washington, D. C.

My dear Dr. Judd:

The Secretary of the Treasury, Mr. Morgenthau, has been in Minneapolis the last two or three days. Yesterday I had the opportunity to have a little discussion with him in regard to the Bretton Woods monetary proposals. During the discussion I asked him if he had ever made your acquaintance, and he replied in the negative.

As you know, this is a matter which will come before Congress in the very near future, and because of its post-war international implications, I am sure it is a subject in which you will be greatly interested.

Mr. Morgenthau would like very much to discuss the matter with you, and upon his return to Washington, I believe he will get in touch with you.

I do not profess to be in the kind of a bank which comes very close to this particular problem, but I am tremendously interested along with you, in seeing that something definite for international cooperation comes out of Bretton Woods and Dumbarton Oaks. I do not believe anyone would profess that the Bretton Woods proposals are perfect, but on the other hand, they do provide a framework from which to start, and if they are the best that can be obtained by agreement of the 40-odd nations, it is far better to go along with them than have nothing at all.

It was nice to have a little visit with you when you were last here. With kindest regards,

Sincerely yours,

HSK:flm

282

Richard L. Wilson
Chief of the Minneapolis
Star Journal & Tribune Bureau
National Press Bldg.

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12"

Mar. 13, 1945

Mr. Fussell
Mr. Blough

Secretary Morgenthau:

Re: Your memoranda of March 12th on Secretary Wallace's articles

I want to compliment you on the way you have handled this matter. I can't understand why Wallace should become the mouthpiece on taxes. I would like to discuss this with the both of you.

March 12, 1945.

Memorandum

TO: Secretary Morgenthau
FROM: Mr. Fussell

SUBJECT: Secretary Wallace articles

Among the material given to me last Friday for preparation of letters for your signature was a letter from Secretary of Commerce Wallace, transmitting:

1. Excerpts from a proposed magazine article.
2. First draft of chapters from two forthcoming books.

Mr. Wallace asked whether the views set forth in these drafts accorded with the views of the Treasury.

Subsequent to your departure for Minneapolis, Friday afternoon, Secretary Wallace, in a telephone message to Mr. White, asked immediate advice on No. 1. It was accordingly turned over to Mr. Blough, who conferred with Mr. Bell, Mr. White and others. Mr. Blough and I talked with Secretary Wallace Saturday afternoon, Mr. Blough presenting the Treasury viewpoint orally. Secretary Wallace was extremely cordial and asked for specific recommendations as to language which should be revised or eliminated altogether. Mr. Blough made several suggestions, all of which were accepted.

The gist of the changes was (a) the elimination from the proposed magazine article of material advocating freedom from income taxes for five years of capital invested in new enterprises provided two-thirds should be spent for labor or materials and (b) revision of language advocating abolition of excess profits taxes and new plant and facilities writeoffs. In both cases (b) the revised language recommends that changes suggested be made "after the war is over and the danger of inflation has passed" instead of immediately with peace.

The revised magazine article also will contain a proposal for extending the period in which business losses may be offset against profits, in lieu of the recommendations as to tax exemption.

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The material referred to as No. 2 is in the hands of Mr. Blough and is going through the mill. Secretary Wallace said he would like to have it by the middle of the week if possible.

I have deferred writing the letter to Secretary Wallace, for your signature, until the comments being prepared under the direction of Mr. Blough are ready.

I don't think this memorandum would be complete without reference to the very tactful and helpful way in which Mr. Blough handled this matter. For my money he is both a scholar and a diplomat.

H. D. W.

Copy to:
Mr. Gaston
Mr. White

March 12, 1945

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

Subject: Excerpt from Secretary Wallace's article.

(For your information; no action required)

On Friday, March 9, Secretary Wallace called Harry White in order to expedite the Treasury's comments on the tax excerpt from his proposed article on small business, which he referred to you in his letter of March 5 (received in your office March 8). Mr. White got in touch with me late in the day and we ascertained that the letter had been referred to Mr. Fussell along with the two chapters from Secretary Wallace's forthcoming booklet.

On Saturday, March 10, I discussed the excerpt with Mr. Bell, Mr. O'Connell, Mr. White, Mr. Coe, and others. I prepared some suggested changes in language and also, at Mr. Fussell's suggestion, prepared an explanatory memorandum. At Mr. White's suggestion, Mr. Bell arranged for me to see Secretary Wallace at 2:15 p.m. Mr. Fussell and I went over at that time. Mr. Louis Bean was also present at the conference.

Secretary Wallace was most cordial. He agreed with the points which I made and made all suggested deletions and changes in language. In the suggestions made I endeavored to retain the maximum of Secretary Wallace's proposals and point of view consistent with the thinking in the Treasury on this subject.

I did not make a copy of the revised proposals but they are very nearly as follows:

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- 2 -

1. The excess profits tax should be abolished as soon as possible after the war and the danger of inflation has passed; in the meantime the excess profits exemption should be substantially increased.

2. Expanding business should be permitted, after the war and the danger of inflation has passed, to write off new plant and facilities more rapidly than it can under existing law.

3. Small corporate business with no more than 20 stockholders and $50,000 income should have the option of being taxed in the same manner as a partnership.

4. The period over which business losses may be carried over and offset in a later year against profits should be extended from two to five or six years.

I told Secretary Wallace about our interdepartmental tax group and invited him to be represented if he desired. He said he would be very glad to and promised to have someone at our next meeting on Wednesday, March 14.

Roy Blough

Lifford
[illegible]

March 13, 1945

Mrs. Klotz -

The Secretary would like to have you remind him that he wants to see Congressman Judd.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

TO Mr. White ✓
Mr. Luxford
Mr. Feltus
Mr. Fussell

DATE March 13, 1945

FROM Secretary Morgenthau

Mr. Richard L. Wilson, Chief of the Minneapolis Star Journal & Tribune Bureau, National Press Building, is a good friend of Sen. Shipstead's.

For your information, I am attaching hereto a copy of a letter to Rep. Judd and also a memorandum to me from Mr. Hubbard of Radio Station KSTP. I think that I ought to see Rep. Judd myself.

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March 12, 1945

PERSONAL and CONFIDENTIAL

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March 12, 1945

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It was nice to have a little visit with you when you were last here. With kindest regards,

Sincerely yours,

HSK:fla

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March 13, 1945

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

Subject: Chapters from Secretary Wallace's forthcoming booklet.

(Please read at least the next to the last paragraph.)

Two chapters from Secretary Wallace's forthcoming booklet were transmitted to you along with his letter of March 5.

The chapter "The Cost of Full Employment" briefly (four pages, double spaced typing) expounds the thesis that the Federal Government after the war cannot afford not to assume the responsibility of a full employment policy. He expects a minimum expenditure level of $20 billion after the war. He discusses the question of budget balancing and advocates that in years of high income and employment, budget surpluses be used to retire debt while in periods of slackening income and employment the "Government expansion program" be speeded up and financed by bank borrowing.

His chapter "Tax Policy and 60 Million Jobs" is a short (six pages, double spaced typing) discussion of postwar tax policy, in general along lines corresponding to Treasury thought on the subject. Many important problems are of necessity omitted.

In his letter Secretary Wallace does not specifically ask for comments but there is one point which you may wish to bring to his attention. In the chapter "Tax Policy and 60 Million Jobs" he says in the first paragraph referring to the wartime tax policy: "With more effective use of

taxes and compulsory savings, we could have tied down more of the 'loose dollars' and made the direct controls of manpower and prices still more manageable." You may wish to suggest that he omit the words "compulsory savings" since the present language gives the impression that compulsory savings would have been a desirable addition to the wartime financial program.

At Mr. White's request I transmitted the chapters to him for further consideration.

Roy Blough

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RB:dsd
3/13/45

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

296

DATE 3/13/45

TO Secretary Morgenthau (For action)

FROM Mr. Coe FC

The answer to Drew's letter on Earth is a matter of judgment. I have drafted and recommend the first letter.

However, a non-committal letter, drafted by others, is also submitted.

Please sign one of the letters submitted.

State will probably show our letter to Earth.

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296

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE 3/13/45

TO Secretary Morgenthau (For Action)

FROM Mr. Coe FC

The answer to Grew's letter on Barth is a matter of judgment. I have drafted and recommend the first letter.

However, a non-committal letter, drafted by others, is also submitted.

Please sign one of the letters submitted.

State will probably show our letter to Barth.

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March 5, 194[illegible] 297

From Mrs. McHugh.

Ed

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2

DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FMA SECRET

March 7, 1945

My dear Mr. Secretary:

Your letter of January 30, 1945, with respect to Mr. Alfred W. Barth, and its attachment, has been carefully examined by the Department of State.

There have been discussions between representatives of the Department of State and Mr. Barth regarding the possibility of obtaining his services on an exclusive basis as a consultant in the Department for a period estimated not to exceed six months. For a portion of that period, it was suggested, Mr. Barth would be detailed abroad, but without being accredited to any foreign government, for the purposes of (a) assisting the field officers who will be assigned in Portugal, Spain, and Switzerland to the task of uncovering German assets to establish contacts with key figures in the banking circles of those countries; and (b) investigating the attitude of the Swiss banking community toward Allied efforts to identify German assets. It was not contemplated that Mr. Barth would represent the Department of State in negotiations with neutral governments or neutral nationals. Rather, the proposal was to capitalize upon Mr. Barth's unquestionably good entree into banking circles in these neutral countries and upon his competence as an expert observer. It is foreseeable that a few key personalities in the Swiss banking world may become very important to our task of identifying German interests in that country. For instance, if the Currie Mission succeeds in inducing the Swiss to lift the legal penalties of the Swiss Banking Secrets Act, there will remain the problem of getting cooperation from the very few men in the Swiss banks who really know for whom numbered accounts are held. Mr. Barth, it was expected, could obtain a good deal of useful information about these men or, perhaps, from

The Honorable

Henry Morgenthau, Jr.,

Secretary of the Treasury

SECRET

from them. It was desired, finally, that after his trip Mr. Barth prepare a series of comprehensive reports for the assistance of all the departments and agencies interested in what has come to be called the "Safehaven Project".

An important consideration in the case of Mr. Barth is that he has been engaged for approximately the past two years in Governmental financial operations on the Iberian Peninsula. Personalities and patterns of action with which his work brought him into contact are thus still fresh in his mind.

The foregoing was explained by Departmental representatives to Mr. Bernard Feig of the Treasury Department, who has been the Treasury representative on the informal liaison group working on "Safehaven". Mr. Feig mentioned the matters raised by your letter but did not indicate a definite Treasury objection to the employment of Mr. Barth for the purposes above stated.

The attachment to your letter makes no direct statement that Mr. Barth has had any connection with an illegal activity. The Department is loath to bar an American citizen from employment, in the absence of other evidence, on the ground of undefined and conjectural statements, which the United States Attorney for the Southern District of New York apparently felt did not warrant a direct statement as to Mr. Barth's loyalty. This is especially so in the case of a person who, the Department is informed, has served with loyalty and distinction as an official of the United States Commercial Company, in a difficult foreign assignment.

In view of the joint interest of the Treasury Department and the Department of State in the uncovering of hidden German assets in the neutral countries, however, the Department would be glad to accept your recommendation on the employment of Mr. Barth. I should, therefore, appreciate receiving your recommendation with respect to this matter.

In view of the previous employment of Mr. Barth by the United States Commercial Company, and the interest of the Foreign Economic Administration in this general topic, I am forwarding copies of our correspondence to

the Honorable

Regraded Unclassified

PRECISION TRADE MARK MICROSTAT REG. U.S. PAT. OFF. MICROFILM ROLL NO.
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the Honorable Leo Crowley. I should think it desirable, in all fairness, also to inform Mr. Barth of the reason for the refusal to employ him, should you so recommend.

Sincerely yours,

Acting Secretary

SECRET

DEPARTMENT OF JUSTICE

UNITED STATES ATTORNEY

Southern District of New York

New York, N. Y.

BS

96497

January 16, 1945

Irving Moskovitz, Esq.,
Foreign Funds Control,
Treasury Department,
Room 403, 709-12th Street, N.W.
Washington, 25, D. C.

Re: Chase National Bank.

S i r :-

Reference is made to your telephone conversation with my Assistant, Mr. Bruno Schachner, concerning information in our possession about Alfred W. Barth, formerly Second Vice President of the Chase National Bank of New York.

As you know, there are at present pending two indictments against the Chase National Bank, charging it with violations of the Executive Orders relating to foreign funds. Both indictments grow out of transactions in connection with the account of one Leonard J. A. Smit and his companies, who were co-defendants. Leonard J. A. Smit and his companies have pleaded guilty and have been sentenced. The case against the Chase National Bank is still pending. Alfred W. Barth was one of the men in charge of administering the freezing order as it affected the Chase National Bank, and as such he authorized payments from the account of Anton Smit & Co., which according to the contention of the Government should not have been permitted.

While it is not clear whether at the time the original decision was made Mr. Barth was in possession of information from which he could determine that his action was illegal, however, one of the employees of the bank testified that Mr. Barth subsequently acquired that information and disregarded it. Assuming that the testimony of that employee is true, Mr. Barth would be guilty of an intentional violation of the freezing order. The violation is particularly serious because it enabled Leonard J. A. Smit to finance transactions in industrial diamonds which were of considerable aid to the Axis powers. There is, however, no evidence to indicate that Mr. Barth knew that his illegal action in connection with the freezing order would ultimately involve aid to the Axis.

The activities of Alfred W. Barth have also been investigated both by the Department of Justice and by this office, in connection with the sale of Kneckwanderer Marks by the Chase National Bank. Mr. Alfred W. Barth was in charge of that program for the Chase National Bank.

It is alleged that the sale of Kneckwanderer Marks was the most important source of dollar credits for the German Government. In the course of an investigation of the accounts of the Goldschmidtbank in the United States over nineteen million dollars in these accounts have been identified as having been derived from the sale of such marks, of this amount roughly nine million dollars was obtained

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PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

through the Chase National Bank whose gross commissions totalled about five hundred thousand dollars. The net profit of the Chase National Bank is estimated at two hundred and fifty thousand dollars.

In the conduct of this business, the Chase National Bank was closely associated with German Government banks and other Government agencies. In essence, the German Government through the Chase National Bank offered German residents in this country the opportunity to buy Marks at a preferential rate if they undertook to utilize these Marks solely in Germany. The theory of the arrangement was that it was open only to persons desiring to return to Germany and make their permanent home there. Thus, before any transaction could be consummated, persons desiring to purchase such Marks had to convince the German Government that they were desirable as residents of Germany. The Chase National Bank appointed a large number of sub-agents throughout the country whose mission it was to promote the sale of such Marks. In the course of this promotion, the advantages of living in Germany were stressed extensively. After the outbreak of the present war, prospective purchasers were urged to invest in Ruckwanderer Marks on the ground that such Marks were an excellent hedge against inflation in the United States, and were bound to increase in value after a German victory which was assumed. Between December 15, 1940, and May 15, 1941, purchases totalling two million dollars were made through the Chase National Bank.

From documentary evidence, it is clear that Alfred W. Barth realized that the true purpose of this scheme was to raise foreign exchange for the German Government. It is further clear that officials of the Chase National Bank realized that the scheme was essentially unfair to the United States, and were anxious to avoid undue publicity which "might possibly compel our Department of State to enforce a clearing system between Germany and America". It was further clear to them that such a clearing system would be disadvantageous to Germany, and in statements to the German Government their representatives stressed the desirability of avoiding publicity since it might do harm to German interests.

In connection with the detention of alien enemies, the purchase of Ruckwanderer Marks by an alien enemy is considered some indication of disloyalty to this country.

I have no further information concerning the loyalty of Alfred W. Barth to the United States.

Respectfully,

/s/ John F. X. McGohey,
United States Attorney.

Regraded Unclassified

PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

MAR 13 1945

Dear Mr. Woods:

Thank you for your letter of March 6, 1944, giving me your reaction to the recent meeting in Washington in which I advised with the large insurance companies concerning their recommendations for the Seventh War Loan. I am pleased to know that you felt this conference was constructive and that the plans for the Seventh War Loan are, in your judgment and that of your colleagues, well laid.

It is the enthusiastic support of the War Finance program as evidenced by the work of volunteers such as yourself that has made the program a truly great project not only for financing the war but for bringing about an intimate understanding of government and its problems by many millions of people.

Please extend my best wishes to your associates in the fine Tennessee War Finance Committee.

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Cecil Woods
President
The Volunteer State Life Insurance Company
Chattanooga, Tennessee

Dictated by R.W.C.
3/12/45

Regraded Unclassified

PRECISION TRADE MARK MICROSTAT REG. U.S. PAT. OFF. MICROFILM ROLL NO.
12"

The Volunteer State Life Insurance Company

Chattanooga, Tennessee

March 6, 1945

CECIL WOODS
PRESIDENT

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

My dear Mr. Morgenthau:

Your consideration and cooperation to the investment problem of the insurance companies, as evidenced at the group meeting last Thursday, is deeply appreciated by me and I am sure, in turn, will be by the personnel of the entire industry. As you stated, you realize full well the problem with which all of us are confronted, and I sincerely hope that we also realize and appreciate your problem in the huge borrowing program so vitally necessary to the war effort . I have talked with several officers of companies, some of whom attended the meeting and others who did not, and I sincerely believe that a definite understanding of your views can and will be placed before the entire industry, and so far as "policing" is concerned I am now of the opinion that it will never be necessary.

May I add this personal word. It has been a great privilege and pleasure to serve you and your fine Ted Gamble for almost four years, first as County Chairman and more recently as State Chairman. Your accomplishments will, I am sure, always stand as a tribute and monument to you, Ted and your other associates. I do not believe a finer group has ever been assembled.

Now, we shall get on with the Seventh, which must be just as successful as the others.

Again thanking you for your consideration and kindness, I remain,

Cordially yours,

Cecil Woods

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PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

25

MAR 13 1945

Dear Jim:

Our Seventh War Loan campaign opens officially on May 14. The goal is, as you know, 14 billion dollars, with particular emphasis being placed on a seven billion dollar share for individual purchases. Preliminary to the official drive, there will be a drive for individual purchases through Payroll Savings early in April. The task confronting us is without question the most arduous we have yet experienced.

Every ounce of cooperation that can be accorded us will be needed. With appreciation of the great value the splendid help given us by the Navy has been during past drives, I am asking that you again issue a directive authorizing full Navy assistance to the Treasury Department and to the State War Finance Chairmen during the months of April, May and June.

We plan to again take full advantage of the drama created by the amazing accomplishments of the Navy, particularly in the Pacific. We want to again emphasize the gigantic task still to be accomplished.

In sending this request to you I am not unmindful of the invaluable help being currently given our program by the Photo Science Laboratory and by the Liaison Officers appointed to work with us. The gratitude freely expressed by our Chairmen is heartening indeed and I am glad to reflect it to you together with my own.

Sincerely,

[Signed] Harry

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

GSB:mt 3-10-45

25

MAR 13 1945

Dear Harry:

As you know our plans for the Seventh War Loan are now quite complete. In view of the over-all quota of 14 billion dollars with emphasis on individual sales, the goal for which is seven billion dollars, you will realize, I am sure, the task confronting us will be the most difficult we have yet experienced.

We are going to need every ounce of cooperation that can be accorded us and it is for that reason I am addressing you at this time.

Will you be kind enough to again issue a directive authorizing full cooperation with the Treasury Department and the State War Finance Chairmen by the Commandants of all War Department installations? While the official opening date of the loan is May 14, the drive for individual purchases through Payroll Savings will start early in April, so if you would be kind enough to arrange for such cooperation during the months of April, May and June, I would appreciate it greatly.

The situation confronting us in manpower, transportation, etc. makes it imperative that we localize our promotions to the greatest extent possible and in this the respective Service Commands can be of great help.

We are hopeful too, a considerable amount of small pieces of captured enemy equipment will have been returned to this country in time for distribution among the States. The demand for such materiel continues to demonstrate its War Bond sales promotion value.

The splendid assistance the Army has given to us in the past leads me to hope that despite such difficulties as may exist, we can lean more heavily on this support during the coming campaign than we have thus far had occasion to do.

Sincerely,

[Signed] Harry

Honorable Henry L. Stimson
Secretary of War
Washington, D. C.

GSB:mt 3-10-45

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COPY FOR SECRETARY

DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

DIVISION OF CENTRAL SERVICES
1945 MAR 14 AM 10 02

PEM-912
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Chungking via Navy
Dated March 13, 1945
Rec'd 2:30 p.m.
LIAISON

Secretary of State,

Washington.

422, March 13, 2 p.m.

TO SECRETARY OF TREASURY FROM ADLER.

Financial situation.

One. Note circulation, January $202,892 million, February $226,210 million, monthly increases of 7 and 11% and an increase of almost 20% since January 1.

Two. 1944 expenditures 172,993 million, revenue 40,750 million, deficit 132,243 million. January 1945 expenditures 49,292 million, revenue from taxation 5,165 million of which two-thirds made up by salt tax and land tax; February expenditures 24,953 million, revenue between 4 and 5 billion, receipts from sale of gold and gold deposits in January and February totalled 14 billion plus 2.8 billion from compulsory purchase of Treasury certificates. Attention is called to fact that increase in note circulation since January 1 is smaller than gap between expenditures and revenues including receipts from gold sales.

Three.

-2- #422, March 13, 2 p.m., from Chungking via Navy.

Three. Official price indices not yet available, but conservative estimates indicate that prices in Chungking have risen over 50%; in Kunming probably more than 100%, and in Chengtu around 50% since January 1. Prices have continued to rise since Chinese New Year with spectacular increases in foodstuffs in Kunming. Rate of increase in prices is now much sharper than before, and signs are that dpurx in inflationary process is occurring.

Four. Gold sales: Spot January 61,000 oz., February 95,000 oz.; six-month gold deposits, January 234,000 oz., February 259,000 oz.; other forward about 50,000 oz. in the two months. Official price unchanged, black market price $39,500 at end of February.

Five. Chungking bank clearings January 97.4 billion, February 82 billion. Interest rates 10% per month.

Six. Open market rate for United States currency which fluctuated around 500 during January rose to 600 in third week of February and is now 560. Rupee currency 165, savings certificates 330, bonds 270, bond coupons 400, and sterling checks 1400-1500. UCB sold US dollars 11 half million of its January allotment at average of under 300; current UCB rate 310.

ATCHESON

LMS

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PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.

CABLE TO MINISTER JOHNSON AND CLSEN, STOCKHOLM, SWEDEN, FROM WRB BOARD

Re our 173, January 31, and your 676, February 22. There is repeated below for your information text of our cable to London requesting Blockade authorization for on shipment from Sweden of medical supplies, clothing, and food parcels with over-all amount of 1,000,000 kroner:

Quote Expansion of parcel program from Sweden for detainees in Bergengelsen desirable at this time and recommended by Amembassy and WRB representative Stockholm. Proposal covers on shipments from Sweden of 300,000 kroner medical supplies, 500,000 kroner clothing, and 200,000 kroner (24,000 parcels) food from Sweden.

Distribution would be handled after the manner of the currently approved food parcel program from Sweden. Reference is made to Department's 945 of February 7 and your 1559, February 13, and earlier exchange on this subject.

Department, FEA, and WRB request urgent approval from Joint Relief Subcommittee so that procurement and shipment can be begun at the earliest possible moment. If MEW agrees, please inform Stockholm direct, repeating to Washington. Unquote

For your information the American Jewish Joint Distribution Committee here has indicated to the Board that it will underwrite the cost of this program.

THIS IS WRB STOCKHOLM CABLE NO. 336

9:30 a.m.
March 13, 1945

DEPARTMENT OF STATE

INCOMING TELEGRAM

DIVISION OF CENTRAL SERVICES TELEGRAPH SECTION

DIVISION OF CENTRAL SERVICES

Chungking via Navy

AG - 893
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

MAR 14 AM 9 32

Dated March 13, 1945
Rec'd 1:35 p.m.

OC/L
LIAISON

Secretary of State,

Washington

415, March 13, 9 a.m.

Embassy has discussed question of having United Clearing Board sell negotiable checks in China with Bishop, UCB Treasurer here. (REDEPTEL 364, March 3, 11 a.m.). Bishop states proposed method of acquiring Chinese currency would probably not involve more than US $10,000 per month and would therefore not be effective, especially as UCB is endeavoring by sale of drafts to dispose of more than US dollars one million per month and has on deposit about US dollars two and one-half billion (billion?) still unsold. He further states that even if endorsement on checks were limited to only one other party there would be no way to prevent checks falling into hands of speculators.

Embassy does not believe sale of negotiable checks would be advisable because (1) if conditions of issuance, such as limiting endorsement to even one other party, were liberal these checks would probably

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-2-#415, March 13, 9 a.m., from Chungking via Navy

probably fall into hands of speculators and (2) if conditions of issuance were not liberal the checks would be no more attractive or effective than drafts currently issued. Adler concurs.

ATCHESON

JT

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PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.

CABLE TO JOHNSON AND OLSEN, STOCKHOLM, FROM DEPARTMENT AND WAR REFUGEE BOARD

Reference your No. 876 of March 7, 1945. Department and Board appreciate receiving this report and request that you continue to explore the situation and advise of significant developments. It is understood that Olsen will be guided by Legation with respect to meetings with any persons such as Fritz Hesse.

For your information McClelland has advised Department and Board that Burckhardt of Intercross is now in Germany to discuss question of relief to unassimilated persons and question of release and removal of physically unfit from Germany. In this connection McClelland further advises:

> "On March 3 ICRC was officially informed by the Government of Germany that that Government now agrees to the exit from Germany of elderly people, women and children, of Nordic extraction or nationalities, and of French nationality, who were unsuited as laborers. It is not clear whether the basis include Jews among the people of French nationality. A promise was made me by Burckhardt that he will try to secure the release of Jews as well within any national group if the Germans desire to limit the evacuees to certain nationalities, for reasons which are not clear."

THIS IS WRN STOCKHOLM NO. 330

5:15 p.m.
March 13, 1945

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

March 13, 1945
11 p.m.

AMEMBASSY

LONDON
1935
The cable below for Mann is WRB 58.
Reference your 2402 of March 8, 1945.
For your information following are texts of two recent cables sent to McClelland:

1. Cable No. 819 of February 23:

QUOTE The cable below to Harrison and McClelland from Department and War Refugee Board is WRB 416.

The following is text of memorandum of Executive Director of War Refugee Board which was unanimously approved at Board meeting February 20th:

MEMORANDUM Memorandum to: Secretary Stettinius
Secretary Morgenthau
Secretary Stimson

Our best information indicates that, while the enemy has abandoned wholesale extermination of detainees, large numbers of the physically unfit are now in imminent danger of death due to starvation, exposure and deliberate neglect. The actual numbers are unknown and are believed to be changing daily.

Food, medicines and clothing must be distributed to such detainees at once if their lives are to be saved. They should be removed, if possible, to safety in Switzerland without unnecessary delay.

The International Red Cross is our only means of direct contact with the camps. Operations can best be conducted from Switzerland.

The War Refugee Board is requested to authorize its representative to obtain the necessary cooperation of the International Red Cross and the Swiss Government.

The War Refugee Board is further requested to approve that the necessary funds, medicines and transportation equipment be made available to the International Red Cross by the Swiss Government against our promise of repayment or replenishment after the war. It is understood that private funds are available for the necessary financing.

(Signed) William O'Dwyer
Executive Director

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APPROVED: (Signed) Joseph C. Grew
Acting Secretary of State

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

(Signed) Henry L. Stimson
Secretary of War END INTERQUOTE.

You will note that the program approved envisages (1) furnishing food and other relief through the International Red Cross to physically unfit unassimilated detainees who are within enemy-controlled territory, and (2) their removal by the International Red Cross to safety in Switzerland as soon as possible.

The Executive Director of the Board plans to go to Switzerland in the near future in connection with the foregoing program. In the meantime, you are requested to do the following immediately:

1. Explore the availability in Switzerland of food and other relief supplies as well as transportation equipment. Please advise the Board and Department at once whether relief trucks are permitted to move from Switzerland to German-controlled areas and return to Switzerland for reloading of supplies;

2. Approach Intercross with a view to obtaining their consent to deliver the relief supplies in enemy territory and to organize and effectuate the removal of detainees to Switzerland;

3. If Currie mission concurs please approach the Swiss Government for the purpose of obtaining its consent (a) to make available to Intercross now the necessary supplies and equipment for the foregoing relief and evacuation program and (b) to admit all detainees who reach Swiss borders and house and maintain them under guard until we are able to arrange for their evacuation to Allied territory. You may assure the Swiss that this Government will arrange for the replenishment from the outside of all supplies made available by the Swiss for this purpose and compensation for use of equipment.

Please report all developments to Department and Board. UNQUOTE

2. Cable No. 998 of March 9, 1945:

QUOTE Reference your No. 1217 of February 24, and No. 1345 of March 2, 1945, and Department's 819 of February 23, 1945.

1. The Board regards as most urgent that all possible steps be taken at once for the delivery of War Refugee Board food parcels to intended beneficiaries in enemy territory.

Accordingly, you are hereby authorized to procure the necessary transportation, including trucking facilities, gasoline, tires, oil, etc., from any source to be made available to the International Red Cross for (a) the delivery of War Refugee Board food packages and (b) for the evacuation of physically unfit detainees from enemy territory to Switzerland. The Board urges haste in this program.

2. The War Department today has cabled General Eisenhower recommending the release of 50 tons of trucking capacity with 1500 to 2000 gallons of gasoline per week and necessary lubricating oil for delivery to the International Red Cross in Switzerland earmarked for War Refugee Board operations. C-4 at Paris has been instructed by the War Department to expect your arrival in Paris and you are hereby directed to proceed to Paris at once to work out necessary details.

3. You should, of course, continue to make every effort to obtain transportation equipment from other sources including Swiss Government and private sources in Switzerland, since ultimate transportation needs may require more than 50 tons of trucking capacity.

For your information, the Swiss Minister in Washington has advised me that he has recommended to his government that adequate trucking facilities be released by the Swiss for this urgent War Refugee Board work.

Use your best judgment in handling complications which may arise. Please keep Board advised of all developments. UNQUOTE

STETTINIUS
(GLN)

WRB:MAV:KD DC WE
3/13/45

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CLB-974
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Rome

Dated March 13, 1945

Rec'd 4:25 p.m.

Secretary of State,

Washington

694, March 13, 4 p.m.

TO MOSES LEAVITT FROM JOSEPH SCHWARTZ. 7.

Have cabled recommendation early January that minimum appropriation required for package service from Tehran hundred thousand dollars monthly instead of fifty thousand which you allocated. In view Passman's latest report and necessity maintaining service at least at present level would urge you make available hundred thousand dollars monthly this purpose.

KIRK

DSB-967
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Rome

Dated March 13, 1945

Rec'd 3:50 p.m.

Secretary of State

Washington

696, March 13, 4 p.m.

TO LEAVITT JDC FROM SCHWARTZ 8

Jacobson awaiting permission proceed Yugoslavia. We require personnel to be sent from here to Greece and Albania. We have also taken up with IGCR who will be attached to military for work with stateless in Germany and Austria having our representatives accompanying their missions and we will require personnel for these purposes. Must also have proper staff to go into liberated Czechoslovakia and Hungary. In view Jacobson's imminent departure Resnik must have immediate assistance here especially in view prospect increasing work north Italy. Greenleigh also requires additional staff France. Our personnel situation presently catastrophic and urge you undertake immediate recruitment covering above requirements which include six persons who can be sent on independent missions and minimum six to eight serve in assistant capacity.

KIRK

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DSH-962
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Rome

Dated March 13, 1945

Rec'd 4:03 p.m.

Secretary of State

Washington

693, March 13, 4 p.m.

To LEAVITT JDC FROM SCHWARTZ 9

We are informed that approximately 1672 internees from Bergen Belsen now Switzerland will be moved to Philippeville but their movement will take place before mid April. Of the 1200 from Theresienstadt approximately 700 will probably be moved to Ferramonti which is now UNRRA camp in Italy. Dutch nationals amounting to approximately 500 will be permitted to remain in Switzerland until their repatriation which is guaranteed by Dutch Government takes place. Have asked Linder to approach Czechoslovak Government London to give similar guarantee for their nationals numbering over 90 in Theresienstadt group.

KIRK

DSH-970
This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Rome

Dated March 13, 1945

Rec'd 4:15 p.m.

Secretary of State

Washington

695, March 13, 4 p.m.

FOR MOSES LEAVITT JOINT DISTRIBUTION COMMITTEE FROM JOSEPH SCHWARTZ 6

Have discussed with Linder projected feeding program concentration camps through Intercross. Would wish proceed Switzerland order work out plan with Sally Myer and McClelland prior arrival General O'Dwyer. However have already applied permission for Greece, Rumania and Bulgaria and view our problems these territories especially Rumania belief it more urgently important proceed there with least possible delay. Expect have reply at an early date and will be able plan accordingly. Will keep you informed.

KIRK

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CABLE TO STEINHARDT, ANKARA, FOR ROBERT F. KELLEY, FOREIGN SERVICE OFFICER, FROM WILLIAM O'DWYER, WAR REFUGEE BOARD

Please transfer at one to Iver C. Olsen, War Refugee Board Representative, United States Legation, Stockholm, the balance of the $160,000 transferred to your account in the Banque Centrale de la Replublque de Turquie, Ankara, by cable on April 11, 1944. Please confirm transfer by cable.

#146

5:15 p.m.
March 13, 1945

CABLE TO AMERICAN LEGATION, BERN, FOR MCCLELLAND, FROM THE WAR REFUGEE BOARD

Please deliver the following message to Gerhard Riegner, 37 Quai Wilson, Geneva, from Kurt Grossman of World Jewish Congress:

QUOTE INFORMED BY DEPARTMENT OF STATE THAT GROUP OF BERGENBELSEN INMATES NOW INTERNED WURZACH NEAR SWISS BORDER DO EVERYTHING POSSIBLE. UNQUOTE

THIS IS WRB BERN CABLE NO. 450

5:15 p.m.
March 13, 1945

Regraded Unclassified

PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

CABLE TO AMERICAN LEGATION, BERN, FOR MCCLELLAND, FROM THE WAR REFUGEE BOARD

Please deliver the following message to Hans Klee, 1 Rue du Rhone, Geneva, from Abraham Silberschein of World Jewish Congress:

QUOTE SWEDISH FOREIGN OFFICE STOCKHOLM THROUGH SWEDISH LEGATION WASHINGTON RECOMMENDS EXCHANGE OF LISELOTTE STAIN BORN DECEMBER 19, 1919 FRANZ STAIN JUNE 21, 1913 STEPHANIE POPPER DECEMBER 24, 1881 STOP ADDRESS RADHAUSGASSE 13 THERESIENSTADT STOP STATE DEPARTMENT THROUGH AMERICAN LEGATION BERN INFORMED SWISS AUTHORITIES BY CABLES JANUARY FIRST AND MARCH FIFTH THAT ALL THREE ARE LISTED FOR AMERICAN EXCHANGE STOP GOLDMANN HIGHLY INTERESTED THIS CASE TRY EVERYTHING INCLUDE FAMILY IN NEXT POSSIBLE EXCHANGE. UNQUOTE

THIS IS WRB BERN CABLE NO. 451

5:15 P.M.
March 13, 1945

Regraded Unclassified

PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

FD-1159

PLAIN

Lisbon

Dated March 13, 1945

Rec'd 3:20 a.m., 14th

Secretary of State

Washington

557, Thirteenth

WRB 355 JDC 197 FOR LEAVITT FROM HAROLD TROHE.

Have opportunity purchase 210 tons sugar at 26 cents per kilo delivered Bilbao in transit free France. Sugar now Brazil and Spanish freighter arriving there April 1st due return Bilbao April 20th. Must have immediate answer in order arrange navicert. Also danger losing opportunity unless contract concluded next days. Schwartz advised us sugar particularly needed France but this is first opportunity we have had to purchase since sugar lacking here and government forbids export sugar or commodities containing any sizabel quantities of sugar.

CROCKER

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PRECISION TRADE MARK MICROSTAT REG. U. S. PAT. OFF. MICROFILM ROLL NO.
12"

CABLE TO AMBASSADOR WINANT AND STONE, FROM DEPARTMENT, FEA, AND WAR REFUGEE BOARD

Expansion of parcel program from Sweden for detainees in Bergenbelsen desirable at this time and recommended by Amembassy and WRB representative Stockholm. Proposal covers on shipments from Sweden of 300,000 kroner medical supplies, 500,000 kroner clothing, and 200,000 kroner (24,000 parcels) food from Sweden.

Distribution would be handled after the manner of the currently approved food parcel program from Sweden. Reference is made to Department's 945 of February 7 and your 1559, February 13, and earlier exchange on this subject.

Department, FEA, and WRB request urgent approval from Joint Relief Subcommittee so that procurement and shipment can be begun at the earliest possible moment. If MEW agrees, please inform Stockholm direct, repeating to Washington.

THIS IS WRB LONDON CABLE NO. 57

9:30 a.m.
March 13, 1945

AIRGRAM TO MINISTER HARRISON AND MCCLELLAND, BERN, SWITZERLAND, FROM WAR REFUGEE BOARD

With respect to the pending evacuation of the 1672 refugees from Bergen Belsen and 1210 from Theresienstadt, there is repeated for your general information a copy of an incoming telegram from the UNRRA representative at Caserta which was made available to the Board on March 3:

QUOTE 1. We informed Philippeville of Washington's 106 to Rome and asked make essential preparations possible additional refugees.

2. Bad recent experience outlined in paragraph three below, however, indicates clear need improvement exchange of information if Keesy is to function effectively. Strongly recommend, therefore, action outlined in paragraph four below.

3. Less than 24 hours notice given of recent arrival of 120 Hungarian Jews at Philippeville. 22 stretcher cases, remainder in bad condition. SHAEF handled across France and embarked them at Marseilles.

4. Have asked AFHQ communicate CCS and SHAEF substance of following for information. In order that proper liaison can follow through with SHAEF, this repeated ERD. Washington requested to get full understanding of this with CCAC and War Refugee Board.

(a) Sending of refugees into this area from north not desirable, as a general rule, but if other opportunities nonexistent Keesy, Rome in cooperation AFHQ and with fair notice is ready to receive up to ceiling indicated in (c) below.

(b) AFHQ and Keesy should be signalled as far in advance as possible number, physical condition, sex, types of illness, family composition. Also prospective embarkation and debarkation points, date of arrival in order to allow Keesy to signal preferred destination in light of ability to receive and handle in accordance with his limited resources.

(c) There follows present ceiling capacity: 7,000 southern Italy, 2,000 Philippeville. Use of Italy camps subject to approval of AFHQ. Keesy will discuss AFHQ possibility raising ceilings with commitment military supply rations, accommodation stores, additional people. We will notify you of results.

All military should be requested not to initiate movement to

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UNRRA installations without first clearing eligibility refugees UNRRA care.

5. It is recommended that UNRRA, Washington fix responsibility for clearance paragraph four (d) at point nearest departure. For instance, UNRRA personnel at SHAEF for movements originating SHAEF theater.

6. Regarding paragraph four (A(recommend effort keep refugees Switzerland offering supplies and expenses if necessary persuade Government of Switzerland.

7. Keeny, Hendrickson, Matthews, Rhatigan, Zenthaky agree with the foregoing. UNQUOTE

You will note under number 3 above the short notice given UNRRA with respect to the arrival of the 150 at Philippeville and also that 22 arrived in poor physical condition. UNRRA here, therefore, has requested the Board to make available to them sufficiently in advance of actual evacuation information with respect to departure date together with data on the composition of the groups to be evacuated with respect to nationality was before; age, sex, physical condition, and any other information pertinent to documentation; this, so that the Board may be in a position to notify UNRRA here in advance of actual evacuation.

This is WRB Bern Cable No. 447

9:30 a.m. 3/13/45

CABLE TO JOHNSON AND OLSEN, STOCKHOLM, FROM WAR REFUGEE BOARD

Reference your No. 757 of February 28, 1945. Question of funds for Norwegian labor project has been thoroughly discussed with interested groups here who will make every effort to obtain an additional appropriation from the National War Fund. However, at the moment, it is impossible to secure permission to send any more than the $50,000 available for 1944-1945 and they have requested that you explain to the trustees that it is impossible at the moment to assure anything further than the aforementioned $50,000 which they expect to remit immediately.

For your information, Board is lending every assistance to the efforts of the labor groups here to obtain an additional appropriation from the National War Funds. However, this does not look too hopeful. For immediate needs, Board will arrange for transfer of all confidential War Refugee Board funds now in Turkey (approximately $90,000) to you. JDC has not (repeat not) been advised of advance made to trustees of Norwegian project from JDC funds.

THIS IS WRB STOCKHOLM CABLE NO. 329

5:15 p.m.
March 13, 1945

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March 13, 1945

Mr. Fussell

Secretary Morgenthau

Some one told me that they got up a little pamphlet of clippings, etc., on my speech and my trip to St. Louis. I believe Mr. Gaston sent it to all the Congressmen. I have never seen a copy of this, but I would like to do the same promptly with the Michigan and Minneapolis delegations. Done

NOT TO BE RE-TRANSMITTED

33D

COPY NO. 4

SECRET

OPTEL No. 83

Information received up to 10 a.m., 13th March, 1945.

NAVAL

1. HOME WATERS. 11th. 2 midget U-boats sunk by aircraft off Schouwen (Dutch Coast). 12th. 3 midget U-boats sunk by M.L's. off West Kapelle and 4th captured, with 3 prisoners. Aircraft sank 5 small craft, probably explosive motor boats, north of Schouwen.

2. MEDITERRANEAN. 9th/10th (night). Allied coastal craft in Gulf of Genoa attacked convoy of 8 F-lighters, 2 sunk and probably 2 others damaged.

3. ENEMY ATTACK ON SHIPPING. 13th. A 2878 ton ship in coastal convoy sunk by mine off Lowestoft.

MILITARY

4. WESTERN FRONT. Good progress made in clearing area north of Moselle. Expansion and consolidation of Remagen bridgehead continues against strong resistance. Small enemy pocket south of Andernach now eliminated and Allied troops hold west bank of Rhine from Coblenz to Holland.

5. EASTERN FRONT.
Central Sector: Russians advances to coast on Bay of Danzig and captured Puck, 15 miles off N.N.W. Gdynia. Important railway junction Tczew, 18 miles S.S.E. of Danzig captured and also Kustrin on Oder.
Southern Sector: Attacks by large forces infantry and tanks N.E. and east of Lake Balaton repulsed with heavy losses to enemy.

6. BURMA.
Central Sector : Active reconnaissance being carried out in Meiktila area. In actions N.W. of town between 300 and 400 enemy estimated killed. Our troops now within 3 miles Myotha. 11th. Troops of 19th Indian Division captured railway station Maymyo.
Northern Sector: S.W. of Lashio Chinese troops advanced approximately 6 miles down road to Hsipaw. Some opposition encountered.

AIR

7. WESTERN FRONT. 12th. Bomber Command escorted heavies 1076 (2 missing) dropped 4889 tons on Dortmund through cloud. 1314 escorted U.S. heavies (1 bomber, 4 fighters missing) dropped 1438 tons on Swinemund port area and 1245 tons on 7 railway centres in Western Germany. Cloud prevented observation of results. SHAEF (Air) bombers 96 attacked Dorsten railway centre (126 tons) and medium bombers 578 attacked 8 railway centres and other targets in Northern sector (897 tons). All results unobserved. Fighter bombers and fighters 1020 operated successfully over battle area.
27 Fighter Command Spitfires attacked rocket targets Holland with good results. Coastal Command aircraft effectively attacked navigational aids off west coast of Norway.

8. MEDITERRANEAN. 10th/11th (night) and 11th. 1102 medium and fighter bombers and fighters attacked communications and other targets in North Italy and South Austria with good results.

9. MALAYA. 10th. Super Fortresses dropped 92 tons on Kuala-lumpur with good results.

HOME SECURITY (up to 7 a.m. 13th)

10. ROCKETS. 12th. 1 more incident. 12th/13th (night). 3 incidents.

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