

DIARY

Book 833

March 27-31, 1945

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ASSISTANT SECRETARY

TREASURY DEPARTMENT
Washington.

March 27, 1945

My dear Mr. Secretary:

Your telegram of last night, which was on my desk this morning, asked for a report on the latest developments on income tax evasion.

Joe Nunan returned today from New York. He had a conference there yesterday with the three Collectors, the Revenue Agents in Charge, and Hugh McQuillan, the Supervising Special Agent. They prepared for carrying on a campaign along the lines you had already discussed.

Joe O'Connell, Commissioner Nunan, Woolf and Irely will meet this afternoon at the Bureau to discuss the general strategy to be used in all districts. Tomorrow they will meet with groups including Collectors, Special Agents in Charge, Revenue Agents in Charge, and Alcohol Tax Supervisors from the following cities:

Boston
Philadelphia
Detroit
Cleveland
Baltimore
Chicago

All the Deputy Commissioners and Phil Wenchel, the Chief Counsel, will also attend this meeting.



The Washington Post had a somewhat queer editorial this morning on this subject. It might have been written by Eugene Meyer. I am enclosing a copy and also a draft of a letter in case you should desire to send one.

Sincerely,

The Honorable Henry Morgenthau, Jr.
Secretary of the Treasury
The Sheraton Plaza Hotel
Daytona Beach, Florida

Enclosures.

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**** Tuesday, March 27, 1945

T-Men At Work

Anyone whose income is obtained by unlawful means is forced to become a tax dodger unless he can find some way to dress up his income tax declarations. For that reason we have always felt that Treasury agents were getting off their reservation when they set out to nab big-time gangsters and crooks for income tax evasion. The fact that the Treasury's chief sleuth is given credit for the jailing of Al Capone merely testifies to the deficiencies of our system of criminal law enforcement. It does not in our opinion justify the practice of using Treasury agents to snare lawbreakers who have failed to share their loot with the Treasury. That is a job for the FBI and for local police forces.

For that reason we dislike to see Treasury agents setting out to trap tax evaders by resort to dragnet inquisitorial methods that are likely to cause embarrassment to law-abiding citizens. We do not doubt that a check-up on the spending habits of vacationists will bring in a certain amount of revenue from potential tax evaders whose business activities will not bear scrutiny. But inquiries of this kind will also create justified resentment among free-spending Americans whose only crime is self-indulgence at a time when patriotic citizens ought to be cutting out all but essential expenditures. A few black market operators and racketeers may be spotted, of course, but the chief result of the Treasury's efforts will probably be to drive these gangly to cover. Warned against the dangers of what Theodore Veblen called conspicuous consumption, they will be more inclined to hoard their ill-gotten earnings, but it is a safe guess that they will not voluntarily share them with the Government.

The only effective way to suppress black marketing operations and other illegal activities is to attack such evils at their source instead of trying to establish a claim to undeclared taxable income derived from illegal operations. In tracking down criminal elements it may be helpful for detectives to look over the names of resort visitors who are spending lavishly, if their sources of income are mysterious. But this kind of police work should be assigned to general law enforcement agencies, not to Treasury investigators.



THE SECRETARY OF THE TREASURY
WASHINGTON

To the Editor of The Post:

I am not sure that I know what you are driving at in the editorial in the Washington Post of March 27 under the title "T-Men At Work." So far as I can understand it, it seems to attribute to the Treasury Department an intention to suppress "black marketing operations and other illegal activities" by means of tax investigations and prosecutions. This is putting the cart before the horse and it is not our intention at all. Our intention is solely and simply to detect and to prevent tax evasion, which is our sworn responsibility. If black market and other illegal operations should be hampered and embarrassed by our tax enforcement steps that would not seem to me to be an evil result.

I am a great deal puzzled by the first two sentences of the editorial which read:

"Anyone whose income is obtained by unlawful means is forced to become a tax dodger unless he can find some way to dress up his income tax declarations. For that reason we have always felt that Treasury agents were getting off their reservation when they set out to nab big-time gangsters and crooks for income tax evasion."

Does that mean that if a man gains his income by lawful means he should be subject to taxation but if he gains it by unlawful means he should not?

Sincerely yours,

The Editor
The Washington Post
Washington, D. C.



ASSISTANT SECRETARY

TREASURY DEPARTMENT
Washington.

March 27, 1945

My dear Mr. Secretary:

The attached letter to the Editor of The New York Times has been evolved following Harry White's mention of the matter to you on Saturday. It is a dignified letter with a minimum of accusation in it. My only objection is that it is probably a bit old. However, I think there is real value in getting the record straight so far as The Times is concerned.

Sincerely,

The Honorable Henry Morgenthau, Jr.
Secretary of the Treasury
Sheraton Plaza Hotel
Daytona Beach, Florida



NO



THE SECRETARY OF THE TREASURY
WASHINGTON

Dear Mr. Merz:

I am enclosing a letter to the Editor over my signature which I should be glad to have The Times run. You may regard it as somewhat long but I believe the subject justifies it.

Sincerely,

Mr. Charles Merz,
Editor, The New York Times,
New York, New York

Enclosure.



THE SECRETARY OF THE TREASURY
WASHINGTON

To the Editor of The Times:

The editorial in The Times of March 16 dealing with the Boothby letters says:

"Treasury spokesmen, discussing Mr. Boothby's contentions before the House Banking and Currency Committee, do not appear to have dealt with them very satisfactorily. They questioned Mr. Boothby's motives and his purpose in being in this country at this time. Such personal considerations do not meet the real issue, which is, Do the obscurities and ambiguities which Mr. Boothby alleges to be in the Bretton Woods agreement in fact exist?"

This language might lead the reader to believe that Treasury witnesses before the House Committee did not attempt to meet the issues raised by Mr. Boothby, but merely questioned his motives and purpose. The facts are quite the reverse.

Mr. Boothby, a member of Parliament but not an official of the British Government, has come on a personal visit to this country at a time when our Congress is considering the Bretton Woods agreements. Mr. Boothby wrote a letter published in The Times of March 4 alleging four obscurities which he insists should be cleared up before this Government acts on the Bretton Woods agreements.

The officials of this Government did not think it proper to reply in The Times to Mr. Boothby's letter. On March 14, The Times published another letter from Mr. Boothby reiterating his view that there are obscurities in the Bretton Woods agreements.

The Times must be aware that such unofficial actions as Mr. Boothby's letters, if they were allowed to become the basis for a private controversy with our Government, could do serious harm in our relations with other Governments. Officials of this Government have avoided any statement which could in any way disturb the relations between the United States and the United Kingdom. Mr. Boothby's questions were answered fully and completely when they were asked at a hearing before the House Committee on Banking and Currency.



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An important part of Mr. Boothby's design appears to be to leave the impression that he is a strong advocate of international monetary cooperation but that he is troubled by obscurities in the Fund. In an editorial note to the first letter, Mr. Boothby was said to be a member of the British delegation at the Bretton Woods Conference. In fact, he was not. In an editorial note to the second letter Mr. Boothby was said to be "chairman of the Monetary Policy Committee in London which includes members of Parliament of all parties." Mr. Boothby's committee has in truth no official standing whatever and it is not authorized to speak for Parliament or the British Government.

Contrary to the impression likely to have been created by The Times editorial, officials of the Treasury replied directly to the four questions in Mr. Boothby's letter. The following is from the record of the hearing:

Q. "Do you have the statement?"

A. "Thank you. Mr. Boothby's first question 'Does it or does it not mean that the participating countries must apply the principle of non-discrimination to international trade?'"

The answer to that question is that insofar as discrimination is applied through currency devices, it is clearly forbidden. For example, it would not be possible for Britain to allow purchasers of British goods a specially favored rate for sterling. It would not be possible under this Agreement. There may be some types of trade arrangements, through quotas, by which Britain might be able to allow more imports from, say, Argentina than from some other country. But I should point out that our own reciprocal trade agreement with Britain takes care of some discriminations on trading."

"Question two: 'Does it put an end to the sterling area?'"

"The sterling area right now means two important things. The first thing the sterling area means is this: Countries having close trade relations with Britain, and with other countries in the British Empire, find it very convenient to carry large balances of sterling. That was true before the war, just as many American Republics carried balances of dollars in the United States. There is nothing in the Agreement that prevents a country from voluntarily carrying balances in London in sterling if it so wishes."

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"That is one aspect. There is, in the Agreement, provision which forbids the use of compulsion to keep new sterling balances after the transition. If a country exports more to Britain than it buys from Britain, Britain cannot compel it to keep a sterling balance by blocking the proceeds of its current exports."

"But now, during wartime, the sterling area has taken on one additional aspect. That is purely a wartime concept, which the British have announced that they will terminate after the war."

"That is the so-called dollar pool. In order to allow the British Empire to carry on its war with the greatest effect, all members of the British Empire, except Canada, which is not a part of the sterling area, agreed to pool their dollar resources and to have them allocated where they will be most useful for the war."

"A dollar pool would be discriminatory after the war, because it might compel some countries to restrict their purchases of goods from the United States, even though dollars accrued to them, and it would be out under the Fund Agreement."

"Question three: 'It is widely assumed that the proposed Fund will insure stability of exchange rates, apart from certain closely defined exceptions. But is this assumption justified? Article IV, Section 4 (a) states: Each member undertakes to collaborate with the Fund to promote exchange stability, to maintain orderly exchange arrangements with other members, and to avoid competitive exchange alterations.'"

"Does this mean each member undertakes to maintain its currency at the agreed par value with gold or United States dollars, and thereby with each other currency? If it does mean this, it would have been easy to say so -- although it would then have been less easy to persuade the British public that the scheme does not involve a return to the gold standard."

"May I rephrase the question? Does the Agreement mean that every country that is a member of the Fund agrees to keep its currency, the foreign exchange value of its currency, at a par with the United States dollar or with gold, allowing one percent above and below

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the parity for the ordinary market fluctuations? The answer to that question is very distinctly yes. A country, when the parity of its currency is fixed, agrees that it will keep the value of that currency within one percent above or below that parity, unless the parity is changed in accordance with the provisions of the Fund.

"Now for the point: 'Does that represent the gold standard?' It depends entirely upon what is meant by the gold standard.

"If they mean by the gold standard the keeping of exchange rates within a narrow range around the parity, the answer is that the Agreement does mean stable exchange rates within one percent above and below the parity, until and unless the parity is changed in accordance with the provisions of the Fund.

"If they mean by the gold standard, one of a number of other tests, that a country cannot, for example, issue additional currency unless they keep certain gold reserves, then in this respect the Agreement does not compel a country to relate the quantity of its currency to its gold reserves.

"Question four: 'Article VIII (A) requires each member country to buy balances of its currency held by another member country (presumably at par) if these balances have arisen through current transactions, but not if they have arisen through capital transactions. Article VI permits, but does not enjoin, control of capital movements and definitely prohibits the use of the Fund's resources to meet a capital outflow from a member country.'

"Suppose a country has, simultaneously, a capital outflow, and a deficit on income account. She is not allowed to use the Fund to check the former. She is apparently obliged to use the fund up to the limit of her quota to prevent any depreciation of her currency caused by the latter, although, under Article V (E), she may be subjected to penal charges for doing so. What, precisely, are her obligations in this situation? It is one that is not unlikely to arise."

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"May I rephrase the question in simple terms? Here is a country that has a capital outflow. That is to say, its own citizens are sending their balances abroad into foreign countries, or people abroad are withdrawing their balances. Either one of those cases. The other part of the question concerns a deficit on current account, that is to say, in payment for imports, services, income from investments and similar transactions. Suppose the two are going on simultaneously. What are the obligations of a country? The answer, it seems to me, would be approximately as follows:

"So far as the country wants to use the Fund to meet its current deficit, if the Directors of the Fund agree that the meeting of that current deficit in these reasonable amounts is conducive to carrying out the purposes of the Fund — stability of exchange rates and other purposes — the country can do so.

"If it is simultaneously having a capital outflow, if it is very small, the Executive Directors might take the attitude that the small outflow is insignificant and that no steps need be taken to stop it.

"If the capital outflow is large and sustained, the Executive Directors might well take the view, which would be in accordance with the provisions of the Fund, that such a large capital outflow would weaken the position of the country in its efforts to maintain the value of its currency stable, and that it is contrary to the purposes of the Fund for such a country while it is using the Fund to allow too large an outflow of capital.

"It would depend, then, Congressman, on the magnitude of the capital outflow, on the current deficit, and on the fundamental question of whether the capital outflow will undermine the country's position in keeping its currency stable.

"The Fund is not intended to provide resources to support an untenable exchange rate. If this capital outflow has that effect, the Fund could require the country to prevent it; and if the country does not prevent it, the Fund could refuse to sell the country exchange with which to meet its deficit on current account."

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These are the facts on the "obscurities and ambiguities" of which Mr. Boothby wrote. On this general point, a Treasury official told the House Committee:

"I may say that there is no difference of opinion in interpretation with respect to the points that Mr. Boothby pointed out. There may be among some people in England, including Mr. Boothby. He may have some doubts. He cannot speak for England on that point, nor can he speak for the delegation, that is, the British Delegation that was there. He was not a member of the delegation; he did not participate in the discussions which took place either before or after Bretton Woods.

"It may well be that Mr. Boothby is confused, but that is quite a different thing from assuming that there is a difference of interpretation on major points between the two governments."

Limitations of space no doubt were responsible for the incompleteness of your report of the answers to Mr. Boothby's questions. In view of your editorial of March 16, you may now wish to give your readers the opportunity to read these answers in full.

Sincerely yours,

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

March 27, 1945

TO Mr. White

FROM Miss Bassett

Subject Newspapers--Favorable and Unfavorable to Bretton Woods. (*indicates strong stand)

As you know, the majority of east-coast city papers are opposed to Bretton Woods. This attitude extends to the large cities in Ohio. Farther west in the middle-west area the preponderance is favorable. Upstate New York and the smaller new England towns (Connecticut excepted) shows a small majority in favor. The South is overwhelmingly favorable while the Far West is just as overwhelmingly unfavorable.

FAVORABLENew York City

*Post
*P.M.
*Daily Worker

Philadelphia

*Record
Bulletin

Baltimore

*Sun

Washington

*Post

Chicago

*Sun
News

UNFAVORABLE

*Times
*Herald-Tribune
*Wall Street Journal
*Journal of Commerce
Sun
World Telegram
Mirror
Journal & American

Inquirer

News and Post

Times-Herald

*Tribune
Chicago Journal of Commerce

- 2 -

FAVORABLE

News

*Globe Democrat
Post - Dispatch
Star - Times

DetroitSt. LouisUpdate New York and New England

*Christian Science Monitor
Springfield (Mass.) Republican
Worcester (Mass.) Telegram
Syracuse (N.Y.) Herald Journal
Syracuse (N.Y.) Post Standard
Watertown (Conn.) Times

Middle West

*Gary (Ind.) Post Tribune
Indianapolis (Ind.) News
Indianapolis (Ind.) Star
Milwaukee (Wis.) Journal
St. Paul (Minn.) Dispatch
St. Paul (Minn.) Pioneer Press
Waterloo (Iowa) Courier
Des Moines (Iowa) Register
Rapid City (S. Dak.) Journal
Lincoln (Nebr.) State Journal

South

Birmingham (Ala.) Age-Herald
Miami News
Atlanta Journal
*Louisville Courier-Journal
*Asheville (N.Car.) Citizen
Columbia (S.Car.) Record
Greenville (S.Car.) News
Nashville Tennessean
Corpus Christi (Tex.) Caller

Far West

Los Angeles Evening News

*Strong stand.

UNFAVORABLE

Free Press

Hartford (Conn.) Times
Hartford (Conn.) Courant
*New Haven (Conn.) Register
Buffalo (N.Y.) News
Utica (N.Y.) Observer - Dispatch
Providence (R.I.) Journal
Burlington (Vt.) Free Press

Cleveland Plain Dealer
Youngstown Vindicator
Akron Beacon Journal
Rock Island (Ill.) Argus
Minneapolis Tribune
Council Bluffs (Iowa) Nonpareil
Kansas City (Mo.) Star
Fargo (N.Dak.) Forum

Texarkana (Ark.) Gazette

*Los Angeles Times
San Diego Union
Colorado Springs Gazette
*Salt Lake City Tribune

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE March 27, 1945

TO: Secretary Morgenthau

FROM: Mr. Gamble

In accordance with your request, I talked to the War Finance Chairman in Massachusetts, New York, Pennsylvania, New Jersey, Maryland, Ohio, Indiana, Illinois, Northern California, Southern California, and Washington on the problems that we were having in pricing issues to be included in the Seventh War Loan basket. I discussed with each of them -- and in some cases with their associates who were most closely in touch with the technical details -- the state of the bond market immediately before the Sixth War Loan, immediately after the Sixth War Loan, and as it stands now. I discussed with each of them various courses of action on pricing the Seventh War Loan issues that are open to us at this time.

The Chairmen were unanimous on one thing: any pricing of the new issues that cracks the market hard will make the job of selling individuals \$3 billions of securities outside of E bonds quite a good deal harder. People do not have confidence in a falling market. Neither do they like to buy bonds on such a market nor on a market that has had a recent sharp setback.

Conversations with some of the Chairmen -- particularly those in Massachusetts, New York, Illinois, and Washington -- indicate that many of the people who are going to sell War Bonds in the Seventh War Loan and many of the people who are going to be our customers have come to the conclusion that you don't have much choice in pricing the issues. They indicated to me that they thought you would have no choice but to offer a '74 or '78 maturity on a 2-1/2 and a '63 or '64 maturity on a 2-1/4. If you did anything else, they indicated that you would be criticized on the one hand for "giving away too good a deal" and on the other hand for "kicking the market in the face". They conclude that the rate pattern has changed and that as a prudent Secretary of the Treasury you will take advantage of it.

Some of the people I talked to thought the market would be very much shocked if you went back to the old pattern. Pulliam, for example, said that "a drop in the market as a result of new issue pricing would result in a flock of rumors that prices of some of the existing issues might even go below par." Odlin said that putting

- 2 -

the market back to the old line "would be ruinous". He felt that the Federal Reserve's position -- that it was harder to maintain one rate curve than another -- was without any basis in fact. Until recently, you recall, Mr. Odlin was a director of the Federal Reserve Bank of San Francisco.

As to the 1 1/2% issue there is some difference of opinion. The people on the West Coast and New York prefer a fixed maturity of 5 3/4 or 6 years, as against a 5 - 7 year security. They think that it would be a little more popular. On one point the chairmen are unanimous, however, that is that the 1 1/2% bond should be priced so that it would carry 5/32 or 6/32 premium in this market. Anything lower would be too thin.

I have talked the foregoing over with George Heas and he and I are in full agreement as to how the issues should be priced.

3/29/45-17
ConfidentialMEMORANDUM RE CONVERSATIONS WITH LUBIN

1. On Tuesday, March 27, I saw Lubin about five o'clock in his office to give him some material on reparations. At that time he advised me that, with a few changes, the reparations document which we had been working on had been sent to the President but that he had not as yet heard from the President with respect to it. He said that he was sending the President a note that afternoon urging that he act on it. He said that before sending the document to the President he had discussed it with both Oscar Cox and Bernard Baruch, both of whom had been in fundamental agreement with the document. Lubin told me of the few changes which had been made, all of which were of a minor character. Lubin had added to the memorandum to the President a statement to the effect that if this reparations program were carried through, Germany would be left with industries of a certain type, which he proceeded to list. These included such things as mining of coal, iron ore, potash, etc., ceramics, porcelain, optical instruments, textiles, printing and publishing, construction industries, leather, rubber products, furniture, food processing, clothing, fur industry, public utilities, transportation, etc. At this point he told me that he had originally included in the list the watch industry which Baruch told him to take out as he felt Germany should not be able to make watches.

Lubin said that he had sent the memorandum to the President without discussing it with the State Department and, if he obtained the approval of the President, he then planned to discuss it with the State Department.

2. I saw Lubin again on Wednesday, March 28, at five o'clock. This time he advised me as follows. The President had sent the reparations memorandum to Stettinius. Clayton called Lubin over that afternoon and advised Lubin that the document which Lubin had forwarded to the President was the "toughest" document he had ever seen; that it was tougher than any document that had come out of the Treasury. Lubin replied that this was the way he felt and it represented his own ideas on a reparations program for Germany. Clayton then handed to Lubin a document which had been prepared in the State Department, which Lubin showed to me. This document contained a number of general statements in the negative, such as, the reparations program

- 2 -

should not interfere with the program for destroying German war potential; the reparations program should not be designed to develop German heavy industries; the reparations program should not be designed to make it impossible for the German people to feed themselves and require the Allies to support the German people; the reparations program should not be such as to require the United States to make credits available to Germany in order to pay reparations; occupation costs should be distinguished from reparations and occupation costs should have priority, etc. The State document also recommended the setting up of an advisory body to consult with the military authorities in order to determine what equipment and materials could be moved out of Germany in the initial period without interfering with the purposes of occupation. The State document also required the Reparations Commission to keep the European Advisory Commission in London advised as to its activities and made the decisions of the Reparations Commission dependent upon the decisions of the European Advisory Commission on the economic disarmament of Germany.

Lubin said that he was going to battle the matter out with State and that unless he got 55 percent of what he wanted he didn't plan to take the assignment. I mentioned to Lubin the fact that a departmental committee had been set up composed of Clayton, White and McCloy, and suggested to Lubin the possibility of requesting that the reparations questions should come before this committee. Lubin said that he would insist that any reparations document should be cleared with this committee and not with State alone.

J. Edgar Hoover

The TOWN HALL, Inc.

An Educational Institution Founded in 1914
as The League for Political Education

123 WEST 42ND STREET, NEW YORK 18, N.Y.
Telephone: Wisconsin 7-1800



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ALBERT W. STARR

March 27, 1945

Dear Secretary Morgenthau:

A thousand thanks for your very gracious letter of March twenty-fourth. I appreciate this more than I can say and assure you that we will do our utmost to merit your continued confidence.

With warmest good wishes, I am

Sincerely yours,

George V. Denny, Jr.
George V. Denny, Jr.

GVD:MB

Secretary Henry Morgenthau, Jr.
Treasury Department
Washington, D. C.

20

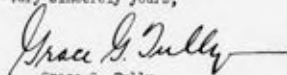
THE WHITE HOUSE
WASHINGTON

March 27, 1945

Dear Mr. Secretary:

The President wanted you to
have a copy of the attached memorandum
which he has sent to the Secretary of
State.

Very sincerely yours,

Grace G. Tully
Private Secretary

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

Enclosure

THE WHITE HOUSE
WASHINGTON

March 16, 1945

MEMORANDUM TO THE SECRETARY OF STATE

As the next few months will be of critical importance, I feel it is essential that all Chiefs of Mission remain at their posts. I hope you will bear this in mind in connection with the plans you are drawing up for those who will accompany our Delegates to the San Francisco Conference. I am informing the other members of the Cabinet that I feel it is equally important for them to remain in Washington during this same period.

I should also appreciate it if you, in your capacity as Chairman of the American Delegation to the forthcoming United Nations Conference at San Francisco, would notify the other Delegates that in making plans for advisers and other assistants to accompany our Delegation I shall want them to be guided by the necessity of keeping our official group there to the minimum consistent with the importance of the issues involved. Your aim should be the formation of a compact U. S. group which will put the least possible burden upon already severely taxed transportation and housing facilities in order to ensure appropriate accommodation for the distinguished visitors who will come to this country to attend the Conference.

TSP

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

March 27, 1949

My dear Mr. Secretary:

I wish to express my deep appreciation and that of the Secretary for the useful contribution which Mr. Irving Moskowitz made to the work of the recent Inter-American Conference on Problems of War and Peace. Mr. Moskowitz was active in the discussion of controls on enemy property and looted assets, and generally assisted in the formulation of overall policy.

It was a pleasure to work with Mr. Moskowitz and I wish to thank you for having made his services available to the United States delegation.

Sincerely yours,

William L. Clayton
Assistant Secretary

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



March 27, 1945

Jonathan Daniels
The White House

This is the memorandum to the President, together with the covering memorandum to David Miles, which I discussed with you on the phone.

(Signed) William O'Dwyer

(Delivered by hand (McCormick) 4:20 3/27/45)

TO:

Mrs. Klotz

For your information.
General O'Dwyer sent a copy of the memorandum to the President to the three Board members.

MISS MODEL

MAR 27 1945

March 27, 1945

MEMORANDUM

TO: David Niles
 FROM: William C. Dwyer

The following is some background material which may be of assistance in the preparation of a release on the attached memorandum to the President:

"President Roosevelt established the War Refugee Board by Executive Order on January 22, 1944. Its members are the Secretaries of State, Treasury and War. The Board's functions are to 'rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war.'

"In carrying out the President's directive, the War Refugee Board has concentrated its efforts on getting food to these innocent victims and on rescuing as many as possible from enemy territory to safe havens. In addition, the Board has developed other protective measures to safeguard the lives of many of these people.

"The work of the War Refugee Board has constantly been faced with extraordinary difficulties, since its operations are designed for people suffering behind the enemy lines. In spite of the many obstacles, the Board is able to announce substantial success in its operations. Thousands have actually been rescued from enemy territory, in addition to the many more thousands whose lives have been preserved while still in enemy-controlled territory."

(Signed) William C. Dwyer

MEMORANDUM FOR THE PRESIDENT

On February 20, 1945, the War Refugee Board approved a specific program to (1) bring relief to civilian detainees in Germany in imminent danger of death due to starvation, exposure and deliberate neglect and (2) to remove as many as possible of these people to safety. The exposure and danger to these people increased as a result of conditions inside Germany. The Board has pushed ahead on this program and important results have been obtained in the last few days.

The War Refugee Board, as you know, has shipped several hundred thousand three-kilo parcels from this country to stockpiles in Sweden and Switzerland for delivery by the International Red Cross to civilian detainees, regardless of race, religion or nationality, in German concentration camps. Our best information indicates that the largest concentrations of these people are now in the north of Germany around Hamburg and in the south of Germany near Dachau. There are millions of civilian detainees still under German control and a relatively small number (about 200,000 or 300,000) are Jews.

In recent months, because of disrupted transportation conditions inside Germany, no deliveries of War Refugee Board food parcels have been made.

Recently, as the result of arrangements made between the Board and the International Red Cross, War Refugee Board food packages will go forward on trucks obtained by the Board. These packages are destined for the sick, the disabled, women and children, who, because of their unimportance to the enemy's war program, are in the greatest danger from starvation and exposure.

- 2 -

Our latest cables from the field report the following developments:

1. The bottleneck on the delivery of War Refugee Board food packages has been broken. Within the last few days, 20,400 parcels have left Goteburg, Sweden, and 6,090 have left Switzerland for enemy territory.
2. The Board's representative in Bern has rented from a private concern in Switzerland six 12 ton trucks which will be available within the next few days. The Y.M.C.A. has agreed to turn over 12 wood-burning trucks now in Germany to the International Red Cross for relief delivery work.
3. With the approval of the Secretary of War, arrangements are now under way with General Eisenhower for the acquisition by the Board of gasoline, tires and trucks to be turned over to the International Red Cross for War Refugee Board operations.
4. Arrangements are being made by the International Red Cross to station personnel in the concentration camps to supervise the distribution of relief parcels.

In addition to the War Refugee Board parcels already in Switzerland and Sweden, the Board is completing arrangements for the procurement of an additional 300,000 packages for early shipment abroad.

It is to be understood that the War Refugee Board feeding program is independent of the delivery of prisoner of war food packages, but it is planned that all trucks operated by the International Red Cross for the delivery of relief in German territory will be utilized to evacuate physically unfit civilian detainees to safety.

UNRRA has agreed to furnish to the International Red Cross, at the request of the War Refugee Board, relief supplies for the maintenance of refugees removed to safety and who are in transit to UNRRA-controlled camps.

(Signed) William O'Dwyer

William O'Dwyer
Executive Director

WO'D:hd 3/27/45

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



OFFICE OF THE
EXECUTIVE DIRECTOR

MAR 27 1945

My Dear Mr. Secretary:

I send you herewith a copy of a memorandum I sent to the President today, at the request of David Niles. Parts of this story were announced today in the American Jewish press which obtained the information from other than War Refugee Board sources.

Very truly yours,

William O'Dwyer
William O'Dwyer
Executive Director

The Honorable,

The Secretary of the Treasury.

Enclosure.

MAR 17 1946

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William O'Dwyer
Executive Director

EXECUTIVE OFFICE OF THE PRESIDENT

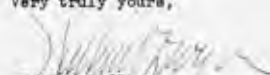
WAR REFUGEE BOARD
WASHINGTON 25, D. C.OFFICE OF THE
EXECUTIVE DIRECTOR

MAR 27 1945

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 March 12 to 17, 1945.

Very truly yours,


William O'Dwyer
Executive Director

The Honorable,

The Secretary of the Treasury.

Enclosure.

Report of the War Refugee Board
for the Week of March 12 to 17, 1945EVACUATION AND RELIEF OPERATIONS IN ENEMY TERRITORY FROM
SWITZERLAND

Details of the program being developed for providing relief to physically unfit unassimilated detainees in enemy territory and for evacuating such detainees to Switzerland were cabled to Representative Mann in London, who has been ordered to Paris to work out with McClelland and Katzki certain problems incident to the execution of the program.

Representative McClelland recently reported that early this month the International Red Cross was informed by the German Government of its agreement to permit the departure from Germany of certain categories of detainees unsuited for labor, elderly people, women, and children. A report which reached us this week from a private source similarly indicated that Germany has agreed in principle to "repatriate" certain categories of unemployed civilian populations. According to another report, it appears that a group of Bergen Belsen inmates have been transferred to an internment camp at Wurzburg near the Swiss border.

Interested groups here have made available in Switzerland the necessary funds to sponsor a program of relief for Luxembourg deportees in Germany in connection with which the International Red Cross recently expressed its willingness to assist.

EVACUATIONS FROM SWITZERLAND

According to information which the Intergovernmental Committee recently received, the number of Hungarian refugees now in Switzerland is 2,200, including many doctors, lawyers, and nurses. Most of them are said to have adequate financial means of their own, and almost all of them wish to return to Hungary. It is indicated that their repatriation can be effected at an earlier date from Philippeville, since they would otherwise have to remain in Switzerland until such time as a direct route to Hungary is open.

On the basis of information developed in connection with arrangements for the removal from Switzerland of the two groups of evacuees from Bergen Belsen and Theresienstadt,

- 2 -

it is expected that other parties of refugees who may reach Switzerland will be composed of two distinct groups: first, those who wish to return to their own countries, and second, those who wish to go elsewhere. Accordingly, the Intergovernmental Committee has recommended that, as a matter of practical policy, subject to the agreement of the Swiss Government, the wishes of the individuals concerned as regards repatriation be investigated before decisions are reached with respect to their removal from Switzerland, and that those who wish to be repatriated and whose repatriation would not be expedited by their transfer from that country be allowed to remain in Switzerland.

From a private source we learned that the Czechoslovak Government may be approached with a request that it give a guarantee for the repatriation of over 90 Czechoslovak nationals among the evacuees from Theresienstadt, similar to the guarantee of the Dutch Government with respect to Dutch nationals included in the group.

With respect to the pending evacuation of the 1,672 refugees from Bergen Belsen and 760 of the 1,210 from Theresienstadt, the United Nations Relief and Rehabilitation Administration has asked to be notified as to the date of their departure from Switzerland as far in advance of the actual evacuation as possible. We cabled this request to Representative McClelland and asked him to obtain and forward data requested by UNRRA as to the composition of the groups with respect to nationality (declared or otherwise) or, if stateless, former nationality; age, sex, and physical condition; and documentation.

We were informed by Representative McClelland that three persons among the recent exchange who were hospitalized in Switzerland have now recovered sufficiently to travel. He was requested by cable to arrange for the inclusion of these three persons in the evacuation of the two refugee groups, unless their immediate departure for Philippeville can be arranged through private agency facilities in Switzerland.

RESCUE AND RELIEF OPERATIONS FROM SWEDEN

Following Representative Olsen's strong recommendation that arrangements be made to continue the rescue and relief operations in Norway in view of the increasingly critical situation there, the Board is lending every assistance to the

- 3 -

efforts of the interested private groups to obtain additional funds to finance the program. In the meantime, it is arranging to make Board funds available for immediate needs of the project.

To assist in the proposed expansion of the parcel program for Bergen Belsen detainees by shipments of food, medical, and clothing supplies from Sweden at an aggregate cost of 1,000,000 kronor, the Board, together with other interested government agencies, cabled our Embassy in London requesting urgent approval from the Joint Relief Subcommittee so that procurement and shipment can be begun as soon as possible. We advised Minister Johnson and Representative Olsen of this action and of the arrangement which has been made for financing the program.

LATIN-AMERICAN PASSPORTS

With respect to 147 Ecuadoran passport holders interned at Bergen Belsen, we were advised by our Embassy in Quito that, in view of the agreement of this Government regarding such passports, the Swiss Government, as representative of Ecuadoran interests in Germany, has been requested to designate a Swiss consular officer to extend for one year the validity of the passports in question.

William C. Dwyer
Executive Director

US URGENT

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

Repeated below is a portion of a telegram received from WER's
McClelland, Bern, re WER's stockpile food parcels in Goteburg:

"On March 16 accordingly with my approval ICRC Geneva
wired their Goteburg man authorizing him turnover
40,000 parcels to WER. In interest of getting as
many WER parcels into Germany as rapidly as possible
this appeared to me recommendable move of which I hope
you approve."

You are requested: (1) to make clear to WER's Storch that
these supplies are property of WER; and (2) to make this transfer
to either Swedish Red Cross or YMCA as opposed WER since former
are in a position to effect actual deliveries internees Bergen-Belsen.

THIS IS WER STOCKHOLM NO. 340

12:20 P.M.
March 27, 1945

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Bern

Dated March 27, 1945

Rec'd 2:45 a.m., 28th

Secretary of State,

Washington.

1806, March 27, 1 p.m.

STRICTLY CONFIDENTIAL

FOR DEPARTMENT AND WER

For Dr. Nahum Goldmann, World Jewish Congress, 1834
Broadway, New York.

From Reigner, Geneva.

In gathering of various national Red Cross representatives
including myself at CICR headquarters President Burckhardt
gave account his recent conversations with two high
officials of German political police in Vernalberg and
with representatives German Ministry Foreign Affairs in
Kreuzlingen Swiss frontier. CICR obtained right to have
permanent delegates in all camps for civil detainees on
condition will remain camps till end hostilities and will
follow transfers camps to new ones. Delegates authorized
contact individually all detainees and correspond freely
with CICR delegation Berlin. Camps will be established
according nationality of detainees. Jews will be
assembled with their compatriots in camps of respective
nationality. For stateless people CICR envisaging
special camps. Special CICR regional delegates will deal
with detainees working in special commandos outside
camps. CICR now preparing collaboration Swiss Army Swiss
Red Cross delegates especially physicians and sanitary
personnel to be sent quickly German camps. Burckhardt
warned that view recent war developments segregation
camps according nationalities will not be quickly achieved.
Concerning feed action for war prisoners civil detainees
Burckhardt informed that three centers of distribution
will be established Luebeck Ravensburg and Bielefeld view
activity for camps within range 300 kilometers. Special
block trains will go from Swiss frontier and where 200
trucks stationed. Ravensburg will be center for feeding
camps civil detainees. At present 14 trucks at disposal
for civil detainees, this number of trucks absolutely

-2- #1808, March 27, 1 p.m., from Bern

insufficient. Problem evacuation civil detainees on exchange basis was discussed with German representatives definite answer still outstanding. It is envisaged to evacuate through Switzerland according categories and not per head but by nationality women aged people children. Age limits not yet fixed. Germans made no reserve as to political or racial detainees to include into these exchanges but will themselves indicate camp nationality to begin with. If exchange scheme starts block trains and trucks will be used as means of transportation to Switzerland. After gathering Burckhardt declared to me personally German political police officials assured him GDR will have large possibilities deal over Jewish detainees. Burckhardt could not obtain any accurate information concerning German attitude toward Russ's action. My personal impression is that realization discussed plans partly already problematic because recent war developments and that first categories probably French Belgians who might be exchanged against Germans of Allied occupied Germany.

HARRISON

KJT

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Stockholm
DATE: March 27, 1946
NUMBER: 563

CONFIDENTIAL

At various times since 1942, the situation at Shanghai of a group of Jewish scholars comprising the staff and student body of the Rabbinical College of Mir has been brought forcibly to the attention of the Department by the Vatican and by the Union of Orthodox Rabbis and other Jewish organizations. It is stated that this group comprises the only surviving center of orthodox Jewish learning, and, in view of the possible approach of active warfare to the Shanghai area and the increased measures of restriction applied by the Japanese against this group and enemy aliens in general in that area, the concern of religious and learned circles for its welfare and safety has recently been renewed.

Information has been conveyed to the Department that the Orthodox Rabbis in Sweden have obtained either a definite commitment or some form of encouragement which leads them to believe that the Japanese Government would be willing to permit the entire group to leave the territory under its control for a neutral destination; these arrangements were made by direct communication with the Japanese diplomatic mission in Sweden. It is the further understanding of the Department that willingness to admit the entire group into its territory has been shown by the Swedish Government.

If this Government were formally to express to the Japanese any interest in the group in question, explanation has been given to the Union of Orthodox Rabbis in this country that it would probably prejudice such measure of success as has been obtained in the negotiations between their colleagues in Sweden and the Japanese. However, in an effort to rescue the group from its present hazardous situation, the Department would like to support any action which may be possible to take.

It is requested that you try to ascertain the exact nature and extent of the negotiations between the Orthodox Rabbis in Sweden and the Japanese diplomatic mission, including the extent to which commitments have been made by the Japanese. Ascertainment as to whether the Japanese expect any aid from the U.S. for the release of the group would be useful, as this point has not been clarified.

No. 663

- 2 -

March 27, 1945

It might be desirable, if in your opinion and that of the Union of Orthodox Rabbis in Sweden the situation warrants it, for you and them separately to approach the Swedish Government with the suggestion that the Swedish Government undertake to ascertain from the Soviet Government whether the latter is willing, in view of the important cultural aspect of the problem and the insistence of the Japanese Government that the entire group if released must pass on to neutral territory, to authorize the transit of the group to Sweden across Soviet territory. Association of the United States Government with the Swedish Government in any negotiations which the latter might undertake with the Japanese Government or the Soviet Government would not seem feasible.

It is requested that the Department be kept advised.

GRDW
(Acting)

SFP:ASG1ettenburg:BB

DC/L:NAS:AN
4/6/45

US URGENT

CABLE TO AMERICAN EMBASSY, PARIS, FOR ROSEWELL MCLELLAND FROM WAR
REFUGEE BOARD

Re your 1754 of March 24 from Bern

We have today called WRB's Olsen in Stockholm as follows:

"Repeated below is a portion of a telegram received
from WRB's McClelland, Bern, re WRB's stockpile food parcels
in Goteburg:

"On March 16 accordingly with my approval ICRC
Geneva wired their Goteborg man authorizing him
turnover 40,000 parcels to WJC. In interest of
getting as many WRB parcels into Germany as rapidly
as possible this appeared to me recommendable move
of which I hope you approve."

"You are requested: (1) to make clear to WJC's
Storch that these supplies are property of WRB; and
(2) to make this transfer to either Swedish Red Cross
or Y-CA as opposed WJC since former are in a position
to effect actual deliveries internees Bergen-Belsen."

In future in making parts of these supplies available to
distributors other than ICRC, it is suggested that they be made
available to such agencies as can actually effect delivery as
opposed agencies who cannot directly do so.

12:20 p.m.
March 27, 1945

41

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMERICAN EMBASSY, CHUNGKING via Navy
TO: Secretary of State, Washington
DATED: March 27, 1946
NUMBER: 619

SECRET

The following message is from Adler to Secretary of Treasury.

In order to participate in discussion of plans to combat the inflation, Dr. H. V. Soong has asked me to accompany him to Washington the first part of April for a few weeks. In addition he has asked General Olmsted and Soyner of FEA to return and for the same purpose is taking Wei with him. I feel it is advisable--and General Olmsted agrees--for me to return to Washington for a short while, since I am participating in present discussions with him on the matter and as there is no other urgent business here.

ATTACHMENT

DC/L:MLG
3-28-46 *galt*

42

PLAIN

Lisbon

Dated March 27, 1945

Rec'd 2:47 a.m., 28th

Secretary of State

Washington

664, Twenty-seventh

WM 369, JDC 205, FOR LEAVITT FROM HAROLD TRUSE.

Your 136. Isak Rotenberg Basel requests 30,000 Swiss francs be paid attorney Albert Haag Zurich Bouschelerstrasse 44, connection settlement debts. Requesting further information. Will advise.

CHECKER

MY

43

MS-1653

Distribution of true reading only by special arrangement. (SECRET 2)

Paris

Dated March 27, 1945

Rec'd 2:40 a.m., 28th

Secretary of State,

Washington.

US URGENT

1662, March 27, 6 p.m.

FOR CENTER FROM HANN MCCLELLAND AND KATSKI.

We had second conference with General Gilland today again emphasizing points discussed March 25 with McClelland providing additional details. General Gilland emphasized mounting army transportation requirements arising from recent advances final decision delayed for this reason. We are continuing to insist on line discussed with Katski underlining urgency and immediacy of situation. Gilland has promised answer March 28. McClelland advised you from Switzerland regarding prospects for securing transportation.

CAPPERY

MY

SECRET

OPTEL No. 99

Information received up to 10 a.m., 27th March, 1945.

NAVAL

1. NORWEGIAN WATERS. 19th. One of H.M. Submarines probably sank cargo ship in escorted convoy north Trondheim.
2. ENEMY ATTACKS ON SHIPPING. 26th. A 362 ton Dutch ship in coastal convoy sunk by U-boat off The Lizard while a 1556 ton ship in coastal convoy sunk by midget off Margate.
3. ANTI-SUBMARINE OPERATIONS. 26th. One of H.M. Frigates sank U-boat off The Lizard. One of H.M. Corvettes sank midget off Lowestoft and sustained damage in ramming.

MILITARY

4. WESTERN FRONT. Southern Sector: 7th U.S. Army established several crossings over Rhine on wide front between Mannheim and Germersheim. 3rd U.S. Army thrusting eastward cleared Langen and reached outskirts Frankfurt and Hanau while south of Coblenz further crossings over Rhine secured in area St. Goar and Boppard. Central Sector: 1st U.S. Army broke out of Remagen bridgehead and with armoured forces thrusting eastwards has reached Limburg. Northern Sector: 9th U.S. and 2nd British Armies expanded bridgehead area up to 3 miles east Dinslaken and Wesel while Runke, Burnen and Millingen now clear.
5. EASTERN FRONT. Northern Sector: S.W. Kongsburg German forces on shores of Frisches Haff now liquidated and large number prisoners taken while further west reduction Danzig Pocket continues. Central Sector: Germans claim repulse of Russian attacks near Stettin and Kustrin and also defensive fighting in area south Oppeln. Southern Sector: Banska-Bystrica (85 miles north Budapest) captured and Fapa and Devesser (North Lake Balaton) taken.
6. BURMA. Central Sector: An infantry brigade operating east from Meiktila has established block on railway north Thazi. On 23rd troops north of Myingyan repulsed counter attack while further north our troops occupied village of Habaung (west Myiotha). Northern Sector: Further five mile advance made S.E. Monglong, while further east contact between 28th and 50th Chinese Divisions now firmly established in area West Hsipaw with road Lashio-Hsipaw now in our hands.

AIR

7. WESTERN FRONT. 26th. 330 U.S. escorted heavy bombers (17 bombers and 7 fighters outstanding) visually attacked tank plant Plauen (656 tons), synthetic oil plant Zeitz and four other targets (142 tons). SHAEP (Air) Bombers 355 dropped over 500 tons on transport in Rees area and three railway centres East Frankfurt while 4022 fighters and fighter bombers (18 missing) operated whole front destroying over 800 M.T. mainly in Remagen/Coblenz area. Coastal Command Halifaxes attacked shipping Skagerrak leaving one 1500 ton ship and 1 escort on fire. 26th/27th (night). Bomber Command despatched 93 Mosquitoes (without loss), 86 Berlin and 7 other targets.
8. MEDITERRANEAN. 24th/25th (night). Heavy bombers attacked rail centre (128 tons) Dobava (16 miles N.W. Zagreb) while 131 light bombers attacked communications Italy. 25th. 634 escorted heavy bombers (2 missing) attacked Libzn engineering works Prague (336 tons) and four airfields Austria and Czechoslovakia (1024 tons) while 1004 tactical aircraft (3 missing) attacked communications and dumps North Italy and South Austria.
9. BURMA. 24th. 73 Liberators attacked Burma/Siam railway and the Moulmein area while 396 tactical aircraft attacked communications and other targets.

HOME SECURITY

10. FLYING BOMBS. 26th/27th (night). 7 plotted.
11. ROCKETS. 26th. 3 incidents reported. 26th/27th. (night). 7 incidents reported.

THE WHITE HOUSE
WASHINGTON

March 23, 1945

Dear Henry:

The plan you outline in your letter of March twenty-third is laudable in purpose but I find it difficult to know just what to say. The people of the country are going to need information on the German economy.

The spirit of the Nation must be given articulate expression. But it's not so easy to say when the Nation will or can speak. Timing will be of the very essence. We must all remember Job's lament that his enemy had not written a book.

Anyway, we'll have to keep thinking about it.

Always sincerely,

F M

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



TREASURY DEPARTMENT

WASHINGTON

March 28, 1945

TO THE SECRETARY:

Re: The maturities of the securities offered in the Seventh War Loan basket.

As requested, I am enclosing a memorandum from Ted Gamble embodying his as well as the opinion of some of the State Chairmen concerning the maturities. I am also enclosing a telegram from Bob House, giving the general opinion of the dealers whom he consulted yesterday morning and this morning; also telegram from Allan Sproul as Vice Chairman of the Executive Committee of the Federal Open Market Committee, giving his views; and telegrams from nine of the Presidents of the Federal Reserve Banks. We have not yet heard from Chicago and San Francisco. I have no doubt that they would be along the general lines of the discussion in Washington as embodied in their report to you dated March 1, 1945, copy of which is also enclosed.

1-1/2% Bonds

There is a strong feeling in the Federal Reserve System that this security should be priced right on the line in order to discourage bank participation. I agree with you that it should be priced so as to have a slight premium. For this reason I recommend a 4-3/4 to 6-3/4 year bond, which, according to George Haas' chart, would sell on a basis of about 7/32 premium. There is a feeling in the Street that a short bond of this character with a call date would not be very popular and would not be purchased at all by trust funds. There is a definite recommendation from a great many sources that we have a definite maturity. It seems to me that we might give some consideration to this suggestion because I do not see how the amount of this issue can possibly be very large. \$2-1/2 to \$3 billion would seem to be about the limit unless there is a great deal more bank participation than we now expect.



- 2 -

When talking to Mr. Haas this afternoon, I thought the 5 years 9 months which he estimates will sell at 7/32 premium, would be about right. However, since then I have talked to Bob Rouse and he has advised me that he, Repp, Levy, and Devine all feel that anything over 5-1/2 years would be too thin. I do not believe that three months in this area means enough to us to take such a chance and I see no reason why we should not accept the expert opinion of these four market people. Even if Mr. Haas' estimate is correct, this three months suggested shorter maturity would not sell at more than 9/32 or 10/32 premium.

2-1/4% bonds

Mr. Eccles, in his letter to me of March 9, 1945, made this statement:

"It is our understanding that the System is committed to maintain a pattern of rates of 2-1/2% on long term bonds. Originally this rate applied to 20-25 year bonds. It appears that the proposal to extend the maturities on both the 2-1/4% and the 2-1/2% bonds is part of an effort to bring about a decline in long term rates. If this were accomplished it would reduce the incentive to save at a time when the Treasury's policy is to encourage saving as a part of the fight against inflation." (Underscoring supplied.)

Marriner called me right after this letter came and said he was opposed to fixing the maturity of the 2-1/4% bond beyond 1961 and said that if the Treasury had in mind extending this bond beyond 1961 and the long 2-1/2% bond beyond 1972, he would like to have another conference with the Treasury regarding the System's commitment to maintain the pattern of rates.

- 3 -

Personally, I think it is very unfortunate that the market has gotten out of line with the pattern of rates. It seems to me we have done very well in financing this war on the low rates that we have, and that we should be satisfied with the pattern fixed almost three years ago. However, the market has gotten out of line with that pattern and it is probably necessary to take advantage of some of the lowering of rates. I do not feel that we should go as far as Mr. Haas recommends because this would make it necessary for the System to support the high premiums now existing on our outstanding securities in order to maintain the new issues at par. I firmly believe that we should allow a substantial leeway by pricing these longer term securities in such a way as to command a rather large premium after the Drive is over.

Mr. Eccles and Mr. Sproul feel rather strongly that the 2-1/4% should be March 15, 1958-61, which, according to Mr. Haas, would sell on the market at 101-11/32. This, of course, probably would not sell at this premium but it would bring the market for the outstanding securities down by a substantial part of this premium. I recommend that the 2-1/4% bond be fixed at June 15, 1959-62, which, according to Mr. Haas' charts, would command 23/32 premium, and I would not object to making it March 15, 1959-62, which would just be one year longer than recommended by the Executive Committee. I believe that I can sell this to the Federal Reserve System.

2-1/2% bonds

We have the same situation with regard to pricing this one as we have with respect to the 2-1/4%. I feel that we should not go too far out and take advantage of all of this recent rise in the market. It has gone up on a very small volume of transactions. Bob Rouse tells me there has been an average of only \$16 million a day, including sales between dealers, for the past month or so. We do not know just what will happen if there should be

- 4 -

a sudden end of the war on any one front.

When we first started to consider the maturity for this security, I was hoping that we could get an eight-year call period, but in view of the fact that all of the Federals recommend against it and that all of the Federals recommend against it and ask for a five-year period, I see no reason why we should hold out for an eight-year period. It really does not make a lot of difference to us because a five-year period is ample time for us to turn around in and then, too, we have not been adding to these maturities as we did in the past and there is not any large volume on any one date. So I am prepared to accept the five-year period. My recommendation for the maturity is June 15, 1967-72, which, according to Mr. Haas' figures, will command a premium of 22/32.

Just before Mr. Eccles left I talked to him on the telephone and while he said he would prefer the September 15, 1966-71, he would be willing to go to March 15, 1967-72 in order to get away from the year that we used in the Sixth Drive. Here again, three months does not make much difference and if they would insist on March I think I would accept it, but I do believe I can sell them the June 15, 1967-72.

SWB

Possible Issues for Seventh War Loan

Security	Term	Estimated yield $\frac{1}{2}$ (Percent)	Approximate market price $\frac{1}{2}$
1-1/2% bond, due 3/15/51	5 yrs. 9 mos.	1.46	100- 7/32
1-1/2% bond, due 3/15/50-52	4 yrs. 9 mos. - 6 yrs. 9 mos.	1.45	100- 7/32
2-1/4% bond, due 6/15/59-62	14 yrs. - 17 yrs.	2.19	100-23/32
2-1/4% bond, due 6/15/60-63	15 yrs. - 18 yrs.	2.23	100- 8/32
2-1/2% bond, due 6/15/67-72	22 yrs. - 27 yrs.	2.46	100-22/32
2-1/2% bond, due 6/15/67-75	22 yrs. - 30 yrs.	2.48	100-11/32

Division of Research and Statistics,
Office of the Secretary.

March 28, 1945.

1/ Estimated prices and yields on June 1, 1945, based on closing bid prices, March 27, 1945.

Possible Issues for Seventh War Loan
(Estimated prices and yields June 1, 1945, based on closing bid prices March 27, 1945)

Security	Term	Research and Statistics		Fiser	
		Estimated yield	Approximate market price	Estimated yield	Approximate market price
		(Percent)		(Percent)	
1-1/2% bond, due 12/15/50#	5 yrs. 6 mos.	1.43	100-12/32	1.44	100-10/32
1-1/2% bond, due 3/15/51*	5 yrs. 9 mos.	1.46	100- 7/32	1.47	100- 5/32
1-1/2% bond, due 6/15/51	6 yrs.	1.48	100- 4/32	1.50	100
1-1/2% bond, due 9/15/51	6 yrs. 3 mos.	1.50	100	1.52	99-25/32
1-1/2% bond, due 12/15/51	6 yrs. 6 mos.	1.53	99-26/32	1.54	99-24/32
1-1/2% bond, due 12/15/49-51	4 yrs. 6 mos. - 6 yrs. 6 mos.	1.42	100-11/32	1.42	100-11/32
1-1/2% bond, due 3/15/50-52	4 yrs. 9 mos. - 6 yrs. 9 mos.	1.45	100- 7/32	1.45	100- 7/32
1-1/2% bond, due 6/15/50-52*	5 yrs. - 7 yrs.	1.48	100- 3/32	1.47	100- 5/32
1-1/2% bond, due 9/15/50-52	5 yrs. 3 mos. - 7 yrs. 3 mos.	1.50	100	1.49	100- 2/32
2-1/4% bond, due 3/15/54-61*	12 yrs. 9 mos. - 15 yrs. 9 mos.	2.13	101-11/32	2.11	101-15/32
2-1/4% bond, due 9/15/54-61	13 yrs. 3 mos. - 16 yrs. 3 mos.	2.16	101- 1/32	2.13	101-12/32
2-1/4% bond, due 6/15/59-62+	14 yrs. - 17 yrs.	2.19	100-23/32	2.17	100-11/32
2-1/4% bond, due 12/15/59-62#	14 yrs. 6 mos. - 17 yrs. 6 mos.	2.21	100-16/32	2.19	100-24/32
2-1/4% bond, due 3/15/60-63	14 yrs. 9 mos. - 17 yrs. 9 mos.	2.22	100-12/32	2.21	100-16/32
2-1/4% bond, due 6/15/60-63	15 yrs. - 18 yrs.	2.23	100- 8/32	2.22	100-12/32
2-1/4% bond, due 12/15/59-63	14 yrs. 6 mos. - 18 yrs. 6 mos.	2.22	100-12/32	2.20	100-20/32
2-1/4% bond, due 6/15/59-64	14 yrs. - 19 yrs.	2.21	100-15/32	2.19	100-23/32
2-1/4% bond, due 12/15/59-64	14 yrs. 6 mos. - 19 yrs. 6 mos.	2.23	100- 8/32	2.21	100-16/32
2-1/4% bond, due 6/15/60-65	15 yrs. - 20 yrs.	2.25	100	2.24	100- 4/32
2-1/2% bond, due 9/15/66-71*	21 yrs. 3 mos. - 26 yrs. 3 mos.	2.45	100-26/32	2.44	101
2-1/2% bond, due 6/15/67-72#	22 yrs. - 27 yrs.	2.46	100-22/32	2.45	100-27/32
2-1/2% bond, due 6/15/70-75	25 yrs. - 30 yrs.	2.49	100- 6/32	2.48	100-12/32
2-1/2% bond, due 6/15/67-75	22 yrs. - 30 yrs.	2.48	100-11/32	2.48	100-11/32
2-1/2% bond, due 6/15/67-77	22 yrs. - 32 yrs.	2.49	100- 5/32	2.50	100

Division of Research and Statistics,
Office of the Secretary.

March 28, 1945.

* Preferred by Mr. Fiser.

Preferred by Mr. Miller.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

52

DATE

March 28, 1945

TO Secretary Morgenthau
FROM Mr. Luxford

You inquired about the status of the Mary Margaret McBride broadcast.

After our discussion with you Friday night, Feltus called Miss McBride and advised her that you could not make the broadcast on March 27th and that you would not be in town on the other date suggested, i.e. April 6th. The matter was left that Feltus would get in touch with her when he had more definite information regarding your schedule.

Accordingly, the next move is ours. If possible, I would suggest that you set the approximate date in terms of a specific week. Then Miss McBride can have a little leeway in her negotiations for network time.

RL

RESTRICTED

OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

53

28 March 1945

H31C
and

M

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

My dear Mr. Morgenthau:

You may be interested in the attached radiotelephone message #290, dated March 27, 1945.

It was received last night from our representative in Berne.

Respectfully yours,

E. J. Putz
E. J. Putz, Jr.
Lt. (jg), USNR
Acting Executive Officer

Enclosure

RESTRICTED

OFFICE OF STRATEGIC SERVICES
OFFICIAL DISPATCH

DATE 27 March 1945

0200

FROM JOMAS

1 G

PRIORITY

ROUTINE

DEFERRED

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

DISTRIBUTION

(FOR ACTION)

(FOR INFORMATION)

RECEIVED IN PLAIN TEXT

RESTRICTED

RESTRICTED

GERMANY

With the Western Front rapidly disintegrating, the time remaining for the Germans to gather together the last remnants of their forces and retire to the reduct is now becoming short. There seems to be no alternative for them now. The question remains as to how many will follow the national Nazi leaders and how effective the resistance in the reduct will prove to be.

We now have considerable evidence on the reduct. It does not tend to prove that any vast-scale preparations have as yet been made. The Germans are never very effective in preparing for defeat or reversal. From the point of view of the effects on the home front, it is not easy for any country to proceed too openly with measures which, if advertised widely, would themselves tend to show a hopeless military situation. In Germany, with their theories of the Superman, it is particularly difficult to admit that they are reduced to the status of guerrilla fighters. Further, Hitler is not the type of man who, at this stage in his career, would be good at planning to play the role of Robin Hood.

These various intangible factors, plus the lack of convincing evidence of really large-scale preparations, lead me to the conclusion that the German reduct will be a less well-prepared affair than newspaper reports would lead us to believe.

However, some sort of reduct seems inevitable from the forces of circumstance, and some stocking of this reduct has been carried out. Elaborate fortifications are not in themselves necessary to make a mountain area, such as the Tyrol and the Bavarian Alps, a formidable fortress if defended by resolute men with training in mountain warfare. Very possibly, the Nazis can still find and pull together in the Alps enough of these troops, plus some determined and fanatical SS divisions, such, for example, as those commanded by Sepp Dietrich, to make a determined stand. The German divisions in Italy still remain intact and are possibly ready to fall back into the Alps and defend the southern flank of the reduct. Some of

RESTRICTED

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

REF. NO. 290

FROM Berns

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

RECEIVED

RESTRICTED

the best German troops are still fighting the Russians east of Vienna. The pattern of the last German defense tends to take shape. The forces which are defending the Rhine and Berlin are very possibly being sacrificed to gain a few weeks more for the gathering together of the chosen forces in the reduct.

It is not yet clear whether the SS will act as a unit in accepting the idea of retiring to the reduct. There may well be a split in their ranks. The same is true of the Wehrmacht. Some of the latter would obey any order from Hitler, but others may well try to find other methods of preserving their lives for some time longer.

RESTRICTED

August 1945
3/29/45

55

MAR 28 1945

The Honorable
The Secretary of the Treasury
Washington, D. C.

Dear Mr. Secretary:

Thank you for your letter of March 17th, with respect to exports of gold to China. I greatly appreciate your obtaining facilities for the export of some \$7 million of gold during the next few months. I hope this action will meet the situation with respect to our tin procurement program. If we encounter further difficulties I will get in touch with you again.

Sincerely yours,

Leo T. Crundley
Leo T. Crundley
Administrator

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

56

DATE March 28
1945

TO : Secretary Morgenthau (For Information)
FROM : Mr. Coe *PC*
SUBJECT : Finnish - Russian Trade Agreement *MM*

1. A Finnish - Russian Trade Agreement was concluded on January 31, 1945. The agreement provides for USSR deliveries to Finland by June 1, 1945 totalling about \$2 million, consisting mainly of food. In return, Finland will ship metals and ores and repair Russian naval vessels at Finnish shipyards. It is significant to note that despite severe food stringencies in the USSR, a commitment to make food deliveries to Finland was nonetheless accepted.

2. According to the Swedish and Finnish press, the USSR proposed that Finland be invited to the World Trade Union Congress which was held in London. This suggestion was reportedly opposed by the British. If this report is accurate, it reveals a startling degree of leniency toward the Finns, especially when coupled with such other concessions as food shipments.

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



To: Mrs. Klotz
From: Miss Model

I am sure that Secretary Morgenthau
will be interested in seeing the attached cable
which has just been received from Sweden.

3/28/42

JH

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF 58
CENTRAL SERVICES
TELEGRAPH SECTION

FEM-126
No paraphrase
necessary.
(SECRET)

Stockholm

Dated March 28, 1945

CC/L Rec'd 9:12 a.m., 29th
LIAISON

Secretary of State,
Washington.

US URGENT

1186, March 28, 8 p.m.

As reported in our 876 of March 7, noon to
Department (No. 129 for War Refugee Board) Felix Kersten
went to Berlin in early March to render certain medical
attention to Himmler. Prior to his departure certain
individuals here provided him with the memorandum of
questions to be raised concerning the status of Jews in
Germany. These questions included the following points:

(A) Assurances that food packages to Jews in
German concentration camps were actually reaching
destination;

(B) Permission to have future distribution of food
packages from Sweden to be supervised by Swedish Red
Cross;

(C) Number of Jews recently in Germany, broken
down by number and location of each camp and data as to
the nationality of such Jews;

(D) Question

59

-2- #1186, March 28, 8 p.m., from Stockholm.

(D) Question of eight various categories of Jews, such as those with South American passports (presently under negotiation by Swedish Government):

(E) General question of freeing larger groups of Jews against appropriate guarantees of transportation and support.

Kersten has not returned to Stockholm and has presented a rather incredible account of his discussions with Himmler which are presented below without comment.

He stated that at present there are about 350,000 Jews in Germany. He added that 8,000 of them have Palestine visas and probably would be released if Swedish Government took appropriate steps in the matter. He states that Himmler expressed a most sympathetic interest in Jewish problems, mentioning specifically the following:

(A) Himmler was especially interested to know that the 2,700 Jews arrived in Switzerland and whether this group had commented favorably upon the delivery of food packages;

(B) Himmler was receptive to the idea of placing Jews in specially arranged Red Cross camps with the administration completely under the jurisdiction of the Red Cross;

(C)

60

-3- #1186, March 28, 8 p.m., from Stockholm.

(C) Himmler called a meeting of all Jewish camp administrators for March 24 in order to give strict orders for the improved treatment of Jews hereafter. This will include the instruction that each camp leader hereafter will be held strictly accountable for the death of any Jew in his camp and will be required to file a full report of circumstances underlying any such death. Kersten added that, in his presence, Himmler dictated certain orders concerning the necessity of improved sanitary conditions in Jewish concentration camps;

(D) Himmler expressed a willingness to receive at once a special emissary from Sweden to discuss with him personally the Jewish problem. This was advanced with particular reference to a stateless Jew of Latvian origin (Storch, local representative of World Jewish Congress) who has been Legation's intermediary in several contacts of similar nature; and

(E) Emphasis was placed on the unfortunate results in case these discussions were used by the Allies as propaganda to portray German weakness. It was added that because of the delicate nature of the discussions as well as rather well-known mixed feelings in Germany with respect to Jews, the entire matter most urgently must be handled with the

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-4- #1186, March 28, 8 p.m., from Stockholm.

with the greatest discretion.

Kersten has made available two extraordinary documents. The first, on official SS stationery and purportedly signed by Himmler, reads as follows in translation:

"Dear Mr Kersten, First of all please accept with these lines my thanks for your visit. This time, as always, I have been glad when you came and with old friendship placed your great medical skill at my disposal.

During the long years of our acquaintanceship we have indeed discussed many problems and your attitude was always that of the physician who, remote from all politics, desires the good of the individual human being and of humanity as a whole.

You will be interested to know that during the course of the past three months I have brought about the realization of an idea which we once discussed. Roughly 2,700 Jewish men, women and children were taken to Switzerland in two trains. This is in effect the continuation of the policy which my collaborators and I have consistently pursued for many years until the war and the resulting folly in the world made it impossible to carry it out. You know, of course, that I in the years 1936, '37, '38, '39, and '40,

62

-5- #1186, March 28, 8 p.m., from Stockholm.

'39, and '40, in collaboration with Jewish American associations, created an emigration organization which functioned very fruitfully. The two trains which traveled into Switzerland are the intentional resumption, despite all difficulties, of this fruitful procedure.

From a prisoners camp at Bergen Belsen there recently came the rumor that a typhus epidemic of larger proportions had broken out. I immediately sent the hygienist of the SR, Dr. Krugowski, there with his staff. It was a question of cases in the camp of spotted typhus which unfortunately occurs very frequently among people from the East, but the cases are to be regarded as under control, thanks to the best medical and modern methods.

I have the conviction that, by eliminating demagogism and superficialities, despite all differences and in spite of most bloody wounds on all sides, wisdom and logic must prevail and at the same time the human heart and the spirit of helpfulness.

It goes without saying that, just as I have done throughout all the past years in good times and bad, I shall gladly examine requests which you transmit or communicate to me in the humanitarian sphere and, whenever

63

-6- #1186, March 28, 8 p.m., from Stockholm.

whenever it is at all possible, shall decide them generously.

With my hearty greetings to your respected dear wife, to your children and especially to you, with old attachment, your (signed) H. Himmler."

The second, also on SS Headquarters stationery and signed by Himmler's adjutant, R. Brandt, reads in part (in translation) as follows:

"Worthy and Dear Mr Kersten, I can give you the very welcome news that the Reichfuhrer-SS intends to fulfill the requests which you expressed a few days ago."

I am forwarding photostatic copies of the documents in question under secret despatch. The question of continuing indirect contacts of this nature is one regarding which I, as heretofore, would appreciate urgent instructions from the Department and War Refugee Board since Olsen and I are in agreement that such discussions are not without danger. In the past the principal merit of these discussions has been the time-gaining factor but the tempo of the war as well as the level to which this approach has reached suggest strongly that a basic policy and appropriate instructions are now most urgent. There is also

64

-7- #1186, March 28, 8 p.m., from Stockholm.

is also the question of whether Storch should be permitted to go to Berlin. We are of the opinion based on our personal knowledge of Storch's capabilities that it would be most unwise for him to go unless accompanied by a top-flight neutral thoroughly conversant with these problems who could dominate the discussions. This is apart from the over-all question of whether any such discussions should be held at all.

JOHNSON

JT

12"

AEC-1876

Distribution of true
reading only by special
arrangement. (SECRET 5)

Stockholm

Dated March 28, 1945

Rec'd 5 p.m.

Secretary of State

Washington

1170, March 28, 4 p.m.

According to report from Mr. Gahner in Gotherburg
he has received 37776 cartons containing War Refugee Board
food parcels. This is our 111 for 111 in reply to
Department's 496, March 16, 4 p.m. Each carton contains
6 food parcels weighing 3 kilos. Shipments of these
parcels have been as follows.

3600 cartons have been sent to concentration camp
at Hatzburg, Neuengamme.

3600 cartons have been sent to concentration camp
at Ravensbrück.

2200 cartons have been sent to Luebeck for dis-
tribution to prisoners of war in compensation for
standard food parcels sent to Norwegian civilians.

In addition to the foregoing 6554 cartons containing
kitchen food parcels have, after authorization from Geneva,
this past week been placed at disposal of local World
Jewish Congress group for shipment to various concentration
camps.

Parcels are being shipped as rapidly as possible
but transportation problems remain a serious obstacle.

JOSBCE

DS

AEC-1796

Distribution of true
reading only by special
arrangement (SECRET 7)

London

Dated March 28, 1945

Rec'd 1:10 p.m.

Secretary of State,

Washington.

1186, March 28, noon.

FOR INFO.

Dr. L. Salomonovitch of World Jewish Congress,
London reports that there are on the exchange vessel
BROTHERHOOD 134 Jewish repatriates from Germany who
were released as part of a group of 700 Turkish citizens.
These Jewish repatriates have no papers. Salomonovitch
fears (one) that Turkish Government may not let these
Jewish refugees enter Turkey and (two) that the Turkish
Government may not consider them as Turkish exchangees
and consequently refuse to release in exchange for them
an equivalent number of Germans which right entail the
return of the Jewish refugees to Germany. He requests
the US to intervene with the Turkish Government on
behalf of these 134 Jewish refugees with a view to
letting them enter Turkey on humanitarian grounds and
especially with a view to having an equivalent number
of Germans released in order that the exchange of these
refugees may be completed. Should Turkey refuse entry
to them he requests that US arrange for them to go to
USMA camp at Philadelphia. Vessel now en route to
Lisbon whence it will continue to Near East. He requests
that substance of foregoing also be transmitted to Dr.
Mahan Goldman, World Jewish Congress, New York City.

This message repeated to Ankara as 19 for information
of US representative and of Jewish Agency for Palestine.

SECRET

JF

London

Dated March 28, 1945

Rec'd 11:26 p.m.

Secretary of State,

Washington.

3207, March 28, 6 p.m.

FOR WRE

Zelmanovits of World Jewish Congress London has recently returned from mission to Sweden regarding rescue measures. He reports that negotiations are continuing for the release of Jews; that there might arise the question of compensation by delivering blankets and clothing to bombed out German civilian population; and that so far details as to amount of clothing are not available. He states that such clothing delivery might be regarded as advanced relief to German civilian population claiming that Allies will have to take care of such population after occupation of Germany. He suggests that should Allies agree to such compensation use could partly be made of clothing which was permitted to go to Bergen-Belsen for Jewish internees. He adds that Swedish circles expect detailed offer regarding compensation in near future.

Zelmanovits states further that Count Bernadotte succeeded in obtaining German approval for establishment near Weimar of special camp for Danish and Norwegian civilian internees under protection and administration

#3207

- 2 -

London, March 28, 6 p.m.

Swedish Red Cross which delivers medicine and food and that Swedish buses and personnel are already operating in Germany concentrating at camp Danish and Norwegian civilian internees from all parts of Germany. He requests that similar proposal regarding Jews should be made immediately to Germany through neutral governments and Interpress stating that Swedish Government and Swedish Red Cross are willing to cooperate in the plan. He believes that Swedish buses in Germany could be made available and suggests that two areas, one near Lubek and one near the Swiss frontier, should be designated for Swedish protected Jewish camps. He asks that the establishment of Jewish protection areas under protection of Swedish or Interpress be taken into consideration during probable negotiations by SHANF regarding exclusion of certain places from bombing.

Zelmanovits requests that substance of foregoing be transmitted to Nahum Goldmann of World Jewish Congress, New York City.

Foregoing message repeated to Bern for information of WRE representative and of Gerard Riegner 37 Quai Wilson Geneva World Jewish Congress representative.

WIRANT

MJF

March 28, 1945

3 p.m.

AMBASSY

PARIS

1211

The following is for Maxwell McClelland from War Refugee Board.

Re your 1764 of March 24 from Bern.

We have today cabled WRB's Olsen in Stockholm as follows:

QUOTE Repeated below is a portion of a telegram received from WRB's McClelland, Bern, re WRB's stockpile food parcels in Goteburg:

INNERQUOTE On March 16 accordingly with my approval ICRC Geneva wired their Goteborg man authorizing him turnover 40,000 parcels to WJC. In interest of getting as many WRB parcels into Germany as rapidly as possible this appeared to me recommendable move of which I hope you approve. END INNERQUOTE

You are requested: (1) to make clear to WJC's Stern that these supplies are property of WRB; and (2) to make this transfer to either Swedish Red Cross or YMCA as opposed WJC since former are in a position to effect actual deliveries intercess Bergen-Belsen. UNQUOTE

In future in making parts of these supplies available to distributors other than ICRC, it is suggested that they be made available to such agencies as can actually effect delivery as opposed agencies who cannot directly do so.

GRW
(Acting)
(GLW)

WRB:MMV:ED
3/27/45

WE

MOK

SWP

Miss Channocky

March 28, 1945

4 p.m.

US URGENT

AMEMBATION

STOCKHOLM

566

The following for Olsen is WRB 340.

portion of a
Repeated below is a telegram received from

WRB's McClelland, Bern, re WRB's stockpile food parcels in Goteburg:

QUOTE On March 16 accordingly with my approval ICRC Geneva wired their Goteborg man authorizing him turnover 40,000 parcels to WJC. In interest of getting as many WRB parcels into Germany as rapidly as possible this appeared to me recommendable move of which I hope you approve. UNQUOTE

You are requested: (1) to make clear to WJC's Stern that these supplies are property of WRB; and (2) to make this transfer to either Swedish Red Cross or YMCA as opposed WJC since former are in a position to effect actual deliveries intercess Bergen-Belsen.

GRW
(Acting)
(GLW)

WRB:MMV:ED
3/27/45

MOK

WE

SWP

PLAIN

London

Dated March 28, 1945

Rec'd 1:21 a.m., 29th

Secretary of State,

Washington.

3331, Twenty-eighth

FROM EARL G. HARRISON

Meeting Executive Committee Inter-governmental
Committee on Refugees March 27 and subsequent
conferences have made clear great urgency of prompt
favorable decision on United States share 1945 IGC
administrative and operational expenditures. Several
action programs in readiness and severely needed are
and must be held in abeyance pending receipt such
decisions. I am conferring again with Chairman
Wintersten April 5 primarily to discuss finances
and another executive committee meeting scheduled
for April 11. Irrespective of method of getting
funds for future I strongly recommend and urge that
promptest possible action be taken as to 1945
commitment. Situation will be most awkward if I
have no favorable word by April 5.

WILSON

WUF

GHS-534

PLAIN

Lisbon

Dated March 28, 1945

Rec'd 8:45 a.m., 30th.

Secretary of State,

Washington.

680, Twenty-eighth

WHS 370, JDC 207.

FOR LEAVITT FROM HAROLD TRONE

Further our 195. Filderman concerned non-arrival
medicines. States illness increasing daily. Urges
you do all possible expedite shipment, this also
additional amounts requested for Hungary. Please advise.

CHOCKER

HJE
HDA

VLP - 655

PLAIN

Athens

Dated March 28, 1945

Rec'd 4:32 p.m., 30th.

Secretary of State

Washington

312, Twenty-eighth

FOR MOSKES LEAVITT JOINT DISTRIBUTION COMMITTEE
FROM SCHWARTZ.

Please remit budget Greece first quarter \$200,000
to Bank of Greece for Comité Centrale des Communautés
Juives de Grèce, Ascher Moissis, President. View
urgent need here immediate action required. Collect
38221.

MACVIAUGH

WTD

Rene

Dated March 28, 1945

Rec'd 10:10 a.m.

Secretary of State

Washington

815, March 28, 10 a.m.

TO MOSKES LEAVITT AMERICAN JOINT DISTRIBUTION
COMMITTEE NEW YORK FROM HENRIK HENRIK HENRIK.

21. Application for Joseph Schwartz to enter
Bulgaria has been refused by Russians in Sofia. There
has been no decision on application for entry Rumania.
Advice from political advisers office is that you re-
quest Washington make proper representation to Moscow
for Schwartz entry into Bulgaria Rumania. This is
particularly important in the light many urgent problems
that have arisen these areas. Schwartz now in Athens
expected to return here within fortnight.

KIRK

JMS

75

CABLE TO AMERICAN LEGATION, BERN, FOR MOORELAND, FROM WAR REFUGEE BOARD

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

QUOTE PLEASE OBTAIN AND SEND ME BOOK CSIDOK ES HENZSIDOK JOGALLANA ES JOVVISZONAS - BUDAPEST, MISZA-UTCA III. UNQUOTE

THIS IS WERN BERN CABLE NO. 481

2:00 p.m.
March 28, 1945

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CABLE TO AMERICAN LEGATION, BERN, FOR MOORELAND, FROM WAR REFUGEE BOARD

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

QUOTE PLEASE GIVE SPECIAL ATTENTION CASE HELENE KNATTER BORN JUNE 30, 1893 LAST ADDRESS HAUPTSTRASSE 22 THEODORSTADT. HER BROTHER KARL KNATTER, HOTEL LA RESIDENCE, GENEVA WILL BE GRATEFUL. UNQUOTE

THIS IS WERN BERN CABLE NO. 480

2:00 p.m.
March 28, 1945

CABLE TO AMERICAN LEGATION, STOCKHOLM, FOR GLSEN, FROM WAR REFUGEE BOARD

Please deliver the following message to Hiel Storch, Postbox 7300, Stockholm, from Arish Bartakover of World Jewish Congress:

QUOTE 40,000 REFUGEE FOOD PARCELS IN GUTENBERG BELONG TO UNITED STATES WHIC WHICH ARE DESTINED FOR CAMPS AS SOON AS POSSIBLE. TRAFFIC CONCENTRATION DEFICIENCIES ONLY REASON FOR DELAY. UNQUOTE

THIS IS WAR STOCKHOLM CABLE NO. 342

2:00 p.m.
March 28, 1945

CABLE TO AMERICAN EMBASSY, LISBON, FROM THE WAR REFUGEE BOARD.

Please deliver the following message to Martha Sharp from Dr.

Charles R. Joy of Unitarian Service Committee:

QUOTE 263 MEXICO CITY HAS REQUESTED THE NAMES OF FIFTY ENDANGERED SPANIARDS. I AM REPLYING THAT YOU HAVE SENT NAMES TO MEXICAN EMBASSY IN LONDON. DELUAYO SAYS MEXICO CITY INFORMED THAT DANGER OF DEPORTATION IS OVER AND UNWILLING PUSH FURTHER. VISAS THEREFORE STILL UNCERTAIN. DO NOT NEGLECT VENEZUELA POSSIBILITIES. REQUEST NO INCREASE IN RISKY POSSIBLE. LEGALIZED SPANIARDS CAN BE HELPED BY UNITARIAN FUNDS IF ANY AVAILABLE BUT NOT OTHERS. REMEMBER OUR CONVERSATIONS HERE AND PLEASE REED INSTRUCTIONS IN OUR 248 AT ANY COST. DEFICITS CAN BE REPAID ONLY BY FURTHER REDUCTIONS GENERAL PORTUGAL BUDGET. FOR EVERY REFUGEE IN PORTUGAL THERE ARE MANY THOUSANDS IN GREATER NEED ELSEWHERE IN EUROPE. WE MUST KEEP SENSE OF PROPORTION. LEE DISTRICTS VISA CHARTERED DUE OUR INTERVENTION WITH PORTUGUESE AMBASSADOR. DISTRICTS SAILING ON QUAZEA, LEE LATER. UNQUOTE

THIS IS WAR LISBON CABLE NO. 162

1:45 p.m.
March 28, 1945

SECRET

COPY NO. 4

OPTCL No. 100

Information received up to 10 a.m., 28th March, 1945.

NAVAL

1. NORWEGIAN WATERS. 25th/26th (Night). Norwegian-manned MTB's off Stadlandet attacked northbound convoy of two cargo ships and trawler. Hits observed on all 3 ships which were left apparently firing at each other. Two MTB's slightly damaged.

2. EAST INDIES. 26th. Enemy convoy attacked east of Andamans by force of 4 destroyers, with aircraft cooperation. 2 ships totalling 1900 tons and two S/M chasers sunk and 52 prisoners captured. Our force sustained slight damage and one Liberator crashed.

3. ANTI-SUBMARINE OPERATIONS. 26th/27th (night). Coastal Command Liberators made six promising attacks on U-boats in Bornholm (west Baltic) area. 27th. One of R.M. Frigates probably sank U-boat off Cape Wrath (north Scotland).

MILITARY

4. WESTERN FRONT. Southern Sector: 7th U.S. Army bridgehead across Rhine north and south of Worms, secured on 26th, rapidly exploited after initial strong opposition. Forward units now reported 15 miles to East. 3rd U.S. Army consolidating recent gains and mopping up country from Rhine to Aschaffenburg. Entire south bank of River Main held from Mainz to Aschaffenburg. A railway bridge across river at Frankfurt, although damaged, captured still standing and fighting now in progress in main part of this city lying to north of river. Central Sector: Enemy resistance on southern end Remagen bridgehead has collapsed and Allied armoured columns have swept east and S.E. to capture Limburg and advanced to within 2 miles Hetzlar. Northern Sector: Further good progress made. 9th U.S. Army against only moderate resistance, advanced 5 miles and now within 3 miles Dorsten. Right flank of 2nd British Army has also extended nearly 5 miles. Enemy opposition on Northern flank round Rees, although still heavy, is beginning to weaken.

5. EASTERN FRONT. Northern Sector: Advances S.W. of Koenigsburg reported and Russians now fighting inside Danzig and Gdynia. Central Sector: In Silesia, capture of Strehlen (14 miles south of Breslau) and Rybnik (15 miles S.W. of Gleiwitz) claimed together with advances in direction of Moravska Ostrava. Southern Sector: Russians report progress between Danube and Lake Balaton. S.W. of Estergom they captured Acs (17 miles east of Gyor), Kisber (18 miles S. of Komarom) and Tapolca (34 miles south of Papa).

6. BURMA. Japanese attacks continue on our airstrips in Meiktila area. Our troops cleared road between Myingyan and Myotha while south of Myotha they have advanced further 4 miles to a point 9 miles S. of town. Japanese resistance continues strong in Kyaukse area. One of our armoured columns cleared Myittha and a village 5 miles to N.E. and are now only just three miles from our troops who have advanced 9 miles from positions just west of Kyaukse.

AIR

7. WESTERN FRONT. 542 Bomber Command aircraft despatched: 1255 tons dropped on Padaborn (attack concentrated) and 1291 tons on 3 oil targets. 13 22,000 pound and four 12,000 pound delayed action bombs dropped on U-boat shelters Farge (near Bremen) in good visibility. No SHAEF (Air) bombers operated due to bad weather. Fighters and fighter bombers only 810 sorties flown. 95 Spitfires attacked transport targets South Holland. 27th/28th (night). 164 Bomber Command aircraft despatched (4 missing) 82 attacked Berlin.

8. MEDITERRANEAN. 25th/26th (night). 46 Liberators (1 missing) obtained good concentration on Villach Railway Centre (113 tons). 26th. 509 Liberators (5 missing) dropped 900 tons on 6 railway centres near Vienna in support of Russian ground forces. Photographs show excellent results. Mustangs destroyed or damaged 54 locomotives in same area. Tactical aircraft flew only 106 sorties over North Italy due to unfavourable weather.

HOME SECURITY

9. FLYING BOMBS. 27th. 2 further plotted. 27th/28th (night). 8 plotted. ROCKETS. 27th. 1 further incident.

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March 29, 1945

MEMORANDUM FOR THE SECRETARY'S FILES

Mr. William Green, President of the American Federation of Labor, telephoned me today to say that he had advised the Chairman of the House Committee on Banking & Currency that he would appear before the Committee this week, today or tomorrow, to testify on Bretton Woods.

The Chairman told Mr. Green that they are now according the opposition an opportunity to present their views, and that they would continue to do so after the Easter recess. I told Mr. Green that we felt the most important time for him to appear is right after the opposition has finished, and he said that the Chairman had also told him that.

Mr. Green said that he wanted to give this information to the Secretary because the Secretary had called him the other day about it. I thanked Mr. Green for calling and told him that I would give this information to the Secretary. I told him we would let him know as much in advance as possible when we would need him.

H. S. Klotz

CC: Mr. O'Connell
Mr. Feltner
Miss Gusselt

25

March 29, 1945.

*Incoming to file 51
at Dayton Beach
4/7/45*

Dear Mr. Cooke:

The Secretary is away from Washington for a few days and I am therefore acknowledging your letter of March 27. I know he will be most interested in seeing your comments and would wish me to thank you for taking the time and trouble to write him as you did.

Sincerely yours,

(Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.

Mr. Morris L. Cooke,
The Hay-Adams House,
Washington 5, D. C.

KP/dbs

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THE HAY-ADAMS HOUSE
WASHINGTON 5, D. C.



March 27, 1945

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

My dear Mr. Secretary:

I have followed fairly closely affairs in my home city Philadelphia for more years than I like to remember. Everything considered the action a few days ago of a group of our very best bankers in endorsing Dumbarton Oaks and Bretton Woods is a most significant event. We just don't act on our own in such matters without consulting the "higher ups."

The act was so unusual that I made it my business to find out who put it over. No one Philadelphian had anything approaching a leading part. Everybody seems to agree that it was your talk to our people which turned the trick.

I wish you knew these folk as well as I do and you would be able to appraise your part in it adequately. I congratulate you on having done the impossible.

Yours very sincerely,

Morris L. Cooke

Morris L. Cooke

MLC:s

Commercial West

THOMAS A. BOURNAY • PUBLISHER

THE FINANCIAL WEEKLY OF THE WEST • 603 SECOND AVENUE SOUTH • MINNEAPOLIS 2, MINNESOTA
TELEPHONE ATLANTIC 3821

March 29, 1945

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

Dear Mr. Morgenthau:

Thanks for your kind letter of March 24. We fully appreciate the commendation for our "news" effort while you were in Minneapolis recently. Hope we will be seeing you again in the not-too-distant future.

Glad you liked the little personal touch. It takes a really big man to appreciate things like that.

With all best wishes.

Very truly yours,

Willis L. Williams
WILLIS L. WILLIAMS
Editor

MLC:W

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

March 29, 1945

TO Secretary Morgenthau - For Your InformationFROM Mr. Coe *fc*

Subject: The London "Economist" on Germany

The "Economist" which stated in a previous article that the creation of a separate Rhineland may be a suitable policy for Germany, rejects this solution now since it would be impossible to create political conditions conducive to prosperity and satisfaction of the Rhinelanders.

Except for the annexation of Upper Silesia and, maybe, East Prussia, the peace settlement, to be enduring, must leave Germany substantially intact: no annexations, no partitions, no permanent disabilities other than disarmament.

DEPARTMENT
OF
STATE

GEM-1035

INCOMING
TELEGRAMDIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

PLAIN

London

Dated March 26, 1945

Rec'd 7:55 a.m.

Secretary of State,
Washington.

U.S. URGENT

3101, Twenty-sixth.

FOR SECRETARY OF TREASURY FROM TAYLOR

Reference to your 2101, March 17, 1945, and to our 2803, March 18, 1945. There is quoted herewith complete text of article entitled "Germany in Europe" from the March 24, 1945 issue of the ECONOMIST. This article is the third in a series on the problem of Germany.

"To separate the Rhineland from Germany means cutting off the Rhinelanders from a large unified economic market and depriving them of equal membership in a large and powerful political community. If such a scheme is to secure their acceptance, even if it is only their passive acceptance, they must sooner or later, be offered compensating economic and political advantages - a new economic hinterland not smaller than their

85

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-2-#3101, Twenty-sixth, from London.

than their old German market and a status of political freedom. If neither condition is fulfilled, the Rhinelanders will look longingly to the east and neglect nothing in their attempts to undo the settlement. The discontent of rump Germany with such a settlement might possibly not influence Allied policy, since the Allies will not be directly responsible for the rump. But the Allies - or at least the western democracies - will not indefinitely be willing to be directly in control of a state that seethes with discontent. It is not in their nature to practice either political tyranny or economic repression for very long. Sooner or later they would start to conciliate and concede. It is therefore an essential condition of a stable "independent Rhineland" policy that it should be capable of being eventually accepted by the Rhinelanders.

What kind of integration in western Europe would, in the words of a recent French commentator, "gradually orientate Rhinish thought and economy westwards"? It would have to fulfill the two conditions of providing a sufficiently broad economic framework to support prosperity and enough political autonomy and equality to satisfy the legitimate aspirations of an educated people.

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-3-#3101, Twenty-sixth from London.

people. Obviously therefore, the proposal put forward from time to time in the French press that the Rhineland should be "integrated" into France has no chance of success. The French economy alone, based on 40 million people, would be no substitute for the Reich. Nor is it likely that the existing French industries and other vested interests would be ready to accept the industrial dominance of the Rhineland within the combined state that a free application of the principle of the division of labour would bring about. Nor is it conceivable that the French Government would permit their biggest concentration of strategic industry to lie in an area which might in a crisis even cease to be part of France. Inevitably, integration within France would mean the decline and impoverishment of the Rhineland, and therefore the turning of "Rhinish thought" obstinately to the east. And quite apart from the inhibitions imposed on such a scheme by French conditions, it is obvious that France's allies in the west would not accept exclusive French domination.

The economic objections might be less strong to the inclusion of the Rhineland in a much larger economic unit in the west. If Holland Belgium and France came together in

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-4-#3101, Twenty-sixth, from London.

together in a customs union, the unified market thus created would be based upon 73 million of the most highly-developed and prosperous peoples in Europe. If the United Kingdom were included within the union, the figure would reach 120 million inhabitants, an economic area almost equalling that of the United States and including as large and varied a sum of resources as any other comparable economic bloc. In such a market where full advantage could be taken of the division of labour and full employment could be planned without trammels and inhibitions, the Rhinelanders could find greater prosperity than was theirs by virtue of the German connection. If such a western customs union were accompanied by a political federation - a United States of Western Europe - the political ambitions of the Rhineland could also be realized, since the Rhineland would be such a comparatively small part of such a union that it could safely be granted full equality of rights in its domestic concerns without any fear that it would dominate the federal policies. It is arguable that the attractive power of such a union would be so strong that rump Germany would soon be seeking admission rather than the Rhineland its exit permit.

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-5-#3101, Twenty-sixth, from London.

permit.

But who can pretend that an act of economic statesmanship on such a scale is even contemplated? The advocacy of closer western integration even among its strongest supporters puts a full customs union as a remote goal and political federation right outside the bounds of possibility. The most that can reasonably be hoped for in the near future is a series of arrangements between governments and industries which, while drawing the different communities closer together, does so only very gradually and leaves their national economic structures virtually intact. The agreement on economic consultation concluded this week between France Belgium and Holland is a very limited affair and appears to exclude specifically any closer political connection, and obviously, economic consultation is only the remotest ancestor of economic union.

It follows that most of the arguments which undermine the validity of the proposal to incorporate the Rhineland in France apply with equal force against the proposed rapprochement with western Europe as a whole. The strategic argument is as strong for Belgium and Holland as it is for France. The opposition of special interests,

-6-#3101, Twenty-sixth, from London.

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interests, particularly of the coal and steel industries in this country, would be as difficult to surmount. The degree of integration foreseen even by the most optimistic would be too loose to replace the old unified economy of the Reich. Finally and conclusively, it is not certain that even the most modest degree of integration will be achieved. The post-war plans for reconstruction which certain industries are drawing up in Great Britain suggest rather the contrary - that in western Europe itself the post-war world will see not integration, but more autarchy, more national self-sufficiency, less division of labour.

In such a world it is impossible that the Rhinelanders should attain anything like the political status and economic hinterland they now enjoy as part of the Reich. The Rhineland would be a small and weak nation state among nation states. It would in all probability be the Ishmael of the western fringe since the taint of war guilt would not be quickly forgotten. More than likely that it would be left any degree of independence. So long as the Rhinelanders were unreconciled to their status, it would be necessary to control at least their foreign and trade policy. Yet this control in itself would perpetuate their discontent.

-7-#3101, Twenty-sixth, from London.

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discontent.

It is impossible to avoid the conclusion that the only conditions under which the plan for an independent Rhineland might work - the creation in western Europe of a close economic and political union - are not likely to be fulfilled, are not even contemplated by the Allies. The Rhineland scheme itself is therefore unworkable. On the one hand it would leave a Rhineland full of political discontent, a prey to economic depression and dominated by one desire - to find some way of returning to the Reich. On the other hand, the Rhinelanders' failure to accept their status and the doubtful principle of dismemberment on which it is based would undermine in Great Britain and in the United States the will to maintain the settlement in all its provisions and to resist, if necessary by force, attempts to modify it. The proposed Rhineland state would not lead to a stable new alignment of European forces. On the contrary, it would create a new focus of dissension. It could of course, be maintained indefinitely by force; but the basic assumption of the whole enquiry - and of any realistic enquiry - is that a solution of the German problem must be capable of developing

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-8- #3101, Twenty-sixth, from London.

of developing, some day, into something that can be maintained without force.

We come back therefore with regret, to the standpoint hitherto maintained by the ECONOMIST that a peace policy, to have a chance of enduring, must be based on leaving the German Reich substantially intact. There is no need to push this view so far as to make of it a dogma of untouchability. Thus the cession of Silesia to Poland might not be wholly incompatible with long-period peace. The area is not so important economically as the Rhineland, the population is mixed and would remain divided on the question of rejoining Germany. There is no proposal to set up Silesia as an independent unit, it will be absorbed into the Polish economy, which in its turn will be more and more orientated towards the large unified market of Soviet Russia. It is also possible, though more doubtful, that the cession of East Prussia might be made part of a lasting settlement, providing always that it allowed for a genuine exchange of territory and population between East Prussia and the corridor. But in any case, the fate of these areas will be a consequence of Russian policy towards Germany; there

is less

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is less risk of their becoming, as the Rhineland would, a focus of dissension among the victors and therefore a determinant of their policy towards Germany. In the west, the only hope for a consistent policy towards Germany (and all inconsistent policies are weak, however much fire and thunder they may breathe at the start) is to base it on leaving the German frontiers, and the unity of the Reich, substantially intact. The "constructive" solution will not work.

Does this mean that we must fall back upon a purely negative policy? Many people will say so. "You are leaving," they will say, "The German nation is being. You are leaving it with its war potential intact. The basis of your peace is a nationalist state which has already started a war twice in 25 years. You are neglecting the golden opportunity of the present victory to build a new alignment of forces in western Europe and remove the German peril forever. Could anything be more negative and unconstructive than to start the new peace under the same conditions that wrecked the old?"

It is impossible not to have some sympathy with this point of view. There undoubtedly is something negative and disappointing in the proposal to change so little, to leave so much as it was. But it is very important

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important to realize where the negative element lies. If the Reich is left intact, the fault will lie not in our German policy but in ourselves. It is not a very satisfactory policy. It is easily possible to think up, on paper, any number of more attractive solutions. But all these solutions have one common element: they all deny, in the German case, the sovereignty of the national state. And they can therefore all be condemned as unworkable because we are not prepared to work them. The independent Rhineland would be viable as a member of a federation. But the rest of us are not ready for federation, and one state cannot federate by itself. The German nation cannot be carved up among a number of political sovereignties and be expected to accept the fact if in all other countries nationalism is rampant. In the highly charged magnetic field of Europe, it is impossible to have the same strong current flowing in 19 states without inducing it in the 20th also. We cannot be narrow nationalists at home and anti-nationalists when we look at Germany, as the king becomes a Presbyterian when he crosses the Tweed. Politics, like water, finds its own level and it is quite useless to put forward a solution for the German problem, however theoretically desirable, which is not cut out of the same cloth as the solution

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-11- #3101, Twenty-sixth, from London

solution proposed for the European problem at large. If then, there is a negative element in the realistic policy for Germany, if there is nothing new to propose, the blame must be laid where it belongs - on the fact that the western democracies (differing in this, perhaps, from Soviet Russia) have no new ideas about the relations between national states - no new ideas, that is to say, in which they believe enough to apply them to themselves. If we have no inspiring and convincing alternative to sovereign nationalism to offer in Germany, it is because we have no alternative to sovereign nationalism to offer anywhere else.

Nevertheless, within the framework of a world of sovereign nationalist states, the policy of a moderate peace involving no change of frontiers, in the west at least, is not merely not a negative one, but by far the most positive and constructive that can be attempted. It does not in any way mean that the Germans are to get off Scot-free, or that no control is to be exerted over them, or that their wishes should be the deciding factor. The ECONOMIST has never advocated any of these things. It has consistently proposed one of the most far-reaching controls imaginable, that Germany should be totally and permanently

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permanently disarmed. The policy proposed has always allowed for a period of penal servitude for the Germans which should be limited only in time. What are condemned as the negative aspects of the policy - no annexations, no partitions, no permanent disabilities other than disarmament - are put forward with the object of preserving these essential controls. The policy is moderate in order to be positive.

Any constructive policy towards Germany must meet three requirements. First, it must envisage a time, however remote, when the settlement will stand of its own strength, without the application of outside force. Second, it must meantime provide against the contingency of a third German aggression. Third, it must not provoke dissension among the present Allies. No policy of dismemberment can meet all three conditions. It remains to examine how far a "moderate" policy can. This will be attempted in a subsequent article."

WIM:NT

WFS

March 29, 1945

Dear Lieut. Putzell:

In the absence of Secretary Morgenthau from Washington, I am acknowledging receipt of your letter of March 27th with which you enclosed a report on the Eschweiler Bergwerksverein. This material will be brought to his attention upon his return.

Yours sincerely,

(Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.

Lieut. E. J. Putzell, Jr.,
Acting Executive Officer,
Office of Strategic Services,
Washington, D. C.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

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27 March 1945

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

My dear Mr. Morgenthau:

We are forwarding herewith as of possible interest to you a report by our Research and Analysis Branch on The Eschweiler Bergwerksverein (Dominant Coal Producer and Industrial Enterprise of the Aachen Region).

Respectfully yours,

E. J. Putzell, Jr.
Lieut. (jg), USNR
Acting Executive
Officer

Enclosure

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WASHINGTON, D. C.

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Acting Executive Officer

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OFFICE OF STRATEGIC SERVICES

Office Memorandum

Paris, 3 January 1945

TO: Harold C. Deutsch, Chief, R&A Paris

FROM: Paul Sweet

SUBJECT: The Eschweiler Bergwerksverein (Dominant Coal Producer and Industrial Enterprise of the Aachen Region)I. PRESENT SITUATION AT THE MINEA. Introduction

Coal mining is the basic industry of the Aachen region. Unless the coal is mined and shipped out, the economic life of Aachen and of the towns to the north of it stagnates.

The coal mines begin on the northern fringe of the city of Aachen and extend more than halfway to Geilenkirchen. About a score of towns, closely interconnected, dot the region. Together, not including Aachen, they have a population of about two hundred thousand. The most conspicuous features of the flat landscape are the massive mounds of slag and the perpendicular lines of the structures at the entrance to the mine shafts.

None of these north-of-Aachen towns is a self-contained unit. This is a region of commuters. In ordinary times, for example, miners live in Aachen and commute to Kohlreheid; hundreds of textile and other workers commute from Kohlreheid to Aachen. Miners live in one mining town and work in another. Several hundred Dutch workers commute daily from Kerkrade and other border towns to the German mines. Other towns, such as Bardenberg, which have no considerable industry of their own, serve as reservoirs of labor for neighboring industrial centers. In addition, a few communities, such as Richterich, are essentially suburban and agricultural and supply the region with milk and vegetables.

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The Aachen coal region was occupied by American forces in two stages.

In early October troops of the XII Corps broke through the German defenses in the valley of the Wurm and occupied the western half of the coal fields. Mining installations of Alsdorf, Kohlscheid, and Merksteim were found virtually intact; the destruction of other property was superficial. In November the eastern half of the coal fields was occupied, but here the destruction of industrial installations and of dwellings was serious, particularly at Wuerzelen and Eschweiler.

B. Importance of the Eschweiler Bergwerksverein (EBV)

This concern dominates the coal fields, and it is the most important industrial enterprise in the Aachen area. Of the ten coal mines in operation north of Aachen before the American occupation, seven were owned by the EBV.¹ In addition it operated two coke works, an iron works, and was an important producer of electric power. It employed about twenty thousand workers.

The EBV domain forms a fairly compact area, bounded by Aachen on the south, Eschweiler on the east, Siersdorf, Alsdorf, and Merksteim on the north, and the Dutch border on the west. (The three independent mines are in the adjacent area to the north). In this region everyone lives, thinks, and talks coal. The local political issues are shaped by coal, and the social structure is built on coal. The hierarchy in the mine is the hierarchy in the community, modified only slightly by the merchants, the craftsmen, the doctors, dentists, school teachers, and civil servants who add a relatively slight middle-class element to each town.

C. The Social Organization of the EBV Domain

1. The Miners. At the bottom of the social scale are the miners. Before 1933 they lacked cohesion as a political and social force. They were turbulent and discontented, but had no program on the basis of which they could achieve

1. The three non-EBV mines are: Karl Alexander at Bunsweiler; Carolus Magnus at Palenberg; Sofia Jakob at Bunselthoven.

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solidarity. Four unions, each with a political orientation of its own, contended for their allegiance; the Social Democratic Freie Gewerkschaft; the Centrist Gewerksverein Christlicher Bergarbeiter Deutschlands; the Democratic Mitteldeutscher Gewerkschaft; the union of the Communists. A considerable number of miners had no union affiliations. The Nazis, however, made relatively few converts from the ranks of the miners.

After 1933 the "dangerous" elements were combed out and all miners were brought into the Deutsche Arbeitsfront. They were deprived of all freedom and representation, although they retained their social security. Wages were raised, but in the past year the money ceased to have buying power because of the scarcity of consumers' goods; hours were increased to eight and three-quarters daily, and only one free day was allowed every two weeks. Interviews with miners indicate that a substantial proportion are now genuinely non-political, but that among these, the most docile, there is universal complaint against the unrelenting tempo of work demanded in recent years and smoldering resentment over the almost complete lack of leisure time and of freedom of any kind.

2. The Bosses. In each mine there are about forty-five "bosses" who have a hierarchy of their own consisting of four grades: Steiger (at least 30 per mine); Betriebssteiger (about 7 per mine); Fahrtsteiger (4 or 5 per mine); obersteiger (1 per mine). The miners speak of these men as Bosses; as officials and foremen, they represent the interests of the company in the routine details of getting out the coal. Virtually all of these men became members of the NSDAP, most of them after 1933 for opportunistic reasons, but many, also, before 1933. From this class, particularly its upper brackets, came the Betriebsbahnleiter (heads of the local BAF, and as such chief Party functionaries in the mines), and some of them acquired other party positions, such as Ortsgruppenleiter. Leaders,

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Betriebschmann at the Anna I mine in Alsdorf, of whom all, including members of the NSDAP, speak badly, was a former Fuhrerleiter; Josef Frings, Betriebschmann at Wuerseelen, was from this same class. Out of the twenty thousand employees of the EBV, about four hundred to five hundred are to be classed as "bosses."

3. Managers and executives: At the top of the social scale are the managers and executives—at most about thirty men. Included in this group are the chief officials in the main office of the EBV at Kohlscheid, the heads of the three administrative sub-divisions (Bereichsleitungen) of the firm, the chiefs of operations (Betriebsfuhrer) at each of the mines, the managers and chief engineers at the coke works and ironworks. These men are mainly engineers, products of the German Technische Hochschulen; some of them have doctorates in chemistry or some other science, several have passed the examination qualifying them for public administration of the mining industry and bear the title Bergamtsassessor.

Six from this group have been interviewed; four at the camp for evacuated civilians in Homburg, two at Kohlscheid. They range in political attitudes from Dr. Hasenjaeger, chief engineer of the coke works, an unabashed Nazi to Dr. Weis, lawyer for the firm, who is on the CGC white list.

Thumbnail sketches of these six men follow:

a. Dr. Weis appears to be about sixty years of age; he is tall mild-mannered, and has the refined features and restrained bearing of a successful clergyman. A lawyer, he sits on the Board of Directors (Vorstand) of the firm, and at present seems to be the most trusted representative of Herr Becker, Generaldirektor of EBV. He was wounded during the fighting around Kohlscheid and will probably be hospitalized for another month. Before 1933, Weis was a member of the Deutsche Volkspartei; he later joined the NSDAP. He said that relations

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between the NSDAP and the management of EBV had been friendly except for a few slight differences about the wage scale for miners. Weis thought that the NAF had functioned very satisfactorily. He believes that the principle of compulsory membership in one workers' organization should be retained, but, as a concession to the miners, perhaps, he suggests that the Betriebsfuhrer and other mine "officials" should be excluded from membership.

b. Walter Brumme, 44 years old, is deputy Betriebsfuhrer of the coke works at Alsdorf, is in personality a younger edition of Dr. Weis, although far less intelligent. He is a graduate of the Technische Hochschule in Darmstadt and a member of the NSDAP. Brumme explained that the fundamental idea of National Socialism was to regulate social questions so that there would be no unemployment and everyone would be honored for his work. His views on socialism, however, proved confused and muddled. He insisted that anti-Semitism, anti-clericalism and aggressive militarism were not basic tenets of the Nazis, and claimed that these things had been foisted on the people by propaganda. Brumme sought to make a distinction between Nazism and the Nazi leaders which was difficult to follow. Brumme is of the opinion that he was taken into custody because he would not tell what process was used at the coke works in producing benzol.

c. Herr Aschke, a vigorous man of about 40, is Betriebsdirektor of Bereichsleitung III (Kohlscheid and Wuerseelen). At present he is one of the most influential men in the firm and is now on the job at Kohlscheid. Aschke claims he is trying to get more coal produced; he says that he would like to see wages cut to the bone and American military power used to make the miners work. Local opinions about Aschke vary. An old Social Democrat in Kohlscheid, who had

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had no direct contact with Aschke, said he is reputed to be a trustworthy citizen. On the other hand, a miner in Wuerresen reported that he was known as a hard-driving taskmaster who had told petty officials of the company in no uncertain terms that unless they joined the NSDAP they could expect no advancement.

d. Peter Spierts,¹ 45 years old, Betriebsingenieur at Bergwerksdirektion II, Alsdorf, bears a physical resemblance to Goebbels. He proved difficult to interview. He leaned toward the Center Party before 1933 but finally joined NSDAP about 1937; before that he said he had taken no interest in the whole Nazi business ("interessenlos gegen die ganze geschichte"). Spierts had charge of employment of foreign workers in Bergwerksdirektion II; he found nothing to criticize in Nazi policy toward either the foreign or German workers. He supported the war when Germany was winning but now views the future with foreboding for he sees only ruin for Germany and nothing for himself but hard work.

e. Theodor Koch, 49 years old, is Betriebsfuhrer of the mine in Wuerresen. Before 1933 he belonged to Deutsche Volkspartei but promptly switched to the NSDAP when Nazis took over. A large, flabby man, Koch expressed himself freely only on the subject of Russia; he expressed his hope and belief that Americans will join with the Germans against the Russians. Sentimental about his family and his private misfortunes, he is calloused about the effects of Nazi policy on others. The miners detested him as a hard bitten slave-driver who worked hand in glove with the Nazis. He uses the Nazi terminology--Gefolgschaft, etc.--quite naturally and unconsciously.

1. Special report on Spierts: An "unpolitical" mining engineer. Adv. Det., F & PW, 12 AD, 1 November 1944.

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f. Hans Hasenjaeger, 55 years old, chief engineer of ESV coke works, holds a doctorate in chemistry from Technische Hochschule in Braunschweig. He speaks of himself as a simple scientist without interest in politics, but he is easily drawn out. Hasenjaeger talks the straight Nazi line and thinks that the social organization under the Nazis was sounder than it had ever been before during his lifetime. Relations between workers and management in his view, were excellent; there were no strikes and discipline was better. "In terms of business," he said, "the last ten years have been good years." He thinks that the war is not yet over; in his view America must fight Russia over Middle Eastern oil. He is puzzled over the origin of the war and asks: "Why did Britain and France declare war in 1939? Hitler told them he had no interest in Alsace-Lorraine or Eupen-Malmedy."

From this sampling of the opinions of men in leading positions at the ESV, it is clear why the Nazis did not find it necessary to force any change of personnel in the managerial positions of the firm. None of the men interviewed made any effort to conceal the fact that with one exception they had all joined the Party. The exception was Herr Knepper, head of one of the Bergwerksdirektionen, who applied for membership but was turned down because he was a Free Mason. One of the Betriebsfuhrer explained that Knepper had been able to retain his position because of the influence of his brother, formerly chairman of the Reichskohlenrat. Although all of these men belonged to the Party and all of those interviewed revealed that they were to a greater or lesser extent indoctrinated with Nazi ideas, none of them apparently thinks of himself as a Nazi. They point out that they did not join the Party until after 1933 and that they had to do so in order to keep their jobs.

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CONFIDENTIALD. Relations between EHV management and the Basis

Questioned on whether there had been any instances of friction between the EHV and the Basis, all the men in managerial positions agreed that relations with the Basis had generally been good. The only differences cited were over the amount of wages to be paid to the workers. (Three different men made this point.) Two men spoke of a disagreement with Grobe, Gesamtleiter of Köln, who some months ago insisted that wages in the Aachen mining area should be the same as those in the Ruhr. The EHV opposed such an increase. Grobe had the rate raised, but when he came to make a speech announcing the new scale he went to the Carolus Magnus mine at Palenberg. The fact that Grobe chose to make this announcement at the mine of another company was considered as a rebuff to the EHV. It is significant that no instances of friction between the Betriebsführer, the chief representative of management at each mine, and the Betriebsbevollmächtigter, representative of the Party, were cited.

E. Why the Managers did not Evacuate

About two weeks before the Americans arrived, the Generaldirektion of the EHV received an order from the Landrat specifying that a skeleton staff be selected to see to it that sufficient coal was mined to keep the machinery running and the mines drained. After each mine had given an estimate of how many men would be needed, the personnel was then sought out on the basis of "reliability," and requested to stay. Almost without exception the men in the leading managerial positions remained. Some of the workers, who were asked to remain, were permitted to leave for one reason or another. None of those persons interviewed would admit that he knew anything about the reason for the order for the skeleton staff, although it was agreed that it involved high policy. Asked to give their own

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explanations, the following reasons were given: (1) Failure to maintain the mines would be disastrous to the economic life of the Aachen area; (2) the German Army expected to come back and wanted to find the mines in working order.

Each person who remained behind received an order signed by the Landrat stating that he was subject to punishment under the articles of war (Kriegsgesetze) in case he did not immediately obey, or in case he disobeyed instructions from the Betriebsbevollmächtigter. He also received a card (Ausweis) signed by the Betriebsführer, representing the company and by the Untergruppenleiter, representing the NSDAP, stipulating that in case of compulsory evacuation he was not to leave, and that he could not be recruited for work on the fortifications. This card bore the stamp of the NSDAP, Gau Köln-Aachen. (See Attachments I and II).

It is significant that the operating personnel at the mines, unlike other persons in occupied Germany, remained at the order of the German Government, and it is reasonable to suppose that the top management at least was given definite instructions about the extent to which they should co-operate with the American Army in continuing to mine coal.

F. The Present Status of EHV Personnel in Managerial Positions

A tabulation of the twenty-one top men in the EHV gives the following results with respect to their present status: (1) Ten are, so far as is known, on the job; (2) four were taken into custody by the American authorities and sent to the camp for evacuated civilians at Homburg; (3) one was killed and one was seriously wounded during the fighting; (4) two had had breakdowns in health earlier in the year and had gone away for medical treatment; (5) two had been inducted fairly recently into the Wehrmacht; (6) one, Krumm, Betriebsführer at Anna II, Alsdorf, left before the Americans arrived, for reasons which have not yet been explained.

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The Betriebschlosser, heads of the Deutsche Arbeitsfront in each mine and as such the chief representatives of the MDAP at the mines, were not included in the order to remain on the job. They have all left. In interviewing the men in managerial positions it was obvious that, although they were themselves members of the Party, they felt relatively secure in remaining behind. They tend to blame all bad practices on the Party functionaries, particularly the Betriebschlosser who have left. Workers, when questioned about these matters, do not, however, make the same distinction between management and Party, between Betriebschlosser and Betriebschlosser. Each at Wuerelen, Ochs at Kohlscheid, are as bitterly detested as the Betriebschlosser.

G. Present Conditions of the Mines and Plant

The mines at Kohlscheid, Merkestein, and Alsdorf are almost completely undamaged, and if conditions permitted they could operate normally. The mine at Eschweiler (Eschweiler Reserven) is ruined; the electric power necessary to keep it drained has been cut off for two months and it is now seriously flooded. Dr. Weis remarked that if any of the mines had to be destroyed, it was best that it should be this one. The mine had relatively little coal left and could probably have been profitably run for no more than ten years. The mines at Wuerelen and Mariadorf were also badly damaged, but Herr Aschke, who directs the Wuerelen mine, believes that two hundred men could get it back into operation within two months. The coke works are completely ruined. Dr. Hasenjaeger complained about the destruction of the coke works at Alsdorf, claiming that it had been destroyed by American artillery when neither soldiers nor observers were on the premises. Exact information on the condition of the iron works at Eschweiler has not been obtained, but it is understood that the damage has been very great.

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With respect to the destruction of property, industrial and otherwise, in the coal mining area, a distinction has to be made between the western belt of towns occupied by the Americans early in October and the eastern belt occupied in November. In the former, the damage was great but not devastating and affected mainly domestic rather than industrial property. It was done mainly by the Americans. In the eastern belt, on the other hand, the damage was much more complete; Wuerelen, for example, a town of more than fifteen thousand inhabitants, is wrecked even more than Aachen, but the damage was largely done by the Germans themselves in the bitter fighting that took place for possession of the town.

H. Present Organization of the Mines

The mines are under supervision of the American military authorities. Production is under a special detachment of mining engineers attached to G-4, Ninth Army. This detachment is not concerned with political policy or with personnel; its job is to implement in any way it can the production of coal for military use. Control over personnel is charged to MG; that is, questions involving management and labor, the selection of individuals for responsible managerial positions, the formation of worker's organizations, etc. G-4 co-operates with MG in these matters only to the extent that it screens out individuals likely to endanger military security.

Immediate control over current operations is in the hands of officials of the concern who still remain. Although, as previously indicated, only about half of them are still on the job, they seem to suffice for the present.

I. Present Operations at the Mines

The four mines at Merkestein, Alsdorf, and Kohlscheid are operating, and they are employing about two thousand men, or about one-tenth of the normal number engaged in all operations of the RW. A considerable proportion of those

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working undoubtedly were selected by the mine officials to keep the machinery going and the mines drained, although the exact number of those in this category has not been learned. So far production at the mines has been just about sufficient to provide the necessary electricity to operate the machinery, to supply a little coal to the miners themselves and the mining towns for heating and cooking, and, in the case of Kohlscheid, to heat water sufficient to bathe about fifteen hundred American soldiers daily. (In Kohlscheid each family gets a Schaffel [bushel] of coal a week, and each miner four Zentner [hundredweight] a month.)

A member of the G-4 detachment when questioned about production, replied: "The less said about it the better." Very little coal is going to the American Army. The reasons for the slight production have been discussed with American military officials, with Herr Aschke representing ESV management, and with two old Social Democrats in Kohlscheid. Their views may be summarized as follows:

The mines are undermanned and difficulty is being experienced in finding an adequate labor supply. About half of the miners before the Americans came were foreign workers, all of whom were evacuated by the Germans. Many of the remaining miners are not working, and absenteeism among those who are on the payroll is becoming a serious problem. At Kohlscheid recently about a third of the miners did not show up for work, and most of them stayed away "arbitrarily." One of the old Social Democrats said that the attitude of the miners is largely an outgrowth of bad relations with the management, a situation which goes back to the Nazi period. He argues that the workers want to work (and all of the miners interviewed at the evacuation camp insisted that that was what they wanted to do), but that they find it intolerable to work for the former interests without having some kind of representative body through which they can voice their views.

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Herr Aschke, on the other hand, explains the prevalence of absenteeism on these grounds: at the existing wage scale, a miner can earn enough in a day to buy all he is able to buy in a week. (Whether this is actually the case has not as yet been checked.) Consequently, since he has work to do at home, properly to repair, potatoes to dig, etc., he stays home. Miners who obeyed the order to continue working (who, as Herr Aschke puts it, "did their duty") during the period of evacuation and fighting now find that they are worse off than their neighbors who remained in their cellars, looked after their property, stocked up on potatoes and vegetables, and in some instances looted the property of their departed fellow citizens. Aschke favored the idea of drastically lowering the wages to the point where the miner would have to work regularly in order to get enough money to keep himself and his family alive. The American Army, he thinks, should replace the terror mechanism of the Gestapo and compel the miners to work at wages even lower than the Nazis had paid. His motives in making such statements are not clear; he may be seeking to implant such ideas in the minds of the Americans or he may be simply politically obtuse.

It is obvious that the diagnosis and remedies of the old Social Democrat, on the one hand, and the mine official, on the other, are diametrically opposed. Meanwhile the fact remains that the managers and some of the miners are here at the order of the German Government, that they are keeping the mines in good working condition, and that they are not producing any substantial amount of coal for the benefit of the Allied war effort.

J. Organization of the Miners

The disappearance of the DAF has left the miners without any organization even ostensibly representing their interests. At the same time, there have been

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no disturbances of any kind from the working class population in spite of the fact that food is bad and living conditions generally hard.

Among the miners themselves, there appears to be no urgent desire to revive the pre-1933 trade unions or to form new ones. However, two men, supposed to be Communists, did ask for permission to go from Hersogenueth to Kohlscheid to form a union, but were refused a permit to travel by MG. An old Social Democrat, now reinstated in the municipal administration, submitted to Aschke a list of five miners (including two Communists) as candidates for a representative council of the workers (Betriebsvertretung) but no decision respecting the establishment of this body has been made.

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II. RELATION OF THE EHV TO ARBED AND TO THE GERMAN COAL MINING INDUSTRY.

The EHV is a subsidiary of ARBED (Aciéries Reunies de Burbanck-Rich-Dudelange), the great Luxembourg industrial combine. ARBED also controls the following firms in Germany: (a) the Falten & Guillaume Carlsberg AG, employing twenty thousand workers at Köln-Mülheim, which in turn has a controlling interest (61.2 percent of the stock) in the Falten & Guillaume Fabrik elektrischer Kabel, Stahl- und Kugelfabrik AG in Vienna; and (b) Brochthal AG fuer Stein- und Tonindustrie, employing twelve hundred workers near Koblenz and Euskirchen. ARBED itself dominates Luxembourg economically, has important holdings abroad, particularly in Brasel, and is surpassed in the production of raw steel by only two German concerns--Vereinigte Stahlwerke and Krupp.

The connection between ARBED and the EHV dates from 1913. In that year the two concerns signed a "community of interest" agreement (Interessengemeinschaftsvertrag) to last for thirty years. ARBED, which at that time held about 10 percent of the stock of the Eschweiler concern, was given control over the management and in return guaranteed 14 percent annual dividends to the EHV. For a number of years thereafter a sizeable proportion of the coal and most of the coke produced by EHV served the Luxembourg iron industry.

This relationship, so far as disposition of the coal was concerned, was changed in 1934, when EHV became a member of the Rheinisch-Westfälische Kohlen-Syndikat. Henceforth the quota of production and distribution of the coal was fixed by the syndicate. The Rheinisch-Westfälische Kohlen-Syndikat was also tied up with the international cartel which apportioned quotas for the foreign market.¹

1. Since the beginning of the war the allocation of coal has largely shifted from the control of the Rheinisch-Westfälische Kohlen-Syndikat to that of the Reichsvereinigung Kohle headed by Fleiger in Berlin; head of the Aachen district was a Bergassessor named Giese.

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After 1934, therefore, the intimate relationship between ARBED iron and EBF coal came to an end. Since then coal for Luxemburg has come mainly from Belgium and Holland. Most of EBF's coals, however, continued to go to Luxemburg. Meanwhile the connection between ARBED and EBF, so far as ownership was concerned, was tightened; by 1942 ARBED had secured control of about 95 percent of EBF stock. Consequently when the "community of interest" agreement expired, it was not renewed, since ARBED now owned EBF.

A. Ownership of the EBF

With respect to ownership as well as management, the EBF like ARBED was virtually untouched by the Nazis. ARBED as a legal person controls the stock of EBF, but no one connected with EBF appears to be familiar with the ownership of ARBED. It is generally agreed, however, that the ARBED stockholders were not dispossessed by the Nazis. (This conclusion was previously confirmed by interviews with leading officials of ARBED at Luxemburg). Dr. Weis, one of the chief officials of the EBF, said that it has always been his understanding that the stock was dispersed among many small holders, but that among the principle shareholders were Schneider-Creusen, the French concern, and one Barbanson, a Belgian. Weis could not say whether any substantial portion of the stock had come into the hands of German individuals or corporations.

B. Relations between EBF and ARBED since American Occupation

Herr Arthur Kipgen has long been the representative from ARBED charged with supervision of the affairs of the EBF. Ordinarily he made a monthly visit to Kohlscheid where he conferred with Herr Becker, General Director of the EBF. Kipgen has made one visit to the mines since the Americans occupied the region. (On 17 November 1944, Herr Spierts wrote a letter to Kipgen through the Belgian Red Cross, requesting that he try to do something to secure the release of the four men [Spierts, Hasenjaeger, Koch, and Brumm] who are in American custody at Homburg.)

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Herr Kipgen is himself a man of doubtful reliability. A previous report on ARBED contained the following information on Kipgen based on a personal interview and on interviews with other Luxemburgers:

Kipgen had charge of the foreign interests of ARBED and is a real power in the ARBED management. He takes the position, without any pretense to the contrary, that businessmen do business where it profits them best. Without any prompting he told the following story: During the occupation of the Rhineland after the last war, he was sent by Karl Weyrich, the founder of ARBED, to look after the interests of the concern in the coal mines near Aachen. He immediately got in touch with the Belgian officer in charge of the troops there and pointed out that their interests were parallel; the Belgian officer wanted to maintain order, Kipgen wanted to operate the mines. If the occupying authority saw to it that the miners were working, he suggested the problem of maintaining order solved itself. An agreement along these lines was reached, and it worked out to the mutual satisfaction of the Belgian officer and Kipgen.

It is already apparent that Kipgen is ready to make any arrangement, particularly with respect to the ARBED interest in Germany, which will permit him to continue to do business at the old stand. Kipgen is not at present a popular figure with Luxemburgers who were forced out of their jobs for refusal to join the Volksgenossenschaft, or for other reasons, while he was collaborating smoothly and profitably with the Nazis. Evidence exists to show that Kipgen was in close and friendly relationship with local Nazi leaders; he signed his letters with "Heil Hitler."

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III. ORGANIZATION AND LEADING PERSONNEL OF THE EHV

- A. Aufsichtsrat (Board of Overseers) of the EHV: thirteen men, including the following who represent ARBED:

Vorsitzender (chairman): Lehmann, General Director of Felton & Guillaume, the ARBED subsidiary at Koln.

Deputy chairman: Alois Meyer, General Director of ARBED.

Members: Kipgen and Hoffman, (Hoffmann replaced Herr Chauset, a Belgian by birth, who for the last two years was living in retirement in Steiermark, but who returned to Luxembourg before the Americans arrived and has resumed his position with ARBED. For information on Chauset, Meyer, and particularly Kipgen reference is made to a previous report on ARBED by the Advance Detachment, F & PW, 12 AD.)

- B. Vorstand (Board of Directors) of the EHV:

Chairman: Becker, General Director of EHV.

Ordentliche Mitglieder (full members): Bergwerksdirektor Knepper and Bergwerksdirektor Burkhardt; Knepper is in the hospital and Burkhardt in the Army.

Stellvertretende Mitglieder (alternate members): Dr. Weis, Kohl-scheid, legal advisor of the firm; Bergwerksdirektor Heil (killed by a mine between Alsdorf and Hersogsmuth about 5 October); Vonhoff, a merchant; Kloes, Director of the Eschweiler iron works.

- C. General-Direktion: Kohlscheid

General Director: Becker; wounded and will probably be laid up for another month; now in Kohlscheid. Dr. Weis seems to be for the present the de facto deputy for Becker.

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D. Bergwerksdirektion I

1. Director: Burkhardt; in the Army.
2. Betriebsdirektor: Lambert.

Under Bergwerksdirektion I are two soft coal (Fettkohle) mines:

- a. Kochweiler (Reserven)
- b. Mariadorf (Maria)

- 1) Betriebsführer: Wenzel, two sons killed, one blinded in the war; in the past month appeared very depressed.
- 2) Betriebsbeamter: Roemer

E. Bergwerksdirektion II

1. Director: Kneppner. For more than half a year Kneppner (over 60 years old) has been sick and is now in a hospital at Dueseldorf.

2. Betriebsdirektor: Bergmann a.d. Venn. Venn is about forty years old; reported to be on the job.

Under Bergwerksdirektion II are three soft coal mines:

- a. Alsdorf (Anna I)

Betriebsführer: Otto (?) Mai, a reserve officer in the Wehrmacht; served in the early part of the war; left again not long ago, reputedly to return to active military service.

Betriebsbeamter: Leclerc.

- b. Alsdorf (Anna II)

Betriebsführer: Krums; not there now.

- c. Markstein (Adolf)

- 1) Betriebsführer: Kammer and Plus. (At this mine, as at Kohlscheid, one Betriebsführer was in charge of surface operations, the other in charge of sub-surface operations.

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CONFIDENTIALF. Bergwerksdirektion III

1. Director: Neill; killed about 5 October.

2. Betriebsdirektor: Aschke;Under Bergwerksdirektion III are two anthracite mines:

a. Kohlsheld;

1) Betriebsführer: Ochs and Gosler; both are in Kohlsheld;
Ochs is not well spoken of by some of the miners.2) Betriebsmann: Richard Koenig.

b. Wuerstlan (Doully)

1) Betriebsführer: Koch; at camp for evacuated civilians,
Homburg.2) Betriebsmann: Josef Frings.

G. Iron Works, Knochweiler

Director: Kloss.

H. Siersdorf

A new mine, the Hail Mayrisch (named after the founder of ARBED) has been under construction at Siersdorf since 1937 or 1938; estimated that another three years of work is necessary to bring it into operation. A big new coke works is also under construction there; it is intended to shift entire production of coke from the present plants to this new plant when completed.

I. Coke works

Overall management of the two coke works at Alsdorf and at Nothberg is in the Kokereiabteilung, headed by Dr. Hasenjaeger, chief engineer, now at the camp for evacuated civilians at Homburg.

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1. Alsdorf

a. Betriebsführer: Mitteldorf; had a nervous collapse shortly before the arrival of the Americans and went into Germany.b. Deputy Betriebsführer: Walter Bruns; now at Homburg camp.c. Betriebsmann: Lattwein; held position for last ten years; recently became Untergruppenleiter of Alsdorf.

2. Nothberg bei Knochweiler.

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ATTACHMENT I

- 22 -

CONFIDENTIAL

Kornelismater, den

Der Landrat:

An

Herrn Zimmermann, Wilm.....

in Eschweiler.....
Göbelstr 23.....Beorderung

Bei Anordnung der Zurückführung der Bevölkerung (im Spannungs- oder Not-Fall) haben Sie sich sofort unter Vorlage dieser Beorderung zur Durchführung besonderer Arbeiten bei Ihrem Betriebe

Eschweiler Bergwerks-Verein

Grubbe.....4000.I.....

zu melden.

Sie stehen für diese Tätigkeit unter den Kriegsgesetzen und werden nach diesen bestraft, falls Sie dieser Beorderung nicht unverzüglich Folge leisten oder den Weisungen des Betriebstruppführers Ihres Betriebes zuwiderhandeln. Falls Sie schon eine Beorderung erhalten (oder noch erhalten), haben Sie der oben bezeichneten Behörde hiervon unverzüglich Mitteilung zu machen.

German Party
Seal

Im Auftrage

CONFIDENTIAL

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ATTACHMENT II

- 23 -

CONFIDENTIAL

Anweisung

Der Bergmann Zimmermann, Wilm.....

ist notdienstverpflichtet fuer die ASGM I.....

In Falle eine Zwangsrückführung muss der Inhaber dieser Karte an seinen Wohnort bleiben. Seine Familie kann nach eigenem Entscheid hier bleiben.

Der Inhaber der Karte kann zu Schanzarbeiten nicht herangezogen werden.

Eschweiler Bergwerksverein

Der Ortsgruppenleiter

Vann

Lattwein

German Party
SealCONFIDENTIAL

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EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

INTER-OFFICE COMMUNICATION

DATE March 29, 1945

TO Mrs. Klotz

FROM Miss Hodel

General O'Dwyer would like Secretary Morgenthau to know the latest developments in our program from Switzerland.

Mr. Mann, Mr. Ketzki and Mr. McClelland, who have been in Paris since March 25th negotiating with the military, telephoned the General today. They reported that they have had three conferences with General Maurice W. Giliand of G-4 who has been extremely sympathetic and helpful. Because of military necessity at the present time, it is utterly impossible for the army to release trucks to us. However, arrangements were made for the immediate release of 2,000 gallons of gasoline a week with the necessary lubricating oil and for the release of 30 truck tires. This will make it possible for McClelland to continue negotiating for trucks in Switzerland and he is very hopeful that with gasoline and tires he will be able to get some Swiss army trucks. McClelland is returning to Bern, Switzerland and hopes to have trucks rolling from Switzerland early next week.

I think the Secretary will be interested in knowing that James Mann appears to have done a wonderful job and the General is delighted that we were able to have his services for these negotiations in Paris. It is contemplated that Mann will stay on in Paris for a short while to finish up the negotiations.

Jot

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CORRECTION TO
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Chungking
TO: Secretary of State, Washington
DATED: March 29, 1945
NUMBER: 533

This message was distributed to you on March 30 under Serial
Number 533. Please change your copies to show the correct number - 533.

DG/LGPV

4-3-45

125

CABLE TO WINANT AND EARL HARRISON, LONDON, FROM WAR REFUGEE BOARD

The attention of the Intergovernmental Committee is called to the precarious plight of certain Spanish Republican refugees who are in hiding in Portugal. The Board strongly recommends (1) that the maintenance of this refugee group be supplied by the Intergovernmental Committee as a part of its overall program on the Iberian Peninsula, and (2) that the Intergovernmental Committee arrange for the speedy evacuation of this group to havens of safety, since their continued presence in Portugal at this time increases the danger of their deportation to Spain.

THIS IS WRB LONDON CABLE NO. 60

10:20 a.m.
March 29, 1945

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CABLE TO AMBASSADOR WINANT, LONDON, FOR HANS, FROM WAR REFUGEE BOARD

Reference your 2872 of March 20, 1945.

Following is text of instructions forwarded by UNRRA here to their London mission, answering questions raised by you:

QUOTE Movement responsibility of military. After conversations with MEM we urge that UNRRA Versailles should offer SHAWY against specific request supplementary medical and welfare personnel for care refugees en route. If UNRRA personnel not obtainable theater, we will request help Italian mission. War Department informs us movement cannot be arranged before April 15. Please instruct Paris.

QUOTE Responsibility clearing eligibility of group of refugees UNRRA care is function of Washington or its representative. UNRRA representative point nearest departure responsible notify you of movement and ascertain all individuals properly belong to group cleared. Washington will appoint displaced persons representative at Bern for this purpose earliest. You not obligated nor authorized accept any groups of refugees not cleared. UNQUOTE

Since we assume you will soon be with McClelland, he will advise you of exact status of this evacuation as worked out between himself and the military.

THIS IS WRB LONDON CABLE NO. 61.

10:30 a.m.
March 29, 1945

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VAC-263

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

Chungking
Dated March 29, 1945
Rec'd 4:03 p.m.

Secretary of State
Washington

528, March 29, 8 a.m.

TO CROWLEY FOR STANTON AND MILLER VIA FROM JOYNER

Bank of China holding tin stockpile as collateral for loan to
NRC and will release tin for delivery to United States only as gold
is shipped from United States. NRC informs us 14,000 ounces gold
now being shipped but total of 100,000 ounces required before end of
April to release substantial quantities tin for delivery to United
States.

ATCHERSON

NJE

eficopy
4-2-45

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PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Paris
DATED: March 29, 1945
NUMBER: 1235

SECRET

This message is being repeated as No. 1267 to Bern.

With reference to Embassy's message No. 1406 dated March 23,
(which was repeated as No. 135 to Bern), questions of blockade policy
character are raised by proposal to distribute relief supplies for war
prisoner to foreign forced laborers, political deportees and others in
similar status in Germany. These matters must be given consideration in
consultation with British Government and other interested agencies of
U. S. Government. Consequently, Intercross should be advised that the
distribution of relief supplies for war prisoners in Germany should be
limited to that type of person and to civilian internees placed in that
category by special agreement.

CRON
(Acting)

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Chungking (via Navy)
 TO: Secretary of State, Washington
 DATED: March 29, 1946
 NUMBER: 823

SECRET

US URGENT

1. With reference to Embassy's cable No. 824 dated March 28, Allied's program for holding back inflation in China is summarized below:

U. S. Army operations in China and that country's war effort are being impeded seriously by inflation already. Such an advanced stage has been reached by inflation that no palliative action will singly aid in significant holding back, and a program of many phases is required, points of which follow:

(A) In order to force private hoarders (particularly large holders of essential consumer goods and foodstuffs) to release their hoardings under threat of confiscation and imprisonment, and to force agencies of the government to release essential stock materials and machinery on reasonable terms to private factories for war production, measures should be taken against both private and public hoarding.

(B) With the exception perhaps of a few strategic commodities, the supply and distribution of which are comparatively centralized, price control should be removed.

(C) Cotton textiles should be imported and other essential commodities

to be

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No. 823 - page #2

to be imported later, when logistical position permits.

(D) By means of additional decrease in number of government employees and abolishing and uniting redundant agencies, reform of government administration to be continued.

(E) Gold sales to be continued, but with severe revision of gold sales policy. This should include abolishing procedure of selling gold at less than half of black market price and with maintenance of price in close relationship with commodity price trend as objective.

(F) Continuance of fiscal reforms, with more efficient collection of direct taxes and increase of such taxes on higher income groups, additional simplification of tax structure, change in practices for collection and disbursement of taxes, and severe decrease of expenditures on projects which it is not probable will yield immediate returns.

(G) Decrease in size of army of China.

(H) Initial efforts by Chinese WFB to increase production to be continued.

There seems to be a strong case against connecting even initial phase of currency stabilization plan with an immediate anti-inflationary plan, although detailed program should be drafted as quickly as possible looking toward replacement of puppet currencies by FAPI in occupied territories and resuming foreign trade. Summary ends here.

You are requested to give Treasury report of this message.

2. It is the belief of the Embassy that basically the plan is

sound

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No. 823 - page 98

sound and that it is likely the Chinese Government's vigorous implementation of this program would be of great assistance, if not definitive, in existing situation. We believe without question that the present Chinese feeling of impotency and acquiescence in the face of rising inflation would be improved considerably as a result.

ATKINSON

20/L:GPV

3-30-45

132

Lisbon

Dated March 29, 1945

Rec'd 3:42 p.m.

Secretary of State,

Washington.

682, March 29, 11 a.m.

THIS IS WFR 317 JDC 206 FOR LEAVITT FROM THORE

Please advise us re cable from Gettysburg substance of which follows: possible send insured registered letters to Shanghai up to two kilos weight. Mail connections open via Russia. Have discussed with Bitkar plan I would like to carry out of sending injection syringes medicines and first rate food this way. Bitkar interested states permissible according customs regulations provided material corresponds to value declared when mailed. Is it possible receive for first experiment appropriation of \$1,000 from Joint? In opinion American Legation best that blockade be cleared by New York.

CROCKER

JTD

CABLE TO AMERICAN EMBASSY, PARIS, FOR ROBERT L. MCGILLIAND FROM WAR
REFUGEE BOARD

Reference your No. 1739 from Bern of March 23. Katski is
entirely at your disposal. Any arrangement you make with him
will be satisfactory to Board. Advise Katski that Andrews agrees.

10:55 a.m.
March 29, 1945

CORRECTION

March 29, 1945

Re 1482 from Paris dated March 27, 6 p.m. At end
of last line delete "." and insert "there" making line
read "regarding prospects for securing transportation
there."

DIVISION OF CENTRAL SERVICES

SE

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

March 29, 1945

8 p.m.

AMBASSY

LONDON

2451

The following for Minant and Earl Harrison from War Refugee Board is WOB 60.

The attention of the Intergovernmental Committee is called to the precarious plight of certain Spanish Republican refugees who are in hiding in Portugal. The Board strongly recommends (1) that the maintenance of this refugee group be supplied by the Intergovernmental Committee as a part of its overall program on the Iberian Peninsula, and (2) that the Intergovernmental Committee arrange for the speedy evacuation of this group ~~the~~ ^{the} ~~group~~ ^{group} of safety, since their continued presence in Portugal at this time increases the danger of their deportation to Spain.

OWEN
(Acting)

March 29, 1945

8 p.m.

AMBASSY

LONDON

2452

The following for Mann is WOB 61.

Reference your 2872 of March 20, 1945.

Following is text of instructions forwarded by UNHCR here to their London mission, answering questions raised by you:

QUOTE Movement responsibility of military. After conversations with WOB we urge that UNHCR Versailles should offer SHARP against specific request supplementary medical and welfare personnel for care refugees en route. If UNHCR personnel not obtainable theater, we will request help Italian mission. War Department infers us movement cannot be arranged before April 15. Please instruct Paris.

Responsibility clearing eligibility of group of refugees UNHCR care is function of Washington or its representative. UNHCR representative point nearest departure responsible notify you of movement and ascertain all individuals properly belong to group cleared. Washington will appoint displaced persons representative at Bern for this purpose earliest. You not obliged nor authorized accept any groups of refugees not cleared. UNQUOTE

Since we assume you will soon be with McClelland, he will advise you of exact status of this evacuation as worked out between himself and the military.

OWEN
(ACTING)
(OLW)

VER:POV:ED
3/29/45

BC

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US URGENT

CABLE TO MINISTER HARRISON, BERN, FROM WAR REFUGEE BOARD

The War Refugee Board is informed that Mrs. Gemma Glueck, United States citizen by birth, born April 21, 1881, in New York City, is currently detained by the German Government at Ravensbrueck near Fuerstenberg Mecklenburg, address 44 - 139 Block Two.

Please request Swiss authorities to take all appropriate action to safeguard the life of this United States national from further enemy persecution and to secure her removal from Ravensbrueck to a civilian internment camp.

Please immediately request ICRC (1) to direct War Refugee Board food parcels to her and (2) arrange to have Mrs. Gemma Glueck included in an evacuation of internees from Ravensbrueck as outlined in Bern's No. 1727 of March 22.

Kindly arrange to have McClelland advised of the contents of this cable upon his return to Switzerland. It is urgently requested that a report on the action taken on this request be forwarded to the War Refugee Board at the earliest possible moment.

THIS IS WRB BERN CABLE NO. 482

10:30 a.m.
March 29, 1945

NOT TO BE RE-TRANSMITTED

COPY NO. 4

SECRETOPTEL No. 101

Information received up to 10 a.m., 29th March, 1945.

NAVAL

1. ENEMY ATTACK ON SHIPPING. 28th. A 8325 ton Norwegian tanker in westbound convoy mined or torpedoed off Zeebrugge and taken in tow.

MILITARY

2. WESTERN FRONT.
Central Sector: Considerable progress made by both 3rd and 1st U.S. Armies: Armoured division of former 20 miles north Frankfurt while another from latter driving from Remagen bridgehead has reached Herborn.
Northern Sector: In combined bridgehead area, resistance reported stiff on flanks, but little opposition being encountered centre. Dorsten, Haltern, Raesfeld and Borken captured, while U.K. and Canadian troops are also reported fighting in the area of Emmerich.

3. EASTERN FRONT.
Northern Sector: Gdynia captured and 9,000 prisoners taken while further progress made in occupation Danzig.
Southern Sector: Further progress made along Southern bank of Danube in direction Vienna, where Gyor captured, while good progress also made west of Papa, where River Raba crossed and places taken respectively 25 miles N.W., 25 miles W. and 30 miles S.W. of Papa.

4. BURMA.
Central Sector: Fighting continues area main airfield Meiktila, the centre of which on 27th still held by Japanese. To N.W. of this Japanese hold dominating positions in Taungtha area which overlook road connecting this town to Myingyan. Further north enemy still hold road block across road Myingyan-Myotha which otherwise cleared.

AIR

5. WESTERN FRONT.
27th/28th (night). Coastal Command Halifaxes attacked shipping Skaggerak damaging 1 destroyer and 2 ships of 4000 and 6000 tons.
28th. 891 U.S. escorted heavy bombers (26 bombers and 7 fighters outstanding, but majority believed safe on continent) attacked through cloud with unobserved results armament plant (782 tons) and tank factory (144 tons) Berlin, tank plant (90 tons) and central railway centre (1126 tons) Hanover.
SHAEP (Air): 294 bombers (4 missing) attacked targets West Germany including 2 railway centres (123 tons) and 2 oil storage depots (205 tons) with mainly unobserved results, while 1744 fighters and fighter bombers operated battle areas, mainly in Northern and Central Sectors, and against rocket carrying transport in West Holland, during which 215 tons dropped and 17 locomotives, 671 railway wagons, 1402 M.T. and 48 A.F.V.'s damaged or destroyed, with enemy casualties in combat 11,1,7 and 1,0,0 on ground. Bad weather interfered with operations and prevented them during 28th/29th (night).

HOME SECURITY (Up to 7 a.m. 29th)

6. FLYING BOMBS.
28th. 3 plotted.
7. ROCKETS.
No incidents reported during period.

March 30, 1945
11:34 p.m.

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Mr. Daniel
Bell: Good morning.
HMJr: How are you?
B: Pretty good, how are you?
HMJr: Oh, I'm having a pretty good rest.
B: Good for you.
HMJr: I need more.
B: Ahuh, well, you ought to stay there longer.
HMJr: Don't?
B: Yes, sir.
HMJr: I had a preliminary talk with George Hase.
B: Yeah.
HMJr: And as of last nite I would say on the 1 and 1/2 the three fifteen fifty--
B: Three fifteen fifty--
HMJr: Fifty-two.
B: Fifty-two.
HMJr: Now will you part on that?
B: No, I don't think so. I think that is right.
HMJr: And on the 2 and 1/4, 6/15/59-62.
B: Let us see -- 6/15/59-62.
HMJr: 59 - 62.
B: That's O.K.
HMJr: Now he said he thought the thing to do would be to--well, he didn't know whether you would have any trouble with Eccles or not.
B: A little, but I'm sure Bob Rouse will go along, I saw him last night and talked to him. He thinks Allan will.

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HMJr: Good.
B: Yes.
HMJr: Now on the 2 and 1/2 --
B: They might like March, but I think they will go to June.
HMJr: On the 2 and 1/2 -- 6/15/67-72.
B: 67 - 72, good.
HMJr: 6/15.
B: Yes.
HMJr: Now, here's the point. I think that this would be smart--not to do anything until Monday afternoon. See?
B: Ahuh.
HMJr: Now, after all, if I postpone announcing it from Saturday to Monday, we get 48 hours more war news.
B: Sure.
HMJr: And I could call you up Monday afternoon somewhere around four o'clock, see?
B: That's all right.
HMJr: And then we get the benefit, I say, of two additional days.
B: It's all right. I think it is good.
HMJr: Hello?
B: That's good.
HMJr: And Ted can't pick on that because he said as long as I made up my mind the first of next week.
B: Ahuh.
HMJr: We gain 48 hours.
B: I think we have plenty of time. The Federals are a little slow in printing their application forms, that is the big job, but I think they can meet it.

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HMJr: Would that sound all right?
B: That sounds all right, yes.
HMJr: Well, you might be checking this, and then I'll give you another ring sometime Saturday. Will you be in Saturday?
B: Yes, sir, I will.
HMJr: And then we will check once more Saturday and then again Monday afternoon.
B: I think that is fine.
HMJr: And Saturday you can give me the reaction of these suggestions which I believe are largely yours and George's anyway.
B: Yep.
HMJr: Is that right?
B: That's right. Well, you want me to check with Allan on it -- I don't know whether I can get Marriner, but I'll check with Ronald.
HMJr: Well, I see. I think it is important to try to get Marriner.
B: Well, all right. Well, they will do that on the phone, I'm sure.
HMJr: Is he away?
B: Yes, he's out West.
HMJr: I see.
B: Won't be back until about the 10th.
HMJr: I think that it is important that they get him.
B: All right.
HMJr: Does that sound -- not too radical?
B: No, sounds good to me, and I'm particularly pleased on the long one. I think that is right, and the middle one is not too long, neither.
HMJr: Now, what else?

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B: That's all I have. I've got the group here. Is there anyone you would like to talk to?
HMJr: Well, only -- is White there?
B: No, White isn't here.
HMJr: Is Luxford there?
B: Luxford isn't here either. I don't know whether they are out of town or not.
HMJr: Well.
B: Harry hasn't been in too much, he's been taking a rest also.
HMJr: Good. Well, I had nothing -- I just saw in Leonard Lyons' column, they said that Henry Kaiser was going to raise a quarter of a million dollars to finance Bretton Woods meetings. I wondered if there was any truth to that.
B: Bob Coyne is sitting here, and he says that Harriet Elliott says there is some truth to it.
HMJr: Who says so?
B: Bob Coyne.
HMJr: Oh.
B: But no one else here has heard about it.
HMJr: Oh.
B: Herbert has something he wants to talk to you about.
HMJr: Hello?
B: Yes.
HMJr: Tell Coyne there's a man here in this district by the name of Prettyman who has three counties on War Bonds --
B: Yes.
HMJr: He's looking after -- he's sorta looking after us. Does he know Prettyman?
B: Do you know Prettyman, Bob?
B: Yes, he does.

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HMJr: Has he got anything to say, good or bad, about him?
B: Very good, and one of their top workers in the South.
HMJr: No reason why if he wants to show me some attention why I shouldn't accept it?
B: No reason at all why you shouldn't accept it.
HMJr: That right?
B: That's right, yes. Bob says.
HMJr: He wants to take me fishing.
B: Wants to take you --- he says all right, go ahead. Now, Herbert wants to talk to you.
HMJr: All right.
B: And Miss Hodell would like to speak to you.
HMJr: All right.
B: Anybody else? Here's Herbert.
Herbert Gaston: Hello.
HMJr: Hello, Herbert?
G: Yes, how are you?
HMJr: I'm all right.
G: I've got a couple of little things. Jonathan Daniels told me that the President would positively make the line broadcast on the 13th. He turned the boys down on the Worker broadcast.
HMJr: Well, that's all right.
G: I have a nomination here of a man named Saythe to be Collector of Internal Revenue in California. That's the man who used to work for Colonel Heller, you know, and was War Finance Manager for a time.
HMJr: Yeah.
G: To be Collector of Internal Revenue. Shall we hold that until you come back or shall we send it on?

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HMJr: Oh, no.
G: Send it on, huh?
HMJr: Sure. He's a good man.
G: Yeah, he's been -- there was a little question about the extent of his drinking, but Ted said that he is pretty straightened out now. The other thing was a clipping that we didn't send you yesterday. Mrs. McHugh called it to my attention, and also Mr. Fussell did, in the World Telegram in New York, which indicated that business firms in New York were being coerced to take tables at this dinner for your speech. We found that -- it resulted from apparently an argument that one of our volunteer solicitors had with a World Telegram man, but they said that the text of the telegram that they sent out to employers inviting them to take tables -- it's a very proper telegram; it was signed by Gehle, the State Chairman -- and Gehle wrote a letter to Lee Woods, the editor of the World Telegram expressing his great surprise that they'd print an item of that kind. The other papers are going along all right, but I don't think it is anything to be much upset about. It was a rather dirty little item, though.
HMJr: Well ---
G: Well, it is all taken care of.
HMJr: That's all right. It takes a lot more than that to worry me.
G: O... Well, that's all I know. I don't have anything new on the tax thing.
HMJr: Well, I'll tell you what I'd like you to do. I know Nunan goes up to New York today, see?
G: Yeah.
HMJr: And I pinned this thing on Nunan. You call up Nunan and tell him that he should write me a letter today, air mail, telling me what he has done this week, what he has accomplished.
G: Ahuh.
HMJr: I want a letter from him.

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G: Well, that's for general effects. You know about what he has accomplished.

HMJr: I know, but let him write me a letter. I don't want him to get off the hook on this.

G: O.K., O.K.

HMJr: See?

G: Yep, right.

HMJr: Just tell him to write me down at the hotel air mail, what he has accomplished along the lines I asked him.

G: Yeah, yeah. I think that will be a good thing.

HMJr: All right.

G: Right. Here's Dan.

Dan Bell: Hello.

HMJr: Yes.

B: Miss Hodel says she gave the information to Mrs. Klotz and she related it to you?

HMJr: That's right.

B: She doesn't have to talk to you unless you want to talk to her. Joe says that Coe and Glasser are now at the State Department working on that German document.

HMJr: Oh, did they call that committee together?

B: Did they call the committee together? (talks aside) Not the top committee, but at a lower level.

HMJr: Yeah, that's right. Along the lines I suggested.

B: Yes, that's the State, War and Treasury on a lower level working together.

HMJr: That's right.

B: And they are over there this morning. I have one question on the basket. Did you give consideration to the fixed maturity?

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HMJr: I tell you, the fixed maturity would be too attractive to the banks.

B: Well, they will on both ends, I think.

HMJr: I think it is more of a bank maturity, and I don't see why we should have one for the banks.

B: Well, it's more of it, no doubt about that, and will eventually wind up in the banks.

HMJr: If our policy is to discourage the banks, then I should think we would want one which is least attractive to them.

B: Well, I think there is something to that, but I just wanted to be sure that it --

HMJr: I thought about it.

B: -- and that you looked that over.

HMJr: Oh, yes, I read it all very carefully.

B: Well, I think this one will go, too. I think this will be attractive. All right I'll be talking to you tomorrow then.

HMJr: Right.

B: All right, bye.

OFFICE OF
COMMISSIONER OF INTERNAL REVENUEADDRESS ONLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TOTREASURY DEPARTMENT
WASHINGTON 25

March 30, 1945.

Dear Mr. Secretary:

I am enclosing herewith activities of the Bureau since the meeting in your office last Thursday. If you have any further suggestions and will communicate with Joe O'Connell, he in turn, will contact Commissioner Schoeneman who will put them into effect immediately.

Trust you are enjoying your vacation.

Very sincerely,


Commissioner.

Honorable Henry Morgenthau Jr.,
Sheraton Plaza Hotel,
Daytona Beach, Florida.

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March 30, 1945.

MEMORANDUM

TO: Secretary Morgenthau
FROM: Mr. Nunan

The following is a resume of what has transpired since the meeting in your office last Thursday.

Saturday afternoon, March 24, I met with the following persons in New York City:

Collector William J. Pedrick
Collector Joseph P. Marcella
Collector James W. Johnson
Mr. C. B. Allen, Agent in Charge
Mr. C. R. Krigbaum, Agent in Charge
Mr. Daniel A. Bolich, Agent in Charge
Mr. Samuel Litwin, Agent Investigator in Charge
Mr. Kenneth W. Moe, Agent Investigator in Charge
Mr. Hugh McQuillan, S.A. in Charge
Dr. Benjamin R. Rhees, District Supervisor, ATU.
Mr. James A. Ronayne, Special Agent
Mr. Martin C. Kunkel, Special Agent

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Memorandum

Secretary Morgenthau

I spoke to them about the meeting held in your office on Thursday and of your concern over the amount of cash transactions taking place to-day, and of tax avoidance both of individual and excise taxes. I told them further that the Bureau was putting on a special drive in order to ascertain if there was tax avoidance and if so, to stamp it out as far as possible. I gave Collector Pedrick full authority to carry on the investigation in any part of New York City and directed the Agent in Charge, Mr. McQuillan to cooperate in every way. I instructed the three collectors to have deputy collectors check with the Register's office both in New York and Brooklyn for any large real estate transactions wherein great amounts of cash were involved and if any were found to turn it over to Mr. McQuillan for further investigation. I also directed Mr. McQuillan, pursuant to Joe O'Connell's plan to assign two or three agents to contact the Federal Reserve Bank or any other banks in the city wherein any unusual transactions were taking place and arranged for Mr. McQuillan's office to check with the Alcohol Tax Unit and get any information from them wherein large amounts were involved in black market liquor transactions. I told all present that apart from the investigation Pedrick would make, McQuillan would be in

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Memorandum

Secretary Morgenthau

complete charge of all activity in New York City and would submit to me a weekly report on any progress. I also asked him to submit a report to me on the activities for the last month before this drive started. Litwin suggested it might be well for someone to visit resorts near New York, such as Lakewood and other mountain resorts where people are allegedly spending large amounts of cash, similar to the investigation made by Mr. Irey in Florida, and I authorized him to make such an investigation.

On Monday morning Mr. McQuillan and I had lunch at the Federal Reserve Bank with Messrs Sproul and Rounds, who in the meanwhile received a telegram from Mr. Dan Bell. Both of these gentlemen promised to cooperate with Mr. McQuillan and advise him of any unusual transactions which might occur in the Federal Reserve Bank of in any of the member banks. The deposits of some \$450,000 by Lustig were again mentioned and Mr. McQuillan has already started his investigation of this particular case.

Thursday afternoon I met with Mr. O'Connell, Messrs Irey, Cann, Schoeneman, Sherwood, Avis, Kennedy, Wehohell, Self and Woolfe and we discussed further means for securing information on leads.

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Memorandum

Secretary Morgenthau

At this conference Mr. Irey suggested several beneficial methods to be followed for this part of the program.

Wednesday afternoon we had a meeting at the Bureau at which were present the gentlemen whose names appear on the attached list. I told them the same story I had told the collectors and agents in New York City and inquired of each one as to the conditions that existed in their locality. It would appear from that meeting that several investigations are, at the present time, under way by Special Agents in Charge. When these are completed reports will be made and forwarded to the Bureau. I arranged for the same set-up in each of these cities with the Special Agent in Charge of the current program. He, in turn, as in the case of New York, will file weekly reports with the Bureau as to his progress.

In addition to the foregoing and in accordance with your suggestion I met with Mr. Houghteling. He, in turn came in Tuesday morning and brought with him Mr. Leo Goodman, Washington Representative for United Retail, Wholesale and Department Store Employees of America, C.I.O. Goodman writes articles for their paper and he consented to insert in his column a reference to the reward paid

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Secretary Morgenthau

by the Bureau for information relative to the collection of taxes. Mr. Goodman's organization represents upward of 40,000 employees.

In addition to the foregoing, representatives of the Bureau have contacted the office of Price Administration and secured from that office a list of concerns throughout the country who have been subject to fines for selling over ceiling prices. The following are a few examples:

<u>Name</u>	<u>Address</u>	<u>Amount</u>
Pacific Mills	Boston, Mass.	\$965,842
Koppers Co.	Newark, N. J.	180,000
American Radiator	Pittsburgh, Pa	219,000
Mars, Inc.	Kansas City	515,000
Century Steel Corp.	Chicago, Ill	100,000
Cantanzaro, Marie	Springfield Illl	268,279
Petersens Wholesale Butcher	San Francisco, Calif.	149,231

It is proposed to separate the tabulation into geographical districts corresponding to the agents' divisions and transmit the

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Secretary Morgenthau

applicable portion of the tabulation to the agents in that district for further investigation .

I am leaving for California, Tuesday April 3, where I will visit San Francisco and Los Angeles and set up the same arrangement in those cities as mentioned above. As the reports come in I will have them forwarded to Joe O'Connell, in my absence.

PRESENT AT MEETING IN COMMISSIONER'S OFFICE AT 10:00 A.M.,
THURSDAY, MARCH 28, 1945, TO CONSIDER MEANS FOR STRENGTH-
ENING THE BUREAU'S METHODS OF DISCOVERING TAX EVASIONS DUR-
ING HEAVY SPENDING YEARS.

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Mr. Joseph D. Mullan, Jr., Commissioner of Internal Revenue
Mr. Joseph J. O'Connell, General Counsel of the Treasury Department
Mr. J. P. Venzel, Chief Counsel, Bureau of Internal Revenue
Mr. George J. Schoeneman, Assistant Commissioner of Internal Revenue
Mr. William T. Sherwood, Assistant Commissioner of Internal Revenue
Mr. Elmer L. Irey, Chief Coordinator, Treasury Enforcement Agencies
Mr. Charles Oliphant, Assistant General Counsel of the Treasury Department
Mr. Norman D. Cann, Deputy Commissioner in Charge of the Income Tax Unit
Mr. Victor H. Self, Deputy Commissioner in Charge of the Accounts and Col-
lections Unit
Capt. D. S. Bliss, Deputy Commissioner in Charge of Miscellaneous Tax Unit
Mr. W. H. Kennedy, Acting Deputy Commissioner in Charge of the Alcohol Tax
Unit
Mr. Dwight Avis, Assistant Deputy Commissioner, Enforcement, Alcohol Tax Unit
Mr. W. H. Woolf, Head, Intelligence Unit

Field Officers

Collectors of Internal Revenue:

Mr. George Hofferbert, Baltimore, Md.
Mr. Denis W. Delaney, Boston, Mass.
Mr. Nigel D. Campbell, Chicago, Ill.
Mr. Thomas M. Carey, Cleveland, Ohio.
Mr. Giloe Kavanagh, Detroit, Mich.
Mr. Joseph Mayor, Acting Collector, Philadelphia, Pa.

Internal Revenue Agents in Charge:

Mr. J. C. Wilmer, Baltimore, Md.
Mr. T. M. Kenofick, Boston, Mass.
Mr. E. C. Wright, Chicago, Ill.
Mr. R. C. Calk, Cleveland, Ohio.
Mr. George E. Neal, Detroit, Mich.
Mr. A. P. Schuster, Philadelphia, Pa.

Special Agents in Charge:

Mr. David A. Kelleher, Boston, Mass.
Mr. Arthur P. Madden, Chicago, Ill.
Mr. Albert C. Grunwald, Detroit, Mich. (includes Cleveland)
Mr. Alfred W. Fleming, Philadelphia, Pa.
Mr. John R. Cox, Washington, D. C. (includes Baltimore)

District Supervisors, Alcohol Tax Unit:

Mr. R. E. Tuttle, Baltimore, Md.
Mr. Wilford S. Alexander, Boston, Mass.
Mr. E. C. Yallowley, Chicago, Ill.
Mr. Frederick L. West, Acting, Detroit, Mich. (includes Cleveland)
Mr. Robert D. Ford, Philadelphia, Pa.

MEMORANDUM FOR THE SECRETARY.

March 30, 1945.

Mail Report

Not in several months has there been so much mail or such interesting mail as that received this week. The press release reporting that Treasury men are checking tax dodgers brought a great deal of favorable comment and also a number of anonymous communications naming individuals and businesses which should be investigated. Quite an opposite reaction followed Walter Winchell's broadcast that Nazi prisoners of war are being supplied with hearing instruments. There were only a few of these protests, but they were sharply worded and in nearly all instances carried the threat of no more bonds until such expenditures are ended.

With the approach of the San Francisco Conference, interest in the Bretton Woods plans is increasing, and the objectives of the two Conferences are often discussed in the same communication. While requests for information about the Bretton Woods proposals decreased this week, there were more frequent expressions of approval and fewer of disapproval.

Correspondence about the Seventh Drive indicated that plans connected with it are going quite well. Fifteen further replies by mail to the telegram of March 13 only repeated the many assurances of success already received the preceding week. Also the letter of March 20 addressed to banking institutions had cordial and cooperative answers, except for 2 or 3 from banks that complained of discriminations against them in types of bonds made available for their own investments.

Other mail was heavy and varied in subject, with routine bond inquiries running unusually high. Again a dozen families of service men reported that their bonds, bought through the payroll deduction plan, have not yet been received. There were 4 gifts, 3 of them small and the other in the form of 3 bonds with a total value of \$2,500.00.

B. E. Forbush
by Kay Pearson

General Comments

Joe Weinberg, President, Greenville Bank & Trust Co., Greenville, Mississippi. We presume that you realize there is hardly one bank in a hundred that approves of the Roosevelt Administration, and we hand you here- with our statement to show you the progress this bank has made under this Administration. The Roosevelt Administration has been severely criticized for setting up loan organizations, which bankers think come into competition with their business. * * * We are giving you these facts as you may need them for reference at some future date. Wishing you good health and many long years of life. (Bank statement contains the following handwritten notation: "Surplus since or during Roosevelt Administration (all earned) \$150,000.00. Paid 10 cash dividends of 15% during Roosevelt and none during Hoover Administration".)

A. G. Arango, Director, Investors Service Corporation, Panama, Republic of Panama. I wish to thank you for the copy of the article you wrote about the Bretton Woods Agreement. After reading it thoroughly, I have passed it around to my associates. I have found your article most interesting and very clear; also an excellent defense of the Bretton Woods Agreements. May I tell you that I have been reading with keen interest the different speeches and articles prepared by you and men of your staff, that have come out in the press from time to time. In my small way I have done, and am doing, all I can on behalf of Bretton Woods here in my country, for I am convinced today more than ever of the necessity for the world of such a machinery.

Mrs. Florence Dutch, Phoenix, Arizona. * * * On January 29, 1945, my lawyer presented the U. S. Customs at Nogales, Arizona, with a petition requesting my automobile be returned to me, and stating the facts of the case, which are as follows: A party of six travelled to Sonora, Mexico, in my automobile. * * * My sister-in-law shopped all afternoon, as it was her first time

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across the border. Coming back into Nogales, Arizona, the Custom Official questioned me first as to my purchases. I showed him a pair of ornamental hair combs which constituted my only purchase. The cost was \$1.50, and the official said I did not have to declare so small a purchase. The next person to be questioned was my sister-in-law, in the back seat, who declared only a few of her purchases to the official. I knew the merchandise was there and had every reason to believe it would be declared properly. I didn't even pay any attention to what she was saying, but was interested in the border activities. My automobile was seized and held and I have been ill ever since. This machine was my sole property, and was actually a part of my life. I live in the country, for my husband's health, where transportation is nil, and have suffered real hardship without it. * * *

A Soldier's Family, New York City. We were very much interested the other day to find that a still vigorous, husky veteran who went through some of the worst campaigns of the last war, is just as bitter today about the way the doughboys were taken advantage of and cheated about the things they bought "over there" as if it had happened yesterday. Now, we hear it is happening all over again - American soldiers being paid in francs, instead of dollars -- 50 francs to American soldiers, whereas \$1.00 is worth 250. The American boys are beginning to find out about it. They want to know why they are paid in francs, why they are being given 1/5 of what their dollars are worth, why they are being exploited for the benefit of foreigners, and why their Government does not protect them, instead of mulct them? Won't you explain it to them over there? * * *

Edward G. Quinn, President, Division of Disbursement
Lodge No. 878, American Federation of Government
Employees, Philadelphia, Pennsylvania. We wish to
extend our sincere thanks and congratulations for your

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letter of March 1, 1945, distributed with March 24 salary checks. The sentiments expressed in your last paragraph about the personal problems of the employees and the supervisor's duties in that respect scored a direct hit on the target....we cannot be too emphatic in expressing our appreciation of your attitude.

J. E. Keckley, Atlanta, Georgia. Your letter to employees of the Treasury Department has come to me, on the back of which is listed "Items of Employee Interest". I have carefully read and studied the contents, as to the manner that they will apply to the various groups of employees. * * * Another point in your letter is the within grade increments. And also for "superior accomplishments". These advances amount to little for those in the lower brackets. It takes, under the present law, about ten years to increase one's salary twenty-five dollars per month. And in these times with practically everything that the low bracket employee must buy being double the cost of what the items were in 1939, it is easy to see that the low bracket employee's dollar has greatly depreciated. This statement does not coincide with the report of the Bureau of Labor Statistics because he is not represented by that Bureau in arriving at percentages. You state that Senator Downey proposes a 15% added to base pay. Frankly, I do not feel that this bill will reach first base, in view of past reports of the Civil Service Commission and the Bureau of the Budget before House Committees. You state in the last paragraph that there is "reason for some optimism" concerning the bills you mention. Some of the bills will not benefit the many employees who have been in the same grade for 15 years and have reached the top of their grades, with no hope of promotion. There are some of this class in the Treasury Department. * * * Other statements and questions may be made and asked, but I feel that if this brings no results more would be useless.

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Hyman Blumberg, State Secretary, American Labor Party, New York City. The American Labor Party fully endorses the position taken by you with respect to the Joint Report recently issued by the Bankers Associations. We strongly urge that you continue to expose all attacks, direct or indirect, upon the proposals agreed upon at the Bretton Woods Conference. * * * Moreover, since we are convinced that the proposals agreed upon at Bretton Woods are not self-executory, the American Labor Party has prepared a program on World Trade implementing those proposals designed to consummate the objectives of that Conference. * * *

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Unfavorable Comments on Bonds

Harry Bottorf, President, Central Trust Company, Owensboro, Kentucky. We received today your nice long letter of information regarding the Seventh War Loan Drive. We regret to have to advise you that unless we receive favorable action from the War Labor Board in regard to salaries which we may pay our clerks, we will not have sufficient number of experienced clerks to take care of our regular bank work, so we will not be in a position to cooperate in this Seventh War Loan Drive in the issuing of bonds. During the past four drives our sales to the public were as follows: \$265,031.00, \$115,300.00, \$256,837.00 and \$224,700.00. Since our request for permission to increase the salaries of some of our clerks, being Docket No. 5-30449 filed with the W.L.B., Cleveland, Ohio, and their rejection of our request, we have lost three of our nine clerks. Since our salary rate is much lower than other classes of work and the Government Wage Rate is considerably higher than ours, it will be very difficult for us to retain our experienced help. We have made the second appeal to the W.L.B. at Cleveland and in case our request for increases are granted at once we hope to be able to secure and train clerks who will be capable of handling this work by the time this Seventh War Loan Drive opens. * * *

Ernest Sirkegian, Alvin, Texas. I am very much upset over not being able to cash some of my small denomination Series E Bonds at the Alvin State Bank in Alvin, Texas today. They are a member of the Federal Reserve Bank and said they could not be bothered cashing them. This brings me to the point of -- should I buy more bonds? If Federal law does not apply to all of the United States, a person loses his faith and pride in purchasing United States Certificates of Security. * * *

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Stephen W. Ankenbrandt, Attorney-in-fact, Detroit, Michigan. Our son serving with the First Army on the Western Front, has written me a letter requesting that I cash his War Bonds for the reason he continually hears, in his present theater of operations, that the Government will freeze these bonds once the war is over. He owns bonds in the amount of \$1,500.00. He has a fifty and a ten dollar bond deducted from his pay each month -- as a private first class and expert infantryman. He expects to establish a home of his own if and when he returns from this war. If it should come to pass that he does return home and finds these bonds frozen, where do I stand for my failure to comply with his request? A banking official advises me to cash the bonds. * * *

S. S. Greenhaut, Bronx, New York, New York. I am employed by a New York firm and when my earnings were above the amount needed for our personal needs, I invested the surplus in Series E Bonds on the payroll deduction plan. My wife is now the petitioner in a bankruptcy proceeding in the So. Dist. Court of New York. The trustee in bankruptcy, failing to find any assets belonging to my wife, resorted to annoying me. He has obtained an order requiring my employers to furnish the trustee for my wife's estate a record of all bonds purchased by me on the payroll deduction plan. * * * In spite of the fact that I am not involved in this proceeding, my employers have threatened to discharge me because this causes them extra work at a time when they are short of help. Since my employer is only acting as an issuing agent for the Treasury Department, is he permitted to give this information to anyone without specific instructions from the U. S. Treasury Department? * * * I have stopped all purchase of bonds pending your ruling on the question. * * *

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The following letter was addressed to the President by M. A. Orden, Philadelphia, Pennsylvania, and referred to the Treasury for handling: * * * We are urged to buy bonds and more bonds. It isn't fair to practically force people to buy bonds when they have already bought and signed up for as many as they can handle. Isn't it better to buy fewer bonds and keep them than to buy numerous bonds, just to satisfy our superintendent, bosses, managers, etc., and then be compelled to sell them in order to pay our grocery or insurance bill? * * * Instead of forcing people who have a small income to buy more and more bonds to pay for a War we didn't want, why not start some economy in Washington? The ordinary people are sick of war and are hearing all about the waste in Washington and overseas. * * *

J. A. Gatch, Clearwater, Florida. I just heard Walter Winchell's news broadcast over the radio. He reported Nazi prisoners were being supplied hearing aids. Well, Mr. Morgenthau, I was in several German Prison Camps * * * that were not fit for a clean, healthy pig to live in. Now it is o.k. with me if the rest of the people in the U.S.A. wants to let you use their money that way, but I don't think our only son, who has been serving in the Southwest Pacific for the past year, also in the Marine Corps, would exactly approve of the idea. So, from here on out I buy no more War Bonds... I get one each week...if you continue to hand out my dough to the War Department for such purposes. And thank God we live in a country where we can say so without fear of having the Gestapo at the door within the hour. That is what our son is fighting for now. * * *

Henry G. Wincor, M.D., F.A.C.S., New York City. Last night over the radio Walter Winchell announced that the Commandant at a War Prisoner Camp in Oklahoma was furnishing hearing apparatuses to German war prisoners who complained that their hearing was impaired because

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of artillery fire. The group at the home where I was listening to this announcement were incensed and outraged at the thought that our funds -- War Bond money, etc. -- were being used to coddle German prisoners when our own boys on the other side were so brutally mistreated by their captors. Certainly, such over-indulgence to these brutalized Nazis is not an incentive to buy more War Bonds, nor to retain those which we have. I feel that the Government owes an explanation to its public and that the Commandant in that prison camp should be chastised if our money is wasted on these brutal people. When my boy is drafted into the Army, and I buy War Bonds even to the extent of giving up necessities, we as a public feel that this money should not be wasted on those prisoners who are anxious to destroy us. I am sure that Mr. Winchell would not make such a public statement over the radio if it were not properly substantiated.

Charles H. Wishart, President, Granite Savings Bank and Trust Company, Barre, Vermont. I have received your circular letter dated March 20th reciting facts relative to the Seventh War Loan Drive and requesting our continued cooperation. We pledge the same loyal support that we have shown during all past War Drives. However, you have arbitrarily defined commercial banks as "banks accepting demand deposits" and will not permit such "commercial banks" to own the 2 1/2 percent or 2 3/4 percent bonds offered in the Drive, until within ten years of their respective maturity dates. We consider your ruling arbitrary and imperious. This bank is primarily a savings bank -- over 85 percent of its total deposits being savings deposits and approximately 15 percent commercial deposits. We much prefer to have our savings depositors subscribe directly for Government bonds and securities, but if those savings depositors fail to do so, this bank should have the right to invest its savings deposits in the same securities which you permit other savings institutions to own. We strongly disapprove your ruling and will appreciate your reasons therefor.

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Favorable Comments on Taxation

Benjamin Fischler, Counselor at Law, New York City. My son, a navigator on a B-17, together with the rest of his crew, have been missing for quite some time in a flight between Newfoundland and Scotland. I and other fathers similarly situated, as well as all parents of our boys who must steel themselves to the iron endurance in far flung lands, in this bloodiest of wars to defend the ideals of America, experience the most bitter pangs of disillusionment when we come across those who have not only maneuvered and connived to evade anything resembling a sacrifice in the war effort, but, on the contrary, have used the war to exploit their fellow Americans. * * * It is not too easy to restrain the painfully cynical thought that the reward of crime is a vacation of orgy and gambling in the sunshine of Florida, and the reward of patriotism is a foxhole, a shattered leg, or a distant grave. It is therefore some mitigation of this ugly pain to note your effort to bring to justice those gamblers, black marketeers and others to whom the war has been a Utopia and a racketeer's paradise, where the people and the Government have, so far, been such easy prey.

S. W. Mangham, President, Dickey-Mangham Company, Insurance, Real Estate, Mortgage Loans, Surety Bonds, Atlanta, Georgia. I have just read the enclosed article in the Atlanta Constitution of even date and I want to congratulate you and your Department in ordering a drive to crack down on the black market "free spenders" regardless of where the ax falls and I hope that you will press this drive to the extent that each individual case will be fully and completely investigated. * * * I wish you much success in this important crack-down.

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Ralph K. Bishop, New York City. I should like this letter to come to your attention and to the attention of the proper department head in the Custom House in New York City. I have had some difficulty in regard to my 1943 return and have had several sessions with various employees -- not all of them pleasant. However, I want to commend to you the fine treatment I have received from Mr. R. Giordano, Deputy Collector at No. 2, Broadway. His ability to handle "tough" complainants and his unusual sense of public relations deserves, in my opinion, the recognition and commendation of his superiors. Your Department - with all its "headaches" - should have more men of his caliber.

Edwin C. White, Baltimore, Maryland. It is a matter of the greatest satisfaction to me, and doubtless to many others, to read of your Department's investigation of the luxury spenders in relation to income taxes. * * *

George F. Huber, Wilmington, Delaware. I have noted with a good deal of interest and satisfaction the press notices announcing the commencement of a drive by your Department against wartime income tax evaders.

William E. DeLoatch, Box 1615, Wilmington, North Carolina. I was very happy to read in the morning paper about the T-men cracking down on people who have wilfully evaded paying income tax to the Government. As you know, some people make their money legally and some make it otherwise. But, it all adds up to the same thing -- Defrauding the Government. * * *

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Unfavorable Comments on Taxation

George D. McClintock, Faegre & Benson, Minneapolis, Minnesota. A recent Kiplinger's letter has directed my attention to the fact that one of the large mail order houses is giving consideration to changing to the cooperative form. The effect, if not the object of such a change will be the elimination of corporate income taxes. This is only one of a number of such instances that have come to my attention through the public press. The trend is disturbing. * * * No doubt the Congress alone is responsible for the laws which permit large enterprises to carry on business in a corporate form and still not pay a just share of corporate income taxes. However, since the revenue is involved, it would seem that it is a matter that very appropriately should be called to the attention of the Congress by the Treasury Department. If a check is not made, the trend will continue and in order to maintain revenue sufficient to support the Government, the burden upon the remaining taxpayers will become unbearable. * * *

Mrs. M. Glatman, Brooklyn, New York. I received an income tax refund check made out to my husband, who is overseas. At the income tax bureau on Livingston Street, Brooklyn, New York, they gave me Form #8569 to send to my husband, giving me the Power of Attorney to sign that check. With that Power of Attorney both the Dime Savings Bank and the Bank of Manhattan refuse to accept the check, even for deposit. I have two small children and I live alone, so I cannot travel out of my neighborhood to get this check cashed. What would you suggest I do with this check?

H. M. Lenz, Portland, Oregon. I am writing you to enter a protest on the amount of money the Collector of Internal Revenue at Portland says I owe the Government on my income. * * * I filed an employer's statement, claimed exemptions for wife, son and myself. Tax should

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have been \$272.00. Collector says \$372.00. Instructions on how to fill out income returns say if a person makes less than \$500.00 they should file a return to get the amount back. Mrs. Lenz got a check for back wages, \$27.94, and \$5.58 was withheld. We filed to get this return. Instructions say that if you pay more than half of a person's keep, you can claim them for an exemption, provided they are listed as bona fide dependents. With my wife's income only \$27.94, you can see someone had to clothe, feed, and take care of her, but the Collector says not, because she filed to get the \$5.58 back. Collector will not let us clarify our return to get the matter straightened out. Says we made own decision and we are stuck. Also said that if we didn't like it we could write to Washington, D.C. I don't like it -- their attitude in Portland, or anything they have done so far. We sent in our returns in plenty of time to have had them back before this, but they informed us they were deciding when and where to send them. Also laughed at us and said they were catching plenty of others the same way. * * *

March 30, 1945

Dear Lieut. Putzell:

In Secretary Morgenthau's absence from Washington, I am acknowledging receipt of your two letters of March 28th, one of which transmitted radiotelephone message #290 from Berns, and the second, the document "Public Gas Supply in North-west Germany". These will be brought to Mr. Morgenthau's attention when he is back at his desk.

Yours sincerely,

(Signed) H. H. Klotz

H. H. Klotz,
Private Secretary.

Lieut. E. J. Putzell, Jr.,
Acting Executive Officer,
Office of Strategic Services,
Washington, D. C.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

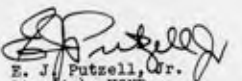
28 March 1945

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

My dear Mr. Secretary:

Perhaps the attached document entitled "Public
Gas Supply in Northwest Germany" will be of interest to
you.It was prepared by our Research and Analysis
Branch and is dated April 17, 1944.

Respectfully yours,


 E. J. Putzell, Jr.
 Lt. (jg), USNR
 Acting Executive Officer

Enclosure

*Let Joe Kubrick read -
HWJ*

CONFIDENTIAL**CONFIDENTIAL** 170OFFICE OF STRATEGIC SERVICES
RESEARCH AND ANALYSIS BRANCH**PUBLIC GAS SUPPLY
IN NORTHWEST GERMANY**(An area including the Prussian provinces of Sachsen,
Westfalen, Hannover, Schleswig-Holstein, and the states
of Thüringen, Hamburg, Oldenburg, Braunschweig,
Bremen, Anhalt, Lippe, and Schaumburg-Lippe)

R. and A. No. 1762.2

17 April 1944

This document contains information affecting the national
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Public Gas Supply in Northwest Germany

I. PRINCIPAL TRANSMISSION NETWORKS

A. INTRODUCTORY NOTE.

Many communities in Northwest Germany obtain their entire public gas supply from pipe lines which carry the gas to them from a distance. Other cities, although having gasworks or coke plants in their immediate vicinity, are situated on transmission lines and hence can draw part of their normal supply—or greater quantities in emergency—from these lines. Thus, although the supply of public utility gas is generally considered to be a purely local problem, it cannot be treated as such in Northwest Germany.

The principal networks extend beyond the limits of Northwest Germany as defined for this study. As a result it is necessary to describe them without reference to these boundaries, except insofar as detail concerning the outside sections of the networks can be omitted without distorting the picture. The most extensive system of transmission lines is the Rheinland-Westfalen network, which carries the surplus gas of the coke industry of the Ruhr. A second system, handling much smaller quantities of gas, is the Central German network. These two systems are given separate consideration below. In addition there are a number of still smaller networks radiating from large city gasworks such as those of Hamburg, Halle, and Erfurt. As both the source of supply and the bulk of the consumption in such developments are within the central cities themselves, these networks are described in connection with the local supply of the large cities concerned.

Map 30-79 shows these transmission lines in Northwest Germany the completion of which is confirmed by published German sources. Ambitious projects existed for the interconnection and extension of these lines to form a single integrated system. One such project, providing for the supply of gas to Berlin from the coke plants of the Reichswerke Hermann Göring in the Salzgitter area, would probably have involved the construction of a connection between the two principal networks near Salzgitter.

A number of different companies are involved in the operation of each of these networks. To present a clearer picture of the actual structure of the networks, however, the physical facilities are here described primarily for each network as a whole with only brief references to ownership. The role of the individual companies is outlined subsequently.

B. THE RHEINLAND-WESTFALEN NETWORK AND RUHR COKE-OVEN GAS.

1. Importance.—For the gas supply of the Rheinland-Westfalen area, coke-oven gas is more important than gas produced in local gasworks. This is a result of the fact that a large percentage of the German coke industry is concentrated in this area, at the Ruhr coal mines. In order to provide a profitable outlet of the byproduct gas for the coke plants, a system of interconnected gas-transmission pipe lines was developed by RUHRGAS AG and other companies. The greater part of this surplus gas is piped to industrial plants, which use it for their heating processes. Large quantities also go to cities, however, and there are only a few city enterprises in the area which produce their own gas. Most of the municipal "gasworks" are merely distributing agents for gas purchased from coke plants.

Thus, while in Germany as a whole gas purchased from coke plants amounts to only about one-fourth of the total amount distributed by city gasworks, the situation in Rhein Provinz and Westfalen is radically different. Table 1 shows the relation between gasworks and coke-plant production for city supply in these two provinces in 1936, leaving out of account the even greater quantities of coke-oven gas which were sold directly to industries.

TABLE 1.—Proportion of coke-oven gas distributed by municipal enterprises in Rhein Provinz and Westfalen in 1936

	Total amount of gas distributed	Amount purchased by gasworks	Amount purchased by gasworks from coke plants	Percentage of total purchased
Rhein Provinz.....	145,000,000	115,000,000	225,000,000	55
Westfalen.....	225,000,000	95,000,000	130,000,000	75

2

TABLE 2.—Concentration of German gas production in the Ruhr area

Less than half of a huge supply was distributed outside the coke plants, however. In spite of a trend toward the use of blast-furnace gas and producer gas in place of coke-oven gas for the heating of coke ovens, over half the output of hydrocarbon coke-oven gas was still consumed by the coke plants themselves in 1937, leaving only 5,870,000 cu. m. of the total for outside distribution. Table 2 shows in detail the quantities produced and their utilization for the years 1929-37. The 1937 figures also show the quantities of coke-oven gas distributed outside 1930's, when the Ruhr coke industry recovered from its deep post-1929 slump. The last item in the table shows the even more rapid growth of the movement, initiated in the late 1920's, for the large-scale utilization of hydrocarbon gas outside the coke plants themselves. This movement was primarily in (1) the integration and expansion of existing transmission systems to form a unified, large-scale network, and (2) the development of new, more efficient, modern types which permitted the use of fuel cheaper than coke-oven gas, ran dirt, and utilized

TABLE 3.—Availability of *Glyde hyacinthus* culms used for nest outside the rook stands themselves.

THE ABOVE TRAFFIC SERVICES, COLLECTED AT \$-205 PER HOUR, CAN BE OBTAINED BY CALLING 1-800-368-7263.

	1990	1991	1992	1993	1994	1995	1996	1997
Total production of non-ferrous goods (total goods)	5 709	5 759	5 813	5 987	6 308	6 741	11 791	16 770
of which: for autoconsumption	8 406	8 123	8 569	8 754	8 450	8 909	8 793	9 400
(a) domestic use	5 813	5 965	6 061	6 202	6 700	7 067	8 779	9 800
(b) for export	-	-	-	-	-	-	52	600
(c) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(d) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(e) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(f) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(g) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(h) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(i) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(j) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(k) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(l) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(m) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(n) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(o) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(p) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(q) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(r) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(s) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(t) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(u) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(v) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(w) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(x) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(y) Total in the euro-plaza:	-	-	-	-	-	-	-	-
(z) Total in the euro-plaza:	-	-	-	-	-	-	-	-

• **Frankfurt**

* Type of utilization is not indicated for the following quantities: 1970-1971, 1971-72, 1972-73, 1973-74, and 1974-75.

^a On the basis of incomplete data—for 1985 in the case of large networks, otherwise for the total period 1980 for which information is available.

TABLE 4.—Relative size of Ruhr coke plants in terms of coke production, gas production, and gas purification in 1937

TABLE 4.—Relative size of Ruhr coke plants in terms of coke production, gas production, and gas purification in 1937

Annual risk production per plant (1,000 number tons)	Number of plants	Share of group in total risk production	Proportion of group's total production (last period)	Share of group in total risk production of pooled group	Annual risk production per plant (1,000 number tons)	Number of plants	Share of group in total risk production	Proportion of group's total production (last period)	Share of group in total risk production of pooled group
		Percent	Percent	Percent			Percent	Percent	Percent
More than 200	1	100	100	100	27	13	77	77	77
100 to 200	15	60	60	60	18	18	23	23	23
50 to 100	15	60	60	60	18	18	23	23	23
Less than 50	15	60	60	60	18	18	23	23	23

¹ The low figure is explained by the fact that some of these extremely large plants deliver a considerable proportion of their gas production to their owners without payment.

It was estimated in 1938 that new construction would alter the proportions for that year as shown in table 5.

TABLE 5.—*Rankings of relative size of Baker cake plants in terms of cake production, gas production, and gas purification in 1938*

Amount made per plant (100 number units)	Number of plants	Share of group in total production (100 number units)	Proportion of group's gas production (100 number units)	Share of group in total production of purified gas	Amount made per plant (100 number units)	Number of plants	Share of group in total production gas production (100 number units)	Proportion of group's gas production gas production (100 number units)	Share of group in total production gas production (100 number units)
		Percent	Percent	Percent			Percent	Percent	Percent
More than 1,200	1	12	62	100	100 to 1,200	20	20	16	16
1,000 to 1,200	1	12	62	100	100 to 1,200	13	13	4	4
1,000 to 1,200	1	12	62	100	100 to 1,200	13	13	4	4

Only about half of these coke plants are known to be connected either with the net work or directly with city gas systems. The individual plants are described in annex B (p. 26). Most of them are located within the area between Duisburg-Hamborn on the west and Dortmund on the east, near the cities of Düsseldorf, Mülheim, Oberhausen, Essen, Gelsenkirchen, Recklinghausen, Dortmund, Cologne, Aachen, and Düsseldorf. Outlying plants are located on the left bank of the Rhine near Moers and to the northeast of the Ruhr district near Hamm, Ahlen, and Hannover. They are located at coal mines and are owned and operated by the companies which own the mines.

c. Raw Material.—The coke plants normally carbonize coal from the mines at which they are located. In some instances a central coke plant also uses coal from other mines belonging to the same company. They ordinarily use a bituminous coal with a moderate content of volatile substances and good coking properties. Mixtures of "lenser" coal and gas coal have been added successfully on a small scale.

German coking coal differs from American coal used for this purpose in having a higher moisture content (12-13 percent as against 4-5 percent in American coal), because, in contrast to American practice, the coal is usually washed.

d. Equipment.—German coke-plant equipment is less standardized than American. An old but detailed comparison of the two is in the American edition of Glaser's *International Handbook of the By-Product Coke Industry*, New York, 1932. The trend in recent years has been toward the building of larger units, with particular emphasis on the "combination" type of regeneratively heated oven (Verbundofen), which can be heated either with coke-oven gas or with gases of lower calorific value (from blast furnaces or from separate producer-gas generating units) with coke or inferior coal.

The coke plants recover the byproducts tar, ammonia (generally as ammonium sulphate), and benzol. Many of them also have tar distilleries and benzol refineries, and a smaller number have other special processing plants.

The further processing of gas which is to be distributed outside the plant is carried on at the coke plants. Although in many instances the necessary equipment is owned or financed by the companies which control the pipe lines rather than by the mining companies which own the coke plants, operation is in the hands of the coke plants themselves.

Regraded Unclassified

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Most of the plants used the standard "dry" iron-oxide process to purify the gas (remove hydrogen sulphide), but some large plants used "wet" processes such as the Thylor process. In 1937 about 77 percent of the gas purified was treated by the dry process, while it was estimated that new construction would raise this figure to 80 percent.

RUHRGAS constructed a special plant in Gelsenkirchen-Hoest to separate sulphur from the exhausted purification mass from its member coke plants. This plant produced 7,402 tons of sulphur in 1936, at which time plans were made to double the capacity of the plant.

In addition to the normal purification process for any public-utility gas, gas intended for long-distance transmission is further purified to remove constituents which interfere with transmission. For this final purification, RUHRGAS plants employ a process developed at the Mathias Stinnes plant. After compression the gas is passed through a bath of special oil heated to 180° C., and then refrigerated.

3. The Network.—Map 30-79 shows the lay-out of the main lines of the Rheinland-Westfalen network. From its center in the Ruhr district the network extends east as far as Hannover, west to the left bank of the Rhine and as far as Aachen, north to the Dutch border, and south to Frankfurt a. M.

The net includes the following main lines:

a. Hannover Line: Hamm-Bielefeld-Hannover (RUHRGAS).—This line is fed by coke plants near Hamm and also by one plant near Hannover. (See annex A, 8. Hamm Group; 9. Westfalen Plant; and 10. Oberbierchen Plant.)

The main line, which is 180 kilometers long, came into operation in 1930. It was planned to construct it of 400-millimeter pipe, of sufficient strength to bear 30 atmospheres pressure. It was expected to operate the line at only 4 to 5 atmospheres at the west, but sufficient compression equipment was to be provided for 12 atmospheres. About 50,000,000 cubic meters of gas per year were to be supplied to the Hannover end of the line, 25,000,000 from the Hamm plants and 15,000,000 from the plant near Hannover. The quantity of gas actually distributed in Hannover in 1937 corresponded closely to these plans.

A medium-pressure line of earlier construction (Trier) supplies Münster from one of the Hamm plants, and another line (VEW) crossed the main line to supply Soest from Ahlen. Short branches fed by the main line supplied the towns of Neubeckum (VEW), Schötmmer, Bad Salzuflen, Bad Oeynhausen, and Volbo (VEW).

b. South Westfalen Line: Dortmund-Plettenberg-Siegen-Wissen a. d. Sieg-Wetzlar-Frankfurt a. M. (RUHRGAS).—This line is fed by coke plants near Dortmund, including the Hansa, Minister Stein, Griesenau, and probably the Waltrup plants. (See annex A, 7. Dortmund Group.)

This line is of particular importance for the iron works of southern Westfalen. It also supplies the towns of Schwerte, Hohenlimburg, Altmann, Werl, Ope, Widenma, Siegen, and part of the city of Plettenberg. Sales to towns are handled by VEW.

It was planned to construct the Dortmund-Wissen line of different sizes of pipe ranging from 700 to 400 millimeters in diameter, as follows:

Dortmund (Hansa plant) to Nachrodt, 28 kilometers, 700-millimeter diameter.

Nachrodt to Plettenberg, 33 kilometers, 600-millimeter diameter.

Plettenberg to Siegen, 67 kilometers, 600-millimeter diameter.

Siegen to Wissen, 31 kilometers, 400-millimeter diameter.

The line to Siegen was to operate at 5.2 atmospheres at first, with compression equipment provided for 7 atmospheres.

The section beyond Siegen was not commenced until 1936. Its completion is indicated by a single 1938 map and confirmed by the great increase in total length of the RUHRGAS network between 1936 and 1939. Plans made much earlier (about 1928) for such a line provided for an intermediate compressor station at Neuhäge (48 kilometers north of Siegen) to raise the pressure past that point to 20 atmospheres. To avoid having to raise gas distributed in Siegen itself to such a pressure, there was to be a second pipe line from Neuhäge to Siegen.

There is a branch (VEW and WEG) eastward from this line through Iserlohn and Merden to Meschede, with offshoots—not shown on map 30-79—to Frönlingsberg and Wickede. The 36.9 kilometers from the main line to Herten was to be of 300-millimeter pipe.

c. Main West Line (Right Bank): Gelsenkirchen-Oberhausen-Duisburg-Düsseldorf-Köln (RUHRGAS with THYSEN).—Fed by the coke plants in the Essen-Gelsenkirchen area (Prosper, Emil, Neudorf, Zollverein, Alma, Mathias Stinnes, Friedrich Ernestine, König Wilhelms, Consolidation), this line receives additional supplies from the coke plants near Ham-

¹ Comparison showing the different segments of the grid are indicated by parentheses, by abbreviated designations. The role of the individual segments is indicated below.

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born and also from Oberhausen. (See annex A, 4. Essen-Gelsenkirchen Group; 5. Oberhausen Group; and 7. Duisburg-Hamborn Group.)

It was planned to construct this line of different sizes of pipe, varying from 800 to 500 millimeters in diameter, as follows:

Gelsenkirchen to Huckingen, ca. 43 kilometers, 800-millimeter diameter.

Huckingen to Lierfeld, 25 kilometers, 700-millimeter diameter.

Lierfeld to Hilden, 7.5 kilometers, 600-millimeter diameter.

Hilden to Köln, 26 kilometers, 500-millimeter diameter.

Beyond Duisburg it was planned to operate this line at 3 atmospheres pressure at first; it was calculated that at this pressure it would carry about 350,000,000 cubic meters a year, or at 10 atmospheres, 1,200,000,000 cubic meters.

Numerous minor lines (RUHRGAS, formerly RWE), some of which are indicated on the map, stem from or intersect this main line. Most of them were constructed prior to the main line, some as early as 1911. They were fed by some of the Essen-Gelsenkirchen plants. In the late 1920's there were about 300 kilometers of these lines, of a maximum diameter of 400 millimeters, operating at pressures up to 2.5 atmospheres and handling about 75,000,000 cubic meters annually. During 1930 they were overhauled to bring them up as far as possible to modern technical requirements.

d. South THYSEN Line: Hamborn-Oberhausen-Mülheim-Wuppertal (THYSEN).—This line is fed by the coke plants in the Duisburg-Hamborn area. (See annex A, 2. Duisburg-Hamborn Group.)

Parts of this and the north THYSEN line have been in operation since 1910. In the late 1920's these lines were operating at pressures up to 2.5 atmospheres and handling about 100,000,000 cubic meters a year.

e. North THYSEN Line: Hamborn-Bockum-Berkes-Borghorst (THYSEN as far as Berkes; VEW beyond).—This line is fed by the same coke plants as the south THYSEN line. There are branches to Enmerich (THYSEN), Vreden, Gronau, and Ochtrup (VEW).

f. Left Bank Line: Moers-Urdingen-Neuss-Köln-Schich-Eickweiler-Aachen (RUHRGAS with THYSEN to Köln; THYSEN beyond).—This line is fed by the coke plants of the Rheinpreussen and Friedrich Heinrich mines near Moers and also from the Aachen area. (See annex A, 1. Moers Group.)

It was planned to build the 23 kilometers segment of this line from the Rheinpreussen mine to Krefeld of 400-millimeter pipe.

The extension of the jointly owned segment of this line into the Bonn area was started in 1936; a 1938 map shows it to have been completed as far as Königswinter.

g. Interconnection of Lines.—(1) *Collection Line: Dortmund-Castrup-Rauerd-Herne-Gelsenkirchen (RUHRGAS).*—This (23 kilometers) line not only links the south Westfalen line and the main west (right bank) line at their sources but also serves the purpose of collecting additional supplies of gas from coke plants in the area. (See annex A, 5. Recklinghausen Group; and 6. Beckum-Castrup Group.) It was planned to build this line of 800-millimeter pipe.

From the middle of this line a VEW line branches to the vicinity of Hagen, with secondary branches into the area south of Bochum. This branch is fed by coke plants in the area northeast of Bochum. (See appendix 1, 6. Beckum-Castrup Group.)

(2) *Other Connecting Lines.*—Connecting lines have been constructed in order to make it possible to meet peak requirements in any one region by drawing on the supplies of coke plants normally serving other areas. The most important of these connecting lines are the Dortmund-Gelsenkirchen Line, described above; a Dortmund-Hamm Line (completed in 1935), which links the South Westfalen Line and the Hamm Line at their sources, and a Huckingen-Urdingen line (built in 1935) which links the western line with the left bank line.

Through these three lines and the junction between the western line and the two THYSEN lines near Hamborn, all the main lines of the Rheinland-Westfalen network are linked with each other. By the completion of the Huckingen-Urdingen link it was planned to create a system with three or possibly four great sources of supply: the mining areas around Aachen, Moers, and Gelsenkirchen and possibly a big coke plant in Köln (only a project in 1932).

To insure adequate interconnection, RUHRGAS has a system by which individual coke plants are joined into groups, of which there were six in 1937. Coke plants within a group were able to draw on each others' supplies and, with the exception of the Hamm group, the groups also pooled their resources with one another.

4. Transmission.

a. Types of Pipe Used.—Most of the transmission pipe lines of the Rheinland-Westfalen network are of steel, joined by welding, but some of the lines, particularly the older ones, are joined by couplings *Reinigungsbohren*. Of the RUHRGAS lines, about 80 percent (1,128 kilo-

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WFG handles much larger quantities of gas than VEW, but still only a fraction of the amounts piped through the RUHRGAS net, as shown in detail in table 12. The total load carried by WFG includes not only WFG sales but also large quantities carried by WFG for RUHRGAS, which pays WFG a compensation for this service. Presumably all the gas carried for RUHRGAS goes to industrial consumers. As early as 1932 there were contracts obligating WFG to supply through its network plants belonging to RUHRGAS shareholders in Hohenlimburg, Altsien, and Herten.

TABLE 12.—Amounts of gas sold and gas loads received by District Gas Co. A. D. 1907-12.

TABLE 1.—Amount of goods and passengers carried.									
Year	Total arrived	Total departed	Total net	Rate in—				Number of passengers	
				Common					
				Common	Islanders	Islands	Common		
	Millions value	Millions value	Millions value	Millions value	Millions value	Millions value	Millions value		
1900	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1901	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1902	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1903	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1904	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1905	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1906	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1907	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1908	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1909	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1910	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1911	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1912	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1913	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1914	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1915	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1916	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1917	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1918	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1919	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1920	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1921	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1922	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1923	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1924	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1925	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1926	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1927	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1928	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1929	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1930	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1931	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1932	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1933	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1934	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1935	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1936	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1937	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1938	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1939	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1940	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1941	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1942	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1943	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1944	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1945	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1946	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1947	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1948	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1949	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1950	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1951	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1952	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1953	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1954	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1955	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1956	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1957	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1958	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1959	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1960	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1961	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1962	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1963	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1964	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1965	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1966	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1967	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1968	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1969	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1970	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1971	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1972	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1973	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1974	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1975	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1976	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1977	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1978	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1979	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1980	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1981	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1982	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1983	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1984	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1985	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1986	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1987	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1988	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1989	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1990	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1991	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1992	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1993	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1994	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1995	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1996	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1997	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1998	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
1999	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2000	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2001	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2002	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2003	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2004	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2005	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2006	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2007	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2008	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2009	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2010	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2011	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2012	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2013	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2014	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2015	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2016	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2017	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2018	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2019	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2020	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2021	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2022	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2023	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2024	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2025	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2026	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2027	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2028	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2029	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2030	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2031	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2032	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2033	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2034	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2035	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2036	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2037	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2038	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2039	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2040	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2041	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2042	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2043	12.9	12.2	5.4	17.9	17.9	17.9	17.9	17.9	
2044	12.9	12.2	5.4	17.9	17.9	17.			

1. In the case of the 1980, 1984, and 1986 figures there is direct statement that lead was carried for NITROGEN A, B. In the other years the figures were arrived at by extrapolation (total lead minus non-lead), without there being definite evidence that the NITROGEN A and B lead accounts for the entire difference. 1980 and 1986 are the only years in which all three figures (total lead, lead carried for NITROGEN A, B, and non-lead) are available.

The HILLMAN and Squares for 1990 and 1996 do not agree with those in the HILLMAN statement in 1997.

45% increase in the number of people with a low level of education.

C. CENTRAL GERMAN NETWORK.

[illegible]

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New sources of supply were also sought. An agreement was made with ASW (A.G. Schächle Werke) for the purchase of large quantities of brown-coal gas, beginning with 50,000,000 cubic meters a year, from a new plant at Böhlen, south of Leipzig. This plant was to employ a Lurgi process, earlier tested at a Hirschfeld plant which supplied gas to the city of Zittau. This process aimed principally at the production of light oils for use as synthetic fuels and of low-temperature tar, but differed from other such processes in that city gas rather than high-temperature coke was the principal additional product. As employed at Hirschfeld (presumably the same at Böhlen) the process used oxygen under pressure and the gas was purified at high pressure, ready for transmission.

Somewhat farther afield, the Reichswerke Hermann Göring coke works in the Salzgitter area was another potential source of gas. One agreement was announced concerning the delimitation of separate supply areas for the Reichswerke and the owners of the Central German network and another arranging the purchase of gas from the Reichswerke for the Central German network.

Another source for emergency supplies was the gasworks of the city of Leipzig. Leipzig itself, in contrast to the group of nearby towns in Land Sachsen (Saxony) supplied by the Central German network, was independent of the network until 1938, but in that year the imminent completion of a connection to the Central German network was announced, with a view to increasing the security both of the network and of the Leipzig gas supply. The city probably did not plan to draw on the network for its regular supply, for new areas had been constructed at the gasworks the year before.

From whatever sources the additional quantities of gas were obtained, GAMANAG—the company responsible for selling gas from the network—was able to report greatly increased sales during the initial years of the war, reaching about 150,000,000 cubic meters in 1940 with some further increase during 1941. No report as to 1942 or 1943 is available.

3. Transmission and Distribution.—The approximate extent and direction of the principal transmission lines is described above and shown on map 35-29. Further connections have probably been constructed. The east-west branch from Dessau to Götting to Berlin, in any case it seems probable that a connection Salzgitter-Götting would have been constructed to enable the utilization of gas from the Reichswerke for the Central German network itself.

The main line from Magdeburg-Rothensee to Leipzig was designed to deliver gas to the company supplying the Sachsen towns at the Leipzig end of the line, at a pressure of several atmospheres. The east-west branch was probably constructed by the linking together of several older and smaller regional networks. The so-called "ring" connection from Magdeburg-Rothensee via the more northerly route to the vicinity of Blankenburg in the Harz was constructed during 1934, apparently largely to insure security of supply to the older east-west branch. It was made of steel pipe, 250-millimeters internal diameter, joined with couplings. It is not known what pressures the lines other than the Magdeburg-Leipzig line were designed to carry, except that they were "high pressure" as compared with local lines.

As to storage facilities, it is known that the main plant at Magdeburg-Rothensee had a single dry-disk type gasholder of 150,000 cubic meters capacity. The gasholders of the cities and towns served presumably provide further capacity. Noteworthy among these is the new 50,000-cubic meters telescopic gasholder at Magdeburg. Some information is also available for the area close south of Magdeburg, where they were: (1) Gasholder stations at Barby, Bütz, Bahrdorf, Eglin, Wanzleben, and probably at Schönebeck, from which these places once drew their supply; (2) regulating equipment and two gasholders at Calbe; (3) the same at Köthen; and (4) gasholder stations at Hecklingen (former gasworks near Staufurt), Götzen, Bernburg, Westergola, and Fördersdorf. As the historical development of other parts of the network was similar, proceeding from small regional networks based on local gasworks such as those at Schönebeck and Hecklingen to the purchase of gas for these networks from the centralized network, it is probable that this relatively wide dispersion of storage facilities is fairly typical of the network as a whole.

4. Consumption.—The amount of gas sold by GAMANAG increased slowly from 52,000,000 cubic meters in 1935 to 74,000,000 cubic meters in 1938, then more rapidly to about 150,000,000 in 1940, with an unspecified increase during 1941.

No statistics are available distinguishing the amount of gas furnished to industrial consumers. It is known, however, that the increasing demand which prompted the search for new sources of supply in the late 1930's was largely for gas to be sold at low wholesale rates, presumably in large measure for industrial uses. To judge from one report of anticipated sales, however, no gas was sold directly to industrial consumers, all of it being sold either to cities or to public utility holding companies.

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Dessau is the only city of more than 100,000 population which is known to have purchased its entire gas supply from the Central German network, and even at Dessau it is not clear that the local gas-producing equipment was actually removed. In the case of Magdeburg, the local gasworks continued to produce part of the city's supply. Bitterfeld was supplied from local gasworks continued to produce part of the city's supply. Of the other cities of over 50,000 in the Central German area, Halle and Erfurt were centers of independent developments of their own; while Braunschweig, Emsenach, Gotha, Halberstadt, Helmstedt, Jena, and Weimar manufactured their own gas, and only Hildesheim depended on coke-plant gas.

On the Magdeburg-Leipzig pipe line, no cities other than Dessau and Zerbst are definitely known to have been entirely dependent on the network except for a group of places in Land Sachsen near Leipzig. In 1933 these places consumed about twelve million cubic meters—a figure probably considerably below present consumption, to judge from later data available for the general area in which these places are located. Supplementary quantities of gas were supplied to Wolfen and Delitzsch.

A group of places close south of Magdeburg, formerly supplied by a gasworks at Schönebeck, is now completely dependent on the network. The towns on the line extending northwest from Magdeburg depended entirely on the network. Of the places located on the main westward branch of the Magdeburg-Leipzig line, Köthen, Calbe (and towns supplied from Calbe), and Nienburg are completely dependent on the network. The network supplied some of the demand of the Wernigerode plant, from which Hallestedt, Blankenburg, Bad Suderode, Gerode, Ruder, and Fleisburg had previously drawn their supplies, but the Wernigerode gasworks, was kept in operation for a time at least. The network partially supplied the Götting gasworks, which had served another group of communities. Osterode was probably similarly supplied in part. Of the towns on the "ring" pipe line from Magdeburg-Rothensee to the vicinity of Blankenburg, Wanzleben, and Eglin had been dependent on supplies from Schönebeck even before the construction of the new line; Halberstadt, on the other hand, though close to the line, maintained its own production. Quedlinburg and Oschersleben had had gasworks but no information is available on them since the construction of the line.

5. Ownership.—Control over the Central German network is exercised by a number of companies, some controlling sources of supply, one taking care of bulk sales, some owning sub-networks, and others controlling local distribution in communities or groups of communities. The small enterprises involved are generally owned entirely or in part by large public utility holding companies, whose properties extend beyond both the area and the industry here under consideration. Notable among these are DCGG (Deutsche Continental Gas-Gesellschaft, AG, Dessau), AGAG (Allgemeine Gas AG, Dessau), THUGA (Thüringer Gasgesellschaft, Leipzig), and ASW (AG Schächle Werke, Dresden). DCGG holds a majority of the stock of AGAG, and ASW (AG Schächle Werke, Dresden). DCGG holds a majority of the stock of AGAG, and there is an agreement for close cooperation between the two companies. THUGA is in part (29.64 percent) owned by ASW, which, unlike the other three, is state-owned (100 percent of stock being held by Land Sachsen).

DCGG holds a controlling interest both in Grosseaurel Mitteldeutschland at Magdeburg-Rothensee and in GAMANAG (Gasversorgung Magdeburg-Anhalt, AG, Magdeburg), the company responsible for sales from this and other plants connected with the same network. DCGG also owns gasworks in Dessau and Wolfen and controls the supply area centering at Blankenburg in the Harz. AGAG owns the gasworks of Calbe, Köthen, and Nienburg (Saale). THUGA owns the closed-down gasworks at Mittelsachsen AG, Calbe) which handles interest in a company (Gasum Stromversorgung Mittelsachsen AG, Calbe) which handles the sales of gas from the network to the area formerly served by these plants. It also owns the Delitzsch gasworks and controls the company which supplies Bitterfeld from Delitzsch (Gas-Deutsche Industriechemikalien Bitterfeld GmbH) as well as the Wittenberg public utility company (Licht- und Kraftwerke Wittenberg GmbH, Wittenberg). ASW has no direct interest in the area here under consideration but enters the picture through its subsidiaries. One of these supplies brown-coal gas to the network. Another subsidiary (Landesgasversorgung Sachsen AG, Leipzig) was jointly responsible with GAMANAG for constructing the Leipzig sector of the network. Co-owner with ASW of this subsidiary is ENAK (Energie AG Leipzig, Markkleeberg), which purchases gas from the network for a group of gasworks near Leipzig.

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II. LOCAL GAS-SUPPLY ENTERPRISES

A. IMPORTANCE OF LOCAL MANUFACTURE

Although a relatively high proportion of the public-utility gas consumed in Northwest Germany is carried from the point of manufacture to the point of consumption by transmission networks, the bulk of public supply for household use, street lighting, and small industry is manufactured in local gasworks situated in the community where the gas is distributed. In 1936, 232 gasworks in the area manufactured 790,223,000 cubic meters of gas, as compared with 289,318,000 cubic meters of byproduct coke-oven gas purchased by local gas-supply enterprises. Substantial quantities were furnished by large gasworks to smaller gasworks, as in the case of the Central German Network; about 70,000,000 cubic meters per year were involved in such intergasworks transactions.

B. TYPES OF LOCAL "GASWORKS"

As shown in detail in annex B, "Index of Gasworks in Northwest Germany," the various gasworks in the area differ from one another not only in size and in detailed production methods but also in their basic character. Some of the enterprises which are termed gasworks¹ no longer manufacture any gas at all, while others obtain part of the gas they distribute from outside sources. Thus, in addition to independent manufacturing gasworks (e. g., Osnabrück), the following types may be distinguished: (1) Manufacturing gasworks which in addition purchase coke-oven gas (e. g., Bremen), (2) manufacturing gasworks which in addition purchase gas from other gasworks (e. g., Magdeburg), (3) large manufacturing gasworks which supply small from other gasworks (e. g., Halle), (4) purchasing gasworks which obtain their gas from a nearby purchasing gasworks (e. g., Doornum), (5) purchasing gasworks which obtain coke-oven gas from a coke plant (e. g., Hannover), and (6) purchasing gasworks which obtain their gas from larger network (e. g., Hamburg-Wilhelmsburg). In some instances two companies supply different gasworks (e. g., Hagen). In other instances gas manufactured in a single gasworks sections of a single city (e. g., Hagen). In other instances they have their headquarters in the same city, but which are maintained as separate entities for administrative and financial reasons. The Hamburg gasworks is in a category of its own by virtue of the large quantities of gas distributed, the number of sources of supply, and the extent of the areas served.

General statistical sources on German local gas-supply enterprises distinguish only between the manufacturing gasworks and those which purchase all of their gas. Table 13 shows (1) the number of gasworks of each type, (2) the amount of gas handled by each type, and (3) the

TABLE 13.—Manufacturing and purchasing gasworks in the individual States and Provinces of Northwest Germany in 1936

State or Province	Number	Manufacturing gasworks				Purchasing gasworks			
		Production of gas				Purchase of gas			
		Number	Gas (1,000 cu m)	From coke-oven gas	From other gas	Number	Gas (1,000 cu m)	From coke-oven gas	From other gas
Aachen	2	11,268	53	20	33	9	2,793	186	None
Bavaria	4	34,500	105	None	105	None	None	None	None
Bremen	1	14,500	105	None	105	None	None	None	None
Burgundy	4	140,400	94	None	94	None	None	None	None
Hamburg	1	1,000,000	105	None	105	None	None	None	None
Hannover	1	1,000,000	105	None	105	None	None	None	None
Lower Saxony	1	1,000,000	105	None	105	None	None	None	None
Mecklenburg	1	1,000,000	105	None	105	None	None	None	None
Prussia	12	14,021	105	None	105	None	None	None	None
Province of Schleswig-Holstein	1	1,000,000	105	None	105	None	None	None	None
Thuringia	1	1,000,000	105	None	105	None	None	None	None
Wurttemberg	1	1,000,000	105	None	105	None	None	None	None
Total	23	65,728	66	20	46	19	106,000	186	None

¹ A small manufacturing gasworks purchased from other sources.

² Amount purchased from all sources.

³ According to the unrounded figures in the *Wirtschaftsstatistik* for 1936.

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proportion of this amount which is manufactured, purchased from other gasworks, and purchased from coke plants in each state and province of Northwest Germany. It shows that the prevailing type of gas supply varies greatly from province to province within the area under consideration.

Note.—The table includes only gas handled by gasworks; it excludes direct sales by coke plants to private consumers.

No attempt should be made to total the figures for output, as there is duplication (1) between the amounts manufactured by gasworks and those obtained from them by purely purchasing gasworks in the same state or province, and (2) between the amounts produced by manufacturing gasworks in one state or province and the amounts purchased from them by manufacturing gasworks in another state or province. Duplication resulting from sales in the same category and in the same state or province has been excluded.

C. RAW MATERIALS

Manufacturing gasworks in Northwest Germany consumed a total of 1,938,700 tons of coal and 348,200 tons of coke in 1936; the city of Hamburg alone used 548,100 tons of coal (28 percent of the total amount of the area) and 107,700 tons of coke (30 percent).

Of the total coal consumption, 75.8 percent or 1,471,400 tons were obtained from the Ruhr. However, cheap and easy water transport permitted the cities of Bremen and Hamburg, some of the Rhine islets, and localities in Schleswig-Holstein to obtain considerable quantities of gas and coking coal from England. Table 14 below, indicates that Bremen obtained 33,700 tons or three-quarters of its supply of coal from sources other than the Ruhr (probably, almost exclusively from England), while Hamburg manufacturing plants obtained at least one-half (273,800 tons) of their supply from other sources. The gas plants in Province Sachsen and Thuringia probably found it cheaper to procure coal from Silesia and Land Schlesien.

TABLE 14.—Raw materials used by manufacturing gas works in Northwest Germany in 1936

State or Province	Number of manufacturing gas works	Total coal used	Coal from the Ruhr	Coke used	Gas produced
		(1,000 tons)	(1,000 tons)	(1,000 tons)	(1,000 tons)
Aachen	2	11,268	10,500	6.3	5,551
Bavaria	4	34,500	32,500	10.5	24,000
Bremen	1	14,500	14,500	10.5	10,500
Burgundy	4	140,400	135,000	10.5	110,000
Hamburg	1	1,000,000	726,300	10.5	42,800
Hannover	1	1,000,000	993,000	10.5	6,700
Lower Saxony	1	1,000,000	993,000	10.5	6,700
Mecklenburg	1	1,000,000	993,000	10.5	6,700
Prussia	12	14,021	13,500	10.5	10,500
Province of Schleswig-Holstein	1	1,000,000	993,000	10.5	6,700
Thuringia	1	1,000,000	993,000	10.5	6,700
Wurttemberg	1	1,000,000	993,000	10.5	6,700
Total	23	1,938,700	1,471,400	106.5	790,223

Difficulties of transportation, a shortage in rich coking coal, and the complete elimination of English coal have undoubtedly forced the gas plants to make adjustments. Most of the coal used in Hamburg and Bremen probably comes from the Ruhr and the Silesian mines. Larger plants usually obtained their supplies from various sources and had the mixing and grinding equipment for using mixed coals; smaller plants with limited equipment usually drew supplies from a single source and used local coal wherever practicable. The war situation therefore precluded easier adjustment on the part of the large gasworks; the smaller and medium-sized gasworks have had either to install equipment for crushing and mixing different coals or adjust their processes to changed conditions and rely more than ever on local coal.

Brown coal is not used extensively by the plants in the area under consideration. Its use requires special, complex equipment and involves special processes. Lignite and brown-coal briquettes are never used exclusively at any plant and brown-coal gas is always mixed with ordinary coal gas. The Dessau, Merseburg, and Jena gas plants manufacture and distribute some brown-coal gas. Dessau obtains some surplus brown-coal gas from a Schweider (low temperature carbonizing plant) and mixes it with coal gas. In each case the brown-coal gas forms only a small part of the total gas manufactured. The Jena plant, for example, used 8,704 tons of coal and 490 tons of brown-coal briquettes in 1934 and 1935.

Adding water gas to coal gas is an almost universal practice here as in the rest of Germany. A number of gas works add sewage gas from local sewage-treatment plants to the coal gas they manufacture. Halle, Eisenberg, Hainn, Pörsneck, and Schöningen are among the cities doing this. In the latter two, sewage gas constitutes 13 percent and 6 percent, respectively, of the total gas distributed. There is, however, no evidence that the quantity of sewage gas used in admixture elsewhere ever exceeds the smaller of these figures.

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D. EQUIPMENT.

Neither an inventory of the equipment of German gasworks nor any study of such equipment emphasizing the area covered by this report has been located. Such information as is available concerning individual plants is included in Annex B, Index of Gasworks in Northwest Germany. General information on usual types of German equipment is available in the CAD Handbook, R & A 1323, chapter XB, Public Works and Utilities.

It does seem clear, however, that throughout Germany the normal carbonizing unit in large and medium-sized plants is the so-called "chamber oven," intermediate in size between the industrial "coke oven" and the small, old-fashioned "retort." Frequently these chamber ovens are vertical or inclined, rather than horizontal. They are not standardized.

About half of the manufacturing gasworks in the area, however, are very small plants, producing less than 500,000 cubic meters per year; such plants probably still depend on retorts rather than "chamber ovens."

A number of plants in the area have installations and equipment for special processes. The Hameln gasworks use a special process for removal of carbon monoxide from the commercial gas; the Nordhausen plant uses a different process for the same purpose, which removes also carbon dioxide; the Tiefstack plant at Hamburg uses a purification process by which the amount of hydrocyanic acid in gas is reduced.

E. CONSUMPTION.

The total gas output¹ for Northwest Germany in 1936 was 1,073,501,000 cubic meters, of which 876,510,000 cubic meters represented gas delivered to consumers and 196,991,000 cubic meters gas used by manufacturing plants or wasted in transmission and distribution. (See table 15 below.)

TABLE 15.—Consumption of city gas in Northwest Germany in 1936
(Includes gas handled by gas works, both producing and distributing, but excludes direct sales by coke plants to private consumers)

State or Province	Total output of gas works	Gas used in gas works and wasted in distribution	Gas available for delivery to consumers	Gas delivered to industry and trade ²	Gas delivered to households and public buildings	Gas delivered for street lighting
	1,000 cubic meters	1,000 cubic meters	1,000 cubic meters	1,000 cubic meters	1,000 cubic meters	1,000 cubic meters
Aachen	5	18,942	5,745	11,307	5,437	5,870
Braunschweig	5	16,277	5,440	10,837	5,100	5,737
Frankfurt	5	48,221	5,860	42,361	14,206	28,155
Hamburg	5	226,113	44,191	181,922	106,282	75,640
Hannover	72	101,950	15,108	86,842	32,060	54,782
Köln, Rhine-Meuse	1	22,776	302	22,474	14,807	1,667
Leipzig	14	14,882	1,119	13,763	8,912	4,851
Münster	44	15,481	67,441	15,414	61,027	11,411
Sachsen, Prussia	14	10,473	75,011	85,484	50,014	35,470
Schleswig-Holstein	10	30,501	4,144	26,357	15,500	10,857
Thuringia	10	206,240	25,146	181,094	104,559	76,535
Westphalia	10	1,073,501	196,991	876,510	553,989	322,521
Total	944	1,073,501	196,991	876,510	553,989	322,521

¹ Production and purchase.

² That is, industry and Northwest-German small business.

Of the total gas distributed, 223,634,000 cubic meters or about 21 percent was supplied to small businesses and local industries, 553,989,000 cubic meters or 63 percent to households and public buildings, and 98,907,000 cubic meters or 10 percent for street-lighting purposes.

Table 16, below, indicates little change in the years 1935-37 in deliveries to industry in the area. An increase from 19 percent to 23 percent of the total gas distributed is due to industrial expansion in individual areas, but never constitutes a marked deviation from the area average. Braunschweig consumed a greater proportion of gas for industrial purposes than any other state or province in the area, (as high as 40 percent of the total consumed in the state). Lippe, Provinz Sachsen and Schleswig-Holstein averaged about 15 percent.

Figures for gas used in manufacturing plants themselves show marked fluctuations in the different states and provinces. In Hamburg, for example, 26 percent of the gas output was used in plants or wasted in transmission; in Westphalia only 3.9 percent was used, and in Provinz Sachsen and Thüringen 31 percent was consumed or wasted by producing plants. These examples of a metropolitan gasworks, a coke-producing region, and a group-gas region, respectively, show heavy use of gas for the production of coke in areas where there are no coke-plants, especially in the case of the Grösgaswerk in Magdeburg-Rothensee. (See IC, above, Central

¹ That is, the gas handled by gasworks, both manufactured and purchased, but excluding gas sold by coke plants to private consumers.

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German network.) Small plants in Westphalia, on the other hand, do not find it profitable to compete with the Ruhr coke plants.

Another partial explanation for the larger quantities of gas consumed or wasted in the "group-gas" area is to be found in increased transmission wastage, due to increased length of pipe line from the nets centered in Magdeburg, Erfurt and Halle to the many localities they serve.

TABLE 16.—Consumption of gas in local industries and small businesses in Northwest Germany, 1935-37

State or Province	Gas delivered to industry and trade (1,000 cubic meters)			Total gas consumption		
	1935	1936	1937	1935	1936	1937
	Percent	Percent	Percent	In thousands of cubic meters	In thousands of cubic meters	In thousands of cubic meters
Aachen	26	25	26	18,942	18,942	25,000
Braunschweig	40	38	40	16,277	16,277	22,000
Frankfurt	20	20	20	48,221	48,221	55,000
Hamburg	26	26	26	226,113	226,113	275,000
Hannover	17	17	17	101,950	101,950	140,000
Köln, Rhine-Meuse	30	30	30	22,776	22,776	27,000
Leipzig	14	14	14	14,882	14,882	17,000
Münster	14	14	14	15,481	15,481	20,000
Sachsen, Prussia	14	14	14	10,473	10,473	13,000
Schleswig-Holstein	10	10	10	30,501	30,501	35,000
Thuringia	31	31	31	206,240	206,240	240,000
Westphalia	4	4	4	1,073,501	1,073,501	1,250,000
Average or total	23	23	23	876,510	876,510	1,000,000
Total for the Reich	23	23	23	876,510	876,510	1,000,000

¹ Excludes gas handled by gasworks, both manufactured and purchased, but excluding gas sold by coke plants to private consumers.

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Annex A.—INDIVIDUAL COKE PLANTS IMPORTANT FOR PUBLIC GAS SUPPLY IN THE RHEINLAND-WESTFALEN SYSTEM

CONTENTS

NOTE

1. MOERS GROUP.
2. DUISBURG-HAMBORN GROUP.
3. OBERHAUSEN GROUP.
4. ESSEN-GELENKIRCHEN GROUP.
5. RECKLINGHAUSEN GROUP.

Within each group the plants are arranged alphabetically according to name.

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Bruckhausen	5b	Krieg Ludwig	5c
Bruckhausen (See Fr. Thyssen 3/7.)	5d	Krieg Wilhelm	5e
Concordia	5f	Lothringen	5f
Concordia	5g	Meiderich	5g
Donsfeld	5h	Meiderich (See Fr. Thyssen 3/8.)	5h
Duisburg	5i	Minister Stein	5i
Eisen	5j	Neumühl	5j
Eisen	5k	Nordhorn	5k
Eisen	5l	Oberhausen	5l
Eisen	5m	Ostfeld	5m
Eisen	5n	Proper	5n
Eisen	5o	Recklinghausen	5o
Eisen	5p	Recklinghausen	5p
Eisen	5q	Recklinghausen	5q
Eisen	5r	Recklinghausen	5r
Eisen	5s	Recklinghausen	5s
Eisen	5t	Recklinghausen	5t
Eisen	5u	Recklinghausen	5u
Eisen	5v	Recklinghausen	5v
Eisen	5w	Recklinghausen	5w
Eisen	5x	Recklinghausen	5x
Eisen	5y	Recklinghausen	5y
Eisen	5z	Recklinghausen	5z

This is not a survey of the Ruhr coke industry, but a collection of available facts relating to the gas production and processing of certain individual coke plants which are known to furnish gas for the Rheinland-Westfalen network or for public supply in places on or near the lines of this network. Information on the production of coke as such and of byproducts other than gas is not included.

For many of these plants, however, no statistical information on gas production as such has been located. Information on the number of ovens and the coke production of the same plants is, on the other hand, readily available and may be used as an index of the capacity of the plants, in terms of coal carbonized. This index is therefore included. For the sake of consistency, the figures for capacity have been taken from a single source: "The Byproduct Coke Industry of Germany. Table 2.—The Ruhr District: Actual Coke Production in 1938 and During the Year of Highest Production, 1934-1938, and Estimated Coking Capacity of Coke Ovens by Plants, as of September 1, 1939." The figure given represents "Estimated capacity of ovens as of September 1, 1939: Annual maximum theoretical coal-carbonizing capacity." This study was compiled by Carl D. Ulmer, assistant director of research of the Koppers Co., Pittsburgh, early in 1943. The sources used by Ulmer differed somewhat from those used by the authors of this report, Ulmer's sources notably including a 1940 issue of the *Jahrbuch für das Ruhrkohlenzeck*. This is especially evident from the difference in the number of ovens reported for individual plants. In each case, therefore, Ulmer's figure is included in this report first but ours, if different, second. The first figure therefore corresponds to the capacity reported, while the second checks with our information on types of ovens and on gas-production and processing.

The plants are arranged in geographical groups, roughly from west to east. Within each group they are arranged alphabetically. Each group is preceded by a statement as to the lines supplied by that group.

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1. MOERS GROUP (Friedrich Heinrich, Rheinpreussen). These coke plants supply gas to the left-bank line of the Rheinland-Westfalen network.

a. Friedrich Heinrich coke plant.
Owner: Steinkohlenbergwerk Friedrich Heinrich AG.
Location: Lintfort.

Ovens: 260.
Capacity: 900,000 metric tons coal per year.

Gas production: No gas production statistics have been located. RUTHGAS planned (about 1928) to build a purification plant and a compression plant at this mine. By 1930 the compression plant had been built. It had a capacity of 48,000,000 cubic meters per year.

b. Rheinpreussen coke plants (including plant sometimes called *Rheinland*).
Owner: Gewerkschaft Steinkohlenbergwerk Rheinpreussen (stock held by Haniel family).
Location: Honsberg.

Ovens: At shafts I/II—133 or none.
At Shaft IV—75 or 120.

2. DUISBURG-HAMBORN GROUP (Friedrich Thyssen III/VII, Friedrich Thyssen IV/VIII, Neumühl). These coke plants supply gas to the main western (right-bank) line of the Rheinland-Westfalen network. The Friedrich Thyssen plants also supply the north and south THYSEN lines.

a. Friedrich Thyssen III/VII (Bruckhausen) coke plant.
Ownership: Gelsenkirchener Bergwerks-AG.

Location: north of Duisburg.
Ovens: 345 or 260 (Koppers Combination).

Capacity: 1,886,000 metric tons coal per year.
Gas production: About 1930 the 260 ovens could supply up to 680,000 cubic meters per day. There was a gasholder. The plant employed the Lente-Sensenbrenner process to remove naphthalene and dry the gas by refrigeration. According to one source, gas from this plant was processed at the Thyssen plant in Hamburg. (See below.)

Remarks: About 1938 the mine itself was not operated.

b. Friedrich Thyssen IV/VIII (Meiderich) coke plant.
Ownership: Gelsenkirchener Bergwerks-AG.

Location: Northwest of Duisburg.
Ovens: 325 or 380 (at least 280 Koppers Combination).

Capacity: 1,670,000 metric tons coal per year.
Gas production: About 1930 the 280 Koppers ovens could supply up to 1,550,000 cubic meters per day. There was a gasholder. A

gas-processing plant in Hamburg, near this coke plant, had equipment for gas purification in the form of towers to hold the purification mass. It employed the Lente-Sensenbrenner process to remove naphthalene and dry the gas by refrigeration. The Thyssen compressor house was located here. It has an hourly capacity of about 145,000 cubic meters. There is one turbine-exhauster and one gas-driven piston-type compressor, but the rest of the compressors are steam-driven piston-type compressors.

Gas for underfiring and other plant uses is supplied by pipe line (5 kilometers long, diameter 1,500-2,000 millimeters) from the Meiderich foundries of Vereinigte Stahlwerke AG.

c. Neumühl coke plant.
Ownership: Gewerkschaft Neumühl (Haniel family).
Location: Hamburg-Neumühl.

Ovens: 274 or 277 (at least 40 Koppers Combination).
Capacity: 1,090,000 metric tons coal per year.
Gas production: About 1930 the 280 Koppers ovens could supply up to 1,550,000 cubic meters per day. There was a gasholder. A

gas-processing plant in Hamburg, near this coke plant, had equipment for gas purification in the form of towers to hold the purification mass. It employed the Lente-Sensenbrenner process to remove naphthalene and dry the gas by refrigeration. The Thyssen compressor house was located here. It has an hourly capacity of about 145,000 cubic meters. There is one turbine-exhauster and one gas-driven piston-type compressor, but the rest of the compressors are steam-driven piston-type compressors.

Gas for underfiring and other plant uses is supplied by pipe line (5 kilometers long, diameter 1,500-2,000 millimeters) from the Meiderich foundries of Vereinigte Stahlwerke AG.

d. Neumühl coke plant.
Ownership: Concordia Bergbau AG.
Location: North of Oberhausen.

Ovens: 155.
Capacity: 562,000 metric tons coal per year.
Gas production: Has plant for gas transmission.

At Shaft V—230 or 300 (225 old, 75 large-chamber).

At Pattbergs Shaft—40 (large-chamber) (evidently identical with Rheinland plant).

Capacity: (Excluding I/II) 1,811,000 metric tons coal per year.

Gas Production: 339,921,195 cubic meters in 1937 (970,000 specified as "illuminating gas").

In 1930 the mine had a large gasholder, an exhauster with a capacity of 24,000,000 cubic meters per year, purification and naphthalene-removing equipment with a capacity of 60,000,000 cubic meters per year, and compression equipment for 48,000,000 cubic meters per year. The purification and compression equipment were expanded in 1933.

There was a plant for special purification of gas by refrigeration, enlarged in 1935. A telemetering station at this location became superfluous in 1935.

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since. No gas-production statistics have been located.
b. *Ostfeld* coke plant.
Ownership: Gutehoffnungshütte Oberhausen, AG.
Location: Oberhausen-Ostfeld.
Ovens: 160 (Combination, large-chamber).

4. **ESSEN-GELSENKIRCHEN GROUP** (Alma, Consolidation, Emil, Friedrich Ernestine, König Wilhelm, Mathias Stinnes, Norbert, Prosper, Zollverein). These plants supply the main western (right bank) line of the Rheinland-Westfalen network.

a. *Alma (Rheinische)* coke plant.
Ownership: Gelsenkirchener Bergwerks-AG.
Location: Gelsenkirchen.
Ovens: 160 (120 built in 1927).

Capacity: 1,188,000 metric tons coal per year.
Gas production: No separate gas-production statistics have been located. In 1930 the plant's gas-handling equipment included an exhaustor (for 108,600,000 cubic meters per year), purification equipment (for 165,000,000 cubic meters per year), compression equipment (for 96,000,000 cubic meters per year), and naphthalene-removal equipment (for 120,000,000 cubic meters per year). The purification plant was expanded in 1933.

Remarks: This plant used coal from the Pluto, Holland, Bonifacio, and Zollverein mines owned by the same company and located in the same city. There is probably also a coke plant at the former Rheinische mine near by, which is administered jointly with the Alma. A plant there, consisting of 80 regenerative Otto ovens built in 1907, supplied the city of Gelsenkirchen with gas as late as 1929, and probably was maintained in operation for that purpose, to judge from a 1938 listing of a "Gasanstalt Rheinellie" under the Gelsenkirchener Bergwerks-AG in Gelsenkirchen.

b. *Consolidation* coke plants.
Ownership: Mannesmann Röhrenwerke.
Location: Gelsenkirchen.
Ovens: 385 or 442.

Capacity: 2,670,000 metric tons coal per year.
Gas production: 387,880,000 cubic meters in 1937. The mine's gas-processing equipment included: Koppers Thylox plant for purification, built 1934 (capacity 800,000 cubic meters per day); Koppers plant to remove naphthalene and dry the gas, built 1935 (capacity 480,000 cubic meters per day); Koppers "Stufenwäscher" plants for recovery of benzol and ammonia, built 1937 (capacity 800,000 cubic meters per day).

c. *Emil* coke plant.
Ownership: Hoersch AG.
Location: Essen-Altenessen.
Ovens: 156.

Capacity: 547,000 metric tons coal per year.
Gas production: No separate gas production figures for this plant have been located. In

Capacity: 1,520,000 metric tons coal per year.
Gas production: No gas production statistics have been located. The plant had Koppers equipment to remove naphthalene and dry the gas, built in 1937, with a capacity of 1,500,000 cubic meters per day.

1938 the plant had 4 gas compressors and a purification plant. The capacity of its gas-processing equipment in 1939 was:

Purification, 60,000,000 cubic meters per year.
Compression, 132,000,000 cubic meters per year.
Naphthalene-removal, 120,000,000 cubic meters per year.

d. *Friedrich Ernestine* coke plant.
Ownership: Gewerkschaft des Steinkohlenbergwerks Friedrich Ernestine (controlled by RWE).
Location: West-northwest of Essen.

Ovens: 120 or 60.
Capacity: 917,000 metric tons coal per year.
Gas production: 33,637,007 cubic meters "illuminating gas" in 1937.

e. *König Wilhelm (Welfen)* coke plant.
Ownership: Gebrüder Stumm, GmbH.
Location: Essen-Borbeck.

Ovens: 88 or 120.
Capacity: 231,000 metric tons coal per year.
Gas production: 17,239,681 cubic meters "illuminating gas" in 1930; 26,000,000 cubic meters "coke-oven gas" in 1937, with little increased coke production.

f. *Mathias Stinnes* coke plants.
Ownership: Gewerkschaft Mathias Stinnes.
Location: Between Essen and Gelsenkirchen.

Ovens: 135 or 104.
Capacity: 809,000 metric tons coal per year.
Gas production: 112,559,000 cubic meters "illuminating gas" in 1937.

Remarks: At the beginning of the war one of the two plants (at shaft I/II) had lain idle since 1930. It was at this plant that the RUHRGAS process for special additional purification was developed.

g. *Norbert* coke plant.
Ownership: Gelsenkirchener Bergwerks-AG.
Location: Gelsenkirchen-Horst, on north side of Rhein-Herne Canal.

Ovens: 192 or 96 (built in 1927) or 600 (1942 report).

Capacity: 2,120,000 metric tons coal per year.
Gas production: No gas-production statistics have been located. The plant's gas-processing equipment in 1930 included an exhaustor for 138,000,000 cubic meters per year, purification equipment for 120,000,000 cubic

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meters per year, compression equipment for 96,000,000 cubic meters per year, and naphthalene-removal equipment for 120,000,000 cubic meters per year. The purification plant was expanded during the late 1930's.
Remarks: The plant used coal not only from the Norbert mine but also from the Graf Melke and Zollverein mines.

The dimensions of the ovens built in 1927 were: 12.44 meters long, 6 meters high, 0.45 meters wide. Each was capable of producing 9,910 cubic meters of gas per day.

At this plant was located the largest gas-holder in the world, a dry-type holder of 600,000 cubic meters capacity. See under "Transmission & Distribution" above.

h. *Prosper* coke plant.
Ownership: Rheinische Stahlwerke.
Location: Bottrop.

5. **RECKLINGHAUSEN GROUP** (Emscher Lippe, Ewald Fortsetzung, König Ludwig). These coke plants supply gas to RUHRGAS (Gelsenkirchen) and also to VEW.

a. *Emscher Lippe* coke plants.
Ownership: Gewerkschaft Emscher Lippe (stock held by Friedrich Krupp AG).
Location: Datteln (Westfalen).

Ovens: 190 or 341 (only 186 of these being operated in 1938).

Capacity: 887,000 metric tons coal per year.
Gas production: No gas-production figures have been located. The plants had two Koppers Thylox purification plants, built in 1934 and 1937, for 240,000 cubic meters and 192,000 cubic meters per day respectively, and also Koppers plants to dry the gas and remove naphthalene, built in the same years and for the same capacities. (This equipment is described in *Gas and Hausverkauf* 1937, p. 356.)

b. *Ewald-Fortsetzung* coke plant.
Ownership: Bergbau AG Ewald-König Ludwig.
Location: northeast of Recklinghausen.

Ovens: 380 or 290 (Koppers).
Capacity: 1,970,000 metric tons coal per year.

Gas production: No separate gas-production figures for this plant have been located. The plant has Koppers Thylox purification equipment, built in 1932 and 1937, for 740,000 cubic meters per day; Koppers equipment, built in 1937 (to dry the gas and remove naphthalene, with a capacity of 500,000 cubic meters per day; Koppers "Stufenwäscher" benzol-recovery equipment, built in 1937).

6. **BOCHUM-CASTROP GROUP** (Beschtatrasse, Eric, Graf Schwerin, Hannibal, Hannover, Lothringen, Robert Müser). These plants supply RUHRGAS and VEW. The lines served are probably the RUHRGAS colliery line Dortmund-Gelsenkirchen and the RUHRGAS-VEW line to Hagen and vicinity and the Bochum area.

a. *Beschütters* coke plant.
Ownership: Gelsenkirchener Bergwerks-AG.
Location: East of Bochum.

Ovens: 270.
Capacity: 1,860,000 metric tons coal per year.
Gas production: The company, which owned one other smaller coke plant, produced 196,408,215 cubic meters in 1937. The plant had (1938) purification equipment for 350,000 cubic meters per day and compression equipment for 26,000 cubic meters per hour. It had a 160,000 cubic meter gas-holder.

b. *Zollverein* coke plant.
Ownership: Gelsenkirchener Bergwerks-AG.
Location: Essen-Katernberg.

Ovens: 54.
Capacity: 270,000 metric tons coal per year.
Gas production: No gas-production statistics have been located.

Remarks: The plant uses coal from Zollverein and Bonifacio mines.

for 1,900,000 cubic meters per day, a compressor with a capacity of 25,000 cubic meters per hour at 12 atmospheres, and a group of 8 gas-producers.

Remarks: Together with the König Ludwig plants, the plant produced 332,400,000 cubic meters of surplus gas and 242,000,000 cubic meters of fuel gas in 1937.

c. *König Ludwig* coke plants.
Ownership: Bergbau AG Ewald-König Ludwig.
Location: Recklinghausen.

Ovens: 2.
Shafts I/II 92 or 80 (Hinselmann regenerative).

Shafts IV/V 114 or 140 (80 Still regenerative, 22 Still Combination, 32 Koppers Combination).

Capacity: 809,000 metric tons coal per year.
Gas production: No separate gas-production figures for these plants have been located.

Gas-purification equipment, expanded in 1938, includes equipment for special purification by refrigeration. The compression plant has one piston-type compressor with a capacity of 25,000 cubic meters per hour at 12 atmospheres and two others each having a capacity of 5,000 cubic meters per hour at 7 atmospheres.

Remarks: For gas production of the group of plants. (See *Ewald Fortsetzung* above.)

Ovens: 2 batteries of 36 each (Otto regenerative Combination; dimensions 450 x 4,500 x 13,000 millimeters).

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Capacity: 510,000 metric tons coal per year.
Gas production: No separate gas-production figures have been located. The plant was equipped to replace at least some coke-oven gas with producer gas for smelting. There was gas-purification equipment. Upper calorific value of the gas reached 4,800-5,200 calories per cubic meter.

Remarks: Plant is described in considerable detail in M. Simonovitch, *Mines de la Vallée Moderne*, Liège, 1937, pp. 739-740.

b. *Erz* coke plant.
Ownership: Gelsenkirchener Bergwerke AG.
Location: Castrop-Rauxel.

Ovens: 120 or 100 (40 Still regenerative Combination, 60 Otto regenerative Combination).
Capacity: 887,000 metric tons coal per year.

Gas production: No separate gas-production figures have been located. The plant uses a special process for gas-purification, employing a jet-suction solution under pressure. In 1930 the plant's gas-processing equipment included: exhausters for 108,000,000 cubic meters per year; purification plant for 103,000,000 cubic meters per year; compressors for 60,000,000 cubic meters per year; and naphthalene-removal plant for 120,000,000 cubic meters per year.

c. *Graf Schwerin* coke plant (on plants?).
Ownership: Bergbau AG Lothringen.
Location: Castrop-Rauxel.

Ovens: 210 or 150.
Capacity: 525,000 metric tons coal per year.

Gas production: No separate gas-production figures have been located. Together with the Lothringen and another smaller plant (*Präsident*—not definitely known to supply any gas for outside use), this plant produced 271,622,000 cubic meters of gas in 1937 (149,253,000 cubic meters fuel gas and 122,371,000 cubic meters surplus gas).

d. and e. *Hoesch* and *Hannover* coke plants.
Ownership: Friedrich Krupp AG.
Location: Bochum-Hövel.

Ovens: 175 or 148.

7. DORTMUND GROUP (Dortfeld, Gelsenheim, Hanna, Minister Stein, Oped, Waltrop).
These coke plants supply the South Westfalen Line of the Rheinland-Westfalen network (except for Dortfeld and Oped, which supply the city of Dortmund).

a. *Dortfeld* coke plant(s).
Ownership: Essener Steinkohlenbergwerke AG.
Location: Dortmund-Dortfeld.

Ovens: 100 or 280.
Capacity: 530,000 metric tons coal per year.

Gas production: 118,218,000 cubic meters in 1937. A 1926 contract, still in effect in 1938, provided for delivery of gas to the Dortmund gasworks from these plants, with a peak daily delivery of 100,000 cubic meters. A connection with the adjoining Oped coke plant

Capacity: 737,000 metric tons coal per year.
Gas production: 20,800,000 cubic meters "illuminating gas" in 1937. The plants supplied the cities of Bochum, Wanne-Eickel, and vicinity. In the late 1920's gas was supplied at medium-pressure (up to 1 atmosphere) through 15 kilometers of transmission pipe line.

f. *Lothringen IV* coke plant.
Ownership: Bergbau A. G. Lothringen.
Location: Bochum-Gierke.

Ovens: 100 or 180.
Capacity: 925,000 metric tons coal per year.

Gas production: No separate gas-production figures have been located. The plant supplies a short RÜHRGAS pipe line with gas for delivery to the cities of Witten, Herne, and Langendreer, and presumably also to the VEW lines supplying the Hagen area and the district south of Bochum. This pipe line, under a different ownership, was in operation prior to the construction of the principal RÜHRGAS transmission pipe line. At that time the plant had compression and purification equipment sufficient to handle 90,000 cubic meters of gas per hour.

Remarks: For gas production of the company. (See *Graf*.)

Schwerin coke plant above.
g. *Robert Mayer* coke plant.
Ownership: Harpener Bergbau AG.
Location: northwest of Bochum.

Ovens: 205 (55 Otto large-chamber, 70 older, others probably of more recent construction).
Capacity: 1,220,000 metric tons coal per year.

Gas production: No separate gas-production statistics have been located. In 1930 the plant's gas-processing equipment included: exhausters for 16,000,000 cubic meters per year; purification plant for 65,000,000 cubic meters per year; compressor for 76,000,000 cubic meters per year; and naphthalene-removal plant for 120,000,000 cubic meters per year.

h. *Radlsted* coke plant.
Ownership: Harpener Bergbau AG.
Location: Northwest of Dortmund.

Ovens: 130 ovens (2 batteries, built 1931).
Capacity: 1,020,000 metric tons coal per year.

Gas production: No separate gas-production statistics have been located. The plant had gas-purification and gas-compression equipment. In 1930 this included: exhausters for 72,000,000 cubic meters per year; purification

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plant for 66,000,000 cubic meters per year; compressors for 72,000,000 cubic meters per year; and naphthalene-removal plant for 120,000,000 cubic meters per year.

c. *Hanna* coke plant.
Ownership: Gelsenkirchener Bergwerke AG.
Location: Dortmund-Huckarde.

Ovens: 280 or 130 (Koppers).
Capacity: 2,019,000 metric tons coal per year.

Gas production: In 1930 the plant could supply up to 570,000 cubic meters per day and had the following gas-processing equipment: exhausters for 108,000,000 cubic meters per year; purification plant for 103,000,000 cubic meters per year; compressor for 150,000,000 cubic meters per year; and naphthalene-removal plant for 120,000,000 cubic meters per year. A 175,500 cubic meter gas-holder was built at the plant in 1933/34.

d. *Minister Stein* coke plant.
Ownership: Gelsenkirchener Bergwerke AG.
Location: Dortmund-Eving.

Ovens: 130.
Capacity: 1,016,000 metric tons coal per year.

Gas production: No separate gas-production statistics have been located. In 1930 the plant's gas-processing equipment included: exhausters for 108,000,000 cubic meters per year; purification plant for 103,000,000 cubic meters per year; compressor for 150,000,000

cubic meters per year; and naphthalene-removal plant for 120,000,000 cubic meters per year. In 1933 and 1934 two Koppers Thylox gas-purification plants were built, for 500,000 and 400,000 cubic meters per day, respectively. Equipment for special purification by refrigeration of the gas was expanded in the late 1930's. There was a special type of Koppers benzol-recovery plant using wash-oil under pressure in a "bell-washer" 12 meters high and 3 meters in cross-section. A 175,000 cubic meter gas-holder was built at the plant in 1933/34.

e. *Oped* coke plant.
Ownership: Essener Steinkohlenbergwerke AG.
Location: Dortmund-Kley.

Ovens: 45 (Combination).
Capacity: 203,000 metric tons coal per year.
Gas production: 59,415,000 cubic meters in 1937. The plant was connected to the Dortfeld plants. (See above.)

f. *Waltrop* coke plant.
Ownership: Hibernia AG.
Location: Waltrop (north-northeast of Dortmund).

Ovens: 125.
Capacity: 260,000 metric tons coal per year.

Gas production: No information has been located.

8. HAMM GROUP (Heinrich Robert, Radlsted, Sachsen). Of these coke plants, Heinrich Robert and Sachsen supply the Hannover line of the Rheinland-Westfalen network, while Radlsted supplies the cities of Hamm and Münster.

a. *Heinrich Robert* (formerly *Wendel*) coke plant.
Ownership: Heinrich Robert AG (formerly Wendel & Cie.)

Location: Herringen (southwest of Hamm).
Ovens: 200 (50 Koppers regenerative, built 1909; 50 in 1911; 100 in 1912).

Capacity: 437,000 metric tons coal per year.
Gas production: No separate gas-production statistics have been located. In 1930 the plant's gas-processing equipment included:

exhausters for 36,000,000 cubic meters per year; gas-purification plant for 36,000,000 cubic meters per year; compressor for 36,000,000 cubic meters per year; and naphthalene-removal plant for 60,000,000 cubic meters per year.

b. *Radlsted* coke plant.
Ownership: Hoesch AG.
Location: Bochum-Hövel (northwest of Hamm).

Ovens: 132 or 100.
Capacity: 447,000 metric tons coal per year.

Gas production: No recent gas-production figures have been located. In 1930 the plant produced 10,521,624 cubic meters of "illuminating gas" and 9,041,808 cubic meters

of unpurified gas. In 1938 the plant had a purification-plant and 5 compressors. 1930 compression-capacity was 21,000,000 cubic meters per year.

c. *Sachsen* coke plant.
Ownership: Gewerkschaft Sachsen (stock held by Mansfeld AG).

Location: Hoesen (north of Hamm).
Ovens: 95 (25 built 1937/38; 70 built 1925/26).

Capacity: 538,000 metric tons coal per year.
Gas production: No gas-production statistics have been located. In 1930 the plant's gas-processing equipment included: exhausters for 36,000,000 cubic meters per year; purification plant for 36,000,000 cubic meters per year; compressor for 36,000,000 cubic meters per year; and naphthalene-removal plant for 60,000,000 cubic meters per year.

d. *Westfalen* coke plant.
Ownership: Gewerkschaft Westfalen (stock held by Deutsche Continental Gasgesellschaft).

Location: Ahlen.
Ovens: 80 or 160 (Koppers regenerative; 40 being replaced in 1938 by modern ovens).

Capacity: 640,000 metric tons coal per year.
Gas production: No separate gas-production

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statistics have been located. The coke plant fed a VEW line to Soest, which crossed the Hannover line of the network. Obernkirchen (Georgsmaschke) coke plant. Ownership: Gesamtbergamt Obernkirchen GmbH. Location: Obernkirchen (near Hannover). Ovens: 60.

Capacity: 777 (ca. 200,000 metric tons coke per year). Gas Production: 75,269,439 cubic meters in 1937. The plant had purification and compression equipment, in 1930, for 18,000,000 cubic meters per year. It supplied gas to the Hannover line of the Rheinland-Westfalen network.

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ANNEX B

INDEX OF GASWORKS IN NORTHWEST GERMANY

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INDEX OF GASWORKS IN NORTHWEST GERMANY

* Type of plant: M (manufacturing), P (purchased)
 † Statistics published in 1935 (figures for 1933 or 1933-34)
 ‡ Statistics published in 1939
 § Figures for 1932 or 1932-33
 ¶ Figures earlier than 1932
 †† Later than 1939 information

AGAG	Allgemeine	Gas-Aktien-Gesellschaft
	Dresden	
CV	Centralverwalter v. Gas- u. Wasser- u. Elektriz.- u. Wärme-GmbH, Bremen	
DCGG	Deutsche Continental Gas-Electricity	
GAFASEM	Gas- u. Fernerwärmung Service in Halle	
	GmbH, Halle	
GAMANAG	Gas- u. Fernerwärmung Magdeburg-Anhalt AG	
	Magdeburg	
OLDAG	Strom- u. Fernerwärmung AG, Oldenburg	
RIRBURG	Rheinisch AG, Essen	
RWE	Rheinisch-Westfälisches Elektrizitätswerk AG, Essen	
THUGA	Thüringer Gasgesellschaft, Leipzig	
THYSSEN	Thyssen AG, Duisburg-Essen	
VEW	Versorgungs-Elektrizitätswerk Westfalen AG, Dortmund	
WFG	Westfälische Gas- u. Elektrizitätswerke AG, Dortmund	

Beigeordneter: Associate to the mayor
Betriebsinspektor: Plant supervisor
Betriebschornsteininspektor: Chief technical supervisor
Betriebschemiker: Plant technician
Betriebswerkleiter: Plant manager
Betriebschef: Plant manager or director
Betriebschemiker: Plant chemist
Betriebsingenieur: Plant engineer
Betriebsrat: Advisory board
Beisitzer: Office chief

Deputy: Municipal representative in plant administration.
 Engineer Supervisor: Graduate of engineering school or institute of technology.
 Gasmaster: Officer in charge of control of gasmeters.
 Gasmaster: Master craftsman in gas plant.
 Gaswerkverwalter: Administration of gasworks.
 Geschäftsführer: Business manager of plant.
 Handlungsbefähigtheit: Person empowered to transact business.
 Installationsmeister: Master craftsman in charge of plant equipment.
 Installationsmeister: Engineer in charge of distribution and transmission.
 Ingenieur für Installations: Engineer in charge of plant equipment.
 Ingenieur der Zählerabteilung: Engineer in charge of metering plant.
 Maschinenführer Leiter: Business director.
 Leiter: Director.
 Maschinenführer: Master craftsman in charge of machinery.
 Oberingenieur: Chief engineer.
 Obermeister: Chief master-craftsman.
 Obermonteur: Supervisor installation and repairs.
 Protokoll: Official record; minutes; secretary for firm.
 Rechtsanwalt: Attorney-at-law.
 Regierungsdirektor: Government architect.
 Richter: Judge.
 Richter: Master craftsman associated with maintenance of grid-system.
 Sachverständiger: Qualified architect.
 Sachverständiger: City inspector.
 Stadtverordneter Direktor: Deputy director.
 Stadtverordneter Direktor: Deputy Institute manager.

technischer Direktor: Director of technical operations
an plant
technischer Leiter: technical director
technischer Sachverständiger: technical expert
technischer Stadtbauinspektor: Chief city technical inspector
technischer Leiter: technical director
technischer Werkführer: Chief technical foreman
Verbandsvorsitzender: Chairman of an association
VdL: Verband Deutscher Ingenieure
Vermögensdirektor: Administrative director
Werkführer, Werksleiter: Chief foreman

JOYCE OF CASWORKERS IN NORTHWEST GERMANY

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Regraded Unclassified

20

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[illegible]

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36

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Some other chamber events included talks.

Some other chamber events included talks.

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Regraded Unclassified

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INDEX OF GASWORKS IN NORTHWEST GERMANY—Continued

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Regraded Unclassified

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INDEX OF GASWORKS IN NORTHWEST GERMANY--Continued

City	State or Province	Population	Type of plant (1, 2, 3, 4)	Amount of gas produced (1, 2, 3, 4)	Director	Owner	Notes
Wuppertal	Prussia	88,827	M	1,100	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Städt. Betriebswerke)	Transferred to Langendreieck. Part of gas used for power. Langendreieck, R., Haldropstrasse 10, 1,100 tons.
Wuppertal	Prussia	61,000	P	120	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Städt. B.G.W., A.G.)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Haldropstrasse)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Haldropstrasse)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Haldropstrasse)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Haldropstrasse)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Haldropstrasse)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Haldropstrasse)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).
Wuppertal	Prussia	88,827	P	700	Reichmann, H., Dr. Ing., Bochum-Langendreieck, R., Haldropstrasse 10	City (Haldropstrasse)	Referred from Dortmund (Haldropstrasse 10, 1,100 tons).

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ANNEX BB

INDEX OF GASWORKS IN NORTHWEST GERMANY

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BREMEN

BREMEN

*All (top, at least \$2,000,000 in 1996) were purchased from the New Brunswick Treasury according to a contract with a 10% cap on the amount of that amount annually by the state of Illinois.

(Population: 542,281)

In 1936 also, the plant's installations included 10 gasholders with a total capacity of 118,350 cu. m. A 1938 report lists them as follows:

14. Are you using your ECDs regularly?

Reports dated May and June 1943 indicate severe damage to the municipal gasworks and trouble in the outlying areas to the south of the city as the result of flooding. The grid was unable to replace local loss of production and local repair facilities were thoroughly incapable of handling the damage.

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Statistics for 1932, however, indicate sales of only 293,000 cu. m. to outlying communes and distribution figures for 1936 make no reference to gas supplies outside the city. This may be explained partially by the fact that some of the communes, viz. Mengede, Marten, and Apsterbeck, were incorporated into Dortmund and their installations taken over by the Dortmunder Gaswerk AG in 1933; other communes may have been incorporated in subsequent years. But this is hardly a complete explanation, since Brackel, which is still listed as a separate commune in a reliable 1939 publication, had by itself, a consumption of 1,698,000 cu. m.

(Population: 195,515)

Its sales increased from 6,023,362 cu. m. in 1938, to about 9,700,000 cu. m. in 1949. Its capital stock, to 700,000 RM., was held by THUGA and others.

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GEISENKIRCHEN (Westfalen)

(Population: 317,508)

The town has two distributing plants: (a) The *Siedische Gas Wasser und Elektrizitäts-werke*, municipally owned and operated, which supplies the older part of the city and (b) the *Rothhausen gasworks* in the southwest section of the city, originally owned exclusively by the RWE, now a mixed ownership concern, which supplies the newer section of the city.

According to 1925 and 1932 sources, both gasplants were at that time supplied by the *Rheinische* coke plant of the *Geisenkirchener Bergwerke AG*, which is situated in the southern part of the city. A 1938 source lists no coke plant at the *Rheinische* mine, but it does list the *Gasanstalt Rheinische*, which suggests that this former coke plant or at least its gas plant was kept in operation to supply the city itself. The *Geisenkirchener Bergwerke*, however, does own several other mines in the city (*Alma*, *Nordstern*) which may very well have been used to supply the city gasworks. (See grid-system.)

During the occupation of the Ruhr, the French controlled the *Rhein-Elbe* mine and the city got a limited supply of gas (ca. 10,000 cu. m. per diem) from the *Consolidation* coke plant in *Bismark-Ost* and went back to the *Rheinische* supply before the end of the occupation.

A former producing gasworks, located north of the *Schäke* railway station was used (1926) only as a distributing center for the municipal company. Its installations include gasholders, the city pressure regulator and a water gas plant of the *Pintsch* type with oil carburetor, built in 1907.

In 1933, low-pressure mains of the municipal gasworks totalled 348 km. Sources of 1934 and earlier mention also 17 km. of high-pressure main. A 1925 description of the net work indicates that its pipelines are predominantly of the *Mannesmann Stahlmuflrohr* type (steel pipes with sleeve-type joints) especially built to resist shock from mining operations.

In 1934, the gas plant supplied 12,571 houses, 48,772 consumers and 50,257 meters in a supply area of 330,000 population. The 1937 figures show that 13,176 houses and 52,684 meters were supplied.

In 1934, the gasworks distributed 22,587,000 cu. m. of gas, of which 16,130,000 cu. m. went to households and industry, 3,440,000 cu. m. was used for street lighting and 2,530,000 cu. m. were wasted in transmission. In 1937, the plant distributed 24,250,000 cu. m. of gas, of which 17,242,000 cu. m. went to households and industry, 3,874,000 cu. m. for streetlighting, and 2,611,000 cu. m. were wasted in transmission.

The second gas plant, situated in the section of *Rothhausen*, now a mixed ownership concern, controlled and operated by the RWE. In 1937, the plant supplied 2,350,000 cu. m. of gas to 2,413 houses and 6,875 meters in a supply area of a population of 100,000. The plant furnished long-distance gas to one commune with a population of 74,000. Of the total distribution of gas, 1,410,000 cu. m. represented meter sales, 530,000 cu. m. were distributed for streetlighting purposes and 369,000 cu. m. were wasted in transmission.

HALBERSTADT (Pr. Sachsen)

(Population: 57,187)

The municipally owned and operated gasworks is situated on the outskirts of the city. As late as 1937, the gasworks manufactured its own gas, although supplies could have been obtained from the *Magdeburg-North Harz "ring"* line of the Central German Grid, which passes close by *Halberstadt*.

In 1934-35 the plant used 12,539 tons of coal, obtaining a yield of 393 cu. m. per ton of coal. Some of the gas (512,000 cu. m. out of 4,929,000 cu. m.) was used to heat ovens.

The plant had 72 km. of low-pressure pipeline and furnished gas to 4,150 houses, 15,222 consumers, 14,317 meters, and one neighboring commune (population 2,200), in a total supply area of 53,000 population. In 1937, 4,480 houses were supplied and there were 15,833 meters in a supply area of 55,000.

In 1934-35, 4,317,000 cu. m. of gas were distributed, of which 3,272,000 cu. m. went to households and industry, 377,000 cu. m. for street lighting, and 674,000 cu. m. were wasted in transmission.

In the same year (1934-35), the plant manufactured 7,984 tons of coke, 603 tons of tar, 23 tons of ammonia. The gas plant used 12,539 tons of coal and got a yield of 393 cu. m. of mixed gas per ton of coal. In 1937, 637 tons of tar and 29 tons of ammonia were obtained.

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Distribution figures for 1937-38 are unavailable. However, the report of the city gasworks for that year indicates a rise of 7 percent in gas sales over the preceding year, attributed partly to the decrease in rates beginning 1 November 1936 and partly to the extension of the city and the consequent increase in the number of consumers. In 1938-39, gas sales increased 12.8 percent.

The change in laws governing taxes by municipally owned utility corporations which eliminated refund of taxes, had a decisive effect on the financial situation at the *Halberstadt* gasworks. This may account for the fact that in 1940-41, although gas sales increased 2.5 percent, the gas plant suffered a financial loss.

HALLE (Pr. Sachsen)

(Population: 220,092)

The municipally owned gasworks of *Halle* supply gas to the city, to 6 small communities directly, and to other communities through a separate company, the *GAFESAH*. The total quantities delivered by the plant rose from 14,431,000 cu. m. in 1932-33 to 18,100,000 cu. m. in 1937, of which probably somewhat over 1,500,000 cu. m. were sold through the *GAFESAH*.

In 1934-35, the plant used 25,028 tons of coal and 88 tons of other fuel to produce 13,765,000 cu. m. of coal gas and 134,000 cu. m. of water gas. Statistics for that year do not indicate the use of any of this gas for oven-heating, but some of the ovens were equipped for alternative heating by coal gas.

The *Halle* gasworks located at *Holzplatz*, was equipped with 10 vertical-chamber ovens, a water-gas plant, 6 steam boilers, and 2 waste-heat boilers (1938). A successful process was subsequently developed by which ordinary coal-gas ovens were adapted for the production of gas from brown coal, to be mixed with coal gas to form city gas. The city-owned brown coal mines probably furnished this part of the plant's raw materials. Small quantities of sewage gas were also added to the city gas supply. From the spring of 1936 on, some of this sewage gas was used instead as motor fuel for municipal vehicles, but in 1937-38, 470,000 cu. m. were still available for the gasworks.

At the gasworks, a benzol plant, employing the "Benzonon" (activated carbon) process, capable of handling 50,000 cu. m. of gas per day, was put into operation in August 1935. The crude benzol thus extracted was redistilled and purified by the use of iron chloride. As a result, the output of pure benzol was increased from the 1934-35 figure of 83 tons to 236 tons in 1937. In the latter year other byproducts included 1,495 tons of tar, 56 tons of ammonia (NH₃), and presumably somewhat more than 1934-35 coke production of 17,277 tons.

There were at least 3 gasholders at the gasworks and at least 5 located elsewhere. One telescoping holder, built in 1938-39, had a capacity of about 35,000 cu. m. There were 17 km. of high-pressure feeder mains in 1934-35, with 250 km. of low-pressure mains, as well as 184.5 km. of mains for long-distance supply. (These "long-distance" mains operated at pressure of only 50-60 mm. water, however. They do not include the *GAFESAH* mains.) In 1934-35, 9,650 houses and 44,863 gas meters were connected. (Most of the meters were dry type.) Of the gas delivered, 1,978,000 cu. m. were used for streetlighting and 1,430,000 cu. m. were lost in course of distribution. These proportions had not changed greatly by 1937, but the number of houses connected increased to 11,350 and the meters to 49,320. In 1937, a new type of rate (*Grundpreis-Regelverbraucher*) was introduced, resulting in an overall reduction of about 10 percent for domestic consumers.

The plant was a part of the *Werke der Stadt Halle AG*, a completely city-owned company which supplied *Halle* with gas, electricity and water as well as operating the street railway, brown coal mines, etc. The company was capitalized at 16,000,000 RM. The gasworks itself, during the years 1934-35 to 1937-38, had receipts rising from 2,568,000 RM. to 3,359,000 RM. of which 2,085,000 RM. to 2,376,000 RM. were from the sale of the gas itself. The plant had about 200 employees.

Outside the city, gas from the *Halle* plant was distributed to the city of *Ammerndorf* and the rural communes of *Leititz*, *Dienitz*, *Büschdorf*, *Dölau*, and *Wormitz-Böllberg*. In addition, the gasworks supplied *GAFESAH* (*Gasversorgung Saale G. m. b. H.*). This company was owned by the *DCGG* (17.5 percent), the *Provinzialverband*, and the *Werke der Stadt Halle AG*. Its supply area was in the southern and eastern part of the province of *Sachsen* and included the three *AGAG*- or *DCGG*-owned distributing plants at *Eisleben*, *Hellra-Manfeld*, and *Sanderau*, as well as numerous smaller places, some of which were supplied from *Leipzig* or *Merseburg* rather than *Halle*. Its sales totalled 1,812,000 cu. m. in 1937. A new company was formed in

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1942 to supply Helber-Manafeld and Sandersleben from Eisenberg, presumably with gas from Halle, inasmuch as Eisenberg possessed only storage, regulating and distributing equipment.

There may possibly be a connection to the Central German grid at Sandersleben or Hettstedt, as it was reported in 1939 that the Hettstedt plant had been closed down as a result of a contract with GAMAAG.

HAMBURG (Hansestadt)

(Population: 1,711,877)

The city of Hamburg and its suburbs receive their gas supply from the municipally controlled and operated Hamburger Gaswerke G. m. b. H. In addition, the gasworks furnish all or part of the gas supply of at least 55 communities in the Lower Elbe region, the city of Harburg-Wilhelmsburg, and communities in Schleswig-Holstein, including the city of Neumünster.

Production.—The city is served by a net fed by four gasworks, situated at Grashoek, Tiefstack, Barmbeck, and Altona. The four plants together produced nearly 220,000,000 cu. m. of gas in 1934-35. Of this total, the Grashoek plant produced nearly 35 percent, the Tiefstack plant nearly 30 percent, the Barmbeck plant nearly 25 percent, and the Altona plant more than 10 percent.

In addition to the quantities produced by these large plants, the Hamburg gas company purchased smaller quantities from outside sources and investigated the possibility of natural gas supply. The Norddeutsche Kohlen- und Cokes-Werke AG, India Hafen, Hamburg had a contract to supply the city with some gas—approximately 14,000,000 cu. m. a year. In May 1938, a new natural gas source was opened at Neuenmünster, ca. 20 km. southeast of Hamburg; its capacity is not known. Until 1939, another natural gas source, also at Neuenmünster, had furnished the Hamburg gasworks with gas to supplement their own production; this source proved especially useful during the coal shortage of the first World War years. Up to 1933, the gasworks had derived in all ca. 213,000,000 cu. m. of gas (8,400 cal./cu. m.) from Neuenmünster. By 1939, however, the Neuenmünster source had been depleted to such an extent that only small quantities could be retrieved through suction.

The four gasworks together consumed 488,275 tons of coal (of this 58,530 at the Altona plant), 14,689 tons of briquettes and 16,958 tons of coke in 1934-35, the latest year for which this information is available. The three larger plants together produced 150,741,000 cu. m. of coal gas and 43,026,000 cu. m. of water gas, while the Altona plant produced 25,045,000 cu. m. of coal gas. The three large plants used 21,485,000 cu. m. of gas for oven-heating.

Only scattered information is available on the equipment of the individual gas plants. The largest of the four, the Grashoek plant is situated in the heart of the port area and got its coal directly from steaming vessels. At least part of the ovens at this plant are of the inclined type.

The Tiefstack plant had Didier inclined-chamber ovens with a capacity of 6 units each. It had a Pintsch-Hillbrand generator (installed ca. 1935) for the distillation of water-gas from brown coal with a daily capacity of 50 tons of brown coal briquettes and a yield per ton of ca. 1,605 cu. m. of water gas of 2,600-2,750 cal./cu. m. By 1940, an average of 40 tons of lignite briquettes per day was used and surplus water gas was given to another Hamburg gasworks. In 1940, conversion of this plant for the use of peat was planned.

The Tiefstack plant has a factory for the production of lye to be used in a special purification process by which hydrocyanic acid in gas is reduced to 10 grams per cu. m. as against the normal 15 grams. Additional quantities are removed in dry purification so that Hamburg city gas contains only 2 to 3 grams of hydrocyanic acid per 100 cu. m.

The gasworks has a trial plant which can be separated from the collection main for experimental purposes.

The Barmbeck plant had new Didier horizontal-chamber (small coke) ovens installed in 1935. It had a benzol recovery plant using the wash-oil process, built in 1915.

The Altona plant, according to an old (1928) description, had three groups of inclined chamber ovens, built in 1912-13, 1918, and 1927. (See Altona in the series of Monographien deutscher Städte edited by Erwin Stein, published at Berlin-Friedenau in 1928, for fuller description.)

Distribution.—The Grashoek, Tiefstack, and Barmbeck gasworks were connected with one another by a high-pressure ring, and there was also a connection to the Altona plant, which

*There is an unbalanced distribution of energy 1,000,000 cu. m. increase was made by the coke works and purchases made by the gasworks. The gasworks' total small production from still another source. To judge from coke production figures 1934-35 at 110,000 tons, the coke works should have had more surplus gas available than was actually sold.

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although separately operated before 1938, had purchased some gas from the other three plants prior to that time. In 1934-35, there were 334 km. of high-pressure mains within Hamburg and Altona. The low-pressure mains net totaled 2,262 km. (Hamburg, 1,832 km.; Altona, 430 km.). There were also 237 km. of transmission pipelines.

In 1934, when a new main was laid to supply the shipyards of the Finkenwärder area from the Steinwärder district, the pipeline was carried across the two arms of the Elbe (Kühlbrand and Köhlbrand) by means of siphons (Düker) of special cable-type (armored) lead-pipe, 110 mm. internal diameter, tested at 3 atmospheres pressure when laid. It was suggested at this time that further use of siphons for river-crossings would add to the security of gas supply in the event of the destruction of bridge-carried mains by air-attack. It is not known whether the development was actually carried further. Other siphon-crossings had been constructed in Hamburg previously, although not by such up-to-date methods.

A complete account of the number and capacity of gasholders in Hamburg is not available. There is a large gasholder station at Fuhlsbüttel, two telescopic holders, each with a capacity of ca. 30,000 cu. m. at Altona, and one or more MAN gasholders of the dry piston-type.

Consumption.—Gas is used extensively in Hamburg industry and city services. The gasworks supplied gas for street lighting (in 1938, 82 percent or 1,086 km. of a street net of 1,300 km. was lighted by gas) and is used extensively in Hamburg public buildings and undertakings. The Gasgemeinschaft Gross-Hamburg, founded in 1933 (fostered cooperation between the gasworks and trade and industry by financing plants using gas and encouraging new uses for gas and the sale of appliances, and attempted to improve relations between consumers and the gasworks by sponsoring technical schools for salesmen and metermen.

In 1934-35, the three Hamburg plants furnished gas to 82,885 houses and there were 380,538 meters; in addition, 58 communities with a population of 379,000 were supplied, the total supply area of the gasworks was 1,490,000. The Altona gasworks, at that time independently operated, supplied 18,014 houses and 67,910 meters in a population area of 243,000.

In 1937, the Hamburg gas plants supplied 88,018 houses, 402,842 meters and 40 neighboring communities with a population of 155,000. Altona supplied 20,117 houses and 71,233 meters.

Hamburg statistics for 1934-35 indicate a distribution of 180,820,000 cu. m. of which 134,244,000 cu. m. were supplied in households and industry, 20,818,000 cu. m. for street-lighting and 10,958,000 cu. m. were wasted in transmission. In addition, 32,782,000 cu. m. of long-distance gas were distributed, of which more than a third (11,124,000 cu. m.) went to the city of Hamburg-Wilhelmsburg and 4,267,000 cu. m. were supplied to Altona. The Altona plant, in addition to the gas bought from Hamburg, distributed 29,312,000 cu. m. of its own gas.

In 1937, 299,384,000 cu. m. of gas were distributed by the three Hamburg plants; of this, 170,097,000 cu. m. represented meter sales, 23,504,000 cu. m. were used for streetlighting and 14,600,000 cu. m. were wasted in transmission. Altona distributed 33,875,000 cu. m. of gas.

Figures for the year ending 31 March 1938, indicate an increase in gas distribution of 7.3 percent over the preceding year; 21.4 percent increase in deliveries to industry in the city, 1 percent in domestic supplies in the city, 73.8 percent increase in long-distance supplies for industry, 11.8 percent increase in long-distance supplies for households.

Figures for the year ending March 1939 showed an increase in gas sales of 29 percent, due principally to an increase in the supply area (the creation of the Hansestadt April 1, 1938, adding Altona to the city, the inclusion of other neighboring towns and communities, e. g., Bergedorf in the Gaswerke's net); in the old supply area, there was an increase of 24 percent in industrial consumption and 1.75 percent in domestic sales, while in the new supply area, there was a marked increase of 32 percent in sales for streetlighting purposes.

March 1940 figures show an increase of 3.4 percent in total gas sales; 11.4 percent increase in domestic consumption, 11.9 percent increase in trades and industry and a decrease of 69.9 percent in gas for streetlighting. March 1941 figures indicate a further increase of 11.8 percent in total gas sales.

Byproducts.—Byproduct figures for 1934-35 indicate the manufacture by the three Hamburg plants of 284,138 tons of coke, 17,945 tons of tar and 3,041 tons of crude benzol. The Altona plant in 1934 manufactured 41,850 tons of coke, 2,190 tons of tar and 118 tons of ammoniac. Byproduct figures for 1937 show 21,930 tons of tar and 3,837 tons of crude benzol for the three Hamburg plants and 2,653 tons of tar and 599 tons of pure benzol for the Altona plant.

In the 1934-35, the three Hamburg gas plants supplied 58 neighboring communities (population 379,000) with a total of 32,782,000 cu. m. of long-distance gas. In 1937, 46 communities (population 155,000) were supplied with gas, for which no figures are given.

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HANNOVER (Hannover)

(Population: 470,000)

The Städtische Betriebswerk gasworks, a city-owned enterprise, located at Linden, is connected by a high-pressure main to the Ruhrgas grid. In 1932, the gasworks supplied 15,433 houses, 102,383 consumers and 105,933 meters in a supply area of 370,000. In 1937, the gasworks supplied 18,289 houses and 116,243 meters in a supply area of 385,000 population.

The statistics for 1934 indicate that 42,866,000 cu. m. of gas were distributed; of this, 83.4 percent went to households and industry, 10.2 percent for street lighting and 3.5 percent was lost in transmission. The 1937 figures show a considerable increase: figures had risen to 50,327,000 cu. m. of gas distributed, of which 41,851,000 cu. m. went to households and industry, 4,356,000,000 for street lighting and 3,879,000 cu. m. were wasted in transmission.

In addition to local distribution in 1932, the gasworks supplied 10 communes with 1,039,000 cu. m. of gas via transmission lines; in 1937, 8 communes were supplied with a population of 24,000.

In 1932, the company had 515 km. of local distribution pipelines. It owned the first compressed-gas fueling stations for motorcars, city transport and streetcleaning. In 1935, 37 buses were operated by this compressed illuminating gas, which in addition to coal gas, contains a mixture of methane, obtained from sewage. The gas is stored in steel containers, each holding 1,000 liters at 300 atmospheres. A 1936 report indicates capacities of 70 cu. m. per hour to 180 cu. m. per hour for the two filling stations then in existence. Compressed gas was also made available to household consumers in the outskirts of the city to obviate the necessity of laying new pipes.

In addition to the city gasworks, there is a local gasworks at Linden, which was sold in 1938-39 to the city of Hannover by the DCGG who operates the plant. This Gasanstalt supplied an area of 109,000 inhabitants in 1937—3,919 houses, 32,083 meters; it supplied gas to 9 neighboring communes which had a population of 14,900. There was some production of byproducts: 783 tons of tar and 47 tons of ammonia.

JENA (Thüringen)

(Population: 70,574)

The municipally owned and operated gasworks is situated between the Saale River and the railway, southeast of the Saale railway station. The plant manufactures its own gas exclusively.

About 1934-35, the Jena gasworks introduced a new process whereby brown coal was used in the production of part of its city gas. The use of brown coal briquettes with gas coal necessitated the construction of special furnaces with 6 vertical coal chambers, each having one adjacent coke chamber. The latter operate permanently as water gas generators.

During 1934-35, the plant used 8,704 tons of coal and 490 tons of briquettes. The process in use at the plant resulted in a yield of 600 cu. m. of gas with a calorific value of 4,600-4,700 cal. cu. m. per metric ton of coal-mixture.

In 1934-35, the gas plant had 120 km. of low-pressure mains. In 1935, it distributed gas to 4,840 houses, 14,770 consumers and 15,092 meters in a supply area of 61,000 population; one neighboring commune (population 1,400) was supplied. Statistics for 1937 show little change in consumers: 5,291 houses, 16,367 meters, in a supply area of 65,000.

There was some fluctuation in gas distribution. In 1932-33 (before the brown coal process was introduced on more than an experimental basis), 6,155,000 cu. m. of gas were distributed (4,472,000 cu. m. of coal gas, 1,683,000 cu. m. of water gas). Of this amount 88.9 percent was supplied to households and industry (13,312 meters and 4,976 houses), 10 percent was lost in distribution and 1.1 percent was used for plant purposes.

In 1934-35, the plant distributed 4,783,000 cu. m. of gas, of which 3,837,000 cu. m. went to households and industry, 427,000 cu. m. for street lighting purposes, 417,000 cu. m. were wasted in distribution, and 82,000 cu. m. were used for plant purposes.

Byproduct figures for 1932 show a yield of 9,242 tons of coke, 373 tons of tar and 33 tons of pure benzol. Figures for 1934 show a decreased decrease in coke (4,828 tons), due to some extent to increased absorption for production purposes, and a similar decrease in the yield of benzol (2 tons of pure benzol and 0.4 tons of crude benzol in 1935), due to the use of light oils in the new manufacturing process.

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KIEL (Schleswig-Holstein)

(Population: 273,735)

The municipally owned Stadtwerke Kiel (before 1937 known as the Städtische Licht und Wasserwerke Kiel) runs a gasworks in the suburb of Wik, on the Kaiser-Wilhelm (Nord-Ölsee) Canal. It manufactures most of its gas.

In 1934-35, the plant used 89,772 tons of coal and 11 tons of coke and got a yield of 362 cu. m. of gas per ton of coal. In addition, the plant used 850,000 cu. m. for plant heating purposes.

The installations of the gasworks include a rotary compressor and a three-lift telescopic gasholder of 50,000 cu. m. capacity, of the wet type, protected from freezing damage by systems of circulating warm-water and steam-heating.

In 1934-35, the plant had 269 km. of low-pressure pipeline, 57 km. of high-pressure pipeline and 18.5 km. of long-distance mains. It supplied gas to a total supply area of 235,000 population: 12,104 houses, 55,953 consumers, 9,953 meters and three neighboring communes with a population of 12,000.

In 1937, 13,835 houses and 65,833 meters were supplied in an area of 252,000 population. In addition, gas was distributed to 2 communes with a population of 7,100.

In 1934-35, gas distribution amounted to 31,738,000 cu. m., of which 29,964,000 cu. m. went to households and industry, 232,000 cu. m. for streetlighting purposes and 1,471,000 cu. m. were lost in transmission. Neighboring communes got 277,000 cu. m. Most of the gas distributed was manufactured in the plant; a negligible amount (101,000 cu. m.) was brought in from the outside.

Sales figures for 1937 are unavailable, but judging from the increase in byproducts (see below), there must have been a considerable increase over 1934-35. Statistics do indicate that gas output in 1936-37 was 14 percent higher than those of the preceding year, and yet there was only an increase of 7.3 percent in the sale of gas. The rest was used for heating ovens, since there was an increased demand for coke (possibly for industrial purposes). In 1936-37 also, the gasworks produced 23.2 percent more coke, 21 percent more benzol and 18.8 percent more crude tar than in the previous year.

In 1934-35, byproduct figures were: 59,330 tons of coke, 3,000 tons of tar, 530 tons of pure benzol and 203 tons of ammonia. The 1937 figures show the manufacture of 4,820 tons of tar, 223 tons of ammonia and 957 tons of pure benzol.

LÜBECK (Schleswig-Holstein)

(Population: 154,811)

The Städtische Werke, municipally owned and operated, gets its gas from the Herrenwyk plant of the Hochtiefwerk Lübeck A.-G., north of the town beside the river Trave.

The city manufactures some gas in addition to its outside purchases until about 1931, when its benzol producing apparatus was reported as no longer functioning. Figures for 1931/32 indicate that the city's supply was exclusively gas purchased from outside sources.

The 1934/35 figures show that the plant had a total length of 274 km. of low-pressure mains, 89 km. of high-pressure pipes (7 only 3 km. in 1933-34) and 182 km. of long-distance pipelines.

The gasplant uses a very effective system of under-water siphons (Düker). There are 15 mains supplying the city; the first of these were built ca. 1828 and were still in service in 1941, and all but 3 were constructed after 1934. Their internal diameter ranges from 75 mm. to 200 mm.; they are laid in dredged trenches and are made of lead or lead pipe with steel covering. For protection against corrosion, they are coated with a combination of wood, lead, jute, and asphalt, two mains, built in 1941 are coated with a special synthetic resembling synthetic rubber.

In 1934-35, the gasworks supplied gas to 14,835 houses, 35,916 consumers, 34,884 meters and 9 neighboring communes (population 21,000), in a total supply area of 160,000 population. Total gas distributed in 1934-35 amounted to 18,728,000 cu. m., of which 16,414,000 cu. m. were sent to households and industry, 1,350,000 cu. m. for street-lighting and 964,000 cu. m. were wasted in transmission. In addition, 1,134,000 cu. m. of long-distance gas were supplied to surrounding communes.

In 1937, 26,964,000 cu. m. of gas were distributed, of which 24,868,000 cu. m. went to households and industry, 1,579,000 cu. m. for streetlighting and 526,000 cu. m. were lost in transmission. Long-distance gas was supplied to two communes, population 14,800.

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Tanks for low-pressure city gas for bus fuel were built in 1943. These were situated, not at the end of the busline as the bus authorities would have wished, but at places suitable for distribution from the mains. One type of tank was connected to the high pressure mains and had a capacity of 400 cu. m. an hour.

MAGDEBURG (Province of Saxony)

(Population: 336,838)

MAVAG (Magdeburger Versorgunsbetriebe A.-G.), the municipally owned gas, electricity, and water supply company of the city of Magdeburg, produces part of its gas in a separate local gas plant but purchases the major portion via GAMANAG from the nearby Grossgaswerk Mitteldeutschland at Magdeburg-Rothensee.

In 1934 the MAVAG plant produced 5,843,000 cubic meters of coal gas and 4,336,000 cubic meters of double gas or water gas, consuming 21,363 tons of coal; the major portion of its supplies, 19,793,000 cubic meters, was purchased. By 1937 the company disposed of 37,381,000 cubic meters in all. The proportion produced by the city plant is not known, but the circumstance that tar production exceeded the earlier figures by two-thirds suggests that a greater quantity of gas was produced. Fully 1,316,000 cubic meters was consumed within the plant for heating ovens and 97,000 for other purposes, while 1,174,000 was wasted in the course of distribution during 1937. Byproducts included 1,449 tons of tar, 48 of ammonia, and 7 of pure benzol (1937), and 14,608 tons of coke (1934).

During 1938 MAVAG made an agreement with GAMANAG to use its own local production equipment to a fuller degree in order to ease the great demands being made upon the grid. MAVAG benefitted financially by this agreement.

As the gasholders available in 1935 were antiquated, the construction of a new 50,000 cubic meter holder of the telescopic type with three lifts was commenced in that year. There were 13 kilometers of high-pressure mains and the low-pressure distribution net, within the city amounted to 417 kilometers (of which 77 kilometers were "medium-pressure"). In 1943, when 6,650 houses and 63,647 gas meters were connected. There was a marked increase by 1937, to 12,000 houses and 68,875 meters.

Street lighting accounted for 3,159,000 cubic meters of the 1937 consumption. This was a marked increase in consumption over 1933, when about 85 percent of the streets in Magdeburg were lit by gas.

A small separate company owned largely by THUGA, called Gas- und Stromversorgung Magdeburg-Südost A.-G., was operated in the southeast part of the city, handling in 1937 1,351,000 cubic meters of gas, all of which was purchased from some outside source, doubtless either GAMANAG or MAVAG. It delivered gas to 1,303 houses and 5,222 meters, plus 180,000 cubic meters of gas used for street lighting.

WESERMÜNDE (Hannover)

(Population: 112,831)

The municipally controlled Stadtwerke Wesermünde (gas, electricity, water) operates a gasworks which manufactures its own gas exclusively. In September 1939, when the city of Bremerhaven was incorporated into the city of Wesermünde, the Stadtwerke Wesermünde took over the Bremerhaven Städtische Werke, which also included a gas plant.

In 1934-35, the Wesermünde plant used 20,431 tons of coal and obtained a yield of 403 cubic meters of gas per ton of coal. In addition, the plant used 348,000 cubic meters of its own manufactured gas for plant heating purposes.

The installations of the Wesermünde plant included (1935) Döbler inclined vertical chamber ovens; chamber ovens were ordered for the Bremerhaven plant in 1934.

In 1932-33 the Wesermünde plant had 113 kilometers of low-pressure mains; in the following year 10.95 kilometers of mains and distribution lines were laid to supply a gas distributing plant in the Leberheide district, thus bringing the total length of mains to 124 kilometers.

Figures for 1934-35 indicate that the Wesermünde plant supplied 5924 houses, 21,020 consumers and 21,600 meters (of which 5,127 were of the slot-meter type) in a supply area of 77,005. In 1937, the number of houses had increased to 5,390. (Other figures are lacking.)

Total sales of gas for 1934-35 amounted to 7,871,000 cubic meters of which 6,157,000 cubic meters represented meter sales, 908,000 cubic meters streetlighting sales and 758,000 cubic meter wastage in transmission. A 1935 report shows 1.6 percent increase in sales over

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CONFIDENTIAL

the preceding year, good sale of byproducts and new constructions amounting to 300,000 RM financed from current means.

Byproduct figures for 1934-35 show 13,846 tons of coke, 1,040 tons of tar, 58 tons of pure benzol, and 42 tons of ammonia. Statistics for 1937 show little change: 1,063 tons of tar, 33 tons of ammonia and 81 tons of pure benzol.

The Bremerhaven plant figures for 1934-35 indicate that 3,362,000 cubic meters were manufactured and distributed, of which 2,091,000 cubic meters went to households and industry, 434,000 cubic meters for streetlighting and 88,000 cubic meters were lost in transmission. Byproduct figures were 5,940 tons of coke, 422 tons of tar and 21 tons of benzol.

The 1940 report, the first one after the union with the Stadtwerke of Bremerhaven (population, 26,790), showed an increase of gas sales of 2.3 percent; in 1941 there was an increase of 0.5 percent in gas sales.

DEPARTMENT OF STATE

DIVISION OF ~~XXXXXXXXXXXXXXXXXXXX~~

March 30, 1945

Received of M. A. Shipley, (DG/L) one envelope addressed to Hon. Henry Morgenthau, Secretary of Treasury, containing an envelope marked "TOP SECRET" addressed to him.*

M. A. Shipley

*Paraphrased copy of Chungking 531 of March 29, 1945.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Chungking
TO: Secretary of State, Washington
DATED: March 29, 1945
NUMBER: 531

TOP SECRET

Adler transmits the following cable (for Treasury only) to Secretary of Treasury Morgenthau.

(1) In a conversation with O. K. Yui and Pei held on March 28, I learned that the desirability of readjustment of exchange rate is being considered by the Chinese Government. It was made clear by both of them that such readjustment, if and when adopted, would be provisional and temporary. As a possibility, Yui mentioned a rate of 250 to 1, or approximately half open market rate for United States currency. It is not unlikely that the question will be taken up by Dr. Soong in Washington, although there was no indication during the conversation that any action is contemplated in the immediate future.

(2) No elaboration is necessary regarding the pertinence of the above to current negotiations on United States Army expenditures in China.

(3) Dr. Soong will be accompanied to the United States by Pei, who is Soong's chief financial advisor.

ATCHELSON

DG/L:MAS:CVT

3-30-45

173

MAR 30 1945

To: Mr. Collado

From: Mr. Cox

Will you please send the following cable to the American
Embassy, Chungking, China:

FOR ADLER FROM THE SECRETARY OF THE TREASURY

Please inform O. K. Yui that we understand that Kung has
agreed to Treasury's suggestion that Dr. Chao-ting Chi prepare
(a) a section by section detailed annotated analysis of the
Bretton Woods legislation pending in Congress together with a
translation into Chinese of this analysis and (b) a report and
analysis of discussions in Congress on the Bretton Woods
legislation with emphasis on matters of particular interest to
the Chinese. The Treasury feels that this will greatly facilitate
and expedite future discussions of Bretton Woods proposals.

Please express our appreciation to O. K. Yui that Dr. Chi
is being made available for this assignment.

Charge appropriation T1307

ISB/afz 3/29/45

DEPARTMENT
OF
STATE

OUTGOING
TELEGRAM

174
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

March 30, 1945

6 p.m.

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

U.S. Urgent
AMEMBASSY,

CHUNGKING, (CHINA).
SIS

FOR ADLER FROM THE SECRETARY OF THE TREASURY

DEPARTMENT OF STATE

7-1945
DC/L
LIAISON OFFICE

Please inform O. K. Yui that we understand that Kung has agreed to Treasury's suggestion that Dr. Chao-ting Chi prepare (a) a section by section detailed annotated analysis of the Bretton Woods legislation pending in Congress together with a translation into Chinese of this analysis and (b) a report and analysis of discussions in Congress on the Bretton Woods legislation with emphasis on matters of particular interest to the Chinese. The Treasury feels that this will greatly facilitate and expedite future discussions of Bretton Woods proposals.

Please express our appreciation to O. K. Yui that Dr. Chi is being made available for this assignment.

STETTINUS
(CL)

FN:PMG:rak 3/30/45

175

MAR 30 1945

To: Mr. Collado

From: Mr. Coe

Will you please send the following cable to
the American Embassy, Chungking, China:

FOR AMELJH FROM THE SECRETARY OF THE TREASURY

Reference your 539, March 27, 1945.

Treasury agrees to your returning to Washington
for about two weeks. Please inform Embassy and Army
Headquarters of this.

Charge appropriation T1387

ISV/sfs 3/30/45

DEPARTMENT
OF
STATE

OUTGOING
TELEGRAM

176
DIVISION OF
CENTRAL SERVICES
TELEGRAPH SECTION

LFG

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
agency. (SEC. 10)

DIVISION OF March 30, 1948

CENTRAL SERVICES

6 p.m.

APR 2 AM 11 34

DC/L
LIAISON

AMEMBASSY,

CHUNGKING, (CHINA).

519

FOR ADLER FROM THE SECRETARY OF THE TREASURY

Treasury agrees to your returning to Washington
for about two weeks. (Reference your 519, March 27,
1948). Please inform Embassy and Army Headquarters
of this.

SKETTINIUS
(GL)

For security reasons the
text of this message must
be closely guarded.

PH:KcG:mk

3/30/48

177

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

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

QUOTE THE RESCUE ABNETTA OSWALD ROCHBERG, THURSDAYSTADT FOR WHICH WE REMITTED \$1,000; HEUNG GROSS-LIEBERMAN AND DAUGHTER RUTH AND LOTHAN JAMES SHOP BOTH REKERNHEISEN FOR WHICH \$800 REMITTED FOR EACH. INSTRUCTIONS FOR DISTRIBUTION OF BALANCE OF \$5800 FROM THE \$8400 WE RECENTLY TRANSMITTED WILL FOLLOW LATER. UNQUOTE

THIS IS WEB REUR CABLE NO. 483

11:30 a.m.
March 30, 1945

178

CABLE TO AMERICAN EMBASSY, ROME, FROM THE WAR REFUGEE BOARD

Please deliver the following message to Reuben Reznik, from M. A.

Leavitt of American Jewish Joint Distribution Committee:

QUOTE BENJAMIN BROOK ENGAGED ASSIST OUR PROGRAM ITALY. BORN NEWYORKCITY JANUARY 31, 1913. MARRIED ONE CHILD. NECESSARY SECURE MILITARY PERMIT SOONEST. PLEASE ARRANGE. UNQUOTE

11:30 a.m.
March 30, 1945

178

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

Please deliver the following message to Joseph Schwartz from

M. A. Leavitt, American Jewish Joint Distribution Committee:

QUOTE COUNCIL JEWISH WOMEN HAS REHEARSED PROPOSALS OF LAST SUMMER CONCERNING ASSIGNING STAFF UNIT THEIR EXPENSE TO JDC PROGRAM OVERSEAS. THEY READY ENGAGE THOSE WOMEN CHILD CARE WORKERS FOR USE WITHIN JDC PROGRAM. THEY PARTICULARLY DESIROUS START IMMEDIATE RECRUITMENT. BELIEVE SUCH PROJECT MUTUALLY BENEFICIAL PUBLIC RELATIONS PURPOSES. NECESSARY RECEIVE YOUR CURRENT THINKING REGARDING UTILIZING SUCH UNIT. OUR CONTINUED NEGOTIATIONS THIS MATTER DEPENDENT YOUR REPLY. UNQUOTE

11:30 a.m.
March 30, 1945

180

CABLE TO AMERICAN EMBASSY, LONDON, FOR WARD, FROM WAR REFUGEE BOARD

Please deliver the following message to Harold Linder from M. A.

Leavitt of American Jewish Joint Distribution Committee:

QUOTE GENERAL O'DWYER NOT PLANNING PRESENTLY PROCEED SWITZERLAND. MUST LEAVE YOUR DECISION BASIS FURTHER INFORMATION YOU CAN SECURE FROM LISBON OFFICE AND SALY MAYER WHETHER YOU SHOULD PROCEED SWITZERLAND. HOPE KATKI HAD OPPORTUNITY TALK WITH YOU. UNQUOTE

THIS IS WRB LONDON CABLE NO. 62

11:30 a.m.
March 30, 1945

PLAIN

London

Dated March 30, 1945
Rec'd 12:00 p.m.

Secretary of State

Washington.

3287, Thirtieth

From Earl G. Harrison.

As a result of discussions with the French authorities by Dr. Kullmann, Assistant Director of Intergovernmental Committee on Refugees, the French Ministry for Foreign Affairs wrote the Director of ICG on March 23: (1) That the French Government had ratified the Convention signed at Geneva on February 10, 1938 concerning the status of refugees coming from Germany, (2) That instruments of ratification have been transmitted to the League of Nations and the promulgation decree of the French ratification will be published shortly and, (3) that the French Government has decided to adhere to the additional protocol to the foregoing Convention which extends its provisions to refugees coming from Austria. In the same letter the French Foreign Office requests the ICG to assume officially within the framework of the general ICG mandate the protection of refugees coming from Germany and Austria and adds that should the ICG accept the official mission the French Government is prepared to take measures by decree to enable the ICG representative in France "to exercise the same powers as regards the legal and political protection of the German and Austrian refugees as those conferred on the representative of the League High Commissioner in France by the agreement dated June 30th, 1938, dealing with the protection of Russian refugees." A meeting of the Executive Committee of the ICG has been called for April 11 to act upon French government's invitation. The Director points out that the group of refugees concerned, namely German and Austrian refugees, is the group comprising the original mandate of the ICG when it was created in 1938 and the protection of their

#3287

- 2 -

Thirtieth, from London

interests has always been an important function of the ICG. The Director strongly recommends that the Executive Committee give favorable consideration to the proposals of the French authorities pointing out that their acceptance will have the following results.

First. The ratification of the Convention by the French Government gives members of the group in France a definite status and specific rights.

Second. The approval of the proposals will confer on the ICG and its representative in France the formal authority to represent to the French Government matters of a general and particular character affecting the interests of members of the group.

Third. The grant of quasi-consular powers to the representative of the ICG will be an addition of much value to the functions which the committee has hitherto been able to perform on behalf of these refugees. I heartily concur in Director's recommendations and request that I be authorized before April 11th meeting to vote for approval of the proposals. Please instruct urgently.

WIRAPP

WJH

183

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

Please deliver the following message to Judah Magnes, Jerusalem,
from Paul Baerwald, American Jewish Joint Distribution Committee:

QUOTE HOPE IT IS POSSIBLE FOR YOU TO MAKE/SHORT VISIT HERE
IN ORDER DISCUSS OUR EXPANDING PROGRAM IN PALESTINE AND MIDDLE
EAST. OUR COMMITTEE FEELS THAT SUCH VISIT FOR CONSULTATION
IMPORTANT AND NECESSARY. PLEASE ADVISE YOUR PLANS. ASSUME
YOU WILL KEEP SCHWARTZ INFORMED. UNQUOTE

11:30 a.m.
March 30, 1945

184

CABLE TO AMERICAN EMBASSY, LISBON, FROM THE WAR REFUGEE BOARD

Please deliver the following message to Harold Trode, Lisbon,
from H. A. Leavitt of American Jewish Joint Distribution Committee:

QUOTE ADVISE SCHWARTZ COMMITTEE BELIEVES IT URGENT HE
RETURN HERE FOR CONSULTATION END MAY. NATURALLY IF HE
CAN ARRANGE VISIT BELIANS HE MAY HAVE TO POSTPONE RETURN
TO LATER DATE. IN ANY EVENT WE CONSIDER HIS RETURN
WITHIN NEXT TWO TO THREE MONTHS OF GREATEST IMPORTANCE.
UNQUOTE

THIS IS WAR LISBON CABLE NO. 163

11:30 a.m.
March 30, 1945

185

CABLE TO AMERICAN EMBASSY, LISBON, FROM THE WAR REFUGEE BOARD

Please deliver the following message to Harold Trobe, Lisbon,
from H. A. Leavitt of American Jewish Joint Distribution Committee;

QUOTE APPROVED APRIL APPROPRIATIONS SIMILAR MARCH EXCEPT
SPAIN 10000 UTILIZING UNEMPLOY BALANCE 635000 POLAND 150000
PACKAGE SERVICE 100000 TURKEY NORTH AFRICA NO PROVISION
LETTER FOLLOWS: UNQUOTE

THIS IS WGR LISBON CABLE NO. 164

11:30 a.m.
March 30, 1945

PLAIN

Lisbon

Dated March 30, 1945

Rec'd 9:45 p.m.

Secretary of State,

Washington.

692, Thirtieth

WHS 372 JDC 208

FOR LEAVITT FROM HAROLD TROBE.

EROTTHINGHOLM arrived left Lisbon yesterday with 133 Turkish Sephardics on Bergen Belsen en route Istanbul for exchange. Group left Bergen Belsen March 4 embarked EROTTHINGHOLM at Goteborg where they received clothing, food, some money from community. Ship then proceeded Liverpool where Easter bread, et cetera put aboard. Group includes 32 women lately interned Ravensbruck two Auschwitz five Theresienstadt. Understand between 45 and 50 thousand persons still interned Bergen Belsen many whom lately transferred from camps Poland including Birkenau. Report group 156 Spanish Sephardics from Athens still Bergen Belsen but expected leave camp soon for Switzerland. Ravensbruck has approximately 50 thousand internees among whom 5 thousand Jews mostly Hungarians. Conditions camp terrible but no basic change since last reliable reports but all persons urge food be sent camp. EROTTHINGHOLM group previously resided Italy, France, Holland, Belgium, Germany, Poland and most of them anxious immigrate Palestine. We distributed beard money put fresh fruits aboard attended personal needs passengers. Ship will stop Port Said en route Istanbul.

CROCKER

WTD

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Rome

TO: Secretary of State, Washington

DATED: March 30, 1945

NUMBER: 834

SECRET

This is a secret message.

For Harold Trobe JDC, the following is in paraphrase from Israel Jacobson.

Fifty-nine is the number. It was stated in a communication received from AFHQ that they have been advised by the United States Deputy Political Adviser that, according to information received from the Embassy in Belgrade, negotiations are now in process for the dinar-dollar exchange rate. At earliest possible date, question of remittances by JDC for relief purposes will be advanced. Developments will be given to us currently. Best wishes.

This message has been repeated to the Department, as numbered above, (JDC 22) for transmission to Moses A. Leavitt, Joint Distribution Committee, New York, and it has also been sent to Lisbon.

KDKK

188

CAME TO CAPTIVITY, PARIS, FOR JAMES H. HARRIS FORM SECRETARY OF THE TREASURY

In view of Taylor's absence from London you are instructed to return to London to be in charge of Treasury office there immediately upon completion of War Refugee Board negotiations with G-4 in Paris. War Refugee Board concurs.

4:30 p.m.
March 30, 1945

NOT TO BE RE-TRANSMITTED

COPY NO. 189SECRETOPTEL No. 102

Information received up to 10 a.m., 30th March, 1945.

NAVAL

1. HOME WATERS. 29th. One of H.M. Canadian Frigates torpedoed by U-boat off Lamps End when 4 casualties suffered and although seriously damaged was towed into Mounts Bay.
2. NORWEGIAN WATERS. Two of H.M. Cruisers with 4 escort carriers and 7 destroyers (including two Canadian Destroyers) have returned from carrying out sweep off Norwegian coast. Bad weather impeded operations but on 28th aircraft attacked two ships and A.A. defences Aalesand and W/T station Vikeroy, when 3 enemy fighters shot down with 1 of our Barracudas missing.

MILITARY

3. WESTERN FRONT.
 Southern Sector: On 3rd U.S. Army front Frankfurt reported clear after sharp street fighting, and armoured columns have reached Geissen and Lauterbach (30 miles north and 45 miles N.E. Frankfurt respectively), whole Wiesbaden entered and enemy elements remaining in pocket N.W. of town being mopped up.
 Central Sector: 1st U.S. Army tanks entered Marburg and have now struck due north in direction Paderborn.
 Northern Sector: Resistance still strong on southern flank of Northern group of armies but slackening slightly to north where troops of 3rd Canadian Infantry Division reported to have captured Emmerich after hard fighting, while in centre British armoured units reported to have reached Coesfeld and Buldern in their drive N.E. towards Munster.

4. EASTERN FRONT.
 Southern Sector: In rapid advance Russians have taken Szombathely and Kapuvár while after capturing Keszeg they have reached Austrian frontier 53 miles south Vienna.

5. BURMA.
 Central Sector: Strong enemy opposition being encountered Taungtha area while enemy attacks against Meiktila airstrips continue. Our troops now fighting to clear enemy road block 6 miles N.E. Myingyan while to N.E. troops advancing from area west Kyaikse now within 1 mile of armoured column north Myittha.
 Northern Sector: Chinese troops have occupied Mong Yai (40 miles S.E. Lashio) without opposition.

AIR

6. WESTERN FRONT.
 29th. Bomber Command escorted Lancasters 121 attacked Benzol plant Brunswick (446 tons) through cloud.
 SHAEF (Air) aircraft dropped 54 tons on gun positions north Emmerich.
 29th/30th Night. Bomber Command despatched 58 aircraft (without loss) including 48 Berlin.

7. SIAM.
 27th. 79 escorted Liberators (1 fighter missing) attacked supplies Bangkok (120 tons) with good results.

HOME SECURITY (up to 7 a.m. 30th)

8. FLYING BOMBS. 29th. 11 plotted.
 29th/30th (night). No activity.
9. ROCKETS. No rocket incidents reported for past 62 hours.

March 31, 1945
11:45 A.M.

120

HMJr: Dan?

Mr. Dan

Bell: Good morning.

HMJr: George and I are sitting here relaxing and you should be very jealous.

B: Well, I am, very envious.

HMJr: Yeah.

B: Nice hot sun and a good beach, I guess.

HMJr: That's right. Now, what do you know?

B: Well, I don't know much. I talked to Allan as I told you I would and he seems to be very agreeable to what you suggested to me in the morning.

HMJr: Yeah, you know ---

B: He said, "I think it is within the range of the suggestions of the Committee - a little longer in term, but," he said, "I don't think we will find any trouble in going along with you." I've not heard from Eccles. Ronald said he would try to get him something yesterday afternoon, and then try to talk to him today. But I told him that if he could let me know by 12 the tentative decision and the final by 12 o'clock Monday, I would appreciate it.

HMJr: Now, look. Hello?

B: Yes.

HMJr: The only thing that disturbed me a little bit was on the fixed maturity.

B: Yeah.

HMJr: And there is one thing. I wouldn't like that too much.

B: I wouldn't either. Well, Allan says this -- he said if there's a preference, he would like to have the fixed maturity at 5 and one half years, but he said he didn't want to in any way give the impression that the other wouldn't go. He said, "I think it would very well."

HMJr: No, I talked to him later on.

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B: Oh, yeah.

HMJr: I told him to tell you.

B: Yes, he called me later and said he had talked to you.

HMJr: And he is perfectly satisfied if I wait to Monday evening.

B: Oh, yeah, he is all right. He said he thought that that was a wise thing.

HMJr: And, but he said he thought that was the deadline.

B: Yeah, well, we are getting pretty close now, I think.

HMJr: Unless there is something in the war news, I don't see why I shouldn't.

B: I don't either.

HMJr: Anything else?

B: I've got two things -- on June 15th we have the old veterans bonus bonds maturing.

HMJr: Yeah.

B: \$16 million.

HMJr: Wait a minute, there is a plane going over. Wait a minute.

B: All right. (Pause)

HMJr: Hello.

B: \$16 million dollars of the old veterans bonus bonds maturing, and there is ten years interest on it which gives us about, oh, 50% increase.

HMJr: Yeah.

B: Making about 265 or 70 million all told.

HMJr: Yeah.

B: When we pay those bonds, we'll pay a \$50 bond and we'll give them a check for \$63.50 with the interest.

HMJr: Yeah.

- 3 -

B: Doesn't readily lend itself to any exchange of any kind into a bond.

HMJr: Yeah.

B: But I thought what I'd like to do would be to write to General Hines telling him about this and he can write ou to his Agencies plus the American Legion, and get them to encourage the boys to put their money into the Drive securities. E's and so forth.

HMJr: Good.

B: Then I thought that they might have Ted Gamble write his State Chairmen that these bonds will be maturing and that the veterans should be urged to put them into the --

HMJr: I think that is good.

B: All right. Now, when they last talked with the bankers and others talking about putting restrictions on the 7th War Loan Drive, particularly the bankers in buying War Loan accounts. I suggested that we might put a restriction on the War Loan accounts -- say 25 or 30%. I've about come to the conclusion that in view of these restrictions that we've already got that we had better leave the War Loan accounts alone.

HMJr: Well, I don't know too much about it, and I'd go by your advice.

B: Well, I think I'd just drop it and let it stand because I'm kinda afraid to monkey too much with it. We've put -- we shouldn't put too many restrictions on one Drive. Go by degrees.

HMJr: All right.

B: Now yesterday in the Senate there was quite a discussion of surplus property disposal, and the Treasury came in for some criticism.

HMJr: Yes.

B: All apparently are unjustified and based on erroneous information.

HMJr: Yeah.

B: They attached to the Treasury Bill this proviso -

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B:(cont) "Provided that no part of this appropriation shall be available for expenditure unless and until the Surplus Property Board has authorized the Procurement Division to dispose of particular lots or categories of surplus property."

HMJr: My God.

B: Now John Pahle -- he's sending you a memo by the way - I've got it here before me now.

HMJr: Yeah.

B: He says that it really doesn't add anything to what they've already got as authority in the Board. He's willing to accept it but what he would like to have done is the record cleared, and I'm going to call up Gillette and ask him if he will send a letter to McKellar correcting the record and having McKellar put it in the Congressional Record.

HMJr: Well, I would make an effort to get it knocked out.

B: You would.

HMJr: Yeah.

B: Well, he says the amendment, as we read it, will have no real effects since the Surplus Property Board already has the power which is given to it under this amendment.

HMJr: Well, I can't say at this end -- I'm not - I'll leave it to you fellows, but I think its a mistake. Sort of, oh, I don't know.

B: We might put in the Gillette letter that he already has this authority and Treasury is living up to it, and it isn't needed, and, therefore, we are asking that it be eliminated in conference.

HMJr: My advice would be to try to get it out. I don't care what Pahle says.

B: Yeah.

HMJr: I would make an effort.

B: Well, they are in my office now and are just waiting for me to come back, and we just started to discuss it.

- 3 -

HMJr: Well, my advice is to try to get it put.
 B: All right. That's all I have.
 HMJr: All right, Don.
 B: Fine.



TREASURY DEPARTMENT

WASHINGTON

March 31, 1945

My dear Mr. Secretary:

Attached is a draft of the Baltimore speech. This has not been checked with Messrs. Rife, Gaston, or Bernstein, but is not out of the typewriter. I am sending copies to all of them now, so that they can make their suggestions for changes today or Tuesday. I think the speech is very good and at most will need a change here and there in the interests of technical accuracy. It is the type of speech that we can print and distribute to the many individuals and organizations requesting material free of charge.

The Baltimore meeting is in good shape. Dunbar is trying to get radio time and the local committee in charge of arrangements is going to make this a very big event. The other speaker on the program with you is Dean Johnson.

I am about to give you a brief report on our activities of the past week or so. They are listed below:

1. I arranged with Percy Saperich to activate small business groups and individuals throughout the country in behalf of Bretton Woods. Saperich arranged a meeting of his Board of Directors at which Bernstein and I talked. The group was quite enthusiastic and will take concrete steps in our behalf. Out of that meeting grew an arrangement for White, Bernstein and myself to meet with members of the House Small Business Committee. A representative of the committee was present at Saperich's meeting.

2. I contacted R. L. Wilson, Director of the Extension Services in the Department of Agriculture. He then met with some of his people and worked out a plan for getting county agents working on Bretton Woods.

3. We arranged for Bill Clayton to make a 15-minute broadcast last Saturday night over CBS. He did a very good job. The speech has been inserted in the Congressional Record by Senator Barkley.



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- 2 -

4. Arrangements have been completed with Mary Margaret McBride for your interview over NBC in New York at 1 p.m. on Tuesday, April 10 which is the date you will be in New York for the war bond drive. We are preparing questions and answers for you and Miss McBride.

5. I have been in touch with Dorothy Lewis of the National Association of Broadcasters and we have worked out a program for supplying material to 700 women commentators throughout the country. This material will be prepared by my staff and sent to the commentators by a number of outside organizations such as National Women's Council, League of Women Voters, Americans United, and some of the church groups. In this connection also, I have worked out an arrangement with Mrs. Julia Edwards of the Democratic National Committee whereby they will supply copies of a flyer for distribution to the women commentators.

6. We have worked with the East-West Committee in the preparation of a comic book which tells the story of Bretton Woods. They will distribute it.

7. Similarly, we have worked with the League of Women Voters in the preparation of a highly simplified pamphlet entitled, "The True Story of Bretton Woods", geared to the children's level.

8. We have prepared a fact sheet on Bretton Woods which will be distributed widely under the imprint of various organizations. We have arranged for the distribution of 5,000 pamphlets on Bretton Woods to college presidents and school teachers. In this connection, it was arranged that requests for the material come to us from the president of the American Association of Universities and the National Education Association, for distribution to their membership.

9. We have kept up the flow of material into the Congressional Record for various Congressmen and Senators.

10. We have worked with a number of national organizations, particularly church groups, getting new endorsements and more action by those who had already endorsed Bretton Woods.

11. Through Bartley Crum, whom you may remember as the organizer of Republicans for Roosevelt, we have started to organize business men on the West Coast to join with our Eastern group in the business men and industry committee for Bretton Woods, which we hope to announce in mid-April.

12. We have scheduled a number of additional speakers on Bretton Woods for various meetings in critical areas throughout the country.

13. We are still on the trail of the tobacco industry, but I must admit that I have not hit the nail on the head yet. We hope to get to Clay Williams next week. Also, I have an appointment on Wednesday with Bob Hannegan to get his assistance with some of the industry groups.

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- 3 -

14. We have talked to the Director of the Milk Producers' Association and have some hope of getting an endorsement there, although the tariff question muddies the waters a little bit.

In addition to these specific things, there are a number of other activities which have become more or less routine. That is, we are following up on all of the things that had been started before, such as contacts with columnists and commentators, activation of national organizations, etc.

The International Latex sale, about which I informed you some time ago, are scheduled to appear beginning about April 5. Spauld is planning to publish a series of three in 35 newspapers.

I hope this is the kind of information you wanted.

Sincerely yours,

Rudolph Feltus

B. Leroy
B. Leroy

Note: This letter dictated by Mr. Feltus and read by Mr. Leroy.

Honorable Henry Mergenthan, Jr.,
Hotel Sheraton Plaza,
Daytona Beach, Florida

Enclosure.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date March 31,
1945

TO Secretary Morgenthau
FROM Randolph Feltus

This is just a suggestion.

As I indicated to you over the telephone this morning, the question of the psychological effect of V-E Day is causing a lot of concern here in Washington. Just what kind of celebration is best for that occasion is an important question at the moment. I submit that it would be effective to promote a series of special bond rallies in every large city on V-E Day, at which time a special issue commemorating the day and pointing to the continuation of the war against Japan would be sold. This would have a dual purpose:

1. It would provide a device through which citizens could give vent to their desire to celebrate, and
2. It would place emphasis upon the fact that the war is continuing.

It might produce some real bond sales and, at the same time, interrupt the trend of thinking that the war is over.

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DRAFT OF SPEECH

Secretary Morgenthau

April 14, 1945 - Fifth Regiment Armory, Baltimore, Maryland

I understand that there are more than 15,000 of us here tonight. I wish we were 15 million, for the matters we have to discuss, the problems the world must quickly solve are of vital concern to every American. Eagerly and in utter confidence, we work for the day when the military might of Germany and Japan will each receive its death blow, but who among us dares look beyond that day with a feeling of certainty that he will be employed in a prosperous, peaceful world?

Paradoxically enough, these problems are of greatest concern to the very people now turning the wheels of war industry fastest. The welder must wonder every time he watches his completed ship slide down the ways what he will be doing when the war ship-building program is finished. The maker of lathes must often count his chances of continued work in the machine tool industry, which now employs ten times the number required before the armaments race. The steel miller, the copper molder, the chemist look anxiously from war expanded industries to an uncertain future.

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We may comfort ourselves with the thought that domestic reconversion and replacements of equipment will keep us at work. But considering that before the war this country found it impossible ever to utilize our full capacity of steel production, in good years or bad, how long will the industry continue at a capacity expanded by 25 million dollars worth of new facilities? How long will a capacity quota of aircraft workers continue to stream into plants if plane production drops from 100,000 a year to 25,000? And in the machine tool industry, every effort will be required to prevent repetition of the unemployment which followed World War I when production fell 76 per cent in a single year.

Solving our problem of employment is no small task, but formidable as it seems at first, I haven't a single doubt that it can be done, and I'll tell you why. The world's greatest holocaust, the tragic destruction and waste of the war years, presents the world's greatest opportunity for a fuller and better life for all the world's people. In helping the people of the devastated areas to regain their feet and begin this life, we can help ourselves to an unprecedented era of prosperity.

Let us give you an example.

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In pre-war America, a small number of factories made a total of 5000 electrical power generators, small power plants for use in rural areas to which industrial electricity had not yet extended. During the war, since each anti-aircraft unit requires one of these generators, the factories have been making 100,000 every three months. After hostilities cease, there will be on hand a million generators which you and I have bought and paid for. You and I don't need them, and if we dump them on the American market the present manufacturers can close up shop and ask their employees to come back a hundred years from now. But to the people of Yugoslavia, Belgium, France, Greece, Russia, India, China -- in all the devastated or undeveloped areas of the world -- these generators would bring desperately needed light and power. Here maintenance of a million generators would employ more workers than were needed to manufacture the total pre-war 5000, and as the generators wear out the demand for replacements would boost employment to highest war-time levels and keep it there.

Think what a million generators electrifying the farms of the world will mean to Americans whose jobs depend upon producing electric light bulbs, washing machines, irons, vacuum cleaners, and radios. America will have a

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million new customers, each the envy of a thousand neighbors. When I tell you that generators are only one of 45,000 such categories of commodities which may become economic seed-corn, you will see what I mean when I say that helping the rest of the world to its feet will help us to prosperity.

The needs of war-torn countries exceed anything our imaginations can now conceive. Transportation systems, factories, power plants, bridges, ports, and harbor installations that were a thousand years in developing are now in ruins. The task of getting blood circulating again in the veins of industry depends largely upon the people in the countries affected; but they must have help.

Now being a businessman myself, I have never advocated giving away anything, and I do not favor making indiscriminate gifts abroad even now. But, it is poor business indeed not to sell a man seed-corn on time. The world is still a good credit risk. Actually, beaten and bloody as it is, it prefers a "leg-up" to a "handout." We learned that from the liberated countries of Europe, who ask not for relief, but for a chance to rebuild their shattered economic life. What they ask is enough credit to allow a fair start.

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In July of last year, representatives of 44 nations met at Bretton Woods, New Hampshire to devise means of establishing this credit in sufficient quantity. The means they devised was simply a bank, an international bank, the working capital of which will be subscribed by all 44 nations, each according to its capacity.

The bank proceeds on tried principles roughly similar to those used so successfully for the past ten years by the Federal Housing Authority in helping American citizens to become home owners. A lot of technical jargon may go on soon, the economists behind the scenes, but actually all that happens is that a loan is guaranteed. In the case of FHA, the U. S. Government guarantees against loss the banker lending to a prospective home-builder. In the case of the International Bank, all the governments of the member nations guarantee against loss the individual or institution backing a productive enterprise in a foreign country. Thus the risk is shared.

Suppose Holland approached the International Bank to borrow money to rebuild a city destroyed by the Nazis. The lending committee would establish to its satisfaction that the project was for a productive purpose, in this case obvious. Then, if the government of Holland would guarantee the loan,

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it would be made.

The bank, which would guarantee an investor against any loss on his part of the loan to Holland, is simple and workable enough, but it will fail absolutely if the government of Holland should arbitrarily, without warning, alter drastically the value of its money. If you had lent Holland a hundred dollars, you would be pretty upset to learn one morning that she had suddenly declared the guilder worth \$2 instead of \$1, simply cutting your \$100 down to \$50. You and all other lenders would lose confidence and no more loans would be made.

Actually, there are several such evils which can result if one government acts independently without consulting the others. Our late economic rival, Germany, was a past master at thinking up these little underhanded surprises. Shiploads of steel, copper, and oil from this very port of Baltimore were more than once paid for with German marks which could be spent only as Germany decreed -- sometimes for wooden toys or aspirin tablets. She paid for one shipment of U. S. oil with 8-million harmonicas and for a valuable American automotive press with 200 thousand cokes. She bought

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South Africa's entire wool clip for three years with promises of locomotives, automotive equipment, and similar goods.

South Africa never did receive these goods.

When one nation begins these currency manipulations, others retaliate and trade between nations dies. In the 1930's every part of our American economy was directly affected by these unpredictable changes. Cotton pickers in the South felt it when currency depreciation abroad forced the price of cotton on the staples in New Orleans from 9.00¢ a pound in May 1931 to 4.06¢ in October. Farmers in Kansas felt it: from 1925 to 1928 they exported \$200 million worth of wheat each year, over one-fifth their total production; but from 1931 to 1934, the period of exchange discrimination, the yearly export fell to \$35 million, only 15% of the total. This helps explain why wheat sold for \$1.64 a bushel in May, 1923 and .49 in December 1933, and why the flour that brought the merchant \$3.68 in 1923 was dumped on the market in 1933 at \$4.05.

You in Baltimore -- the second largest port in the U. S. -- can recall the calamity that hit this city in 1933 as these exports and imports fell

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off. Earnings in the shipping industry declined even more than proportionately to the amount of trade because empty bottoms brought down freight rates. While total foreign trade was cut to a third, shipping revenues were reduced to one-fifth in these critical years.

Those were low days for the American farmer, merchant, industrialist, and industrial worker, but the bitter fact is that the very same forces which caused their misery are still at work in the economic world today. If we drift on without reaching relative stability in currencies, we will find ourselves right back again on the road to World War III.

Well aware that currency manipulation can become the most effective weapon in economic aggression, the 61 representatives at Bretton Woods agreed that it would have to be out-laws in a world

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seeking peace. That all the representatives, coming from countries of widely different economic status and interests, did reach this significant agreement is the most convincing evidence yet that the nations of the world are sincerely interested in stopping war, that the family of nations can live together in a spirit of mutually helpful cooperation.

The means they proposed was an International Fund. Money subscribed for it will be used to stabilize international currency as money for the bank will guarantee loans. The technique of stabilization is as well understood as that of making loans, and once the mechanism is set up it works. By a Fund of \$400,000,000 your Treasury has effectively stabilized U.S. currency and earned \$30,000,000 doing it. These technical matters are no more complex than in any other specialized device of our time. The inner workings of an ordinary traffic system are a mystery to most of us, but even a Seeing-Eye dog keeps his master out of trouble by stopping for the red light and going on the green.

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Nobody pretends that the Bretton Woods proposals are perfect. Modifications will doubtless be made in the light of practical experience. The important fact is that nobody can lose by Bretton Woods except a few speculators who make money gambling on the ups and downs of highly unstable currency. It is imperative to set up the machinery as soon as possible — not to risk the rejection of something that is admittedly 90% good because it may not be 100% good.

To be narrow-minded now is fatal. We have within our grasp history's greatest opportunity, which if not seized will turn into history's greatest calamity. We are the most powerful of all nations. The rest are looking to see if we are going to lead in world cooperation or withdraw, as from the League of Nations. If its strongest prop is removed, Bretton Woods will collapse. When it does, world peace flies out the window. When economic warfare is rampant, military warfare is not far off. Busharten Oaks is the police force and the court that brings quarreling nations into custody and try to make them settle their differences. Bretton Woods is the traffic system to keep them from having collisions in the first place.

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You and I will prosper in the post-war world only if it enters an era of the greatest expansion of trade between nations that it has ever known. We must have an International Bank and an International Fund to guarantee the economic seed-corn which means rehabilitation for the rest of the world and a harvest for us as well as for them. The most skilled technical people that the governments of 44 nations could find have worked out this system to speed traffic smoothly and swiftly through the waterways, highways, and skyways of world trade.

Let no one fear development of other countries that this easy flow of trade will bring. As we can see from the example of the million generators, once these countries have developed their resources they will be in an even better position to buy from the United States. Only 11 million people in highly developed Canada buy three times as much American goods as all the 620 million people of undeveloped China and India put together.

Bretton Woods is an Economic Magna Carta, a Bill of Rights for the world. It comes right down to the workbench and the lathe and the fate of the unborn child. It provides a broad base in reality for all previous Charters. The Atlantic Charter's Freedom from Fear and Want will be

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realized only on a solid foundation of world prosperity.

We can reject Bretton Woods and make the world hate and kill our grandchildren. We can accept it and give the world a new lease on life.

oOo

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE
March 31, 1945TO Secretary Morgenthau
FROM J. W. Pehle

The Procurement Division appropriation covering the expenses of its disposal of surplus property for the fiscal year beginning July 1, 1945 came up for discussion on the floor of the Senate yesterday, March 30.

There was a long, somewhat heated discussion, much of it the result of misunderstandings, and full of inaccuracies. The following points were made by various members of the Senate:

1. That the Treasury Department is disposing of surplus property without the knowledge or approval of the Surplus Property Board. This is obviously not true. The misunderstanding apparently results from statements made by Senator Gillette before one of the Congressional committees criticizing the action of the owning agencies, such as the Army and Navy, in disposing of property under the authority of various outstanding statutes without declaring it surplus. It has nothing to do with the Procurement Division's sales of surplus but the misunderstanding resulted in criticism of the Treasury.
2. Various Senators criticized Byrnes' office for not letting the Surplus Property Board be an operating agency with a large operating staff. They also criticized the Surplus Property Board for retaining Will Clayton's staff instead of getting a staff of its own.
3. Various Senators criticized the Budget Bureau for taking the same position.

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4. The RFC was criticized for disposing of property without the approval of the Surplus Property Board and for crediting the proceeds from the sale of its surplus property to its own corporate funds instead of transferring them to Miscellaneous Receipts.

5. Senator Langer tried to get the whole appropriation stricken which the Senate refused to do.

As the result of this discussion the Senate adopted an amendment reading as follows:

"Provided, That no part of this appropriation shall be available for expenditure unless and until the Surplus Property Board has authorized the Procurement Division to dispose of particular lots or categories of surplus property."

It was quite clear from the discussion on the floor of the Senate that a similar provision would have been enacted with respect to disposal of surplus property by other disposal agencies but for the fact that only the Treasury Department appropriation was before the Senate and any attempt to make such a provision apply to other agencies would have been subject to a point of order.

The amendment, as we read it, will have no real effect since the Surplus Property Board already has the power which is given to it under this amendment. However, we are going to try to get the amendment eliminated since it might be used against us in some way which we can not now anticipate.

The bill now goes back to the House and presumably the matter will be adjudicated in legislative conference.

I am keeping Mr. D. W. Bell completely posted on all developments. We are working on some method of clarifying the public relations aspects of this matter.



TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

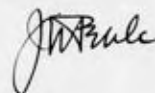
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DATE Mar. 31,
1945

TO Secretary Morgenthau
FROM J. W. Pehle

FOR YOUR INFORMATION

The attached is a good example of criticism
turned to advantage.



Attachment

THE INDIANAPOLIS NEWS
INDIANAPOLIS, IND.

Dear Mr. Frew:

We at THE NEWS were impressed with your short letter concerning our recent editorial.

The feeling was unanimous here that your two brief and pungent paragraphs did more for the Treasury Department than any two pages of "explanation" could possibly have done.

You are a good sport.

I attach our own handling of the letter.

Sincerely,

Norman E. Isaac

NORMAN E. ISAAC,
Chief Editorial Writer.

Albert W. Frew,
Procurement Division,
TREASURY DEPARTMENT,
Washington, 25, D.C.

March 26th, 1945.

THE INDIANAPOLIS NEWS

March 27, 1945

THE VOICE

The editor welcomes letters, as name and address of the sender. The return of unused letters is desired.

He Is a Big Boy

To the Editor of The News:

Perhaps it's because we seem to pull out in few places these days that we shed all our modesty and sang our own praises so loudly in that press release which The News so pointedly commented on in the editorial, "What a Big Boy Am I," in its edition of March 16.

We were proud of the Kearney sale, but we should have let the facts speak for themselves. We are properly chagrined. It won't happen again. Sincerely yours,

ALBERT W. FREY,
Procurement Division, Treasury
Department, Washington, D. C.

Editor's Note: The News congratulates Mr. Frey and his associates on their candor and sportsmanship. They did do a good job at the Kearney sale—up to the horn-tooting stage.

INDIANAPOLIS NEWS

March 10, 1945

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"What A Big Boy Am I"

Among the day's voluminous pile of press releases issued by the various agencies, departments, bureaus and divisions of the government of the United States to newspapers was one recently labeled "for immediate release." It said:

"Selling more than 90 pieces of construction machinery and farm equipment each hour was a big job and a job well done by the U. S. Treasury office of surplus property's well trained crew at its recent sale of surplus property held in Kearney, Nebraska."

The release went on to mention the "real service" being rendered by these matchless servants of the public good, to laud the treasury's "fast action," plus other comments, to wit: "The buyers apparently liked the fair and square way in which the sale was conducted." It is almost unnecessary to point out that this release was prepared by the Treasury Department's own matchless section of press agents. The only comment that occurs to describe it at the moment is Bruce Barton's remark that "conceit is God's gift to little men."

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE March 31, 1945

TO Secretary Morgenthau (For information)

FROM Mr. Coe *FC*

Subject: Digest of the main points in the annual review by the Federal Reserve Bank of New York of the balance of payments of the United States for 1944

- not read*
1. Cash imports into the United States exceeded cash exports by \$400,000,000, Latin American countries benefited particularly. Transactions for official account continued, to a considerable extent, to be dominant.
 2. Overseas expenditures by this Government effected through the Federal Reserve Bank of New York amounted to \$1,400,000,000. Such expenditures aided the British more than all other countries. The use of special currencies in the liberated areas reduced remittances through the Bank during the last half of the year.
 3. Foreign countries added \$180,000,000 to their dollar balances, purchased \$125,000,000 of securities (foreign and domestic), purchased \$345,000,000 of gold for earmarking and exported \$355,000,000 of gold.
 4. The United Kingdom acquired \$670,000,000 of gold in this country. Total British short-term balances here declined by about \$170,000,000, a net gain of \$500,000,000. The gold acquisitions represent (a) the replacement of gold sold by the British in India and the Middle East, (b) the need to cover gold commitments to Switzerland and possibly other countries, and (c) the desire to build up gold reserves against post-war demands.
 5. Latin American countries purchased \$400,000,000 of gold and added \$210,000,000 to their dollar balances. One-third of this accretion of gold and dollar balances was for Argentine account. Latin American accumulations of gold reflect a desire to recoup previous losses.

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210 WEST 76th STREET

BRUNO SHAW

NEW YORK 14, N. Y.

COMMENTATOR WJZ THE BLUE NET WORK

March 31, 1945

Dear Mr. Morgenthau,

I thought you might be interested
in my broadcast this evening on the subject
of Bretton Woods.

Sincerely,



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

BRUNO SHAW Saturday, March 31, 1945

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11.05 p.m.

W J Z ... The Blue Network

As the mounting offensive of Allied power
levels city after city in Germany into rubble
and dust - as Soviet, British and American
forces lunge deeper and deeper into the heart
of the German Reich and the total defeat of
Germany becomes more assuredly a matter of
days - rather than months -- all over the
world the people of the nations committed to
the task of defeating Germany and Japan are
asking -- and then what?

To try to answer this question - the
representatives of forty-four nations met in July
last year, at Bretton Woods, New Hampshire.
Subsequently - a meeting between delegates
of Britain, the Soviet ^{Union} and the United States -
was convened in Washington, at Dumbarton
Oaks - toward the same end. To try to find
the answer to the "what now" of the post-war
future -- without waiting for it to overtake
us unprepared and without plans for organizing
an enduring peace and some hope of world
security.

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The whole idea of both the Bretton Woods and Dumbarton Oaks meetings - was to endeavor to make plans which would result in international agreement among all the nations of the world - except Germany and Japan - for preventing threats to world peace, and suppressing them should they occur - and for the promotion of economic and financial measures which would ~~promote~~ develop internal stability and security of all the nations of the world - and thus eliminate one of the primary causes of war.

The Dumbarton Oaks conference - now to be implemented by the presence of all the United Nations - will be continued this April 25th - at San Francisco. The results of the Bretton Woods meeting - a program for international ~~financial~~ monetary stability - is now in the hands of the United States Congress for their approval by means of a joint resolution of both houses. If the Bretton Woods proposals are not approved by Congress prior to the United Nations meeting in San Francisco in

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April - or if Congress decides to make any drastic alterations in the Bretton Woods proposals as they stand -- there will be very little likelihood of the creation of a world organization at San Francisco - for such action on our part - or lack of action - would shake the faith of all the other nations of the world regarding their ability to rely on any commitments made by delegates of the United States at any international conference.

Despite this fact - there is well organized opposition - and extremely vocal opposition - to the Bretton Woods proposals - on the part of certain banking institutions in the United States. This opposition has come recently in a heavy barrage from the American Bankers Association.

This opposition
~~It~~ does not come from the entire membership of the Bankers Association. It springs only from those banks which have dealt unrestrainedly in speculation in international currencies - and whose speculations - and profits on those

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speculations - would be curtailed by the Bretton Woods proposals -- in the same manner as gambling speculation has been curtailed in the stock market through the ~~establishment~~ ^{establishment} of the Securities and Exchange Commission.

The Bretton Woods proposals are set up in two main categories. One is the International Bank - which would either guarantee loans to be made by private banks to countries of the world for industrial and commercial purposes, or ^{make such loans itself.} The other is the International Monetary Fund - the purpose of which it would be to promote exchange stabilization and to help to prevent the depreciation of any one country's currency with relation to another.

Foremost banking and financial authorities of Britain and the United States, and of many other nations - have worked on the problem of this Bank and Fund for the past three years. The proposals they agreed upon at Bretton Woods are as sound as the best of the world's technical banking experts can

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make them. They were approved in principle by the delegates of forty-four nations at Bretton Woods. The purpose for which they were designed was to eliminate the causes of national or world wide ~~financial~~ depressions and financial panics - and thus to eliminate one of the primary causes of wars between nations.

The opposition to ~~kill~~ the Bretton Woods proposals - by the American Bankers Association - hinges at the moment on the proposal to set up two separate organizations - the International Bank - and the Monetary Fund. The Bankers Association wants to eliminate the Fund - the purpose of which is to stabilize world currency exchange rates. Why two organizations - they ask - when the Bank alone could do the work all by itself? And yet - only six short months ago - the American Bankers Association was all for doing away with the Bank - and keeping the Fund. Now - only six months later - they have reversed themselves. They would kill the Fund - and keep the Bank.

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But not all bankers think alike on this matter. There is a sharp difference of opinion among them - and a large section of important American banking opinion has come out unreservedly in favor of the Bretton Woods proposals as they stand. An examination of the nature of the banks on either side of the Bretton Woods fence reveals - that bankers who make money by financing industry and commerce, are for the Bretton Woods proposals. While bankers who make most of their money by speculation in money - are against them.

While the American Bankers Association protests that it is in favor of world stabilization - but in some different way from Bretton Woods - the good faith of the Association may be judged by its stand on four major issues which have been put into effect by the government - and which ever since have been of great benefit to every American citizen in every walk of life. These four issues are:-

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The Federal Reserve System -- the Postal Savings Banks -- the Security and Exchange Commission -- and Federal Deposit Insurance, under which you and I can no longer lose our money through the failure of a savings bank.

Every single one of these reforms which have been of such great benefit - was opposed by the American Bankers Association. It has a one hundred percent negative record on these legislative *your picture of legislative* beneficial to the American people. And now - in the same way - the same Association is opposed to Bretton Woods.

The pros and cons of the Bretton Woods proposals appear to be simply this -- that the Administration in Washington, including the Secretary of State and the Secretary of the Treasury - believe that the wisest course to take - to help bring about a peaceful and secure post-war world -- is to prevent emergencies and catastrophes from arising. And toward this end they have participated in developing the Bretton Woods proposals.

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While the opposition - or anti-administration forces - appear to believe that the proper procedure would be to let the emergencies and financial disasters develop without ~~making~~ making any effort to avert them - and then decide what should be done when they happen.

That - in its essence - appears to be the basis of conflict between the two points of view.

When the subject of Bretton Woods or Dunbarton Oaks is brought up - there is always some skepticism expressed in some quarters concerning the good faith of the Soviet Union.

Now, we may not approve of the Soviet form of dictatorship - and we certainly do not want to see anything like it here - ever. But unless the record can reveal something as yet undisclosed - it is a fact that there is nothing in the history of the Soviet to indicate any basis for any suspicion that the Soviet Union does not adhere strictly to the letter and the spirit of the agreements into which it enters.

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Secretary Morgenthau this week made public an incident typical of the Soviet's attitude. In the early days of the war, he said, before lend lease to the Soviet had been arranged - the United States sold six million dollars worth of war equipment to the Soviet, which was to be paid for within ninety days - in gold. The gold was shipped from Murmansk aboard a British warship. But the ship - attacked by German forces - was sunk.

The Soviet - pointed out Mr. Morgenthau - could have claimed that they had actually shipped the six million dollars in gold, and could have set up quite a case for placing responsibility upon Britain, whose ship carried it, and ourselves, who authorized it. Lengthy negotiations could have been entered into - which might have carried on into the distant and possibly unending future.

But all that happened was - that the Soviet ambassador called upon the Secretary of the

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Treasury in Washington - to apologize for the fact that his government would need another ninety days extension of time to replace the ~~shipment~~ payment. And within ninety days - Moscow flew a second six million dollars in gold - from Siberia to Washington. The Soviet - as a result - had paid twelve million dollars in gold - on a six million dollar debt - without one word of question.

Good night.

.....

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

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April 7, 1945.

Dear Mr. Shaw:

Since Secretary Morgenthau has been detained and is likely to be away several more days I am acknowledging for him receipt of your letter and a copy of your fine broadcast of a week ago. We had been holding the manuscript for him, expecting his return this week-end.

I shall see that it gets to him when he returns. I know that he will be pleased by your kindness in sending it to him.

Sincerely,

Herbert H. Gaston
Assistant Secretary of the Treasury.

Mr. Bruno Shaw
News Room, Blue Network
30 Rockefeller Plaza
New York, New York

HSG/nah

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Dear Mr. Shaw:

Thank you very much for
sending me a copy of your March 30 broad-
cast on Bretton Woods. I hope you will
continue to do the same kind of fine work.

Sincerely yours,

Secretary of the Treasury.

Mr. Bruno Shaw
News Room
Blue Network
30 Rockefeller Plaza
New York, N.Y.

RB:ec 4/5/45



DIVISION OF MONETARY RESEARCH

TREASURY DEPARTMENT

WASHINGTON

March 21, 1945

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Dear Mr. Secretary:

A subcommittee of the so-called Clayton Committee has been meeting since last Tuesday, first in Rindlesberger's office at State on the general directive to replace JCS 1067 and today in my office in the Treasury to agree upon a financial directive to replace the previous one. The War Department has been represented by Col. Dosttler, Col. Howe, Col. Hillner and others. The State Department has been represented by Rindlesberger and various people on the economic side. The FEA by Perkins. The Treasury by Gasser, Friedman (legal) and myself. Now, by Mr. Downing and others. As a whole, we will have clean drafts of these two directives and although certain agencies will have reservations on parts, we expect the drafts to go to the higher committee in about their present form. Monday of the War Department was due to leave today for Europe, with Col. Howe, and is taking the draft of the general directive (which we now call Part I) and the Presidential directive with him.

Directive Part I General

We think this is a good document and a considerable improvement over JCS 1067. The War Department prepared a basic draft from which we asked and carried the primary fight in getting it adopted. We succeeded in strengthening this directive on certain issues of administration and denazification.

In all the arguments, we were able to get as far as we did because, we had the President's directive to fall back upon.

Some highlights of Part I of the directive are:

1. Administration. Strong statements on decentralization are included.

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2. Denazification. It contains all the good language from the President's directive and many specific measures in the right direction. It is the best document yet on this subject.

3. Demilitarization. The demilitarization section is restricted to measures concerning military personnel and to the seizure of arms. The whole question of the destruction of specialized military installations is thrown over to the economic directive (part III) which has not yet been discussed. We wished that the destruction of specialized facilities for military production should be included in this section, but capitulated when War agreed with State and FEA that it should be dealt with in the economic directive. Therefore, the extent of the destruction to be carried out is still not decided.

4. Controls. The language of this part minimizes their use, but State and FEA intend to have their main say in the economic directive (part III).

Financial Directive

The Treasury accepted as a working basis the War Department draft, which in turn was an improvement over JCS 1067. This too we have considerably strengthened. The highlights are:

Controls and responsibility. The language proposed by State on this subject was, after much discussion, opposed by everyone else but it is not clear that State will agree to leave all of it out.

Blocking and foreign exchange control. These passages have been strengthened.

External Assets. It has been agreed that all external assets will be seized and held for reparations and restitution and other purposes. This leaves the door open for their use to pay for imports. We have reserved on this matter.

Inflation. There was the most vigorous debate on this point, with State proposing extensive responsibility. We have whittled this down to a phrase which says that the German authorities "will be held responsible...". We are

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afraid that this leaves too much lee way, and intend to raise the matter in a day or so.

European Advisory Commission. The most vigorous debate of all occurred when the other agencies learned that the State Department had not instructed Winant to present the President's March 23 directive to the EAC and to negotiate an agreement upon it with our allies. Col. Boettiger, supported by us, insisted that Winant be given strong instructions on this. When we reconvened the next day we found that State had drafted a very weak cable which would have encouraged Winant to put every other matter of business before the President's directive. After an argument a strong cable beginning "it is imperative" was agreed to. However, the next day State Department said that they would not be permitted to send this. War, Treasury and Navy insisted on the strong cable but later agreed on a compromise in order to get the matter over to London.

Throughout this argument on protocol, Riddleberger for State was unable to give a cogent explanation of their conduct. It is apparent to me, however, that State simply does not like the President's directive and intends that it shall have as little effect and circulation as possible. I was very glad that Boettiger experienced this fight and got a personal view of the sabotaging tactics which were employed. He requested a copy of the letter of transmission from State to Winant on the President's directive, but I do not believe he succeeded in obtaining it.

Economic Directive

State has said each day that they were not ready to begin discussions of the economic directive. Crowley has already rung them to urge that this matter be expedited. We and War intend to ring on Monday at the highest available level to urge the same thing.

FEA has circulated a draft economic directive, which envisages a certain amount of destruction, a number of prohibitions upon production and a series of ceilings upon the production of certain items of heavy industry. Their document also presses along the Anderson theory of a long list of controls. War does not intend to prepare a directive in this field, and states they are restricting themselves to administrative matters. We are at work on an alternative

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version. My belief is that the arguments on this matter will last all of the coming week.

In short, thanks to the President's directive, we have got two documents which can probably be agreed at the highest level and are-over-all -- an improvement over all predecessors. But, mainly because of State, we expect to have great trouble on the subjects of deindustrialization and economic controls. The Treasury staff has worked long and hard and I think effectively on these matters.

Yours sincerely,

Frank Coz



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy, March 31, 1945.

The Honorable,

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

Sir:

There is transmitted a letter addressed to you by
the Prime Minister of Italy, H. E. Ivanoe Bonomi, to-
gether with a translation.

Respectfully yours,

Henry J. Tasca

Henry J. Tasca
U. S. Treasury Representative

Enclosure:

Letter and translation

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Translation
of letter from H. E. I. Bonomi to
Secretary of U. S. Treasury

March 30, 1945.

Dear Minister:

Dr. Henry J. Tasca, your personal representative in
Rome, has given me your welcome letter of March 7.

For myself, the Italian Government and the Italian
people, I wish to express the greatest appreciation for
your hope that there will be a rapid resuscitation of our
country.

The assistance which Dr. Tasca will be able to give
the Italian Government on all questions of mutual inter-
est to our two countries, for the purpose of making more
intimate and fruitful the friendship between the great
American nation and Italy is sincerely welcome and will
be particularly appreciated.

Please accept, my dear Minister, my cordial greetings.

Signed: Ivanoe Bonomi

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*Al Presidente
del Consiglio dei Ministri*

Roma, 30 Marzo 1945

Caro Ministro,

Il dr. Henry J. Tasca, Suo rappresentante personale a Roma, mi ha consegnato la gradita Sua lettera del 7 corrente.

A nome mio personale, del Governo e del popolo italiano desidero esprimerLe i più vivi ringraziamenti per gli auguri che Ella, caro Ministro, ha formulati per la rapida rinascita del nostro Paese.

Di sincero gradimento e particolarmente apprezzata sarà l'assistenza che, per Suo incarico, l'egregio dr. Tasca si appresta a dare al Governo italiano su tutte le questioni che interessano i nostri due Paesi, nell'intento di rendere più intima ed efficace di risultati l'amicizia fra la grande Nazione americana e l'Italia.

Voglia accogliere, caro Ministro, i miei cordiali saluti

W. M. Morgenthau Jr.
A Mr. Henry Morgenthau Jr.
Ministro del Tesoro degli
Stati Uniti dell'America del Nord

WASHINGTON

O

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9/ When Tress wrote its ltr of 3/17 to
the protesting proposed sale of Spanish
properties of Ilat, it did not know of the
existence of State's memo to Spanish Ambassador
of 12/6/44. Treasury is issuing a license
authorizing the sale.

Sar Stettin

12"

My dear Mr. Secretary:

Reference is made to the letter of March 29 from the Acting Secretary of State concerning the proposed sale of the Spanish properties of the International Telephone and Telegraph Company.

This letter states, notwithstanding the contents of Secretary Morgenthau's letter of March 17, that your Department questions whether there would be justification in denying the license sought by the International Telephone and Telegraph Company merely on the basis of Safehaven considerations.

The terms of the State Department memorandum of December 6, 1944 to the Spanish ambassador in connection with the sale of these properties firmly urged the Spanish Government to arrive at an equitable arrangement with the American company and therefore committed this Government not to stand in the way of a sale that might be agreed between the Spanish Government and the International Telephone and Telegraph Company. Of special interest in this direction is the last line of the memorandum, which reads as follows: "Continuing unfavorable treatment of this matter cannot fail to be prejudicial to general relations between the two countries." The existence of this memorandum was heretofore unknown to this Department and was not referred to in previous correspondence or discussions between representatives of our two Departments.

In view of your letter of March 29 and the accompanying memorandum this Department is issuing a license authorizing the sale.

Very truly yours,

Acting Secretary of the Treasury.

The Honorable,

The Secretary of State.

JJB:ers:eg 3/31/48

RECEIVED OFFICIAL CORRESPONDENCE TO
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

My dear Mr. Secretary:

In Mr. Stettinius' absence I have received your letter of March 17 with regard to the sale of the Spanish properties of the International Telephone and Telegraph Company.

We have reviewed this situation and as stated in the Department's letter of February 22 we still see no objection to the transaction in question. While we appreciate that German capital is seeking and has been seeking safehaven in Spain, I question whether there would be justification in denying the license sought by the International Telephone and Telegraph Company merely on the possibility that German capital might seek cover through the purchase of Telephone Company shares at such time as the Spanish Government may put these shares on the open market.

I enclose for your information a copy of a memorandum dated December 6, 1944 which was given to the Spanish Ambassador and which dealt with this question of the sale of the holdings in Spain of the International Telephone and Telegraph Company. I believe that you will agree, after reading this memorandum, that should the Company be unable to complete its contract with the Spanish Government because of the action of the American Government, it would be extremely difficult for this Department to accord to the Company the protection which American interests in foreign countries have a right to expect.

Sincerely yours,

Acting Secretary

Enclosure:

To Spanish
Ambassador,
December 6, 1944.



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

COPY

December 6, 1944.

MEMORANDUM

The International Telephone and Telegraph Corporation, an American interest having an important investment in Spain, has been seriously prejudiced over a period of years by acts of the Spanish Government. Claims and complaints of the company have met with no remedial response and the company's legal personality, recognized when the investment was being made in Spain, appears to be questioned, inasmuch as the company is denied the right to voice its grievances to the Presidency of the Spanish Government.

The American Embassy in Madrid has protested in writing and orally to the Chief of the Spanish State and to the Minister of Foreign Affairs without effect. On September 11 the former undertook to name a commission with full powers to deal promptly with the company's representatives, but no further action has been reported.

Meanwhile

ADMINISTRATIVE INFORMATION FOR
THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

March 20, 1944

My dear Mr. Secretary:

In Mr. Stettinius' absence I have received your letter of March 17 with regard to the sale of the Spanish properties of the International Telephone and Telegraph Company.

We have reviewed this situation and as stated in the Department's letter of February 22 we still see no objection to the transaction in question. While we appreciate that German capital is seeking and has been seeking safehaven in Spain, I question whether there would be justification in denying the license sought by the International Telephone and Telegraph Company merely on the possibility that German capital might seek cover through the purchase of Telephone Company shares at such time as the Spanish Government may put these shares on the open market.

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Sincerely yours,

Enclosure:

To Spanish
Ambassador,
December 6, 1944.



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

Acting Secretary

COPY

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December 6, 1944.

MEMORANDUM

The International Telephone and Telegraph Corporation, an American interest having an important investment in Spain, has been seriously prejudiced over a period of years by acts of the Spanish Government. Claims and complaints of the company have met with no remedial response and the company's legal personality, recognized when the investment was being made in Spain, appears to be questioned, inasmuch as the company is denied the right to voice its grievances to the Presidency of the Spanish Government.

The American Embassy in Madrid has protested in writing and orally to the Chief of the Spanish State and to the Minister of Foreign Affairs without effect. On September 11 the former undertook to name a commission with full powers to deal promptly with the company's representatives, but no further action has been reported.

Meanwhile

- 2 -

Meanwhile the situation has been aggravated by the issuance on September 24 of a decree regarding the employment of foreigners in public utilities in Spain. This decree, if applied to the subsidiary Compania Telefonica Nacional de España, would violate the concession contract. Moreover the decree was issued after Ambassador Hayes had been given to understand that pending negotiations no steps would be taken to alter the position either of the CTNE or of the ITT. On September 26 an order was issued by the Presidency to the effect that until the majority of the common stock of the CTNE should be placed in Spain all acts of stockholders' meetings and of the Board of Directors of the CTNE would be illegal.

This Government is concerned both because of the particular American interest and investment involved and because the methods of the Spanish Government^{may} reflect the development of a policy having broader implications, at variance with assurances the American Embassy has been given that the Spanish Government welcomes American investments and enterprise.

The Department feels that the commission proposed by General Franco should be named without further delay

- 3 -

and that equitable arrangements should be arrived at with the American company. Continuing unfavorable treatment of this matter cannot fail to be prejudicial to general relations between the two countries.

Department of State,

Washington, December 6, 1944.

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TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

March 31, 1945

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 March 21, 1945 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.

429

COPY

FEDERAL RESERVE BANK
OF NEW YORK

March 30, 1945

CONFIDENTIAL

Dear Mr. Secretary:

Attention: Mr. H.D. White

I am enclosing our compilation for the week ended
March 21, 1945, analyzing dollar payments and receipts in
official British, French, Canadian, and Australian accounts
at the Federal Reserve Bank of New York.

Very truly yours,

(signed) H. L. Sanford

H. L. Sanford
Assistant Vice President.

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

Enclosures 2

Reports and Analysis Division

ANALYSIS OF CANADIAN AND AUSTRALIAN ACCOUNTS
(In Millions of Dollars)Week Ended 12/12/45, 1945
Strictly Confidential

PERIOD	CANADA (and Canadian Government)									COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)								
	DEBITS				CREDITS					DEBITS				CREDITS				
	Total	Transfers to Official	Others	Proceeds of	Transfers from official	Net Incr. (+) or Deccr. (-)	Total	Transfers to Official	Others	Total	Transfers from official	Net Incr. (+) or Deccr. (-)	Total	Transfers to Official	Others	Proceeds of	Transfers from official	Net Incr. (+) or Deccr. (-)
War Years (a)	Debits	A/C	Debits	Credits	Sales	A/C	A/C	Credits	in \$/pounds	Debits	A/C	Debits	Credits	Sales	A/C	Credits	in \$/pounds	Debits
First	323.0	16.6	306.4	304.7	432.7	20.9	38.7	32.4	+ 161.7	21.2	2.9	27.9	38.1	30.0	6.1	4.9	18.3	+ 9.0
Second	460.4	-	460.4	462.0	245.2	3.4	123.9	88.5	+ 1.6	72.2	16.7	55.5	81.2	62.9	18.3	5.0	95.0	+ 5.0
Third	525.8	0.3	525.5	566.3	198.5	7.7	-	360.0	+ 20.5	107.2	57.4	49.8	112.2	17.2	200.4	-	207.7	+ 3.4
Fourth	723.6	-	723.6	958.8	47.1	170.4	-	741.3	+ 235.2	197.0	155.1	41.9	300.4	-	-	-	-	-
Fifth	849.1	1.0	848.1	928.5	39.1	61.4	-	829.0	+ 293.3	298.6	253.0	45.6	287.2	-	-	-	-	-
1944																		
September	74.5	0.1	74.4	91.6	-	50.4	-	41.4	+ 17.3	5.8	1.0	4.8	7.2	-	-	-	-	-
October	24.1	-	24.1	24.2	-	7.1	-	16.8	+ 50.1	20.5	1.0	19.5	21.0	-	-	-	-	-
November	36.8	-	36.8	53.7	-	2.9	-	30.8	+ 16.9	1.4	1.0	2.4	5.8	-	-	-	-	-
December	21.5	0.7	20.8	32.7	-	-	-	32.7	+ 8.8	-	-	-	-	-	-	-	-	-
1945																		
January	35.1	-	35.1	91.6	10.0	71.3	-	50.3	+ 56.5	27.4	-	27.4	5.6	-	-	-	-	-
February	21.2	-	21.2	101.9	-	4.9	-	35.0	+ 14.1	1.9	-	1.9	4.2	-	-	-	-	-
March																		
April																		
May																		
June																		
July																		
August																		
Week Ended																		
February 26, 1945	19.6	-	19.6	7.2	-	-	-	7.5	+ 12.1	1.0	-	1.0	4.4	-	-	-	-	-
March 1, 1945	1.1	-	1.1	30.4	-	1.9	-	20.3	+ 19.1	1.9	-	1.9	6.0	-	-	-	-	-
March 15, 1945	5.2	-	5.2	7.1	-	4.3	-	4.8	+ 1.6	0.4	-	0.4	1.1	-	-	-	-	-
March 21, 1945	14.3	-	14.3	14.2	-	-	-	14.3	+ 1.6	-	-	-	-	-	-	-	-	-

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 March 21, 1945)	21.1 million.

- (a) For monthly breakdowns see tabulations prior to: April 23, 1941; October 8, 1941; October 14, 1942; September 29, 1943; September 5, 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 \$ 4.6 million deposited by War Supplies, Ltd.
 and \$ 11.6 million received from New York accounts of Canadian chartered banks.

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

Week Ended March 21, 1945.

Strictly
Confidential

PERIOD	DEBITS					CREDITS					BANK OF FRANCE (GOVERNMENT) (b)		
	Total	Gov't Expenditures (a)	Transfers to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Securities (Official) (c)	Transfers from Official Account	Other Credits (d)	Net Incr. or Decr. in \$ Funds (e)	Total Debits (a)	Total Credits (c)	Net Incr. or Decr. in \$ Funds (a)	Net Incr. or Decr. in \$ Funds (a)
War Years (a)	1,793.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	416.2	866.3 (f)	1,828.2 (g)	+ 299.0	
First	1,793.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	416.2	866.3 (f)	1,828.2 (g)	+ 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	- 30.1
Third	1,235.6	904.8	7.7	223.1	1,261.3	21.8	5.5	97.4	1,276.8	+ 125.9	18.5	4.4	- 14.1
Fourth	764.0	312.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3
Fifth	1,197.7	200.4	61.4	895.9	1,262.6	-	-	253.0	1,116.6	+ 171.9	-	-	-
1944													
September	151.0	19.9	30.4	80.7	56.5	-	-	1.0	55.5	- 94.5	-	-	-
October	127.9	21.0	7.4	99.5	56.7	-	-	1.0	55.7	- 73.2	-	-	-
November	74.2	45.4	2.9	25.9	92.1	-	-	1.0	91.1	+ 17.9	-	-	-
December	80.6	21.9	-	58.7	91.6	-	-	-	91.6	+ 11.2	56.7	6.4	- 50.2
1945													
January	148.9	98.7	31.2	18.9	54.2	-	-	-	54.2	- 94.7	27.4	6.2	- 21.2
February	41.4	16.7	4.9	19.8	80.5	-	-	-	66.5	+ 39.1	36.8	0.8	- 66.0
March													
April													
May													
June													
July													
August													
Week Ended													
February 20, 1945	7.4	4.5	-	3.3	20.6	-	-	-	20.6	+ 12.6	55.9	0.3	- 85.6
March 7, 1945	19.0	6.8	3.2	8.3	21.4	-	-	-	21.4	+ 2.4	0.2	0.7	+ 0.5
March 14, 1945	7.9	1.6	2.3	6.0	21.2	-	-	-	21.2	+ 11.3	-	0.3	+ 0.3
March 21, 1945	7.6	3.3	-	6.3	24.7	-	-	-	24.7	+ 15.1	0.5	0.4	- 0.1

See attached sheet for footnotes.

Average Weekly Expenditures Since Outbreak of War

France (through June 19, 1940) \$19.6 million
 England (through June 19, 1940) \$27.6 million
 England (through June 20, 1940 to March 12, 1941) \$54.9 million
 England (since March 12, 1941) 21.7 million

Reports and Analysis Division

- (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 \$94 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, 1944.
- (h) Transactions for account of Caisse Central de La France E'Outre-Mer included for first time in week ended December 6, 1944.
- (i) Includes \$ 7.5 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandising exports, and \$16.0 million in connection with the expenses of our armed forces abroad.

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CORRECTION TO
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
 TO: Secretary of State, Washington
 DATED: March 31, 1945
 SUBJECT: 1904

SECRET

Please delete the last paragraph of this message and
 substitute the following:

In addition, I am taking up the matter of getting as many
 French trucks off for Germany with our relief supplies as possible with
 ICRC, based on written promise of the U. S. Army of delivery of two
 thousand gallons gasoline per week for VWS programs. All programs in
 this connection will be reported promptly to VWS.

HARRISON

DG/L:OPW

4/6/45

251

CO-991 Bern
 Distribution of true Dated March 31, 1945
 reading only by special arrangement. (SECRET U) Rec'd 6:08 p.m.

Secretary of State,
 Washington.

1905, March 31, 1 p.m.

FOR VWS FROM MOBILELAND

Department's 1149, VWS's 467, March 21 and 1204, VWS's
 477, March 24.

Sternbuch has been informed of this amendment to
 Vaad Mahatsala's license W-2426 governing only one
 million francs.

Pursuant to this amendment and after thorough
 examination of purpose, I have authorized Sternbuch
 to remit 500,000 Swiss francs to ICRC to cover event-
 ual food purchases and transportation charges. ICRC
 has agreed to furnish me with detailed information
 concerning all such purchases or charges.

HARRISON

VWS

NOT TO BE RE TRANSLITTED

SECRETOPTEL No. 103NAVAL

Norwegian Waters 29th/30th. (Night) Two Norwegian LTB's sank patrol vessel and damaged E-boat off HARDANGER FJORD.

MILITARY

Western Front Southern Sector: On Third U.S. Army front ASCHAFFENBURG and NIESBADEN cleared while armoured column now approaching FULDA. On First U.S. Army front armoured column has made rapid advance and now approaching PADERBORN.

Northern Sector: Two armoured divisions of Northern group of armies made considerable progress towards LUNSTER and RHEINE, but enemy resistance on flanks of bridgehead still strong.

Eastern Front Northern Sector: DANZIG captured with 39,000 Germans reported killed and considerable booty.

Southern Sector: North of DANUBE Russians having crossed rivers HEON and LITRA have taken NOVEZALKY and KOLARNO thus advancing some 30 miles on 40 mile front this area. South of DANUBE, AUSTRIA entered north KOSZEG while further south ZALAEGERSSZEG (west LAKE BALATON) captured.

Burma Central Sector: Japanese still hold hills overlooking airfield MEIKTILA have advanced further five miles and are now eight miles east of WELAUNG. Further north our troops operating south of KYAUKSE have linked up.

Northern Sector: British troops advancing S.W. from LOGOK now four miles from KYAUKSE, while Chinese troops advancing S.E. from HSIPAW are two miles from NALYANG.

AIR OPERATIONS

Western Front 30th. U.S. escorted heavy bombers 1314 (8 bomber and 5 fighters outstanding) attacked U-boat yards oil storage depot and bridge BRELEN (1031 tons) WILHELSHAFFEN (941 tons) HALBURG (1256 tons) and FARGE (14 tons) when bombing mainly visual and casualties inflicted on enemy aircraft 7:1:11 in combat.

SHAEF (Air) Bombers (7194) (2 missing) dropped 570 tons gun positions north ELLERICH and industrial and other targets Central GERMANY, while fighters and fighter bombers 1892 (13 missing) operate northern and central sectors destroying over 300 LT and inflicting enemy aircraft casualties 37:0:21 on ground. Fighter Command Spitfires 124 successfully attacked rail and road targets Western HOLLAND while coastal command Mosquitos 44 (one missing) attacked shipping FORSGUND Harbour (south OSLO) where four ships totalling 7500 tons set on fire.

30th/31st. (Night) Bomber Command despatched 162 (one missing) 43, BERLIN; 43 BERLIN; and 76 bomber support and other targets.

Mediterranean 26th/29th. (Night) medium bombers 119 attacked communications and a factory in North ITALY with good results. 29th. Fighters and fighter bombers 750 (3 missing) attacked communications B-SNNEER route, N.E. ITALY and YUGOSLAVIA with excellent results.

Burma 28th. Tactical aircraft 303 (2 missing) attacked communications and stores dumps chiefly in ARAKAN and Central BURMA.

HOLD SECURITY

Up to 7 A.M. 31st Nothing to report.