

HOFFMAN, Michael L.

000197

DEC 23 1944

Dear Mike:

I have received your letter of December 2nd concerning my new appointment and I want to thank you for your good wishes.

As you no doubt know by now, the assignment meant my leaving Foreign Funds Control which is now under Orvis as Director and Harry White. Of course, I sincerely regret leaving the Foreign Funds Control field and all my associates there but I know that the work will be carried on well under Orvis.

The Procurement assignment is most challenging and I look forward to a very stimulating and active period. The job is big and must be well done. Our greatest problems right now are in the field of surplus property. As you know, Treasury Procurement handles the disposal of consumer goods declared surplus by the armed forces, as well as the purchase of material and goods for government use. Larry Lesser has come to Procurement with me and several others may join me soon.

I am continuing as Executive Director of the War Refugee Board which we hope may soon be able to wind up its work or transfer its functions to a revitalized State Department division on refugees.

It is good to know that things are going so well with all of you in Paris. The personal difficulties involved in a long assignment abroad are recognized by all of us here and I sincerely hope that after hostilities cease, it may be possible for wives of Treasury men to join their husbands. You may be sure that the problem is receiving careful study and consideration here.

Please remember me to all our boys in Paris and accept my best wishes for Christmas and the New Year.

Sincerely,



Mr. Michael L. Hoffman,
Treasury Representative,
American Mission,
Paris, France.

FH:hd 12/22/44

100198



TREASURY DEPARTMENT

WASHINGTON 25



AIR MAIL

PERSONAL

Paris, 2 December 1944

Dear John:

I sent you a brief EFM cable today offering my congratulations on your new appointment, but since one never knows whether these things get through or not, let me repeat them here.

At first it came as something of a surprise to hear that you had moved in as head of Procurement, an agency which has always seemed to me like some distant relative of the Treasury, with no policy functions, about whose operations I know next to nothing. However, it didn't take much reflection to bring out some of the implications of your appointment. The more I think about it the more I can see how logically it fits in with a number of things which were going on this past summer, with the general policy of Treasury of strengthening its participation in certain fields, and with some of the hints you gave me shortly before I left. As a matter of fact it seems to me to make a lot of cogs fall right into place. I'm sure Procurement will no longer be without policy functions. I think this is a much better idea than a fiscal policy board. I can see all kinds of possibilities.

I'll be waiting anxiously to hear news about how the new job develops. I never feel so far away from home as when something like this happens and I think of all that's going on around Treasury that we can't know about. Does this mean that you have severed all connections with FFC? The announcement we saw here didn't say, although it mentioned your work there. If so, my feeling of pleasure at this new expression of the Secretary's confidence in you is tempered by my feeling of regret that for the first time since I came with Treasury I shall no longer be even formally on your staff. But I've made my bed, and suppose I must lie in it a while longer. Not that it's a bad bed, but I can't help feeling that there was something about working as part of the old FFC bunch in a closely knit group that was both more effective and more satisfying personally than almost anything else I've done. I hate to think that's over. It was certainly less of a physical and emotional strain than this dismal, thankless, and unsatisfying existence out on the wrong end of a cable, for which I am personally not very well fitted.

Things are, as a matter of fact, going well here, from a business point of view. Jim and I are working very closely and, I feel, well together and are trying to keep ahead of the work. I hope he stays, although he has asked to go home, because the burden of responsibility, which weighs on you 24 hours a day, is enough of a strain when there are two of us and becomes almost intolerable when there is only one. If you can work as a team, as we do, it makes a big difference. Jim, however, seems to be sick of the field and wants very much to go home, for which I don't blame him at all. I'm trying to persuade him to stick around a while and see spring in Paris, but spring seems a long way off at this point.

100199

SECRET

RECEIVED
JAN 11 1945
JAN 11 1945

It is really impossible to do half what we ought to do here. We still have one (count her) secretary for both the bank job and the general work. That's better than it was during my first sojourn in Paris, but it still isn't enough to turn out much work. I'm spending practically all my time in the office when I ought to be out seeing people and generally nosing around at least half the time. I'd see people more at lunch but I can't afford to buy even my own lunch any where that you can take people (i.e., outside an army mess) much less anybody else's. This town is a hotbed of all sorts of fascinating and important political and economic developments a correct evaluation of which is crucial for an understanding of what is going on and what is likely to go on in liberated Europe.

Personally I'm fairly well fixed by current Paris standards, but only the volume and interest of the work in the office keeps me out of a state of chronic depression. Paris is a wonderful city, even now, but I know little about it and find that I have no particular interest in doing anything or seeing anything. Perhaps its war weariness, though I'm sure that my attitude towards life is colored a great deal by the fact that my stomach is a constant source of pain and trouble still. I think if Catherine were here everything would be much different. In fact I would rather look forward to an extended stay here in that case. As you may know, I have raised with Treasury the possibility of wives coming over when hostilities end, at least, but have as yet had no reply. If I can't look forward to her coming I don't know how much longer I can carry on with this business. It wouldn't be so bad if it weren't for the fact that wives and families of other government people are coming over all the time now. It's different for the soldiers. They don't have to pretend to be living normal lives, and - well, its different.

Please give Francha, Bill, and the baby my best and a merry Christmas and happy New Year to you all. If you ever get time, drop me a line.

Yours,

Mike

March 14, 1944

Dear Colonel Rehm:

Pursuant to our conversation there is delivered to you herewith a letter addressed to Hoffman which I would appreciate your having put in his hands.

Very truly yours,

(Signed) J.W. Pehle

J. W. Pehle
Acting Executive Director

Colonel W. L. Rehm,
Office of Strategic Services,
115 North Building,
25th and E Streets, N. W.,
Washington, D. C.

Enclosure

JWP

000701

Dear Mike:

We have asked Leonard to show you the letter which I have written to him with the hope that you will do whatever you can to aid him in seeing that it is delivered. It is a ticklish matter but I think you can work it out between you.

Sincerely,

J. W. Pehle

Michael L. Hoffman
United States Treasury Representative
c/o American Consulate General
Algiers, Algeria

JHMurphy:dh 3/12/44

000702

Dear Lent

In the envelope with this letter, in a plain, sealed envelope which, for the reasons explained below you will not need to open, is a cable in French from M. Louis Dolivet in this country, to M. Henri Bonnet, Commissioner of Information. A translation of this cable is enclosed for your information.

I wish you would see to it that the French version of this cable gets into M. Bonnet's hands. This will probably not be too simple a task inasmuch as it must be accomplished without letting anyone know that any Americans have seen the cable. It must also be done without the knowledge of any other persons whatsoever, except as may be necessary to get it into Bonnet's hands, and then without any indication that anyone has seen the contents of the cable.

I am asking Mike Hoffman, to whom you may read this letter, to give you whatever assistance he can in this matter. You or he may know someone in the Comite whom you can trust sufficiently to pass this along to him. Perhaps Weil would be the man. It might be accompanied by the explanation that it was impossible to transmit this message through regular channels and it was, accordingly, carried over to North Africa, sealed and unopened, by someone who has recently arrived. Perhaps some other approach will appear to you to be more desirable.

I would appreciate knowing the reaction to this message on the part of the French when and if you can observe it.

Sincerely,

J. W. Pable

Leonard E. Ackermann
Special Representative
War Refugee Board and
United States Treasury Representative,
c/o American Consulate General,
Algiers, Algeria

Enclosure
JWM:hhb - 2/12/44

DECLASSIFIED
State Dept. Letter, 1-11-78
By R. H. Parks Date SEP 1 1972

JWM:hhb

ALLIED FORCE HEADQUARTERS
Civil Affairs Office

6 March, 1944

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dis. to Staff JH*
443
W. R. B.
Filing Authority
To: Files
Ans.
No. Rec. Req.
Initial
Date

Dear John:

This is just a short note to congratulate you on your new job about which we got a real picture only when Harold Glasser arrived and conveyed to us some of the importance and significance which the work has. Both Lennie and I are very much interested in pushing the program and, as you will see from his reports, he is already very active. As far as the French are concerned, I expect the chief difficulty will be to get the objectives of the program presented strongly enough in the right places. With that in mind, we visited M. Mendes-France "informally" this morning to try to get him to expedite settlement of the Fedhala project question. I would not be surprised if possibly through him and some others we might be able to get your board duplicated in the Comité, which would probably be helpful if only in a minor way compared to the job that will be done by your organization.

I am writing a letter to Harry White suggesting that I be called home for consultation, and if you have the time I would appreciate your consideration of the matter. One thing which concerns me very much, although I did not specifically refer to it in the letter to Dr. White, because it has no immediate bearing on my work in the field, is that I feel very much out of touch with developments in foreign funds and I want a chance to at least keep up to date with affairs in our own organization.

Sincerely,

Mike
Michael L. Hoffman

Mr. John W. Pehle
Assistant to the Secretary
Treasury Department
Washington 25, D. C.

000704

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ALLIED FORCE HEADQUARTERS
Civil Affairs Office

6 March, 1944

Dear John:

This is just a short note to congratulate you on your new job about which we got a real picture only when Harold Glasser arrived and conveyed to us some of the importance and significance which the work has. Both Lennie and I are very much interested in pushing the program and, as you will see from his reports, he is already very active. As far as the French are concerned, I expect the chief difficulty will be to get the objectives of the program presented strongly enough in the right places. With that in mind, we visited M. Mendes-France "informally" this morning to try to get him to expedite settlement of the Fedhala project question. I would not be surprised if possibly through him and some others we might be able to get your board duplicated in the Comite, which would probably be helpful if only in a minor way compared to the job that will be done by your organization.

Sincerely,

s/s Mike

Michael L. Hoffman

Mr. John W. Pehle
Assistant to the Secretary
Treasury Department
Washington 25, D. C.

100-105

Letter No. 3
FEB 25 1944

Dear Miksa:

For some weeks now I have been wanting to write you about recent developments in our shop. However, the changes in my work have caused somewhat of a delay.

John is presently Acting Executive Director of the newly-created War Refugee Board, and I am Acting Director of the Control in John's absence. John has taken with him Florence Model and Ward Stewart to assist him in getting the new office underway. Joe DuBois and Larry Lesser are also giving their full time to the War Refugee Board. All, however, are still on the Treasury payroll and are merely "acting" in their present positions. I gather that they may return to the Control after getting the War Refugee Board off to a good start.

I want to give you a little bit of background of the War Refugee Board. For the last six months our office has had occasion in connection with its operations in the relief field to observe the failure of either the United States or British Governments to take any effective action to save the lives of persons in occupied Europe who, by reason of race, political faith or activity, etc., have been selected by the Nazi Government for extermination. We found evidence of deliberate design on the part of persons within the State Department to impede the execution of certain specific projects for rescuing some of these people which we, from the financial end, had approved. So serious was the situation that the Secretary, accompanied by Randolph Paul and John, was compelled to report the matter personally to the President. Immediately after the President heard the facts which had been gathered through the diligence, perseverance, and far-sightedness of John, Lux, DuBois, et al., he directed that the Treasury get together with Stettinius and work out a plan for remedying this situation. An Executive Order was drawn up and by the following day was in shape to start procedural clearance prior to Presidential signature.

The Board as provided for by the Executive Order consists of Hull, Stimson, and Morgenthau. The Order also provides for an Executive Director who will chart and steer the course called for by the Executive Order. The Order empowers and directs the Board to take measures "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." You have probably already received a copy of the Executive Order setting forth the functions of the Board in greater detail.

The Board has already issued several licenses to private organizations permitting financial operations necessary to evacuation or other life-saving operations. They are permitted to finance such operations by any of the following three methods:

The following is an excerpt from one of these licenses outlining these three methods:

- (a) The first method is the purchase of currency or exchange of the country in which the operations are to be effected from persons in Switzerland who your representatives, after consulting with the United States Legation in Bern when feasible, are reasonably certain have held such currency or exchange since prior to the freeing of such country by the United States, or have since acquired such currency or exchange in such manner as has not benefited the enemy. The sellers of such currency or exchange may be reimbursed therefor in Swiss francs at the prevailing unofficial rates of exchange in Switzerland.
- (b) The second method is the acquisition of local currencies or exchange from persons in enemy or enemy-occupied territories for which reimbursement will not be made until after the war. In order to insure reimbursement after the war to the persons supplying such currencies or exchange, blocked accounts may be established on your books in the United States, or in a bank in the United States, or in a bank in Switzerland. No payments may be made from any such blocked account without the specific approval of the Treasury Department and no assignments may be made of any interest in such blocked account without such approval.
- (c) The third method should not be used if it is feasible to obtain the local funds by either of the first two methods. The third method is the acquisition of the necessary local funds, goods or services from persons in enemy or enemy-occupied territory against payment in free exchange or free currency notes. Your representatives should take reasonable steps to avoid such foreign exchange or free currency notes being paid to persons who will make it available to the enemy.

You will note that this does allow financial operations in enemy territory. Sometime ago we reexamined our licensing policy with respect to relief operations and decided that a liberalization would be justified on the basis of the following considerations:

(a) There are a number of organizations, not subject to our jurisdiction, based in England or neutral European countries, which are conducting operations in enemy territory through underground channels and which have been successful in financing such operations without benefit to the enemy. Such groups have generally operated under the close supervision of one of the United Nations and appear to be conscious of the necessity of not permitting operations which would benefit the enemy.

(b) There are certain organizations within this country which have the facilities and contacts for operating in enemy territory and which could conduct successful relief operations within such territory without benefit to the enemy if authorized to do so.

(c) We have now had sufficient experience in administering our trading with the enemy controls to be able to permit certain well defined groups to conduct limited types of relief operations in enemy territory, subject to appropriate safeguards designed to prevent benefit to the enemy, without jeopardizing our basic position with respect to trade or communications with enemy territory.

(d) In view of the announced policy of the enemy to annihilate certain minority groups—either by slaughter or starvation—operations which would bring some measure of relief to such groups would have the effect of thwarting the Axis and of furthering a fundamental objective of the United Nations. As a matter of fact, the current war outlook is such that some will argue that such relief operations should now be undertaken for this purpose even if the enemy obtains certain limited benefits thereby. The trend of the United Nations policy in this respect is definitely towards such liberalization.

You may have already met Ira Hirschmann who is the first representative which the War Refugee Board has sent to Turkey to act in connection with this matter. The JDC, TWC, and a few other organizations have for sometime had representatives in Switzerland and other neutral countries. In many instances the War Refugee Board may find it most satisfactory to work through these persons who already have established channels for getting aid to persons in enemy country with a view to removing them from those territories into neutral territories.

I might tell you that the press has given John a wonderful reception and stated that they were glad to get a man of action "rather than another brass hat."

As far as our shop is concerned, we have tried to make as few rearrangements of personnel as possible. I am, as I indicated before, Acting Director of Foreign Funds in John's absence. John Richards and Rella are still my assistants and are helping me keep my fingers on the work of the Enforcement Division and the work with respect to the liberated areas. Ed O'Flaherty is acting in Florence Hodel's place. Phil Thorson is acting in Ward Stewart's place. The administrative organization of FFC is also servicing the War Refugee Board so that for the time being they will be saved the burden of building up a separate administrative services group.

As far as our activity in the liberated area field is concerned, we are attempting to furnish you with all the information which we can get which may be of some assistance to you. We are also completing our report on Italian banks, bankers, industries, and industrialists, which is presently being mimeographed. It is a voluminous job. We have one section which deals with who's who in Italian banking and industry. We have also finished our banking report on France which is presently being prepared for mimeographing. It is a pretty comprehensive job and has a very complete index to all persons and institutions named in the report. We have tried to utilize all the information available in Washington. We will try to get a copy of this report over to you as soon as it has been mimeographed. Reports on the other occupied countries are well underway but we may concentrate our forces on Germany.

I shall try to keep you informed of significant developments. Within a few days I will try to get off another letter to you outlining some of the current developments of our work as related to Italy.

Sincerely,

(Signed) Orvis A. Schmidt

Orvis A. Schmidt

Please make this background information available to Ackerman.

Mr. Michael E. Hoffman,
Acting Chief,
Finance and Control Division,
N.A.A.B.,
Algiers, Algeria.

cc. Mr. P. H. Rufford

RRShwartz:OASchmidt:dlw 2/25/44

100-109

FEB 23 1944

Dear Mike:

I regret that I have been unable to write you sooner, but I have been extremely busy with recent developments here in Washington, as perhaps you may have gathered from the information which we have transmitted to you on the War Refugee Board. As you know, I have been appointed Acting Executive Director of the Board. It is a full-time job, with Joe DuBois, Florence Hodel, Joe Friedman, Ward Stewart and several others whom you know devoting all of their efforts to it. Orvis is now Acting Director of Foreign Funds Control, and Ed O'Flaherty has taken over Florence Hodel's desk in the Control.

As you can imagine, in any new organization such as the War Refugee Board, things are pretty hectic at first. I do feel, however, that we are rapidly developing the programs and laying the groundwork for successful operations. Much will depend upon the future and, of course, I think you can guess some of the problems we are and have been faced with.

As we have indicated from time to time, there are many phases of this problem which will arise in French Africa, the most important of which is at the present time the evacuation of about 1,000 stateless and enemy national refugees who are presently in Spain to Camp Marechal Lyautey in North Africa. The program for their immediate evacuation is being pushed as quickly as possible in order that we may clear the way for the admission of other refugees into Spain from occupied areas.

We are planning to designate Leonard Ackermann as North African representative of the WRB, and he will probably be spending a good deal of time on these matters. At the time he is designated, which may perhaps be before you receive this letter, we will make it clear that he is to continue to work for you in the Finance and Control Division in so far as these duties will not interfere with his work for the Board.

As I look at the calendar I see that you have been in North Africa somewhat more than a year now and I would like to take this occasion to congratulate you on doing an excellent job under what must have been, at many times, extremely difficult circumstances. I want to say that we in the Treasury have been very well satisfied with and deeply appreciate the work of the African office. I think you should all be proud of yourselves.

- 2 -

It goes without saying that I should like to have you back working here, particularly since the creation of the War Refugee Board has meant the virtual suspension of my FFC activities. However, we feel that it is exceedingly important to maintain a small but strong and aggressive organization in an area such as North Africa.

I hope that you and the rest of the staff are in good health. Please give them my regards, and congratulate them for me on a good job.

Sincerely,

W. John

John W. Pehle

Mr. Michael L. Hoffman,
Finance and Control Division,
N.A.E.B.,
Algiers, Algeria.

JWD:smu
2/22/44

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