

POLICY Matters:  
Clearance of Certain Licensing  
with the British

000074

JAN 27 1945

TO: Mr. Warren

FROM: Mr. Pehle

It will be appreciated if you will arrange for appropriate clearance and prompt dispatch in cipher of the attached cable to London, England.

The attached cable has been cleared with the Treasury Department. FEA has requested that the cable be cleared with the State Department before it is presented to that agency for approval.

Attachment.

*This cable was not  
sent to London - State Dept  
felt no reply was  
necessary since London  
had not processed - JH*

9:00 a.m.  
January 30, 1945

Miss Chauncey (for the Sec'y) Ackermann, Akain, Cohn, Drury,  
DuBois, Gaston, Hodel, McCormack, O'Dwyer, Files

*FEA Cleared with Mr. Pehle 1/25/45*

CABLE TO WINANT, LONDON, FROM DEPARTMENT, WAR REFUGEE BOARD, TREASURY AND FEA

Please refer to your no. 8414, October 6, paragraph 14 of your Airgram A-1211, October 4, and Airgram A-1213 of October 6.

This Government cannot agree with British view concerning "monetary relief" as set forth in the aforementioned messages. It is clear that the British Government's view stems from what appears to be a basic disagreement with the action being taken to implement this Government's policy to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. The nature of this Government's policy and the kind of measures it deems essential to carry out that policy have been made clear to the British Government on many occasions and the British repeatedly have been invited to adopt a similar policy.

It should be made clear to the British authorities that we do not consider that operations designed to implement War Refugee Board activities which are emergency in nature are involved in the relief problem under consideration by the Special Committee on Relief in London. Accordingly, discussions of the activities of the War Refugee Board in the latter connection can only create confusion. Since the War Refugee Board was established as an emergency measure to execute this Government's determined policy, the financing of private projects designed to carry out that policy must be treated in the special manner which this Government has accorded in the licenses which have been issued during the past nine months.

Previously the British Government objected to our licenses on the ground that they afforded to the enemy opportunity to acquire foreign exchange for use in the prosecution of the war. Now, since they feel that this danger has lessened, the British argue that the reason for objecting to our licenses is

*Cleared with  
Schmidt-Fredman-Palke  
JCH 10/21/44*

the possibility that the payment of foreign exchange to the enemy may assist enemy schemes to acquire and conceal funds in neutral countries. We have always felt and continue to feel that the risks involved in these cases are disproportionate to the paramount consideration of saving the lives of these unfortunate victims. We feel that experience thus far has borne out the validity of our position in that thousands of lives already have been saved with very negligible benefit to enemy nationals.

That this Government is fully cognizant of the danger now expressed by the British Government as the reason for objecting to our licenses and the projects thus authorized is illustrated by our initiating the proposal which led to the adoption of Resolution VI by the Bretton Woods Conference. Obviously the dangers involved in the acquisition of foreign exchange by the enemy are constantly borne in mind in the issuance of our licenses. It seems clear to us that joint consultation before such licenses are issued by this Government will result in nothing but delay.

The fundamental question is not one of joint consultation concerning the issuance of licenses but rather whether the British Government is prepared to adopt and follow a refugee rescue policy similar to that of this Government.

1. v. 7H [initials]

CABLE TO WIMANT, LONDON, FROM DEPARTMENT, WRS AND FEA

Please refer to your No. 8414 of October 6 and to paragraph 14 of your airmgram A-1211 of October 4, 1944.

It is agreed that close cooperation of British and American authorities on the relief problem is greatly to be desired, and this Government will do everything possible to achieve such cooperation.

It is the view of this Government, however, that the activities of the War Refugee Board are not involved in the problem of relief dealt with by the Special Committee on Relief, and that discussion of the Board's activities in this connection can only create confusion. The War Refugee Board was established as an emergency agency to execute this Government's policy of taking all possible steps to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. This program is a rescue program to save those threatened with immediate extermination, and the furnishing of food, medical supplies, etc. is only one of the incidents of the program. This Government has made clear to the British Government on many occasions the nature of its policy and the kind of measures it deems essential to carry out that policy. In an aide-memoire dated \_\_\_\_\_, this Government's policy concerning the issuance of licenses to private organizations permitting them to finance operations designed to carry out the War Refugee Board program was set forth in great detail. The British Government was invited to adopt a similar policy. This Government's position in the matter was also explained in detail to Mr. Kingie Feste during his visit to Washington.

We have made clear at all times that in our view the question is not one of joint consultation concerning the issuance of licenses in connection with the War Refugee Board program, but rather a question of whether the British Government is prepared to adopt and follow a similar refugee rescue policy. As stated in the aforementioned aide-memoire, this Government intends to follow the policy which it has been pursuing for many months in connection with the issuance of licenses for rescue projects.

You should make clear to the British authorities that we do not consider that this matter is involved in the relief problem which is now under consideration by the Special Committee on Relief.

CABLE TO WINANT, LONDON, FROM DEPARTMENT, WAR REFUGEE BOARD, TREASURY AND FEA

Please refer to your no. 8414, October 6, paragraph 14 of your Airgram A-1211, October 4, and Airgram A-1213 of October 6.

This Government cannot agree with British view concerning "monetary relief" as set forth in the aforementioned messages. It is clear that the British Government's view stems from what appears to be a basic disagreement with the action being taken to implement this Government's policy to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. The nature of this Government's policy and the kind of measures it deems essential to carry out that policy have been made clear to the British Government on many occasions and the British repeatedly have been invited to adopt a similar policy.

It should be made clear to the British authorities that we do not consider that operations designed to implement War Refugee Board activities which are emergency in nature are involved in the relief problem under consideration by the Special Committee on Relief in London. Accordingly, discussions of the activities of the War Refugee Board in the latter connection can only create confusion. Since the War Refugee Board was established as an emergency measure to execute this Government's determined policy, the financing of private projects designed to carry out that policy must be treated in the special manner which this Government has accorded in the licenses which have been issued during the past nine months.

Previously the British Government objected to our licenses on the ground that they afforded to the enemy opportunity to acquire foreign exchange for use in the prosecution of the war. Now, since they feel that this danger has lessened, the British argue that the reason for objecting to our licenses is

the possibility that the payment of foreign exchange to the enemy may assist enemy schemes to acquire and conceal funds in neutral countries. We have always felt and continue to feel that the risks involved in these cases are disproportionate to the paramount consideration of saving the lives of these unfortunate victims. We feel that experience thus far has borne out the validity of our position in that thousands of lives already have been saved with very negligible benefit to enemy nationals.

That this Government is fully cognizant of the danger now expressed by the British Government as the reason for objecting to our licenses and the projects thus authorized is illustrated by our initiating the proposal which led to the adoption of Resolution VI by the Bretton Woods Conference. Obviously the dangers involved in the acquisition of foreign exchange by the enemy are constantly borne in mind in the issuance of our licenses. It seems clear to us that joint consultation before such licenses are issued by this Government will result in nothing but delay.

The fundamental question is not one of joint consultation concerning the issuance of licenses but rather whether the British Government is prepared to adopt and follow a refugee rescue policy similar to that of this Government.

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Previously the British Government objected to our licenses on the ground that they afforded to the enemy opportunity to acquire foreign exchange for use in the prosecution of the war. Now, since they feel that this danger has lessened, the British argue that the reason for objecting to our licenses is the possibility that the payment of foreign exchange to the enemy may assist enemy schemes to acquire and conceal funds in neutral countries.

That this Government is fully cognizant of the danger now expressed by the British Government as the reason for objecting to our licenses and the projects thus authorized is illustrated by our initiating the proposal which led to the adoption of Resolution VI by the Bretton Woods Conference. Obviously the dangers involved in the acquisition of foreign exchange by the

- 2 -

enemy are constantly borne in mind in the issuance of our licenses. It seems clear to us that joint consultation before such licenses are issued by this Government will result in nothing but delay.

We have always felt and continue to feel that the risks involved in these cases are disproportionate to the paramount consideration of saving the lives of these unfortunate victims. We feel that experience thus far has borne out the validity of our position in that thousands of lives already have been saved with very negligible benefit to enemy nationals.

THIS IS WRB LONDON CABLE NO. 41.

9:00 a.m.  
January 30, 1945

Miss Chauncey (for the Sec'y) Ackermann, Aksin, Cohn, Drury, DuBois,  
Gaston, Hodel, McCormack, O'Dwyer, Files

JAN 27 1945

TO: Mr. Warren

FROM: Mr. Pehle

It will be appreciated if you will arrange for appropriate clearance and prompt dispatch in cipher of the attached cable to London, England.

The attached cable has been cleared with the Treasury Department. FEA has requested that the cable be cleared with the State Department before it is presented to that agency for approval.

Attachment.

PHhd 1/25/45

DRAFT OF CABLE TO WINANT, LONDON, FROM DEPARTMENT, WAR REFUGEE BOARD AND FEA.

Please refer to your no. 8414, October 6, paragraph 14 of your Airgram A-1211, October 4, and Airgram A-1213 of October 6.

This Government cannot agree with British view concerning "monetary relief" as set forth in the aforementioned messages. It is clear that the British Government's view stems from what appears to be a basic disagreement with ~~this~~ <sup>the necessary action being taken to implement</sup> Government's policy to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. The nature of this Government's policy and the kind of measures it deems essential to carry out that policy have been made clear to the British Government on many occasions and the British repeatedly have been invited to adopt a similar policy.

It should be made clear to the British authorities that we do not consider that operations designed to implement War Refugee Board activities which are emergency in nature are involved in the relief problem under consideration by the Special Committee on Relief in London. Accordingly, discussions of the activities of the War Refugee Board in the latter connection can only create confusion. Since the War Refugee Board was established as an emergency measure to execute this Government's determined policy, the financing of private projects designed to carry out that policy must be treated in the special manner which this Government has accorded in the licenses which have been issued during the past nine months.

This Government regards the saving of lives as paramount to any slight financial benefits/might accrue to the enemy as the result of rescue which

- 2 -

operations. The licenses issued by this Government, as the British Government is aware, carry ~~certain~~ safeguards which assure adequate control over the ~~possible~~ acquisition of free foreign exchange or of credits in neutral countries by the enemy. As a matter of fact, the thousands of lives already saved as the result of operations permitted by this Government far outweigh the negligible benefit which might have accrued to enemy nationals.

The question is not one of joint consultation concerning the issuance of licenses for this special purpose but rather a question of whether the British Government is prepared to adopt and follow a refugee rescue policy similar to that of this Government.

Draft Oct 11/44

CABLE TO WINANT, LONDON, FROM DEPARTMENT, WRB AND FEA

Please refer to your No. 8414 of October 6 and to paragraph 14 of your airgram A-1211 of October 4, 1944.

It is agreed that close cooperation of British and American authorities on the relief problem is greatly to be desired, and this Government will do everything possible to achieve such cooperation.

It is the view of this Government, however, that the activities of the War Refugee Board are not involved in the problem of relief dealt with by the Special Committee on Relief, and that discussion of the Board's activities in this connection can only create confusion. The War Refugee Board was established as an emergency agency to execute this Government's policy of taking all possible steps to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. This program is a rescue program to save those threatened with immediate extermination, and the furnishing of food, medical supplies; etc. is only one of the incidents of the program. This Government has made clear to the British Government on many occasions the nature of its policy and the kind of measures it deems essential to carry out that policy. In an aide-memoire dated \_\_\_\_\_, this Government's policy concerning the issuance of licenses to private organizations permitting them to finance operations designed to carry out the War Refugee Board program was set forth in great detail. The British Government was invited to adopt a similar policy. This Government's position in the matter was also explained in detail to Mr. Dingle Foote during his visit to Washington.

Cont

000011

We have made clear at all times that in our view the question is not one of joint consultation concerning the issuance of licenses in connection with the War Refugee Board program, but rather a question of whether the British Government is prepared to adopt and follow a similar refugee rescue policy. As stated in the aforementioned aide-memoire, this Government intends to follow the policy which it has been pursuing for many months in connection with the issuance of licenses for rescue projects.

You should make clear to the British authorities that we do not consider that this matter is involved in the relief problem which is now under consideration by the Special Committee on Relief.

*Handwritten:*  
8-16 / 904/14  
107-911-

CONFIDENTIAL

*Prof. [unclear]  
by [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]  
[unclear] [unclear] [unclear]*

CABLE TO WINANT, LONDON, FROM DEPARTMENT, WAR REFUGEE BOARD, TREASURY AND FEA

Please refer to your no. 8414, October 6, paragraph 14 of your Airgram A-1211, October 4, and Airgram A-1213 of October 6.

This Government can agree with British view advocating joint consultation on "monetary relief" as set forth in the aforementioned messages only if a basic agreement on policy is first <sup>achieved</sup> ~~amended~~. Heretofore, it has appeared that the British Government's actions stemmed from what ~~appeared to be~~ a basic disagreement with the action being taken to implement this Government's policy to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. The nature of this Government's policy and the kind of measures it deems essential to carry out that policy have been discussed with the British Government on many occasions and the British have been invited to adopt a similar policy.

We do not consider that operations designed to implement War Refugee Board activities must necessarily be linked to the relief problem under consideration by the Special Committee on Relief in London. Discussions of the activities of the War Refugee Board in the latter connection can only be fruitful if a basic agreement on policy is attempted.

Previously the principal objection to these licenses was on the ground that they afforded to the enemy opportunity to acquire foreign exchange for use in the prosecution of the war. Now, since this danger has lessened, the principal reason for objecting to these licenses is the possibility that the payment of foreign exchange to the enemy may assist enemy schemes to acquire and conceal funds in neutral countries. We have always felt and continue to feel that the risks involved in these cases are disproportionate to the paramount consideration of saving the lives of these unfortunates. We feel that experience thus far has borne out the validity of our position in that thousands of lives already have been saved with very negligible benefit to enemy nationals.

WASHINGTON, D. C.

BOARD OF ECONOMIC WARFARE

General  
sent on letter to other branches  
this memorandum on relief licenses  
4-1311  
these refer to AOM no. 8117  
OFFICE TO NEWELL LONDON

That this Government is fully cognizant of the danger now expressed by the British Government as the reason for objecting to our licenses and the projects thus authorized is illustrated by our initiating the proposal which led to the adoption of Resolution VI by the Bretton Woods Conference. Obviously the dangers involved in the acquisition of foreign exchange by the enemy are constantly borne in mind in the issuance of our licenses. It seems clear to us that joint consultation before such licenses are issued by this Government will result in nothing but delay unless a basic agreement on policy is first arrived at.

The fundamental question is not one of joint consultation concerning the issuance of licenses but rather whether the British Government is prepared to approve a refugee rescue policy similar to that of this Government.

Therefore, you are requested to inform the British members of the Special Committee, in answer to their memorandum on Monetary Relief, that this Government agrees in principle to the joint consideration of relief licenses which involve the placing of funds in neutral territory at the disposal of enemy persons provided (a) That expeditious procedure can be arranged as is apparently indicated in the British memorandum. (b) That cases of doubt requiring reference to London can be defined in advance in such a manner that they will not be numerous. (c) That basic principles to be followed by U.S. and British representatives will be parallel.

In connection with (c) above, previous discussions indicate some reasonable doubt as to whether parallel policies are in fact practicable. If the British government feels that parallel policies are in prospect, we would suggest that U.S. licenses issued in Bern since January of this year be examined and commented upon by British authorities and that the British authorities indicate which they would have approved or which they would not have approved giving specific reasons. It is suggested that for this purpose you obtain such data as may not be available in London from the American Legation, Bern, and make this data available to British

BOARD OF ECONOMIC ANALYSIS

0000090

...this Government will report  
...of our progress. It seems clear to us the  
...of the situation of the economy of the area at  
...of the situation of the area at

authorities. If, on careful examination of specific licenses issued by this Govern-  
ment and of general instructions issued by this Government, the British and you feel  
that a parallel policy can readily be arrived at please submit comments and recom-  
mendations. If, on the other hand, there proves to be an important area of disagree-  
ment, we believe a detailed analysis and discussion of this area would be mutually  
helpful.

REPEAT TO BERN

WASHINGTON, D. C.  
BOARD OF ECONOMIC WARFARE

000091

CABLE TO WINANT, LONDON, FROM DEPARTMENT, WAR REFUGEE BOARD, TREASURY AND FIN

*Deletions  
cleared with  
Public  
1/20/45  
JH*

Please refer to your no. 8414, October 6, paragraph 14 of your Airgram A-1211, October 4, and Airgram A-1213 of October 6.

This Government cannot agree with British view concerning "monetary relief" as set forth in the aforementioned messages. [It is clear that the British Government's view stems from what appears to be a basic disagreement with the action being taken to implement this Government's policy to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. The nature of this Government's policy and the kind of measures it deems essential to carry out that policy have been made clear to the British Government on many occasions and the British repeatedly have been invited to adopt a similar policy.]

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Previously the British Government objected to our licenses on the ground that they afforded to the enemy opportunity to acquire foreign exchange for use in the prosecution of the war. Now, since they feel that this danger has lessened, the British argue that the reason for objecting to our licenses is

the possibility that the payment of foreign exchange to the enemy may assist enemy schemes to acquire and conceal funds in neutral countries. We have always felt and continue to feel that the risks involved in these cases are disproportionate to the paramount consideration of saving the lives of these unfortunate victims. We feel that experience thus far has borne out the validity of our position in that thousands of lives already have been saved with very negligible benefit to enemy nationals.

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~~The fundamental question is not one of joint consultation concerning the issuance of licenses but rather whether the British Government is prepared to adopt and follow a refugee rescue policy similar to that of this Government.~~

NOV 2 1944

Dear Mr. Homer:

Reference is made to your letter to Mr. Fahle of October 12, 1944, concerning a proposed reply to London's No. 8414 of October 6, 1944.

Pursuant to our recent telephone conversation, I send you herewith for appropriate clearance at FEA a proposed reply to London which has the approval of both the War Refugee Board and the Treasury.

It will be appreciated if you will advise the Board as soon as possible concerning clearance of the proposed cable.

Very truly yours,

*F. Florence Hodel*

Florence Hodel  
Special Assistant to the  
Executive Director

Mr. Sidney Homer,  
Chief, Enforcement Section,  
Blockade Division,  
Foreign Economic Administration,  
Washington, D. C.

Enclosure.

*FH*  
FHshd 11/1/44

000094

Approved by J. J. Jones  
Special Agent in Charge  
Dept. of Justice

CABLE TO WIMANT, LONDON, FROM DEPARTMENT, WAR REFUGEE BOARD, TREASURY AND FEA

Please refer to your no. 8414, October 6, paragraph 14 of your Airgram A-1211, October 4, and Airgram A-1213 of October 6.

This Government cannot agree with British view concerning "monetary relief" as set forth in the aforementioned messages. It is clear that the British Government's views stem from what appears to be a basic disagreement with the action being taken to implement this Government's policy to save the lives of persons in enemy territory in imminent danger of death because of their race, religion or political belief. The nature of this Government's policy and the kind of measures it deems essential to carry out that policy have been made clear to the British Government on many occasions and the British repeatedly have been invited to adopt a similar policy.

It should be made clear to the British authorities that we do not consider that operations designed to implement War Refugee Board activities which are emergency in nature are involved in the relief problem under consideration by the Special Committee on Relief in London. Accordingly, discussions of the activities of the War Refugee Board in the latter connection can only create confusion. Since the War Refugee Board was established as an emergency measure to execute this Government's determined policy, the financing of private projects designed to carry out that policy must be treated in the special manner which this Government has accorded in the licenses which have been issued during the past nine months.

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000095



FOREIGN ECONOMIC ADMINISTRATION  
Bureau of Areas  
WASHINGTON 25, D. C.

IN REPLY REFER TO:  
BA-813-SHJR.

OCT 12 1944

██████████  
Mr. J. W. Pehle, Executive Director  
War Refugee Board  
3414 Treasury Building  
Washington, D.C.

Subject: Reply to London's  
8414 of October 6, 1944.

Dear Mr. Pehle:

I enclose for your consideration a rough draft of a proposed joint reply to London's 8414 of October 6th dealing with the question of monetary relief licenses. This confirms my conversation of today with your Miss Florence O'Dell.

As reference telegram is addressed jointly to War Refugee Board, FEA and the Department and concerns matters of mutual interest, we have attempted in this draft to suggest an answer which may be mutually acceptable to the three Agencies concerned. It is possible that actual dispatch of such a cable should await the receipt of London's A-1211 of October 4th; however, time might be saved if the principles of the enclosed draft are discussed between the interested Agencies at an earlier date.

Sincerely yours,

*Sidney Homer, Jr.*

Sidney Homer, Jr., Chief  
Enforcement Section  
Blockade Division

Enclosure.

DECLASSIFIED  
State Dept. Letter, 1-11-72  
By R. H. Parks Date SEP 13 1972

ROUGH DRAFT

SHomerJr:mo  
10/11/44.

REGULAR CABLEGRAM

TO: AMEMBASSY, LONDON  
FROM: THE DEPARTMENT, WAR REFUGEE BOARD, AND FEA  
MESSAGE: YOUR 8414 OF OCTOBER 6, 1944.

It is agreed that close cooperation of British and American authorities on relief problem is greatly to be desired and that relief in kind and monetary relief are complementary and should be subject to coordinated action. It is likewise agreed that free exchange remitted to the enemy may, unless carefully safeguarded, help the enemy to secure concealed funds in neutral territory for the purposes of perpetuating Nazi activities. Therefore, it is desirable that the Monetary Relief Program be carefully integrated with joint U.S.-U.K. efforts now under way to minimize German acquisition of neutral currencies. We, nevertheless, feel that under careful restrictions now in force certain licenses for monetary relief are justified and required. Our position is described in our memorandum of \_\_\_\_\_ presented to the British Government.

Joint consultations on the issuances of these licenses, however desirable, would be futile if the representatives of the U.S. and U.K. governments were acting under conflicting basic policy directives but would be highly desirable if the basic policy is parallel.

Therefore, you are requested to inform the British members of the Special Committee; in answer to their memorandum on Monetary Relief, that this Government agrees in principle to the joint consideration of relief licenses which involve the placing of funds in neutral territory at the disposal of enemy persons provided (a) That expeditious procedure can be

DECLASSIFIED  
State Dept. Letter, 1-11-72  
By R. H. Parks Date SEP 13 1972

arranged as is apparently indicated in the British memorandum. (b) That cases of doubt requiring reference to London can be defined in advance in such a manner that they will not be numerous. (c) That basic principles to be followed by U.S. and British representatives will be parallel.

In connection with (c) above, previous discussions indicate some reasonable doubt as to whether parallel policies are in fact practicable. If the British government feels that parallel policies are in prospect, we would suggest that U.S. licenses issued in Bern since January of this year be examined and commented upon by British authorities and that the British authorities indicate which they would have approved or which they would not have approved giving specific reasons. It is suggested that for this purpose you obtain such data as may not be available in London from the American Legation, Bern, and make this data available to British authorities. If, on careful examination of specific licenses issued by this Government and of general instructions issued by this Government, the British and you feel that a parallel policy can readily be arrived at please submit comments and recommendations. If, on the other hand, there proves to be an important area of disagreement, we believe a detailed analysis and discussion of this area would be mutually helpful.

REPEAT TO BERN.

10. DEPT. OF STATE CLEARANCE

11. REGULAR CLEARANCE REQUIRED

C. To Be Cleared \_\_\_\_\_

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOREIGN ECONOMIC ADMINISTRATION  
WASHINGTON 25, D. C.  
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID  
PAYMENT OF POSTAGE, \$500

Mr. J. W. Pehle, Executive Director  
War Refugee Board  
3414 Treasury Building  
Washington, D. C.

*Miss Hodel - 2410*

**REGISTERED NO. 781763**

000100

January 23, 1945

MEMORANDUM FOR THE FILES

Mr. Homer of FEA called again today to inquire concerning the reply to London's No. 8414 of October 6, 1944. He stated that he felt strongly that an answer was required. I advised him, after discussing the matter with Mr. Pehle, that the Board was not in a position to agree to the procedure set forth in the draft which Mr. Homer left with us at the time of his meeting with Mr. Pehle in November. The Board is still of the view that no concession should be made to the British on the question of licensing and that the position taken in the cable presented by the War Refugee Board and cleared with the Treasury Department should be adopted by this Government.

Mr. Homer stated that he would not agree to the dispatch of our draft. He suggested that the War Refugee Board clear the matter with the Department of State before referring it again to FEA.

  
F. Hodel

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: September 2, 1944  
NUMBER: 3040

FROM THE DEPARTMENT OF STATE, THE WAR REFUGEE BOARD AND THE FOREIGN ECONOMIC ADMINISTRATION TO MINISTER HARRISON AND MCKELLAND, BERN.

Please refer to your No. 4874 of July 29 concerning Sternbuch scheme. As clearly indicated in Department's No. 3656 of August 2 (SRB No. 106) and for the reasons indicated therein we concur in your view that it is not (repeat not) feasible to undertake the transaction in question at this time.

However, in view of the comments contained in paragraph four of your cable it is feared that you may be under a misapprehension as to the policy of the Government of the United States concerning the licensing of financial operations in and communications with enemy territory for refugee rescue and relief purposes. It is to be emphasized that the decision not to undertake the Sternbuch proposal does not (repeat not) in any way change or derogate from the licensing policy which has been in effect since prior to the establishment of the War Refugee Board in January of this year. For your information and guidance the following is a statement of this Government's policy regarding licenses for rescue and relief purposes which was communicated several months ago to the British Government and which has been explained in person and detail to Mr. Dingle Foot of the BEV.

QUOTE The United States Government, with the approval of the Department of State, the Treasury Department, and the War Refugee Board, has issued a number of licenses to private organizations authorizing such organizations to finance operations in and communicate with enemy territory in an effort to save the lives of oppressed peoples. The British Government has already been advised of the basic provisions of these licenses. As the British Government knows, such licenses permit 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 only if it is not feasible to obtain the local funds by the other methods which are prescribed.

The United States Government has concluded, in issuing these licenses, that any danger involved in permitting the enemy to acquire relatively insubstantial quantities of

Foreign  
DECLASSIFIED  
State Dept. Letter, 1-11-74  
E. H. Pad's Date SEP 13 1972

foreign exchange is far outweighed by the saving of lives. Experience has shown that the use of monies in many cases is the only means by which refugees can be assisted to escape or otherwise save their lives, and it is felt that every effort should be made to see that adequate funds are available for this purpose.

The United States Government is convinced of the need for operations of this character, in addition to those to be undertaken by the Intergovernmental Committee in extension of credit operations hitherto conducted by private organizations.

The United States Government, motivated by humanitarian considerations, intends to continue to follow the policy which it has been pursuing now for several months in connection with the issuance of licenses to private organizations. It is our opinion that its efforts in this regard should not be unilateral, and that the two governments will be able to follow a common line so that there may be full cooperation in this matter as well as in the case of operations through the Intergovernmental Committee.

Accordingly, the United States Government hopes that the British Government will decide to adopt a similar policy in connection with authorizing and encouraging the sending of funds by private organizations to neutral countries for the relief and rescue of victims of enemy aggression. In this way, the two governments will be able most effectively to carry out the policy heretofore agreed upon to take all possible measures, consistent with the successful prosecution of the war, for the speedy rescue and relief of the oppressed minorities of Europe. 73046

It is important that in continuing and intensifying our humanitarian efforts to rescue the victims of enemy aggression, you be guided by the policy indicated. In this connection, your attention is further directed to the Department's cable of March 15, 1944, No. 254.

- 3040

We know adequate care is being taken not to make available free exchange or free currency except where it is not feasible to use the other prescribed methods of procuring local funds and, from reports we have received, we are not disturbed about the amount of free exchange and free currency being obtained. Furthermore, these activities are not regarded by us as conflicting with the various negotiations now being conducted by this government with Swiss banks and Swiss Government to deny to the enemy Swiss francs to the greatest possible extent and especially to prevent a last minute flight of capital into Switzerland, trying to avoid United Nations' economic and military control.

THIS IS WRD CABLE TO BERN NO. 109.

HULL

Miss Chauncey (for the Sec'y), Abrahamson, Aikin, Cohn, DeBis, Drury, Friedman, Gaston, Hodal, Laughlin, Leaser, Mannon, Marks, McCormack, Penle, Sergey, Standish, Weinstein, Cable Control Files

October 6, 1944.

FROM /  
LONDON  
October 6, 1944.  
Recd:  
October 17, 5pm

Secretary of State,  
Washington.

A-1213 October 6

FOR DEPT. FILE AND SER

**CONTROL COPY**

Reference Embassy's telegrams 8373 October 5, and  
8424 October 6.

Following is the text of the memorandum on monetary  
relief submitted by the British members to the Special  
Committee on Relief:

"Since the occupation by Germany of Norway, Denmark,  
Holland, Belgium and France, there has been a natural  
desire on the part of Allied nationals or sympathisers  
to remit funds to occupied countries for relief purposes.  
Their proposals have taken different forms. The most  
common form was requests by individuals to be allowed to  
send subsistence payments to their relatives in an  
occupied country. There were also charitable schemes  
for the collection of funds to be used for the care of  
different groups of people, e.g. necessitous children, in  
occupied countries. There were also proposals to purchase  
food or clothing material in enemy countries for relief  
purposes. With certain very limited exceptions we have  
always refused to approve such proposals on the ground  
that they would afford considerable benefit to the enemy  
by providing foreign exchange.

"Recently another form of remittance of funds to  
enemy territories for relief purposes has arisen, namely  
the provision of funds for the rescue or maintenance pend-  
ing rescue of persons in enemy territory. The War  
Refugee Board in Washington has been active in procuring  
the issue of licenses to private bodies for this purpose.  
The licenses require that the funds should be obtained  
either by borrowing from residents in enemy territory  
against blocked funds for post war repayment, or by purchase  
from unobjectionable neutral holders of enemy currency.  
Only in the last resort where it is strictly necessary in  
order to carry out the rescue project is it permitted to  
procure enemy currency by the direct use of "hard" currency  
such as dollars or Swiss francs, but the decision on this

DECLASSIFIED  
State Dept. Letter, 1-11-78 Important/

By R. H. Parks Date **SEP 13 1972**

important alternative appears to be left to the licensee.

"In the present circumstances the objections to allowing the enemy to acquire foreign exchange on the ground that the funds will be used for the prosecution of the war are greatly lessened. He has now little opportunity for import from neutral countries and thus for the spending of foreign exchange. The recent discussions with Swiss Banks have led to their imposing certain restrictions on enemy financial transactions which considerably detract from the enemy's free use of such Swiss francs as he may obtain. There is now less reason on this ground therefore to oppose projects which require the payment of a certain amount of foreign exchange to the enemy. On the other hand it is known that certain enemy persons and firms are taking steps to acquire and conceal funds in neutral countries against the day when they may have to seek refuge or for future use in restoring their foreign trade. Any project which means the payment of foreign exchange to the enemy may well assist these schemes for the acquisition of hidden neutral funds. This is especially true of schemes such as rescue projects which have to be carried out in secrecy and whose success may depend to a considerable degree on bribery of German officials. The same objections apply in perhaps lesser degree to the acquisition of enemy currency by borrowing from residents in enemy territories. In so far as such residents are of Allied nationality and unimpeachable standing there may be little danger but the fact that they are resident in enemy occupied countries removes them from the possibility of close investigation and there may well be war profiteers, or persons of enemy nationality such as officials, to participate in the credit scheme, possibly under cover names, and thereby to acquire the title to post-war repayment of the equivalent blocked credit.

"However, since the liberation of France and the partial liberation of Belgium and Holland, there will be less necessity to make use of funds procured in this way. This last danger is therefore correspondingly lessened in scope. But it may be that from this very fact there will be even greater necessity to employ funds in bribery and similar payments which involve their getting into the hands of enemy nationals.

"It is suggested that in order to avoid the dangers outlined above, licenses which involve, or may involve the placing of funds in neutral territory at the disposal of enemy persons should only be issued after consultation

between/

- 3 - London A-1213.

between the United Kingdom and the United States Governments. Normally such consultation should take place between the State Department and His Majesty's Embassy in Washington, who would be given a wide discretion to agree to their issue, reference to London only being necessary in doubtful cases."

WINANT

MG:JH  
Hectographed by: JH

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London  
TO: Secretary of State, Washington  
DATED: October 6, 1944  
NUMBER: 8414  
X

**CONTROL COPY** (210)

Following is for the War Refugee Board, FEA, and the Department.

Reference is made herewith to Embassy's cable of October 5, no. 8373.

It was stated by the Ambassador, on the matter of monetary relief, that his Government wished this subject to be considered separately. The British members of a special committee on relief submitted a memorandum on the question of monetary relief, the text of which is being sent by airmail to the Department. Paragraph 14 of recommendations of the committee (Embassy's A-1211 dated October 4) was based on this memorandum and in substance suggests that any license which involves or may involve the placing of funds in neutral territory at the disposal of enemy persons should be issued only after consultation between the Governments of the United States and Great Britain and that, normally, this consultation should take place between the Department of State and the British Embassy. The British Embassy would be given wide discretion and reference to London (relief sub-committee) be necessary.

The position has been taken by the British that monetary relief as extended through WRB licenses to persons in enemy and enemy occupied countries is an integral part of any general

DECLASSIFIED  
State Dept. Letter, 1-11-72  
By R. H. Parks Date SEP 13 1972 scheme

scheme of relief through the blockade and should be subject to joint approval. It is further pointed out by them that the two programs, relief in kind and monetary relief, are complementary and that it will be difficult to avoid duplication unless those responsible for shipments of relief in kind are kept advised of payments which are being made.

It is felt by the British that the principal danger in letting the enemy obtain foreign exchange is no longer that the money will be used for the prosecution of the war, but that such funds may help enemy persons and firms in the efforts they are now known to be making to secure and conceal funds in neutral territory for use when they may have to seek refuge or for use in restoring their foreign trade.

The American representatives on special committee reserved their position on recommendation regarding monetary relief and stated that the Ambassador would submit the matter separately to Washington.

WINANT

DCR:VAG 10/7/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London  
TO: Secretary of State, Washington  
DATED: October 5, 1944  
NUMBER: 8373  
/ [REDACTED]

US URGENT.

FOLLOWING IS FOR FSA AND THE DEPARTMENT.

Embassy's telegrams of September 22 and September 29, 1944, Nos. 7860 and 8145 are referred to herewith.

A. There was sent to the Department on October 4 as A-1211, a full text of report embodying proposals of Special Committee on Relief which report is summarized in the following paragraph D.

This report will now be submitted to the British Cabinet and it is assumed by the Committee that the proposals will be taken up with Combined Chiefs of Staff in Washington following approval by the British Cabinet and by you.

B. It is suggested by the Embassy that it be given authorization to work with the British here in conversations with the Government of Norway and in taking other action necessary to implement proposals should they be approved in the present form.

C. With respect to the question of a public announcement, it was recommended by the Committee that the Governments of the United States and Great Britain issue simultaneous and not necessarily identical statements. It was felt by the Committee to be important that the same general line of argument be followed in any public statements on this subject that the two

DECLASSIFIED  
State Dept. Letter, 1-11-72  
By R. H. Parks Date SEP 13 1972 Governments

Governments might make but that it would be impracticable to have identical texts. A statement probably will be made in Parliament by the British, which statement will be sent to you previously and it is expected that any statement which might be made public by the Department would similarly be transmitted to London before being released. The Committee discussed the British statement which is now being prepared and will be shortly forwarded and it was suggested that it might be used as a basis for the Department's statement.

D. The following is a summary of proposals contained in Airgram A-1211 mentioned above.

One. Norway:

(A) The Governments of the United States and Great Britain will permit compensating imports into Sweden to replace food sent as relief to Norway, will relax rule forbidding export of produits similaires from Sweden to Norway and will allow onshipment to Norway of food imported through blockade.

(B) The relaxation of the export rule mentioned above is being made to enable the extension of existing relief schemes in Norway under Swedish supervision.

(C) Approval will also be given to despatch of children's clothing in small lots providing satisfactory reports on distribution are made.

(D) The proposed shipments will all be submitted to JSC Stockholm and wide discretion to approve without reference will be granted to British and American members.

(E)

(E) Discussions of the proposals will be held with the Government of Norway which will be asked for suggestions regarding financing of operations and with the Government of Sweden which will be requested to give estimates of additional imports needed.

(F) A request will be made of the German Government to give assurances with respect to safe conducts, maintenance of rations, freedom of movement and personal safety of supervisors and maintenance of normal shipments to Norway of foodstuffs.

Two. Poland:

(A) IRCC will be informed by the Governments of Great Britain and the United States that they are willing to admit through blockade food for distribution in canteens, etc. by IRCC in cities where there is an acute need and by means of individual parcels in other areas where the correct use of parcels can be verified by IRCC.

(B) As in the case of Norway permission will be given for shipment of children's clothing providing satisfactory reports on distribution are submitted.

(C) Information regarding this will be given to the Polish Government and it will be asked for suggestions as to financing of operations.

(D) A request will be made of IRCC to suggest names of cities, to indicate type of control which can be exercised and to estimate the amounts of food required.

(E) Assurances regarding safe conducts, maintenance of rations, etc. will be requested of the German Government as in the case of

Norway

Norway.

Thres. Denmark and Czechoslovakia:

(A) It is felt that the food situation is satisfactory but action similar to that proposed for Poland will be authorized if the need arises.

Four. Other Areas:

(A) In view of the present military situation, no recommendation was made for Yugoslavia and the Netherlands but if areas should remain under settled enemy occupation action <sup>in</sup> similar to that proposed for Poland will be authorized.

Five. Vitamins:

(A) With respect to vitamins B and C these will be admitted through blockade in the same manner as vitamin D.

Six. Monetary relief.

(A) The suggestion is made that licenses involving the placing of funds at disposal of enemy persons in neutral territory should be issued only after consultation between Governments of Great Britain and the United States.

With respect to paragraph six above a separate cable is being sent (please see full text, paragraph 14).

Position on this point was reserved by the Committee's American representatives.

MINANT

*STB*  
DCR:IDB:IM 10-6-44

**CONTROL COPY**

FROM

SECRET

Dated October 4, 1944

Recd: October 12, 5p.m.

OFFICE OF THE  
SECRETARY OF STATE  
COMMUNICATIONS RECORDS

Secretary of State,  
Washington.

A- 1211, October 4, 1944.

FOR DEPARTMENT OF AGRICULTURE

Reference Embassy's 7809, September 22 and 9146 Sep-  
tember 22. Following is the report of the Special Com-  
mittee on relief setting forth its recommendations concern-  
ing the relaxation of present blockade policy with respect  
to relief shipments to occupied territory:

RELAXATION OF PRESENT BLOCKADE POLICY WITH REGARD TO  
RELIEF SHIPMENTS TO OCCUPIED TERRITORY

NORWAY

1. (i) The United States and British Governments will per-  
mit compensating imports into Sweden to replace foodstuffs  
sent as relief to Norway as far as supply considerations  
permit, and will allow the shipment to Norway of food-  
stuffs imported through the allied controls. They will  
also relax the rule forbidding the export from Sweden to  
Norway of produce similaires. These relaxations in  
blockade policy will be made to enable an increase in the  
extent of relief feeding to Norway both as regards numbers  
of beneficiaries and variety of diet.

(a) in consols,

(b) in consignments for aged people,

(c) in organized community centres or  
under special schemes approved by the  
Joint Standing Commission in Stockholm.

(ii) They will also permit children's clothing to be  
sent in small lots provided that the despatch of each con-  
signment will be contingent upon receipt of satisfactory  
reports on the distribution of previous consignments.

(iii)

DECLASSIFIED  
State Dept. Letter, 1-11-72  
By R. H. Parks Date SEP 13 1972

**BEST AVAILABLE COPY**

(iii) All proposed shipments, both of food and clothing, will be submitted to the Joint Standing Commission in Stockholm as constituted under the Anglo-American Swedish War Trade Agreement of 1943. The United States and British members of the Commission will be given wide discretion to approve consignments and will only refer to Washington and London,

- (a) in cases of doubt, and
- (b) for goods other than those specified above.

(iv) Reports on distribution will be submitted to the Joint Standing Commission, Stockholm.

2. The Norwegian Government will be informed of these proposals and consulted as to the form and extent of relief to be provided. They will be asked to submit proposals for the finance of these operations.

3. The Swedish Government will be asked to submit estimates of the additional relief assistance that can be provided through the existing machinery and the approximate quantities of additional imports required through our controls.

4. The German Government will be asked for,

(a) safe conducts for all transport carrying relief supplies, complete freedom of movement and guarantees of personal safety for supervisory personnel;

(b) assurance that rations will be maintained and that imports to Norway from German Europe will be maintained at a rate, not less than that prevailing at the corresponding period of the previous year;

(c) an assurance that the distribution of relief supplies will be permitted in any part of Norway selected by the approved neutral organisations, after consultation with the Joint Standing Commission;

(d) release from the Baltic and safe conducts for any additional tonnage required. (The United States and British Governments will be prepared to give the same assurances as now given in the case of Swedish ships in the Greek Relief Service.)

POLAND /

POLAND

5. (i) The International Red Cross Committee will be informed that the United States and British Governments are willing to admit through their controls food for distributions:

(a) in selected cities where the International Red Cross Committee report urgent need and where distribution can be made by them or through their agents in canteens, schools or other community centres; all food will be consumed in these centres;

(b) in other areas by means of food parcels sent to individuals or groups of individuals provided the International Red Cross Committee can obtain verification that the parcels are received and retained by the intended beneficiaries.

(ii) The United States and British Governments will also permit children's clothing to be sent in small lots provided that the despatch of each consignment will be contingent upon the receipt of satisfactory reports on the distribution of previous consignments.

6. The Polish Government will be informed of these proposals and consulted with as to the form and the extent of the request to be provided; they will be asked to submit proposals for the finance of these operations.

7. The International Red Cross Committee will be asked,

(a) to submit names of cities where need is acute and estimates of the quantities of food that they can distribute in both bulk and parcel form, and

(b) to indicate the extent and form of control which they can exercise in each case.

8. The German Government will be asked by the International Red Cross Committee for,

(a)/

9. The Commission for the Relief of Belgium shall be authorized to make requests, through its movement and representatives of personal safety, for supervisory personnel.

(c) Assurance that rations will be maintained and that no reduction will be made in normal supplies to the area concerned.

(d) Assurance that distribution of relief supplies will be permitted in any cities and any parts of such cities selected by the International Red Cross Committee.

#### FINLAND, POLAND AND DENMARK

8. Although it is not thought that there is route need for relief in Czechoslovakia and Denmark, the Czech Government and Danish Council will be consulted and if it appears that need in any particular areas has become urgent, action similar to that proposed for Poland will be authorized.

#### OTHER AREAS

10. In view of the present military situation it is not thought necessary to make recommendations for the Netherlands and for Yugoslavia. Should however these countries or any part of them remain under settled enemy occupation during the winter, similar action to that proposed for Poland will be authorized.

#### CONCENTRATION CENTS

11. The policy of the United States and British Governments with regard to concentration and internment camps and Jews in ghettos will be the same as in recent months, namely that the International Red Cross Committee will be permitted to despatch relief foodstuffs to any such camp or ghetto where it is satisfied as to the conditions of distribution.

12. The United States and British Governments have been in communication with the International Red Cross Committee regarding the possibility of the safe distribution of clothing in such camps and if adequate assurances are received, they will be prepared to permit experimental consignments of children's clothing.

VIRALINS /

VITAMINS

13. Arrangements have already been made to despatch vitamin D to occupied territories in the same way as medical supplies.

It is now proposed to add vitamins B and C.

MONETARY RELIEF

14. It is suggested that licenses which involve or may involve the placing of funds in neutral territory at the disposal of enemy persons should only be issued after consultation between the United States and British Governments. Normally such consultation should take place between the State Department and the British Embassy in Washington, who would be given a wide discretion to agree to their issue, reference to the Relief sub-committee in London only being necessary in doubtful cases.

(Note: The American representatives on the Committee reserved their position on paragraph 14 and the United States Ambassador is referring the matter separately to his Government)."

FINANT

AC:JH  
hctographed byt. JH

DEPARTMENT  
OF  
STATE

INCOMING  
TELEGRAM

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

BJR - 839  
This telegram must be  
paraphrased before being  
communicated to anyone  
other than a Government  
Agency. ( )

London

Dated September 16, 1944

Rec'd 5:46 a.m. 17th.

*W. Mann (for Pehle)*

Secretary of State,  
Washington.

**CONTROL COPY**

7637, September 16, 6 p.m.

FROM MANN FOR PEHLE WRB

The British are raising objections to Treasury licenses issued for rescue and relief as indicated in No. 7534 of September 13. Stone, head of Economic Warfare Division of the Embassy has received a letter from British MEW concerning license No. W-2215 in which it appears that before my arrival a copy of the license was furnished MEW by an officer in Stone's office in effort to cooperate on such matters. MEW laboring under a misunderstanding of license interprets it as an attempt to authorize persons subject to jurisdiction of United Kingdom to undertake transactions contrary to laws and regulations of United Kingdom. While MEW states it is not (repeat not) prepared to allow enemy currency to be acquired against repayment in sterling, it expresses sympathy with object of license and says that it

For security reasons the text of this message must be closely guarded.

DECLASSIFIED  
State Dept. Letter, 4-11-77  
By R. H. Parks Date **SEP 13 1972**

000119

-2- #7637, September 16, 6 p.m., from London,

that it would be prepared to issue licenses for communications with enemies to enable the agents here of persons in United States to have relations with enemy or to make available to such persons the United States currency involved in the transactions licensed in United States. The latter would appear to permit the carrying out of the purposes for which funds are remitted from United States since currency needed for actual operations can apparently be purchased more easily with dollars than sterling. Stone's office is preparing a reply correcting British misunderstanding of license.

I am advised that Embassy has asked British for discussion on level of Ambassador and Foreign Minister relative to blockade problems of relief in kind. British replied agreeing to such discussion and requested that matter of currency relief in enemy territory also be discussed. When such talks have been held, I will report their substance, as well as any further difficulties encountered in freeing for rescue purposes funds sent from United States. It seems to have been a mistake to permit the transfer of dollars to the

United

000120

-5- #7637, September 16, 6 p.m., from London,

United Kingdom and thus becoming involved with British exchange control laws without having previously cleared with British unless trustees had cogent reasons which are not known to me. It is suggested that hereafter precautions be taken to see that where possible remittances be made directly and that they are not made through United Kingdom unless such is absolutely necessary.

WINANT

WFS:CSB

000121

MEM  
Distribution of free  
reading only by special  
arrangement.

July 1, 1944

7 p.m.

ANNEX I.

ANNEX I.

MEM

War Refugee Board cable no. 71 follows

Procurement of report at earliest opportunity from  
Jacob Schiffel giving total in dollar equivalent of amount  
of free currency, if any, sent into enemy territories during  
period ended June 1 pursuant to section 1 (c) of Treasury  
Illness W-1248 requested by Department, War Refugee Board  
and Treasury.

MEM  
(12)

7/1/44

Mr. Tolson, Mr. E. A. Tamm, Mr. Clegg, Mr. Glavin, Mr. Ladd, Mr. Nichols, Mr. Rosen, Mr. Tracy, Mr. Carson, Mr. Egan, Mr. Gurnea, Mr. Harbo, Mr. Hendon, Mr. Pennington, Mr. Quinn, Mr. Nease, Mr. Gandy

000122

DEPARTMENT  
OF STATE

MIS  
Distribution of this  
reading only by special  
arrangement. (FORM W)

OUTGOING  
TELEGRAM

DIVISION OF  
COMMUNICATIONS  
AND RECORDS  
Midnight

For security reasons  
this document  
must

JUL 4 1944

AMLEGATION,

STOCKHOLM.  
1319 X

War Refugee Board cable no. 40 for Olsen follows.

Procurement of report at earliest opportunity from  
Evensen and Traumael giving total in dollar equivalent  
of amount of free currency, if any, sent into enemy  
territory during period ended June 1 pursuant to  
Section 1 (c) of Treasury license W-2182 requested by  
Department, War Refugee Board and Treasury. Where exact  
figures are not available estimates may of course be  
given.

HULL  
(GLW)

WRB:MMV:KG  
7/2/44

NOE

WT

SWP S/OR

DECLASSIFIED  
State Dept. Letter, 1-11-73  
By R. H. Parks Date SEP 13 1972

000123

ORIGINAL COPY OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATE: July 1, 1944  
NUMBER: 261

TO: BERN FOR MCKILLARD, BERN

Department, War Refugee Board and Treasury request that you obtain as soon as possible from the representatives in Switzerland of the organizations listed below a report giving the total in dollar equivalent of the amount of free currency, if any, sent into enemy territory during the period ending June third pursuant to section 1 (c) of the respective Treasury licenses. Estimates may, of course, be given where exact figures are not available.

American Committee for Christian Refugees	-8-2150
Jewish Labor Committee	-8-2156
Joint Distribution Committee	-8-2106
International Rescue and Relief Committee	-8-2131
Union of Orthodox Rabbis	-8-2127
World Jewish Congress	-8-2115

THIS IS THE CASE TO BERN NO. 67

Also channels for the entry of refugees, Italy, Switzerland, Spain, France, Portugal, Greece, Turkey, Czechoslovakia, Denmark, Norway, Sweden, Finland, Poland, Rumania, Bulgaria, Yugoslavia, Albania, and the Balkans.

Very truly yours,  
Secretary of State

Enclosure

000124

*Partial Copy*

MEMORANDUM

Reference is made to the British Embassy's Aide Memoire, of March 27, 1944, concerning the question of supplying funds in Switzerland to be used for the rescue and relief of victims of enemy oppression who are in imminent danger of death.

This Aide Memoire raises two important matters, which can be most satisfactorily dealt with by treating them separately. These matters are:

(1) The participation of the Intergovernmental Committee on Refugees in the rescue and relief of victims of enemy oppression through the establishment of a guarantee fund such as that referred to in the Aide Memoire.

(2) The policies to be followed by the two Governments in permitting private organizations in their respective countries to finance operations in  
and

000125

and communicate with enemy territory in an effort to save the lives of oppressed peoples in enemy territory.

As the British Government is aware, representatives of the Intergovernmental Committee on Refugees, Sir Herbert Emerson and Patrick Malin, came to Washington in early April for general discussions with the War Refugee Board concerning refugee problems. These discussions were most cordial and complete agreement was reached on working arrangements between the Committee and the Board. It is assumed that the Intergovernmental Committee has already informed the British Government of the decisions which were made. During these discussions the contents of the Aide Memoire were fully considered. There follows a brief summary of the action which this Government has now taken toward implementing the proposal to set up a guarantee fund in the

hands

provided that the Government of the United States was prepared to provide the same amount. In discussions with representatives of the Intergovernmental Committee it developed that in terms of the immediate proportions of the proposed operations the sum still owing to the Intergovernmental Committee by the two Governments in fulfillment of commitments for 1944, namely £900,000 (\$3,600,000) would be adequate for the time being. Accordingly, the Intergovernmental Committee submitted the following basic proposal to the United States Government:

"The IGC has provided in its estimate of operational expenditure for 1944 the sum of one million pounds, of which one half will be furnished by the American government and one half by the British government. It has been agreed by the two governments that if this expenditure is exceeded, the IGC, under the agreed procedure, may submit proposals for

supplementary

supplementary grants. At present the IGC has not in prospect operational expenditure of any considerable amount. It could therefore allocate £900,000, namely \$3,600,000 for the purpose of credit operations provided it is clearly understood that if and when the necessity of undertaking other projects arises it will be free, in accordance with the approved procedure, to submit applications to the two governments for further grants. Such applications might include requests for further grants towards credit operations if they exceeded £900,000 from the budget grant and could be usefully extended beyond this figure.

"It is therefore proposed that, on the above understanding, the credit operations should be financed in the first place to the extent of £900,000 out of the budget grant of £1,000,000."

The United States has now paid to the Intergovernmental Committee the sum of \$1,600,000 and if the needs of the Committee require further sums in the future sympathetic consideration will be given

at

at that time to making the necessary additional funds available.

II. The policies to be followed in issuing licenses to private organizations for the relief and rescue of victims of enemy oppression in imminent danger of death.

With respect to this matter, the Intergovernmental Committee has taken the following position:

"It is proposed that (1) financial assistance by the IGC should be limited to credit operations; (2) that cash operations should continue to be financed by the voluntary organizations through licenses issued by the governments of the U.K. and U.S.A., respectively, according as the organizations are British or American, and that any question of policy which may arise between the two governments regarding the issue of such licenses should be discussed between the two governments, independent of the IGC."

The United States Government also regards the arrangement with the Intergovernmental Committee as completely

- 7 -

completely independent of the question of the policies to be adopted by the respective governments in licensing private organizations to engage in rescue and relief activities.

The United States Government, with the approval of the Department of State, the Treasury Department, and the War Refugee Board, has issued a number of licenses to private organizations authorizing such organizations to finance operations in and communicate with enemy territory in an effort to save the lives of oppressed peoples. The British Government has already been advised of the basic provisions of these licenses. As the British Government knows, such licenses permit 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 only if it is not feasible

000131

feasible to obtain the local funds by the other methods which are prescribed.

The United States Government has concluded, in issuing these licenses, that any danger involved in permitting the enemy to acquire relatively insubstantial quantities of foreign exchange is far outweighed by the saving of lives. Experience has shown that the use of money is in many cases the only means by which refugees can be assisted to escape or otherwise save their lives, and it is felt that every effort should be made to see that adequate funds are available for this purpose.

The United States Government is convinced of the need for operations of this character, in addition to those to be undertaken by the Intergovernmental Committee in extension of credit operations hitherto conducted by private organizations.

The United States Government, motivated by humanitarian considerations, intends to continue to follow

the

000132

the policy which it has been pursuing now for several months in connection with the issuance of licenses to private organizations. It is most anxious that its efforts in this regard should not be unilateral, and that the two governments will be able to follow a common line so that there may be full cooperation in this matter as well as in the case of operations through the Intergovernmental Committee.

Accordingly, the United States Government hopes that the British Government will decide to adopt a similar policy in connection with authorizing and encouraging the sending of funds by private organizations to neutral countries for the relief and rescue of victims of enemy oppression. In this way, the two governments will be able most effectively to carry out the policy heretofore agreed upon to take all possible measures, consistent with the successful prosecution of the war, for the

speedy

- 10 -

speedy rescue and relief of the oppressed minorities  
of Europe.

Department of State,

Washington.

000134

C O P Y

LETTER TO THE BRITISH EMBASSY FROM THE BOARD

June 29, 1944

DEAR MR. THOROLD:

YOU WILL RECALL THAT DURING OUR RECENT MEETING WITH YOU AND MR. DINGLE FOOT, MR. FOOT REQUESTED CERTAIN INFORMATION WITH RESPECT TO U.S. TREASURY LICENSES AUTHORIZING RESCUE AND RELIEF OPERATIONS IN ENEMY TERRITORY.

I HAVE NOW BEEN ADVISED BY THE TREASURY DEPARTMENT THAT AS OF JUNE 1, 1944, THE TOTAL AMOUNT AUTHORIZED FOR SUCH OPERATIONS IS \$2,088,100. IT SHOULD BE BORNE IN MIND THAT THIS IS THE TOTAL AMOUNT AUTHORIZED TO BE REMITTED TO NEUTRAL COUNTRIES AND THAT THE ACTUAL AMOUNT SENT IS CONSIDERABLY LESS.

AS TO THE USE OF FREE CURRENCY IN ENEMY TERRITORY (THE THIRD METHOD OF FINANCING PERMITTED BY THE LICENSES UNDER QUESTION), IT APPEARS, FROM REPORTS PRESENTLY AVAILABLE, THAT ONLY A VERY SMALL FRACTION OF THE ABOVE-MENTIONED TOTAL HAS BEEN USED IN THIS MANNER. IN THIS CONNECTION I SHOULD LIKE TO ADVISE YOU THAT CABLES ARE NOW BEING SENT TO THE AMERICAN MISSIONS CONCERNED REQUESTING REPORTS ON THE TOTAL AMOUNT, IF ANY, OF FREE CURRENCY SENT INTO ENEMY TERRITORY UNDER SUCH LICENSES. AS SOON AS THESE REPORTS ARE RECEIVED, I SHALL ADVISE YOU FURTHER.

VERY TRULY YOURS,

(SIGNED) J.W. PEHLE

J.W. PEHLE  
EXECUTIVE DIRECTOR

MR. GUY F. THOROLD  
COUNSELOR, BRITISH EMBASSY  
WASHINGTON, D.C.

000135

**CONTROL COPY**

FROM  
TO  
May 16, 1944  
Recd: May 23 8am

Secretary of State, May 16, 1944  
Washington, D.C.  
A-621, May 16

THE DEPARTMENT AND THE BOARD OF REFUGEE BOARD

reference Embassy's 3481, April 28.

The following is the text of a letter from Mr. H. H. Bliss of the Enemy Transactions Department of the Treasury to Mr. Wisler, dated May 17, concerning the implementation of the licenses granted at the instance of the War Refugee Board to the World Jewish Congress and the Joint Distribution Committee:

At a meeting last week of the relief sub-committee we discussed with Miss Camp a telegram from Mr. Wisler, concerning instructions with regard to the program of the Joint Distribution Committee.

The telegram raised two questions on which our decision asked for guidance. One, with which we are not now concerned, related to the class of goods whose export might be permitted. The other concerned the implementation of the terms of the license given by the U.S. Treasury for the use of the funds to be used for these purchases. This license, as understood in Switzerland, allowed unlimited discretion to purchase goods in enemy territories under the relief programs.

This appears to be the same as, or similar to, the license referred to in the third paragraph of Lord Brogden's letter to you of 8th April concerning the question of coordination in the work of the War Refugee Board. It was forwarded to the Department as an enclosure to the Embassy's despatch to 15,001, April 17, 1944. It was pointed out there that the terms of this license were contrary to the policy previously agreed between us. The Board, themselves have also raised this point, on the grounds that the proposed use of the funds was contrary to the joint statement, handed to them by our missions last November, on the subject of transmission of funds to enemy territory. We asked

DECLASSIFIED  
State Dept. Letter, 1-11-78  
By R. H. Parks Date SEP 13 1972

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London 4-6-45

- 2 -

that in reply they should be informed that the British Blockade Authorities had not yet agreed to such a derogation from their former policy.

"We have since learned that the terms of the licences granted, with the support of the War Refugee Board, for relief-rescue operations, lay down that the funds may be used for the acquisition of enemy currencies, either (a) by purchase from residents in Switzerland who have obtained the currency in an unobjectionable manner; the currency to be used for payments in occupied countries to support would-be refugees or to facilitate their escape, or (b) by loans from residents in the occupied countries concerned, against a promise to pay dollars after the war. The actual expenditure of dollars or other hard currencies in occupied countries is, we understand, only to be permitted when it is strictly necessary in order to secure assistance in effecting actual rescues.

"It seems from this that the actual expenditure of hard currency in enemy occupied territories on goods for internal relief purposes, is not envisaged by the terms of the licences. It is desirable that we should clear up this point and should be in a position to give clear instructions to our Missions, and to the International Red Cross Committee. We agree that enemy currencies obtained by either of the methods (a) or (b) above, may be used for purchase of goods in the enemy countries concerned for the relief of would-be refugees so long as they remain there.

"We see strong objection, however, to the expenditure of dollars or Swiss francs directly in enemy territory on goods for this purpose. We believe that the view of the U.S. Treasury coincides with ours on this point.

"We are anxious to secure the fullest co-ordination both here and between our Missions in the field on this question of rescue and relief programmes. We should, therefore, be glad to know whether you consider our Missions in Bern instructed that dollars or other hard currency should not be used to cover the purchase of relief supplies in enemy territory."

"We would appreciate confirmation of the specific point raised by you in this letter, i.e. that the expenditure of hard currencies in occupied countries is authorized only when it is strictly necessary to secure assistance in effecting actual rescues and that it is not authorized for the purchase of relief supplies in enemy territory. Each

relief/

London A-521

- 3 -

"relief action" should be financed by methods (a) or (b) as set forth in paragraph 4 of the letter quoted.

2. SAC would also appreciate being informed of any general instructions sent Bern in connection with the procedure to be followed in the future concerning purchases made in Switzerland at the instance of the War Refugee Board. In this connection, please see paragraphs 3 and 4 of the Embassy's telegram under reference.

100-11111

MG:JH  
Rephotographed by: JH

000138

**CONTROL COPY**

*2 War Refugee Bd  
(Mr. Pihle)*

No. 15,061

London, England, April 17, 1944.

BY AIR POUCH

Economic Warfare (Blockade) Series: No. 861

**Subject:** Letter from Lord Drogheda to Mr. Riefler concerning suggested method of financing operations of the War Refugee Board in enemy territory.

**The Honorable  
The Secretary of State,  
Washington, D.C.**

**Sir:**

I have the honor to refer to the Department's telegram No. 2519 of March 31 and to transmit a copy of a letter from Lord Drogheda, Director General of the Ministry of Economic Warfare, to Mr. Riefler concerning the action which has been taken by the British Government to ensure coordination with the work of the War Refugee Board.

*United States Relief  
Sponsorship Program  
(A7H-C10 program)*

The Embassy transmitted to Mr. Nemeo and Mr. Becko the text of the license contained in the reference telegram authorizing a remittance of \$150,000 for their use in carrying out the objectives of the War Refugee Board in Czechoslovakia and has discussed with the Ministry of Economic Warfare the arrangements necessary for making the license effective.

The enclosed letter, although not directly concerned with this license, sets forth a suggested method for financing similar operations in the future. The Embassy assures procedure outlined has already been raised in Washington by Lord Halifax and would appreciate being informed if it is decided to take action along the lines proposed.

Respectfully yours,  
For the Ambassador:

John W. Easton  
Lt. Colonel, P.A.  
Economic Warfare Division

Enclosure:

Copy of letter from Lord Drogheda to Mr. Riefler, dated April 8, 1944.

Suggested distribution by the Department:  
Foreign Economic Administration, Washington.  
War Refugee Board

MC:JH  
(Original and photograph to the Department)

UNDECLASSIFIED  
State Dep. letter 1-11-75  
H. Parks Date: **SEP 2 1972**

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COPY

Enclosure

Ministry of Economic Warfare,  
Berkeley Square House,  
Berkeley Square,  
London, W.1.  
April 8th, 1944.

My dear Riefler,

As I promised in our conversation yesterday, I am writing to inform you of the action that has been taken by His Majesty's Government to ensure co-ordination with the work of the War Refugee Board.

This aspect of the subject first arose in October last when we learned that the U.S. Treasury had granted a licence to the World Jewish Congress for the expenditure of 25,000 dollars on refugee operations from Switzerland. The American Minister in Berne felt unable to agree to this licence without the concurrence of his British colleague who referred the matter to us for instruction. After discussion with your people, we were able to agree to this licence subject to a slightly stricter definition of the conditions on which the currency of the enemy territories concerned might be obtained, and on the understanding that further licences for the expenditure of funds for a similar purpose would not be granted without consultation and until a report had been received of the work of the proposed schemes of rescue.

We were, therefore, rather perturbed to learn in February through the Foreign Office, that at the instigation of the War Refugee Board a licence had been granted for the remittance of 100,000 dollars to the International Red Cross Committee for the assistance of refugees, part at least to be spent in Hungary and Roumania on food and other supplies, as this grant was contrary to the policy previously agreed between us.

This financial point, together with other aspects of the refugee problem has recently been discussed by the War Cabinet Committee on Refugees, and H.M. Ambassador at Washington has been instructed to represent how undesirable it is to give, without prior consultation, licences on terms which cut across agreed blockade policy. Notwithstanding the conditions laid down for the procurement of the enemy currencies required, it seems likely that the effect of these licences would be to make Swiss francs available to the enemy, and this, in our view, cannot be described as action "consistent with the successful prosecution of the war" as laid down in the War Refugee Board's terms of reference. Lord Halifax will however make it clear that H. M. Government are in full sympathy with the purposes of the War Refugee Board, whose creation they have publicly welcomed and with whom they have stated their determination to co-operate. Our sole object is to ensure that any action which might be taken in which H.M. Government would assist, would not be in a form which would give help to the enemy.

Lord Halifax will also point out that the raising of funds in enemy territories by means of loans from persons in those territories against post-war repayment is far superior from the blockade point of view to the actual use of dollars or Swiss francs in occupied countries. The

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By Authority of British Inter-Governmental/

Gov't telegram, 1-12-72

By RHP Date SEP 13 1972

Inter-Governmental Committee have already been successful in raising very considerable sums of money in this war against a personal promise of repayment given by Mr. Sally Meyer, a leading Swiss Jew; and in the opinion of the Committee, much more local currency could be obtained in this way if more backing were available for repayment after the war. But the use of dollars or other hard currency, even though blocked until after the war, would be an embarrassment to the organisations concerned since it would be likely to disrupt the credit scheme. Those who up to now have accepted credit would be encouraged to demand cash.

H.M. Government, therefore, have a new suggestion to make. The charitable organisations which have set aside sums for credit schemes of this kind will doubtless continue to do so, but more can be spent than can be raised from these sources. H.M. Government propose accordingly that they should supplement these schemes, and those already run by the exiled governments, by setting up a guarantee fund in the hands of the Governmental Committee in which H.M. Government and the U.S. Government would contribute in equal shares under their normal arrangements for covering the Committee's normal operational expenses.

In order to avoid receipts or credit notes for loans made in enemy countries for this purpose, which are backed by a guarantee of the British and American Governments, becoming negotiable instruments, H.M. Government suggest that receipts for goods and services which were supplied to refugees should be made out to the lenders in enemy territory and deposited in a Swiss bank for redemption after the war, and that the lenders should be only verbally informed. These receipts would be guaranteed by the fund in question. On the basis of the information at present available it is proposed to ask Parliament for whatever sums may be necessary for this purpose up to £1½ million, provided the U.S. Government would contribute a similar sum.

H.M. Ambassador at Washington will emphasize that His Majesty's Government's proposals are designed to prevent the risk of benefiting the enemy and also to extend the possibility of benefiting persons, whose relief and safety is a cause which both Governments have equally at heart, and in whose interest it is important that there should be complete co-operation at the centre and that competition between different interests should be eliminated. Above all we fear that the licensing of remittances might take on such dimensions that substantial advantage to the enemy would result.

I am very glad to learn that we shall in future be able to discuss with you those aspects of the refugee problem which concern this Ministry. We are very much interested in this problem, and wish to handle it in the fullest co-operation with you and in such a way as to bring the maximum of benefit to the enemy, as well as the maximum benefit to the refugees.

Yours sincerely,

(sd.) DROGHEDA

Copied by: JB

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# CONTROL COPY

BRITISH EMBASSY  
WASHINGTON, D.C.

March 29th, 1944.

Dear Mr. Pehle:

We have now received a detailed reply from London on the subject of licences in connection with the transfer of funds in aid of operations for helping refugees in enemy occupied Europe. I enclose a copy of an Aide Memoire which was left by the Ambassador with Mr. Hull yesterday, setting out the points contained in our telegram from London.

I should be very glad to discuss this question further with you should you desire to do so.

Yours sincerely,



G. F. Thorold.

Mr. J. Pehle,  
War Refugee Board,  
288 1/2 Treasury Building,  
Washington, D.C.

p.s. We are instructed to emphasise the need for secrecy regarding the operations proposed in the Aide Memoire, since any publicity would obviously jeopardise their success. I should be grateful, therefore, if you would treat this letter and enclosure as strictly confidential.

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A I D E - M E M O I R E

The War Cabinet Committee on Refugees has had under consideration the question of the licensing of remittances to Switzerland to be used in operations on behalf of Jews in enemy occupied Europe. The Committee is much concerned that licences are now being issued for transactions which, by making dollars or Swiss francs available in enemy countries, may be directly harmful to the successful prosecution of the war.

His Majesty's Government in the United Kingdom wish to emphasise that in protesting against the issue of such licences they are in no way inspired by any lack of sympathy with the aims of the War Refugee Board whose creation they have welcomed and with whom they have stated their determination to cooperate; they are only anxious that help should be given to the refugees in a form which will not aid the enemy.

His Majesty's Government understand that the transactions permissible under the licences now being issued fall generally into three categories:

- (a) Purchases from residents in Switzerland of French francs or other occupied countries' currencies where it can be shown that such currency has been held since before the war or subsequently acquired in a "legitimate" manner.
- (b) Acquisition of French francs or other occupied countries' currencies as a "credit" against dollars to be paid over after the war.
- (c) Use of dollars or other "hard" currency in the occupied countries themselves where this is deemed necessary in order to secure necessary assistance for the Jewish refugees.

His Majesty's Government see no objection to method (a) above, but they consider that method (b) is so far superior from

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- 2 -

the blockade point of view to that outlined under (c) that they consider we should aim at its extension as far as possible. Already much has been done by way of credits; it is understood that those provided by Mr. Meyer, a leading Swiss Jew, and backed by Joint Distribution Committee, already amount to eight million dollars. The memoranda submitted by the Director of the Inter-Governmental Committee to the British and United States Governments, show that much more local currency could be obtained in many of the countries concerned, if more backing were available for payment after the war. (This does not apply to Poland where such credit does not operate, but for which other schemes are under consideration with the Polish Government.)

His Majesty's Government wish to make it clear that in their view the use of dollars or other hard currency on a scale sufficient to be of any real use would be an embarrassment to the organisations concerned, since on that scale it would be likely to disrupt the credit scheme. Those who up to now have accepted credit would be encouraged to demand cash; it is presumed that the United States Government would agree that there can be no question of allowing cash to be remitted to occupied Europe on the scale of operations which appear to be practicable.

His Majesty's Government wish therefore, after consideration of the Inter-Governmental Committee memoranda mentioned above, to propose the following scheme:- The charitable organisations who have set aside sums for credit schemes of the kind envisaged will doubtless continue to do so; but more can be spent than can be raised from those sources. His Majesty's Government propose accordingly that we should supplement these schemes, and those which are already being run by exiled governments, by setting up a guarantee fund in the hands of the Inter-Governmental Committee,

to/

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CONTROL COPY

to which His Majesty's Government and the United States Government would contribute in equal shares under their normal arrangements for covering the Committee's operational expenses. It is possible that other governments represented on the Inter-Governmental Committee may wish to contribute, but most of those principally concerned are already running their own schemes.

It is suggested that receipts for goods and services supplied to refugees should be made out to lenders in enemy territory and deposited in a Swiss bank for redemption after the war, and that lenders should be verbally informed. These receipts should be guaranteed by the fund in question. Details should be worked out between our two Governments and the Inter-Governmental Committee.

No final estimation can be given of the amount which could be effectively used in this way, but on the basis of such information as His Majesty's Government have, they propose to ask Parliament to vote whatever sums may be necessary for this purpose up to one and a half million pounds, provided the United States Government will contribute a like sum. The contribution which His Majesty's Government would make to this credit would be part of their share of the Inter-Governmental Committee's operational expenses.

His Majesty's Government believe that the advantage of the above proposal lies in the fact that it would not only avoid the risk of bringing benefit to the enemy, but would extend the possibility of benefiting persons whose relief and safety is a cause both Governments have equally at heart. Cooperation with the War Refugee Board so far as His Majesty's Missions abroad are concerned has already started, and His Majesty's Government are anxious that there should be the same complete cooperation at the

centre/

CONTROL COPY

- 4 -

centre; otherwise, there will be confusion and competition between different interests, and above all, the licensing of remittances, once begun, may become of such dimensions and so get out of control that substantial advantage to the enemy would be the result. As this would affect our common interest, His Majesty's Government hope that the United States Government will agree on the necessity of maintaining existing agreements for common action in all these matters of economic warfare.

BRITISH EMBASSY,  
WASHINGTON, D.C.

March 27th, 1944.

000146

Copies distributed 3/31/44  
to:

Mr. Abrahamson  
Mr. DuBois  
Mr. Friedman  
Miss Hodel  
Mr. Lesser  
Mr. Luxford  
Mr. Pehle  
Mr. Schmidt  
Mr. Stewart

000147

ADDRESS OFFICIAL COMMUNICATIONS TO  
THE OFFICE OF CLERK  
WASHINGTON, D. C.



DEPARTMENT OF STATE  
WASHINGTON

March 26, 1944

W. R. B. 360  
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Date \_\_\_\_\_

Dear Mr. Fehle:

Mr. Stettinius has referred to me your letter of March 15, in answer to mine of March 4. Thank you very much for your prompt handling of the matter.

I assume that you will keep the British advised as to additional licenses, or we shall be glad to do so if you desire.

Sincerely yours,

*Charles E. Taft*

Charles E. Taft  
Director, Office of  
War-time Economic Affairs

Mr. J. W. Fehle,  
Acting Executive Director,  
War Refugee Board,  
Washington 25, D.C.



WBA:CPT:CHJ

000148

MAR 16 1944

Dear Mr. Stettinius:

I have received Mr. Taft's letter of March 4, 1944, enclosing copies of a letter from Mr. Thorold of the British Embassy and of Mr. Taft's reply.

As requested by Mr. Taft, I have informed Mr. Thorold of the various specific projects approved by the Board and which are now under way, after appropriate licensing by the Treasury Department with the approval of the State Department. I have asked him to urge his government actively to cooperate in the concrete measures which we are taking. As you know, a detailed report of the activities of the War Refugee Board is being prepared for despatch to Ambassador Winant for the information of the British Foreign Office.

In view of Mr. Taft's comments, it appears to me that he may not be familiar with the background of the licensing problems involved in these rescue operations. The World Jewish Congress, which first presented to this Government a proposal for the rescue and relief of people in the occupied territories, did not obtain the necessary license until five months after the proposal was presented. This delay was due in part to the objections which had been raised by the British and finally on December 17, 1943, after detailed memoranda on the delays were presented by the Treasury to the State Department, after several conferences between the Secretaries of State and Treasury and after receipt of a cable from London stating the British position, the State Department itself issued the necessary license to the World Jewish Congress.

Following this, the Treasury Department, with the approval of the State Department, and without clearance with the British, issued licenses to the American Jewish Joint Distribution Committee and to the Union of Orthodox Rabbis of the United States and Canada to permit these organizations to carry on relief and evacuation operations in enemy-occupied territory from Switzerland. The World Jewish Congress license was amended so that the terms would be identical to the license issued to the two other organizations.

Since the creation of the War Refugee Board, the projects of several other private organizations in this country have been called to

- 2 -

its attention and the Board has approved the issuance of the necessary licenses by the Treasury Department. Bearing in mind the determined policy of this Government to save these people and the task which has been given the War Refugee Board by the President, the Board will continue to approve and sponsor projects designed to save lives. It seems clear that in cases of this kind the humanitarian considerations are paramount.

Very truly yours,

(Signed) J. W. Pehle

J. W. Pehle  
Acting Executive Director

Honorable Edward R. Stettinius,  
Under Secretary of State.

*JWP*  
FHhd 3/9/44

000150

Not to be sent — for discussion  
with Harold

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



OFFICE OF THE  
EXECUTIVE DIRECTOR

Dear Mr. Thorold:

Mr. Taft has sent to me a copy of your letter of February 29, 1944, concerning the financial aspects of some of the programs which have been initiated to rescue and bring relief to the Jews of Europe and other victims of enemy oppression. As you know, this Government has undertaken a new program to take all measures possible for the immediate rescue and relief of these people and the War Refugee Board has approved certain specific projects under the auspices of various private American organizations. In carrying out this great humanitarian task time is of the essence and the saving of lives is paramount.

After the issuance of a license to the World Jewish Congress, the case which we discussed early this year, the Treasury with the approval of the State Department issued a license to the American Jewish Joint Distribution Committee to carry on relief and evacuation operations in enemy territory. These operations are limited to a total cost of \$600,000, of which \$200,000 has already been remitted to Switzerland. Early in February, the World Jewish Congress license was amended to permit total operations of \$100,000, \$25,000 of which has already been sent to Switzerland. Thereafter a license was issued to the Union of Orthodox Rabbis of the United States and Canada to carry on similar operations in enemy territory and specifically to rescue persons from Poland and Slovakia into Hungary. In view of the urgency for the immediate rescue and relief of the persecuted peoples of Europe, each of the foregoing licenses permits any one of the following methods to be used in obtaining the necessary funds:

(1) The purchase of currency or exchange of the country in which the operations are to be effected from persons in Switzerland who have held such currency or exchange since prior to the freezing 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.

(2) The acquisition of local currency or exchange from persons in enemy or enemy-occupied territory for which reimbursement will not be made until after the war. In order to insure such reimbursement after the war, blocked accounts may be established in the United States or in a bank in Switzerland and no payments may be made from such blocked account without the approval of the Treasury Department.

(3) 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, reasonable steps to be taken to avoid such currency being paid to persons who will make it available to the enemy.

The foregoing licenses were issued before the establishment of the War Refugee Board. In carrying out the determined policy of this Government, as set forth in the Executive Order establishing the Board, the War Refugee Board has approved certain other rescue and relief programs to be carried on from Switzerland by the representatives of private organizations in the United States. Appropriate licenses have been issued by the Treasury Department with the approval of the State Department and all such licenses permit any of the three above-mentioned methods in acquiring the necessary local currency. Periodic reports with regard to any operations engaged in under the licenses are required to be filed with the Treasury Department through the United States Legation in Bern. It is felt that the fact that small amounts of free exchange may be made available in enemy territory in operations of this kind is far less important than the possibility that human lives may be saved.

The \$100,000 transfer to the International Red Cross which you have mentioned was made by the American Jewish Joint Distribution Committee under appropriate license. The War Refugee Board approved the project and expedited its operation to meet the urgent needs of the International Red Cross (which had been made known to the Intergovernmental Committee in London) for funds to buy foodstuffs in Hungary and Rumania, as well as in the neutral countries, for distribution to civilian internees in Rumania, Croatia, Hungary and Czechoslovakia. It is hoped that the International Red Cross will be in a position to carry on a much more extensive program to feed the Jews and other persecuted peoples in Europe and a report from the International Red Cross on this problem is expected shortly. The War Refugee Board is prepared to see that funds are made available immediately for the operations.

- 3 -

A detailed statement of the action already taken by the War Refugee Board and of the programs initiated to rescue and bring relief to the persecuted people of Europe is being prepared for submission to the British Foreign Office and the active cooperation of the British Government in the concrete measures taken by this Government is being solicited.

Very truly yours,

J. W. Pehle.  
Acting Executive Director

Mr. G. F. Thorold,  
Counselor,  
British Embassy,  
Washington, D. C.

000154

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



DEPARTMENT OF STATE  
WASHINGTON

March 4, 1944

W. R. D. x546  
R. H. Taft  
2/16/44  
A. H. signed Pehle  
C. P. Taft

Dear Mr. Pehle:

I apologize for my erroneous statement Thursday about the letter from the War Relief Control Board to the President. I was very glad to hear of the progress made that afternoon on the jurisdictional question. I assume it is being settled.

Meanwhile, Mr. Thorold, of the British Embassy, called on me and at my suggestion put his inquiry in writing. I enclose a copy of his letter, together with a copy of my reply.

I presented the matter to the Policy Committee on Wednesday morning. As a result, I am instructed to urge you to communicate at once with the British and to acquaint them fully with the situation. This is an important matter of economic warfare in which the two governments have been collaborating in the closest possible way. Nothing should be permitted to injure this relationship, and future programs should be worked out with this Department, Mr. Stone of Foreign Economic Administration, and Mr. Thorold, in their economic warfare aspects. Mr. Warren, of course, can secure the views of Mr. Merchant, our economic warfare man.

I might add that Mr. Thorold apparently had a copy of the license to the World Jewish Congress, and assumed that \$100,000 was the total authorized. I told him the sum was in excess of \$250,000, but gave no further information.

Sincerely yours,

*Charles P. Taft*

Charles P. Taft  
Director, Office of  
Wartime Economic Affairs

Enclosures:

cc Mr. Thorold's letter 2/29  
cc Mr. Taft's letter



The Honorable  
J. W. Pehle,  
Acting Executive Director,  
War Refugee Board.

000153

My dear Mr. Thorold:

I have received your letter of February 29, and have sent a copy of it to Mr. J. W. Fehle, Acting Director of the War Refugee Board, with the urgent request that he acquaint you with the existing situation, and clear future transactions with you in their economic warfare aspects.

Sincerely yours,

Charles P. Taft  
Director, Office of  
War-time Economic Affairs

Mr. G. F. Thorold,  
British Embassy.

WRA:OPT:GWF

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BRITISH EMBASSY  
WASHINGTON, D.C.

February 29th, 1944

Dear Mr. Taft:

As I informed you during our conversation this morning, the Ministry of Economic Warfare have telegraphed us to enquire regarding the information recently given by the United States Embassy in London to the Intergovernmental Committee, to the effect that the U.S. Government has agreed to license the transfer of \$100,000, to the International Red Cross for the purchase of supplies in Hungary and Roumania to be dispatched to Jews in enemy territory.

I should like in the first place to emphasise that there is no intention on the part of the British Government to place obstacles in the way of relief measures on behalf of the Jews in enemy territory; any such measures have their full sympathy. But the Ministry of Economic Warfare are concerned lest the enemy should derive financial advantage and in particular they are most anxious that no action should be taken which might constitute a breach in agreements which have been reached safeguarding the possible provision to the enemy of foreign exchange, at least until full consultation has taken place between the British and American Governments. Preliminary examination of this matter took place at the end of last year when certain proposals were put forward by the U.S. Treasury in connection with a proposed transfer of \$25,000, in connection with plans for the evacuation of Jews from Roumania and France. These proposals were considered in London and, as stated in Sir Ronald Campbell's letter to Mr. Breckinridge Long of January 8th, 1944, it was felt that there need be no insuperable objections to the financial side of the transaction, though there were certain difficulties against which it was considered suitable safeguards should be provided. We have not had an opportunity of discussing the question of these safeguards with you in greater detail, but in the meanwhile it would appear from the telegram referred to in the beginning of this letter, that the scope

Mr. Chas. Taft,  
Department of State,  
Washington, D.C.

Mr. Chas. Taft - 2 -

of the proposals has been very widely increased, and that they now involve not only much larger sums, but also purchases of supplies in enemy territory by the International Red Cross which were not included in the original proposals as we understood them.

However this may be and apart from the merits of the transactions in question, I am sure you will agree that the financial side of the proposals is a subject which requires careful joint consideration by the two Governments, more particularly in view of the precedents which may be created by any modification of rules which have hitherto governed financial measures of this nature. I should therefore be very grateful if you would look into this matter, and let me have particulars of the transactions involved, for transmission to my Government.

I am sending a copy of this letter to Mr. Stone of Foreign Economic Administration.

Yours sincerely,

/s/ G. F. Thorold

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