

Cooperation with Other Governments: Neutral European: Sweden, Vol. 3

000516

COOPERATION WITH OTHER GOVERNMENTS: NEUTRAL EUROPEAN
(SWEDEN) VOL. 3

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000517



000518

JAN 25 1945

My dear Mr. Minister:

Permit me to refer to your letter of November 30 and my reply of December 1, 1944.

In accordance with your request I take much pleasure in returning herewith the material on Anti-Jewish Persecutions in Axis Territory in Europe. The material has been studied by the Board with great interest.

With kindest regards, I am

Sincerely yours,

(Signed) J. W. Pehle

J. W. Pehle
Executive Director

Honorable W. Bostrom,
Minister of Sweden,
Washington, D. C.

Enclosure

BAKsinro 1/25/45

BA JWA -

200519

DEC 1 1944

My dear Mr. Minister:

Thank you so much for sending on to me the reports which you have received from your Legation in Budapest. I shall, of course, regard your request that the source of this material not be revealed and I shall return them to you after they have been studied here.

With kindest regards, I am

Sincerely yours,

J. W. Pehle

J. W. Pehle
Executive Director

Honorable W. Bostrom,
Minister of Sweden,
Washington, D. C.

FH:hd 12/1/44

Jed

700520

LEGATION OF SWEDEN
WASHINGTON 8, D. C.

November 30, 1944

Mr. John Pehle
Executive Director
War Refugee Board
Main Treasury Bldg., Rm. 3414
Washington, D.C.

Dear Mr. Pehle:

Many thanks for sending me a copy of the horrible report about the atrocities at Auschwitz and Berkenau.

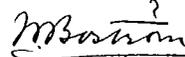
As I said over the phone, I had already received similar reports from our Legation in Budapest but I have not had the time to compare the details with your report, especially as my reports are in German. It was only our Legation's report which was in Swedish, not its annexes. But I am glad to send those for your information with the request that you will not reveal the source.

My colleague in Budapest says that, of course, he cannot guarantee the truth of these reports, but they certainly throw some light on the question. They are:

- No. 1 From the Jewish Council in Budapest
- No. 2 By two escaped Slovak Jews
- No. 3 A summary of No. 2
- No. 4 Story by a woman who escaped from Auschwitz.

Please return the reports after perusal.

Sincerely yours,



W. BOSTRÖM
Minister of Sweden

100521

OCT 18 1944

My dear Mr. Minister:

I am enclosing for your information copies of an exchange of correspondence between Mr. Herschel V. Johnson, United States Minister to Sweden, and His Excellency Christian Gunther, Royal Minister of Foreign Affairs in Stockholm, Sweden, in which Mr. Johnson expresses the appreciation of the Department of State and the War Refugee Board for the invaluable assistance the Swedish Government has given in connection with Hungarian affairs.

Very truly yours,

(Signed) J.W. Pehle

J. W. Pehle
Executive Director

His Excellency,
The Minister of Sweden,
Washington, D. C.

Enclosures.

*Original signed by
Mr. Pehle*

BBH Hutchison:agr 10-11-44 Jot

770522

No. 4078

Stockholm, September 12, 1944

Subject: Transmission of Copies of Note to
Swedish Foreign Minister and Reply
There to.


The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Department's telegram No. 1739 of August 30, 8 p.m., instructing the Legation to express the appreciation of the Department and the War Refugee Board to the Swedish Government for its aid in connection with Hungarian affairs, I have the honor to forward herewith enclosed for the information of the Department and the War Refugee Board a copy of the note which I addressed to the Minister for Foreign Affairs on September 2, 1944 and a copy of the note dated September 8, 1944 which I received from him in reply.

Respectfully yours,

Herschel V. Johnson

Enclosures:

As stated

File No. 848

RS:EKD:em

In duplicate to the Department.

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

000523

3 1/2 War Refugee Board
(Trans)

No. 4078

Stockholm, September 12, 1944

Subject: Transmission of Copies of Note to
Swedish Foreign Minister and Reply
Thereto.

CONTROL COPY

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Department's telegram No. 1739 of August 30, 6 p.m., instructing the Legation to express the appreciation of the Department and the War Refugee Board to the Swedish Government for its aid in connection with Hungarian affairs, I have the honor to forward herewith enclosed for the information of the Department and the War Refugee Board a copy of the note which I addressed to the Minister for Foreign Affairs on September 2, 1944 and a copy of the note dated September 6, 1944 which I received from him in reply.

Respectfully yours,

Herschel V. Johnson

Enclosures:

As stated

File No: 848

RS:EKD:em

In duplicate to the Department.

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

000524

Stockholm/Despatch No. 4078
Enclosure No. 1

C O P Y

Stockholm, Sweden,
September 2, 1944

No: 518

Excellency:

I have the honor to inform Your Excellency that I have received instructions from my Government to express to the Government of Sweden the utmost appreciation of the Department of State and the War Refugee Board for the invaluable humanitarian services rendered by the Government of Sweden in connection with the Hungarian situation.

Please accept, Excellency, the renewed assurances of my highest consideration.

Herschel V. Johnson.

His Excellency

Christian Gunther,

Royal Minister of Foreign Affairs,

Stockholm.

700525

Stockholm/Datch No. 4078
Enclosure No. 2.

C O P Y

MINISTERE
des
AFFAIRES ETRANGERES.

Stockholm, September 5, 1944

Mr. Minister,

With your letter of the 2nd of September 1944 you have been good enough to forward to the Government of Sweden your Government's kind appreciation for Sweden's humanitarian aid to the Jews of Hungary.

In the name of my Government I have the honour to ask you to convey to the Government of the United States their most sincere thanks for this kind message.

Please accept, Mr. Minister, the renewed assurances of my highest consideration.

/s/ Christian Gunther

Herschel V. Johnson Esq.,
Envoy Extraordinary and Minister Plenipotentiary
Of the United States of America etc. etc. etc.

000521

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C. 25



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
Le 740.00118 E.W./9-1844

October 12, 1944

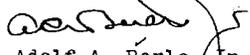
My dear Mr. Pehle:

The Department has received your letter of September 18, 1944 enclosing for consideration and reply a copy of a letter dated September 12, 1944 and enclosure received by you from the Minister of Sweden.

The letter and its enclosure are receiving consideration and a reply will be made to the Swedish Minister.

Sincerely yours,

For the Secretary of State:


Adolf A. Berle, Jr.
Assistant Secretary

The Honorable
J. W. Pehle,
Executive Director, War Refugee Board,
Washington, D. C.

000527

SEP 18 1944

My dear Mr. Minister:

I have received your letter of September 12, 1944, enclosing a copy of a letter received by you from the American Jewish Committee in New York concerning the appointment of a special commission to investigate war problems.

Since the problems raised by your letter are primarily matters falling within the jurisdiction of the State Department, I have referred your letter to such Department for consideration and reply.

Very truly yours,

SEP 20 1944

J. W. Pehle
Executive Director

*Original signed by
Mr. Pehle*

Honorable W. Bostrom,
Minister of Sweden,
Washington, D. C.

W

FH:hd 9/15/44

7 0 0 5 2 0

SEP 18 1944

My dear Mr. Secretary:

I am forwarding to you herewith for consideration and appropriate reply a copy of a letter dated September 12, 1944, and enclosure received from the Minister of Sweden. Mr. Bostron has been advised of this reference to your Department.

Very truly yours,

~~(Signed)~~ J. W. Pehle

J. W. Pehle
Executive Director

The Honorable
The Secretary of State

*Original signed by
Mr. Pehle*

Enclosure

Jed *Cleared*
with [initials] Friedman
FBIHQ 9/15/44

700529

LEGATION OF SWEDEN
WASHINGTON 8, D. C.

September 12, 1944

Mr. John W. Pehle, Executive Director
War Refugee Board, Room 3414
Treasury Building
15th & Pennsylvania Avenue
Washington, D.C.

Dear Mr. Pehle:

I have recently received a letter, copy of which is enclosed, from the American Jewish Committee in New York in which it is suggested that a special commission, composed of representatives of the United Nations as well as the neutral countries of Europe, should be appointed to proceed to Poland to investigate war crimes and take immediate steps to bring war criminals to justice. The Committee also urges my government to "agree to the immediate appointment of this all-inclusive special commission to visit and investigate the scene of this most horrible of crimes in recorded human history".

Now it seems to me that should any such commission be appointed, the proposal to my government ought to be made by the State Department or the War Refugee Board and not by a private organization. It would, therefore, be of interest to me to learn your reaction to the suggestion made by the Committee before I bring it to the attention of the Swedish Foreign Office, and also to get some information as to the status of the Committee.

Sincerely yours,



W. BOSTRÖM
Minister of Sweden

000530

But now, with the evidence uncovered that innocents from all countries in Europe have been slaughtered by the Nazis at Lublin, it is time that a special commission, composed of representatives of all the United Nations including the overrun Nazi countries as well as the neutral countries of Europe, should be appointed to proceed immediately to Poland to fully uncover the evidence and to take immediate steps to bring the criminal Nazi murders to justice. The findings of such a body would be unimpeachable. Poland, the centre of the Nazi machinery of mass murder, should be visited at once by this all-inclusive commission in order that the incredible evidence might be viewed first hand.

The retribution that will be justly meted out will serve as a bulwark of human morality. The future peace of the world will rest in no small measure upon the speedy and just punishment of those who have broken the fundamental laws of man and God. Until all men are convinced that the civilized world will no longer tolerate inhumanity and persecution and that civilization will visit retribution on all transgressors of the rights of man -- until then will we be faced with the ugly and tragic consequences of man's assault upon the dignity of man.

We therefore respectfully urge your Government to agree to the immediate appointment of this all-inclusive special commission to visit and investigate the scene of this most horrible of crimes in recorded human history.

Respectfully yours,

AMERICAN JEWISH COMMITTEE

(signed) Joseph M. Proskauer
President

Mr. W. Bostrom
Envoy Extraordinary and Minister Plenipotentiary
1800 - 24th St.
Washington, D.C.

700532

May 11, 1944.

My dear Mr. Bostrom:

Concerning our conversation, subsection (6) of Section 101 of the Internal Revenue Code of 1939 provides that the following organizations shall be exempt from taxation under this chapter of the Code:

"(6) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;"

I am advised by the Bureau of Internal Revenue that the appropriate procedure for you to follow in order to ascertain whether the Save Children Organization is included in this exemption would be to write to the Department of State asking for a ruling and describing the operations and organizational structure of the institution in question.

Very truly yours,

(Signed) J. W. Pehle

J. W. Pehle
Executive Director.

The Minister of Sweden,
The Swedish Legation,
1900 - 24th Street, N. W.,
Washington, D. C.

JWP Pehle:lh 5/11/44

*Per oral request
of Minister following
telephone conversation
with Wanchel JWP*

100053

Feb 24, 1944

MEMORANDUM FOR THE MINISTER OF SWEDEN TO THE UNITED STATES.

As you know, the War Refugee Board, consisting of the Secretary of State, the Secretary of the Treasury and the Secretary of War, has recently been established by the President of the United States to take immediate action to rescue the Jewish people of Europe and other victims of enemy oppression who are in imminent danger of death.

The Board is fully aware of the splendid humanitarian efforts which the Swedish Government has been making to help save the lives of these persecuted peoples. The Board takes this opportunity to ask you to convey to your Government the Board's appreciation for Sweden's treatment of the war refugee problem.

The Board is convinced that one of the greatest opportunities for saving many lives exists in the areas adjacent to Turkey and the Black Sea. It is known that in Transnistria, Rumania and Bulgaria there are substantial numbers of refugees in imminent danger of death. It also appears that arrangements can be made with the Turkish Government to receive refugees from these areas. There are strong indications that the Rumanian Government at least will permit a substantial number of these refugees to leave Rumania. It is indispensable that means of transportation be found at once. Arrangements are being made for a small Turkish vessel to proceed to the Rumanian port of Constantza and evacuate approximately one thousand children to Turkey. Other boats are urgently needed to effect the evacuation of refugees from this area to Turkey.

- 2 -

Knowing the sympathetic attitude of your Government toward this whole matter, the Board desires to request the urgent assistance of your Government in helping to solve this immediate transportation problem. The Board understands that a number of Swedish ships under the auspices of the Swedish Red Cross are being used to carry food from Canada and Argentina to Greece. It has been suggested by the Board's representative in Turkey, after consultation with the Turkish Government, that these empty Swedish ships might proceed from Greece to Constanza and other Black Sea ports for the purpose of transporting refugees to Turkey.

The Board is prepared to arrange for the financing of the use of any Swedish vessels which can be made available for this purpose and would appreciate a prompt consideration of this matter by your Government.


J. H. Pehle
Acting Executive Director


JED:JBF:cor
2/24/44

000533

MAR 7 1944

My dear Mr. Minister:

I recently agreed to furnish you with further information concerning the instructions which have been sent to all United States diplomatic and consular representatives relative to this Government's new program for the immediate rescue and relief of the Jews and other persecuted minorities of Europe. I regret that I have not been able to write you earlier on this matter.

The above-mentioned instructions requested our diplomatic representatives to explain to the governments to which they are accredited this Government's policy as expressed in the Executive Order establishing the War Refugee Board. (A copy of this Executive Order is enclosed for your information). Our representatives were also requested to ascertain from such governments the extent to which the latter are prepared to cooperate with the United States Government in its new program. Our representatives were requested to do everything possible to effectuate this policy, including close cooperation with all public and established private agencies active in this field. In addition, an immediate report was asked for concerning the actual situation as it exists today in the countries to which the representatives are accredited and pointing out any special obstacles which are interfering with the rescue and relief of the persecuted groups in Europe. It was, of course, stressed that time is of the essence in order to forestall the extermination of these people.

We have already received a most gratifying report from the United States Minister to Sweden concerning the refugee policy of the Swedish Government. Your government is to be congratulated for the magnanimous and humanitarian spirit which has inspired the work which is being done for thousands of refugees who have escaped to Sweden and safety.

In connection with our recent conversation, I would appreciate knowing whether or not you have received word from your

- 2 -

government concerning the possible use of a Swedish ship for transporting refugees from the Black Sea.

Sincerely yours,

(Signed) J. W. Pehle

J. W. Pehle
Acting Executive Director

His Excellency,
The Minister of Sweden,
Washington, D. C.

Enclosure.

*Original signed
by Mr. Pehle -
EBS*

JW

FH:hd 3/6/44

000537



700538

FFC-76
(11-42)

CROSS REFERENCE ON COOPERATION WITH OTHER GOVERNMENTS
NEUTRAL EUROPEAN (SWEDEN)

FOR:

- Amendment to this License
- Extension of this License
- Renewal of this License
- Correspondence concerning this application .
- Other (Specify)

FOR OTHER REPORTS FROM MR. OLSEN

SEE: SITUATION OF CHILDREN IN POLAND
SITUATION OF JEWS IN LATVIA
LATVIA, JEWISH PERSONS IN (SECRET FILE)
RECEIPTS FOR ESTONIAN, LATVIAN & LITHUANIAN FUNDS (SECRET FILE)
SWEDEN (SECRET)

000539

EXCERPTS FROM A RECENT REPORT FROM
IVER OLSEN, FINANCIAL ATTACHE-
AMERICAN LEGATION, STOCKHOLM.

Refugees. Turning to a brighter side, there is no question but what Sweden has extended a kind and helpful hand to the refugees coming across her borders, and this assistance has been of inestimable value in maintaining life, hope, and the will to resist in some of the occupied countries. At present there are approximately 40,000 refugees in Sweden, exclusive of children and the Finns taken in over here during the Finnish-Russian war. Of this number, 18,000 are Norwegians; 14,000 are Danes; including about 9,000 Jews who came here in October and November of 1943; 3,800 are German-speaking refugees, and most of the balance are from Poland, Holland, and the Baltic States.

Sweden has made great effort to find employment for these refugees, and in the case of Norwegian and Danes has extended special privileges under the Swedish Social Board. Approximately 12,000 Norwegians have thus found employment - 6,000 in forestry, 2,000 in agriculture, 2,000 in industry, and the balance in miscellaneous trades. That is not to say that the Norwegians are happy here. On the contrary, several thousand came here expressly for the purpose of joining the Norwegian free forces, and are tremendously angry with their Government in London because they have been left stranded here cutting wood, much of which goes to Germany. The Danish refugees, of which 6,000 have found employment here, have found special opportunities in the skilled trades. It might be mentioned that the Swedes refused a Danish offer of 5,000,000 kronor to assist in taking care of the Danish refugees, saying that Sweden stood ready to take care of them out of pocket.

One of the many paradoxes of the Swedish neutrality position is the extent to which it tolerates Norwegian and Danish underground operations, which are organized to a fantastic extent. So smoothly are these operations working that it would be no exaggeration to say that traffic between Stockholm and Oslo or Copenhagen is hardly less difficult than traffic between Washington and New York, although always perilous. That is not to say that there is a free exodus of people from Norway, the facilities are there but the Germans have taken such severe reprisals against relatives or even distant friends of Norwegians recently escaping that the traffic has practically died out. Underground activity from this end, however, and the flow of couriers to Norway and Denmark and back is constant. Apparently the Germans have little to say concerning this underground activity, but the local Nazi press frequently complains bitterly about the Swedes permitting the Norwegians to organize a "Police School" in northern Sweden. This school comprises approximately 1,200 Norwegians between the ages of 18-50 and, as the Germans surmise, will clearly have an active part in the reconquest of Norway. They are being trained extensively in the use of arms and ammunition.

The Financial Attache has a visit scheduled to Gothenburg (Göteborg) the latter part of next week and will be in a position to develop considerable material concerning Jewish refugees in Sweden. An appointment has been arranged with Julius Kuttner, said to be Sweden's No. 1 man on Jewish refugee problems. He has been working very closely with the Swedish Government on these matters, and is said to have complete details regarding refugees, including their personal means, when they got here, what they were supplied upon arrival, and what was confiscated from them. It is also planned to visit one or two of the refugee internment camps in the area. The foregoing will be the subject of a special report.

* * * * *

Norwegian Refugees. General comments regarding the number of Norwegian refugees have been supplied elsewhere in this report. Since last summer the number of Norwegians escaping to Sweden has been reduced very considerably, due to the severe reprisals of the Germans. Almost all of them escaping since that time are persons with no immediate relatives in Norway, or persons who have been able to arrange escape with their entire families. The deportation of Oslo University students, however, and more recently the reported meeting of Terboven and Quisling with Hitler, has resulted in a sharp increase of refugees. In one day alone last week, 183 slipped out via the underground and large numbers are expected all this month since those in Norway of the ages 17 to 35 appear to have been definitely tagged. This does not include the Jewish population since virtually all this group, save those deported in the early stages of the occupation, have successfully fled to Sweden.

One of the strikingly admirable aspects of the Norwegian group is the skill and daring with which it is carrying out underground operations. There is hardly a Norwegian refugee in Sweden, physically able, who is not involved in some sort of underground activity. There are anywhere from 300 to 500 individual groups engaged in specialized operations on a limited scope. Thus you will find small groups involved in radio communications, home propaganda, exports, arms and ammunition, facilitating the escape of certain refugees, intelligence, etc. Certain groups here are working on the systematic sabotage of the German war machine when the invasion starts. As the Department knows, the King has asked Norwegians to refrain from sabotage, and whatever activity of this nature currently going on in Norway is being carried out by the communists. Similarly, there are not many inside Norway except the Quislings and Nazis, who are not engaged in some sort of activity. Both inside and outside Norway, their operations are carried out with a reckless disregard of personal safety that is almost foolhardy.

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The Germans have found it most baffling to deal with this problem. They are continually searching for a "key man" in these operations, and now and then execute somebody. However, the operations continue. The truth of the matter is that there are no key men, but instead several hundred very small groups working independently of each other on a very specialized operation. It is rare for one group to know what another is doing, or the individuals comprising the group. In this connection, it is understood that the Norwegian Mission here made an effort to get these operations coordinated, but met with stiff opposition due in large part to the feeling of the underground group that the Legation could not maintain the present secret basis of operations.

Inside Norway, there is very little the Germans could do to break up these operations except exterminate three-fourths of the population, which is impracticable since many Germans are themselves deeply involved. As a result, when the Germans try to break up these operations by acts of terrorism such as the deportation of Oslo students, invariably it is only the completely innocent that are the victims. The members of the underground are tipped off well in advance. Thus, on the day of the Oslo student episode, over half of the University's enrollment stayed at home. This has been the case when many other German repressive measures were scheduled.

Turning to the financial status of the refugees, it appears generally satisfactory. Almost all of them come here rather well supplied with Norwegian currency, either their own or contributed to the advancement of underground operations by friends in Norway who have no use for it there since they can buy very little. Upon their arrival, in Sweden, they are allowed to redeem an additional 300 kronor monthly until they find employment, after which time their only means of redemption would be the black market. It might be mentioned, parenthetically, that the Norwegian Legation disposes of a considerable amount of the currency it acquired from refugees through sales to the British against sterling credits. It may be said, therefore, that in view of this emergency arrangement with the Norwegian Legation, as well as the rapidity with which these refugees find employment, that there are not a large number of severe hardship cases. Those who, for one reason or another, are unable to find work unquestionably have great difficulty with living expenses, and it is to this group that I hope that the facilities of General License No. 82 will soon be opened up.

Comments on the Danish Situation.

A. General. *****They have taken a very strong position against the Germans in certain internal matters, such as property rights and personal liberties, and have gotten away with it in most cases. German occupation of Denmark has been on a most peculiar basis compared with other occupied countries. A great effort has been made to avoid trouble with the Danes, and it is not rare to find the Nazis indignantly denying their intention of carrying out some program of dirty work, which the Danes correctly enough surmised but protested so loudly in advance that the Germans would hastily abandon the program. This sort of an approach, for example, has been very effective in keeping the German oppression of Danish Jews at a minimum - only about twelve hundred actually having been deported. When the Germans proposed that all Jews wear a yellow star as in other countries, the King said he would wear one too, and the plan was abandoned. Apparently the Nazis themselves facilitated the escape of Danish Jews to Sweden, since they were anxious to eliminate them as a possible source of trouble. Actually, most of the Danes are very much afraid of the Germans, even the refugees here in Sweden move about very cautiously for fear of the Gestapo.**

B. Danish Refugees. Similar to the Norwegians, the Danish refugees seem reasonably well provided for so far as living necessities are concerned. According to the Danes themselves, to specifically quote Karl Henriques, many of them could do much better if they would take advantage of the great employment opportunities extended to them by Sweden, instead of remaining in the internment camps and lamenting their position and criticizing the efforts made to assist them. Limited financial arrangements have been worked out by the local Danish Mission with the Foreign Office and the Swedish commercial banks. When a Danish refugee comes into Sweden, he must declare to the Danish Mission his holdings of Danish currency, which is written into his passport. Each month he can go to a commercial bank and exchange 350 Danish Kr. for Swedish currency. The rate is reasonably close to par - about 0.90 Swedish Kr. for one Danish Kr. as I recall. He also has the opportunity of selling his Danish currency in the local black market. In addition, there seems to be no restrictions on cable transfers from Denmark to Sweden. The Danish refugees appear more contented than the Norwegian refugees, but not entirely so. There is some dissatisfaction with the attitude of the local Danish Mission, and in the past month or so there was a pronounced movement among the refugees to form a "Free Danish Government". It did not get far, largely because of the chilly attitude of the Swedes. The Danes here, and all in the underground in Denmark, are very anxious to be extended the honor of being included in the United Nations. Due to a silly fumble on

the part of a member of the local British Mission (Turnbull) they were wildly celebrating such official recognition, and were terribly disappointed when the error was clarified. Other Danes, like Henriques for example, are very anxious that Denmark not be included among the United Nations. He gives as his reason the example of Poland, which he feels is handicapping the Allied war effort, but in reality he is very much afraid of Germany. Like many Danes, his one hope is to get through the next few months without aggravating the Germans into destroying Denmark in the closing moments of the war.

It is stated that virtually all full-Jews have now escaped from Denmark and that there is little to give concern as to the possibilities of a terrorist campaign against Jews. This is assuming that the Germans continue their policy of taking no steps against half-Jews in Denmark. There is some indication that refugees from Denmark may increase in the next two months - largely due to Gestapo measures to reorganize the Danish Police, a group that has been somewhat easy to work with in a variety of pro-Allied interests - including refugees. At present, Danish refugees are coming into Sweden at the rate of a little less than 500 a month. As the Department knows, the big months were October and November of 1943.

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EXCERPTS FROM ATTACHED REPORT
FROM OLSEN TAKEN AS INDICATED
ON COPY.

Page 6 and 7	A - B
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14 " 15	E - F
15 " 16	G - H

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The Foreign Service
Of The
United States of America

~~STRICTLY CONFIDENTIAL~~

AMERICAN LEGATION
Stockholm, Sweden
February 7, 1944.

Mr. Harry D. White,
Assistant to the Secretary,
United States Treasury Department,
Washington.

Subject: Monthly Report for January, 1944;
Office of the Financial Attache

Dear Mr. White:

In accordance with your instructions, the following summarizes the more important items occupying the attention of the Financial Attache during the month of January, 1944. Since this is my first report I would appreciate, for my guidance, your comments as to its usefulness as well as its acceptability as to scope, form, etc.

The matter of making these monthly reports to the Treasury has been discussed with the Minister. Your instructions that these reports should represent my own views, irrespective of opposing views that might exist within the Legation, has been communicated to him. He has expressed a wish to see these reports, has reserved the right of commenting to the State Department when appropriate regarding my views, but otherwise is willing to consider that these reports to the Treasury Department, and the views expressed therein, are entirely my own responsibility.

I. Legation Activities During the Month

As would be anticipated, most of the month was engaged primarily in getting oriented to the work at hand and to operating procedures. The Legation staff is large, organized into several main operating sections. Consequently, considerable time was devoted to discussions with the staffs of these sections concerning the type of work they were doing and acquainting them with the nature and extent of Treasury interest in such work. Also, much time was spent in getting acquainted with local contacts having a direct and important connection with the type of work I will be doing. The Legation staff has been extremely cooperative and helpful in this. The Minister has personally taken me around to introduce me to the top staff of the Ministry of Finance, and of the Riksbank. He later had me over to dinner to meet several

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By Authority of T.O. 160

By SLR Date MAR 8 1973

of these

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of these same people on a social basis, as well as certain others of prominence in Swedish industry and trade. Mr. Washington, First Secretary of the Legation, who also acts for the Minister as coordinator of Legation operations, has taken me around to the Foreign Office and otherwise been extremely helpful in getting me settled in my work. Other officers of the Legation have had me over to their homes to meet certain Norwegians and Danes with whom I was particularly anxious to establish contact.

Finally, after having studied the operational organization of the Legation, considerable thought was given to blocking out an area of operations which would be consistent with what the Treasury expected of me and also sensible in the light of current organization of work in the Legation. Three main areas of operations were blocked out and cleared with the Minister, covering (1) operational areas in which I wanted complete control, (2) areas in which I wanted to participate, and (3) areas in which I wanted to be kept informed of Legation activities. See Exhibit "A".

In the foregoing matters I would like to emphasize again the excellent cooperation I am receiving from the Legation staff. All the officers have made every effort to be as helpful as possible and it has been of tremendous value to me in getting my work organized. It is believed that a mention of this by Treasury to the State Department is justified.

A. Organization of Legation Operations. Apart from the staff handling Swedish political matters and the administrative operations of the Legation, the following summarizes briefly certain reporting functions in specialized fields:

1. Special Reporting Section - This section reports on all matters relating to the Baltic countries, Norway and Denmark, the Ukraine, as well as on matters relating to Germany appearing in the Scandinavian or Baltic press. This reporting includes the cabling of "spot news" as it appears in such press, as well as the preparation of comprehensive despatches dealing with special developments in these areas. Also monitors radio broadcasts from these areas.

2. Commercial Section - This section reports on general commercial, economic, and financial developments in Sweden, handles matters relating to enforcing the provisions of the Anglo-American-Swedish War Trade Agreement, and trading with the enemy problems. Heretofore it has handled virtually all matters relating directly to Treasury operations, including the preparation of Treasury reports required under standing instructions. Most of the special attaches, such as for petroleum, forestry, etc., operate under the scope of the Commercial Section. This section also cables spot news relating to its activities, as taken from the local press, supplementing this information where appropriate either by more comprehensive cables or detailed despatches.

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3. Press Section - This section has, of course, the dual function of disseminating American War Propaganda (which is now being shifted to more emphasis on American cultural life), as well as reporting back to the Office of War Information everything and anything of significance in the European press, radio, and public opinion in general. It has very extensive facilities for radio monitoring, photo transmission, printing and photo development. As a rather interesting T.W.E. item, it might be mentioned that it has a daily telephonic news exchange with Switzerland, via Germany.

4. Translating Section - This section is concerned with the daily reporting, by cable, of local press items and editorials, primarily of a political nature but often extending into related fields. This is entirely of a "spot new" nature and the material is not further developed in this section except for a semi-monthly summary of public opinion as reflected in the local press.

5. Post-War Section - A small group specializing in the accumulation of material relating to post-war problems in Europe, particularly any programs under discussion for solving these problems. Also has been forwarding European comments on United Nations' plans.

The following appears the best operating procedure immediately available to ensure that the Legation's reporting activities, plus my own efforts, are made as useful as possible to the Treasury:

1. Daily Press Cables. In cases where I know before-hand of material being cabled of particular interest to the Treasury I will ask that the cable include a "Repeat to Treasury". As a general practice, however, it should be mentioned that the Legation does not favor such earmarking since these cables are often of interest to several other Departments as well, and are intended for somewhat general distribution among the Departments anyway. In cases where it is not possible for one reason or another to have these cables repeated to Treasury, I will send to Treasury a cable referring them to the cables in question and advising, if appropriate, that I am following the problem up.

2. General Information Cables. In cases where I know that cables are being prepared by other sections which would be of interest to Treasury, it is believed that it soon will be possible for me to collaborate in the preparation of such cables to the extent that special Treasury interests are covered, with the inclusion of "Repeat to Treasury". This working relationship is already rather well established with the Commercial

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Section, with whom I am working closely since our interests and activities in many fields are very closely related. In cases where I consider that these cables are of immediate concern to the Treasury, a summary of the cable will be forwarded directly to Treasury with appropriate reference to the Legation cable covering the same subject matter. Unless otherwise instructed by the Department, however, I will duplicate Legation cables, even on matters primarily involving Treasury interests, only in cases where the time element is paramount. This is advanced on the assumption that a "Repeat to Treasury" cable becomes available to Treasury almost as soon as a cable directly from me.

3. Required Reports for Treasury under Standing Instructions from State. Attached as Exhibit "B" is a list of reports required to be submitted for Treasury under standing instructions from the State Department. These reports are presently being prepared by a small reporting group in the Commercial Section. They are based on official reports, bank reports, press comments, and both official and private contacts in the financial community. The present group has been preparing these reports for a long time, particularly Vice Consul Harold Carlson. While the reports are not particularly imaginative in approach, many of them are somewhat routine in nature anyway, and most all of them require considerable time in preparation because of the statistical and translating work. Consequently, unless the Department instructs otherwise, I should like to leave the preparation of these reports in their present hands. The standing arrangement is that I am to review as many of them as possible in rough draft form, for the purpose of pointing up special Treasury interests.

4. Special Reports. The Legation's Special Reporting Section, as well as the Commercial Section, prepare a great number of studies on special problems in the Scandinavian area, Baltic countries, Germany, and the Ukraine, which I believe would be of considerable background interest to the Treasury Department. Among the subjects might be mentioned labor conditions, industrial developments, agricultural problems, shipbuilding, living conditions, etc. I have gone over some of these reports and they are well prepared and most interesting even though not directly related to my own work. In order that the Treasury Department's attention may be specifically directed to the existence of these reports, hereafter I will forward a monthly or semi-monthly list of selected reports prepared by the Legation which I believe would be of interest to the Treasury.

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In connection with the various types of reporting activity of the Legation it is hoped that the Treasury Department will instruct me specifically with respect to any phase of such reports it wishes me to develop further. Also, it is possible that with respect to certain cables marked "Repeat to Treasury" the Financial Attaché was not a collaborator, but simply managed to have the cable in question specifically directed to Treasury's attention. Consequently, it should not be assumed that such cables necessarily contain all the information available locally so far as special Treasury interests are concerned.

II. Comments on the Swedish Situation.

A. General Economic. Based on preliminary observations, it is difficult to see what Anglo-American policy vis a vis Sweden has contributed as a wartime instrument. Whether different results could have been obtained by following another direction is, of course, speculative, but the fact remains that Sweden stands today, without blessing via the Anglo-American-Swedish Trade Agreement, as the most potent economic satellite Germany has in all Europe. There is very little, short of actual military collaboration, that Sweden could supply beyond what it already is supplying, to further the German war effort. What it is supplying, however, is a most substantial contribution to Germany's will and ability to continue the war. This will be confirmed most certainly when millions of tons of Swedish iron and steel, carried in Swedish boats to Germany, are shot at, dropped on, and otherwise greet our invasion forces on the Western European front. This, it seems to me, should be the true measure of Anglo-American policy as expressed by the Trade Agreement. What it has accomplished, beyond supplying official sanction to a Swedish position which occasionally prompts even some of its own press to squirm morally, is unclear to me.

This is not to say that we could have prevented these shipments, since certain fundamentals of Swedish internal economy, as well as Swedish industrial self-interests as expounded by the Axel Johnson type, plus German power diplomacy, probably would have produced the same result. It does not seem necessary, however, that we should have collaborated with the Swedes in determining the extent to which they should materially harm our war effort, or that we should actually assume a responsibility which is clearly Sweden's to face in her own conscience. It must be with some relief that the Swedes find us quibbling with the score or more petty violations monthly of the Trade Agreement, rather than focusing on the main issues. Thus, we protest strongly the shipment of 200,000 tons of iron to Germany in excess of the quota, in a reproachful tone inconsistent with the 10,000,000 tons we

did authorize;

did authorize; the shipment of 20 tandem bicycles to blind veterans in Finland, which apparently looks more ominous than authorized shipments of millions of ball-bearings to Germany, etc., etc. We seem much farther from the war in Stockholm than in Washington.

The root of the present situation here seems to be the British policy towards Sweden, which does not appear to have been particularly cooperative or useful as a wartime instrument. The British Mission here appears to be more pro-Swedish than the Swedes themselves, and unconscionably post-war in point of view and action. Perhaps that has left American policy in the position of determining (1) whether it should follow British policy for unity's sake, trying perhaps to outdo, if it can, the British in wooing Swedish good-will, (2) whether we should take a middle course, or (3) whether we should take a strong position consistent with the facts and with our all-out war effort. The Swedes appear to be pro-American if pro anything, including Swedish. From the international point of view they have a tremendous respect for American industrial might, look to the United States as the only hope of extricating Sweden from its difficult position vis a vis Russia and Germany, but considers us rather immature in political matters. Most of the papers are almost dangerously pro-Allied, and everybody is convinced of the certainty of an early Allied victory in Europe. It is difficult to understand, therefore, why we can not take advantage of this spontaneous support, plus our large investment in the propaganda efforts of O.W.I., to forge a strong war position in Sweden. As it is, we are liked tremendously, but Germany is getting millions of tons of iron to shoot at us.

B. Refugees. Turning to a brighter side, there is no question but what Sweden has extended a kind and helpful hand to the refugees coming across her borders, and this assistance has been of inestimable value in maintaining life, hope, and the will to resist in some of the occupied countries. At present there are approximately 40,000 refugees in Sweden, exclusive of children and the Finns taken in over here during the Finnish-Russian war. Of this number, 18,000 are Norwegians; 14,000 are Danes; including about 9,000 Jews who came here in October and November of 1943; 3,500 are German-speaking refugees, and most of the balance are from Poland, Holland, and the Baltic States.

Sweden has made great effort to find employment for these refugees, and in the case of Norwegian and Danes has extended special privileges under the Swedish Social Board. Approximately 12,000 Norwegians have thus found employment - 6,000 in forestry, 2,000 in agriculture, 2000 in industry, and the balance in miscellaneous trades. That is not to say that the Norwegians

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are happy here. On the contrary, several thousand came here expressly for the purpose of joining the Norwegian free forces, and are tremendously angry with their Government in London because they have been left stranded here cutting wood, much of which goes to Germany. The Danish refugees, of which 6,000 have found employment here, have found special opportunities in the skilled trades. It might be mentioned that the Swedes refused a Danish offer of 5,000,000 kroner to assist in taking care of the Danish refugees, saying that Sweden stood ready to take care of them out of pocket.

One of the many paradoxes of the Swedish neutrality position is the extent to which it tolerates Norwegian and Danish underground operations, which are organized to a fantastic extent. So smoothly are these operations working that it would be no exaggeration to say that traffic between Stockholm and Oslo or Copenhagen is hardly less difficult than traffic between Washington and New York, although always perilous. That is not to say that there is a free exodus of people from Norway, the facilities are there but the Germans have taken such severe reprisals against relatives or even distant friends of Norwegians recently escaping that the traffic has practically died out. Underground activity from this end, however, and the flow of couriers to Norway and Denmark and back is constant. Apparently the Germans have little to say concerning this underground activity, but the local Nazi press frequently complains bitterly about the Swedes permitting the Norwegians to organize a "Police School" in northern Sweden. This school comprises approximately 1,200 Norwegians between the ages of 18-30 and, as the Germans surmise, will clearly have an active part in the reoccupation of Norway. They are being trained extensively in the use of arms and ammunition.

The Financial Attaché has a visit scheduled to Gothenburg (Göteborg) the latter part of next week and will be in a position to develop considerable material concerning Jewish refugees in Sweden. An appointment has been arranged with Julius Hüttner, said to be Sweden's No. 1 man on Jewish refugee problems. He has been working very closely with the Swedish Government on these matters, and is said to have complete details regarding refugees, including their personal means, when they got here, what they were supplied upon arrival, and what was confiscated from them. It is also planned to visit one or two of the refugee internment camps in the area. The foregoing will be the subject of a special report.

C. Swedish German Trade Agreement. The new 1944 Agreement appears to be viewed generally with satisfaction. The Swedes advance the reduction of iron shipments from 10 to 7 million tons as a clear gesture of pro-Allied sympathy, although it may be assumed that they were not unmindful of the difficulties of getting paid for 10 million tons of iron while at the same time getting their old credits cleaned up -- before the lid blows off in Germany. The Germans, no doubt, are very glad to get the 7 million tons. The Russians, who have had a more intimate contact with this iron than ourselves, will be equally glad to blast it out of the Baltic Sea wherever and on whatever it can be found.

As the Department is aware, the terms of the Swedish-German Clearing Agreement is supervised by a so-called Joint Standing Commission functioning in Stockholm under the chairmanship of Marcus Wallenberg, and comprising representatives from the British and American Legations, and from the Swedish Foreign Office. I have asked to be included at the meetings as a financial adjunct to the American representation, since there are often financial aspects of these operations that could be clarified. At the monthly meeting in February, I hope to obtain a detailed statement of the status of the unliquidated credits, when they were created and what the re-payment provisions were, when partial payments were made and whether in goods, gold, or free exchange. I also want to clear up certain ambiguities concerning 1943 payments of approximately 40,000,000 kronor in Reichbank gold said to have been held prior to 1939, and whether any gold payments are contemplated in 1944. Considering the difficulty Germany had in paying off maturing credits of 40,000,000 kronor in 1943, it is difficult to see how she will pay off 70,000,000 kronor of credits in the first six months of 1944, as provided for in the Agreement.

D. Availability of Information. One of the most severe handicaps to successful operations here is the great scarcity of official information on the one hand, and the plethora of unofficial information on the other. Official quarters have gotten into the habit of being extremely reticent to supply data relating even to matters in which you have a legitimate interest. On the other hand, you can go out in the street in certain quarters and confirm anything under the sun, in the course of which you also accumulate an equal abundance of material to disprove the same point. Consequently, one's earliest task is to build, really on a personal basis, useful contacts in official quarters and reliable contacts in unofficial quarters. This takes time and is bound to limit one's effectiveness during the early stages of his assignment.

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There are many good leads to significant matters in the Swedish, Norwegian, and Danish press. Although my reading ability of these languages is improving, it is a laborious process at best, and I couldn't possibly cover the entire field and have time to do anything else. Consequently, it was greatly appreciated that the Department reacted favorably to my request to employ a local translator. There is a translating group in the Legation but they are otherwise occupied.

In connection with obtaining information in Sweden, the Department undoubtedly knows that the Swedes have a variety of laws imposing severe penalties upon any "person" supplying information to foreigners regarding political, economic, and industrial activity both (1) within Sweden, and (2) with respect to belligerent countries. The Swedes are very diligent in enforcing this law, including the tapping of telephones of foreign missions to determine with whom and about what they are talking. Within the past week both the British and American Legations have been handed protests by the Swedish Foreign Office in connection with certain approaches they have made on Trading with the Enemy matters. The blacklisting technique as applied to Sweden is, of course, only token in scope, considering the close relation of the entire Swedish economy to the German war effort. Nevertheless, the blacklisting threat is one that the average Swede fears, and it has served as a medium of economic and commercial intelligence that otherwise would not be available to the Legation. Consequently, it is hoped that the protest, which has been forwarded to Washington, will not be taken seriously. It would be inclined to accept it as the offering of a dutiful neutral for purposes of the record. If the Swedes insisted upon a stricter attitude in the matter, it might not be inappropriate to call their bluff before abandoning an intelligence field that is a very important contribution by the Mission to the war effort. It could be intimated, for example, that there is a very real relation between our commercial intelligence activities in Sweden and the latitude which we have extended the Swedes under General License No. 49, and that if we are forced to forego the former we may well have to reconnoiter our position with respect to the latter.

In this, as in many other matters, it doesn't seem that we have anything to lose by adopting a considerably more critical attitude. Heretofore, Sweden has been faced by a pointed gun from one direction and an extended lollipop from the other, and it has not been difficult for the very practical Swede to decide which should engage his uppermost attention. A stiffer approach may have an important influence on the rather critical decisions that Sweden may be called upon to make in the next few months.

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E. Dollar Black Market Operations. A continued effort is being made to obtain some appraisal of dollar black market operations in Sweden that would be useful to Treasury, but so far I have been able to collect only a great many loose ends, many of which are contradictory. I am satisfied that there is a large amount of dollar currency in Sweden, largely held by Norwegian and Danish refugees. They are not selling this currency to any considerable extent because the black market rates are too low (about 2.25 Swedish Kr. for the dollar). Most of the refugees acquired their dollar currency in Norwegian and Danish black markets at a much higher price and therefore will not sell in the Swedish black market unless faced with severe living emergencies. For example, most of the Danes had to pay anywhere from 6 to 7½ Danish Kr. for the dollars they acquired in the Danish black market.

On the buying side, it has been particularly difficult to get any precise information. There is considerable evidence to support the conclusion that the buying market is now rather weak, and confined largely to limited private purchases for speculative account. There is a wide spread between black market buying and selling rates - about 2.25 Swedish Kr. in the first instance and 3.25 to 3.50 Swedish Kr. to the dollar in the second instance. The selling rate appears to be based on Swiss buying rates. It is only when the Swiss are not buying dollars that private holders here are forced to sell in the Swedish black market, since otherwise they could sell their dollars to the Swedish commercial banks at a much higher price. The Swedish commercial banks may purchase dollars only against confirmed sale in Switzerland, and therefore operate on a much narrower spread.

Last week the Hungarian Press Attaché was trying to sell \$80,000 of U.S. Currency which was to come here from Hungary by pouch. He could not get any sort of price here so apparently pouched the dollars to Switzerland.

I doubt if the Germans are buying dollars in the local black market because of their shortage of Swedish crowns. The only likely instances would be those cases where, by pouch facilities, they could take advantage of a wide spread in buying rates here and selling rates in Switzerland.

It should be emphasized again that the foregoing represents only general notes on a very complex local situation, and probably not at all reliable.

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III. Comments on the Norwegian Situation.

A. General. Much similar to the situation in London, the outstanding impression gained of the Norwegian group here is its great disunity. Even among the official group itself may be found numerous opposing factors openly critical of each other - either based on political jealousy, personal self-interest, or temperamental and ideological incompatibility. As might be expected, this has greatly weakened the effectiveness of Norwegian representation in both London and Stockholm, and has been very damaging to its prestige. If the Swedes are right about anything, it would be their statement that as long as there are two Norwegians you will have at least two Norwegian points of view. There appears to be only one Norwegian who escapes even the slightest criticism and that is the King, who enjoys tremendous respect and esteem among all Norwegians. Apart from him, there appears to be much bickering among those official directing Norway's Government in Exile, against which group is aligned important influences also in exile but not associated with the exile government, and possibly aligned against both of which are certain groups remaining in Norway. In connection with the latter, this would be particularly true of the former Communist element, which has remained in Norway to the last man in carrying on an active resistance against the Quislings, and which may emerge from the occupation in unexpected political strength.

The foregoing situation seems particularly disappointing since a continuation of these influences may have a most serious effect during Norway's early reoccupation period when internal political conditions will unquestionably be chaotic. It is not unlikely that these influences have severely handicapped even current operations, since I do not see how anyone can feel reasonably confident that he is dealing with a political group that the Norwegians will consider responsible after reoccupation of Norway.

Apart from the foregoing, I have been impressed with these other outstanding characteristics of the Norwegians on this side of the water. First, many of them in Europe seem to express the attitude that the world, particularly the Allies, owe something substantial to Norway. Secondly, they have been unreliable sources of information in most cases; I have had to cross-check everything they have supplied and invariably the whole thing washes out. Thirdly, very few Norwegians can keep a secret, and this is something all of us should bear in mind constantly. I hope that these circumstances will improve,

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since I have learned that the Norwegian Government both in London and Washington have written to their Mission in Stockholm of my scheduled arrival - which ordinarily would have facilitated useful contacts. In view of my Norwegian origin, I should be able to work with this group on an effective basis and perhaps my next sampling will be more productive.

B. ^{pc} Norwegian Refugees. General comments regarding the number of Norwegian refugees have been supplied elsewhere in this report. Since last summer the number of Norwegians escaping to Sweden has been reduced very considerably, due to the severe reprisals of the Germans. Almost all of them escaping since that time are persons with no immediate relatives in Norway, or persons who have been able to arrange escape with their entire families. The deportation of Oslo University students, however, and more recently the reported meeting of Terboven and Quisling with Hitler, has resulted in a sharp increase of refugees. In one day alone last week, 123 slipped out via the underground and large numbers are expected all this month since those in Norway of the ages 17 to 35 appear to have been definitely tagged. This does not include the Jewish population since virtually all this group, save those deported in the early stages of the occupation, have successfully fled to Sweden.

One of the strikingly admirable aspects of the Norwegian group is the skill and daring with which it is carrying out underground operations. There is hardly a Norwegian refugee in Sweden, physically able, who is not involved in some sort of underground activity. There are anywhere from 300 to 500 individual groups engaged in specialized operations on a limited scope. Thus you will find small groups involved in radio communications, home propaganda, exports, arms and ammunition, facilitating the escape of certain refugees, intelligence, etc. Certain groups here are working on the systematic sabotage of the German war machine when the invasion starts. As the Department knows, the King has asked Norwegians to refrain from sabotage, and whatever activity of this nature currently going on in Norway is being carried out by the communists. Similarly, there are not many inside Norway except the Quislings and Nazis, who are not engaged in some sort of activity. Both inside and outside Norway, their operations are carried out with a reckless disregard of personal safety that is almost foolhardy.

The Germans have found it most baffling to deal with this problem. They are continually searching for a "key man" in these operations, and now and then execute somebody. However, the operations continue. The truth of the matter is that there are no key men, but instead several hundred very small groups working independently of each other on a very specialized operation. It is rare for one group to know what another is doing, or the individuals comprising the group. In this connection, it is understood that the Norwegian Mission here made an effort to get these operations coordinated, but met with stiff opposition

due in large part to the feeling of the underground group that the Legation could not maintain the present secret basis of operations.

Inside Norway, there is very little the Germans could do to break up these operations except exterminate three-fourths of the population, which is impracticable since many Germans are themselves deeply involved. As a result, when the Germans try to break up these operations by acts of terrorism such as the deportation of Oslo students, invariably it is only the completely innocent that are the victims. The members of the underground are tipped off well in advance. Thus, on the day of the Oslo student episode, over half of the University's enrollment stayed at home. This has been the case when many other German repressive measures were scheduled.

Turning to the financial status of the refugees, it appears generally satisfactory. Almost all of them come here rather well supplied with Norwegian currency, either their own or contributed to the advancement of underground operations by friends in Norway who have no use for it there since they can buy very little. Upon their arrival in Sweden, they are allowed to redeem at the Norwegian Legation, at close to par, 400 kroner with which to purchase clothing and food. Then they are allowed to redeem an additional 300 kroner monthly until they find employment, after which time their only means of redemption would be the black market. It might be mentioned, parenthetically, that the Norwegian Legation disposes of a considerable amount of the currency it acquires from refugees through sales to the British against sterling credits. It may be said, therefore, that in view of this emergency arrangement with the Norwegian Legation, as well as the rapidity with which these refugees find employment, that there are not a large number of severe hardship cases. Those who, for one reason or another, are unable to find work unquestionably have great difficulty with living expenses, and it is to this group that I hope that the facilities of General License No. 32 will soon be opened up. *R*

B. Black Market in Norwegian Currency. Black market operations here in Norwegian currency have shown an interesting change in the past few months. Back in October there was very little demand for the large supply of Norwegian currency in the local market, and the black market buying rates against Swedish currency ranged from 0.18 to 0.20 Swedish Kr. More recently, however, the supply has shortened against increasing demands and the rates have improved to 0.25 to 0.27 Swedish Kr. for Norwegian currency in denominations of 5, 10, 50, and 100 kroner and 0.30 Swedish Kr. for currency in denominations of 500 and 1,000 kroner. The rise in price is undoubtedly due to the increased demand for Norwegian currency for underground and invasion operations, although it is also likely that there is increasing private demand for speculative purposes.

A straw in the wind for the former theory is that within the past few weeks one of the larger Norwegian underground operators (not favorably regarded by the Norwegian Mission here) approached our Legation with the following proposal, based on his urgent need of a large amount of Norwegian currency. He said that the German troops in Northern Norway were being supplied from Finland, in payment for which the Germans were giving the Finns Norwegian currency. He stated that most of it had found its way to the Bank of Finland which was now holding 7½ to 10 million Norwegian Kronor. His proposal was that the American Government purchase this currency from the Bank of Finland at current black market rates against a blocked dollar credit that could be utilized by the Finns only for meeting payments on its debt to the United States. The proposal seemed absurd from several points of view but had some aspects which I considered worth checking into. The proposal blew up on discussion with the first reliable Norwegian contact I could find. He said that the whole thing was unsound in fact because of the chronic Finnish deficit in the Norwegian-Finnish clearing, caused by heavy Norwegian exports of pulp and fertilizer. In view of this sizeable deficit, it was claimed, that there would be no reason why German authorities in Norway would make payments of any kind to Finland.

IV. Comments on the Danish Situation.

A. General. There seems to be considerable optimism locally as to the Danish outlook, and there unquestionably are definite bright spots in the situation. Apart from the German deficit of 8,000,000,000 Danish Kr. in the German-Danish clearing, mostly represented by inflated Danish currency or obligations of the National Bank to the commercial banks, the German occupation has left no long-term scar on the Danish economy. It is pointed out, for example, that Danish livestock is greater now than before occupation. Also, certain industries such as shipbuilding and chemicals, are stronger than ever before. Very little property has been destroyed by the Germans, and only an insignificant amount confiscated. This includes American and British property as well. The average Dane feels, therefore, that if the war could be brought to a quick end before the Germans had time as a last minute act of desperation and vandalism, to ravage the country, then Denmark will have survived the occupation with remarkably good fortune. Just now, they are troubled that so many Danish farmers, lured by the extremely high wages the Germans are offering, have left their farms to work at the fortifications being constructed at Jutland. This labor migration may have a serious affect on next year's supply of grain and fodder - upon which depends the backbone of Danish economy.

In certain respects at least, my first impressions are that the Danes have handled themselves in a delicate situation rather skillfully. They have taken a very strong position against the

Germans in certain internal matters, such as property rights and personal liberties, and have gotten away with it in most cases. German occupation of Denmark has been on a most peculiar basis compared with other occupied countries. A great effort has been made to avoid trouble with the Danes, and it is not rare to find the Nazis indignantly denying their intention of carrying out some program of dirty work, which the Danes correctly enough surmised but protested so loudly in advance that the Germans would hastily abandon the program. This sort of an approach, for example, has been very effective in keeping the German oppression of Danish Jews at a minimum - only about twelve hundred actually having been deported. When the Germans proposed that all Jews wear a yellow star as in other countries, the King said he would wear one too, and the plan was abandoned. Apparently the Nazis themselves facilitated the escape of Danish Jews to Sweden, since they were anxious to eliminate them as a possible source of trouble. Actually, most of the Danes are very much afraid of the Germans, even the refugees here in Sweden move about very cautiously for fear of the Gestapo. Apparently the Danes have been rather useful to the British in specialized sabotage and underground intelligence operations. It is understood that what the Danes lack in numbers in such operations they make up to some extent by a high degree of skill in carrying out the operations. The Danes seem to be satisfied that, individually and collectively, most of them have handled themselves as sensibly as possible under the circumstances. Accordingly, added to the possibility of economic strength that may be Denmark's after the war, is some prospect of reasonable internal political stability. The Danes are being very actively courted by the Swedes and British with respect to post-war commercial ties, which may be a rather good measure of Denmark's potential since neither is exactly philanthropical in such matters.

Locally, Danish representation is fairly effective. Minister Kruse is not regarded to be particularly strong, although the Danes in general feel that he is doing as well as possible considering that (1) he is accredited to what is loosely called a neutral country, and (2) that he has a practical regard for the proximity of Germany. The Danish Legation's No. 2 man, Torpe-Pedersen, is out and out pro-Allied and very useful. Local circles feel that de Kaufman and Torpe-Pederson will occupy top positions in the post-war Danish Government.

B. Danish Refugees. Similar to the Norwegians, the Danish refugees seem reasonably well provided for so far as living necessities are concerned. According to the Danes themselves, to specifically quote Earl Henriques, many of them could do much better if they would take advantage of the great employment opportunities extended to them by Sweden, instead of remaining in the internment camps and lamenting their position and criticising the efforts made to assist them. Limited financial arrangements have been worked out by the local Danish Mission with the Foreign Office

and the Swedish commercial banks. When a Danish refugee comes into Sweden, he must declare to the Danish Mission his holdings of Danish currency, which is written into his passport. Each month he can go to a commercial bank and exchange 350 Danish Kr. for Swedish currency. The rate is reasonably close to par - about 0.90 Swedish Kr. for one Danish Kr. as I recall. He also has the opportunity of selling his Danish currency in the local black market. In addition, there seems to be no restrictions on cable transfers from Denmark to Sweden, which is simply a clearing operation and one very welcome to Sweden. The Danish refugees appear more contented than the Norwegian refugees, but not entirely so. There is some dissatisfaction with the attitude of the local Danish Mission, and in the past month or so there was a pronounced movement among the refugees to form a "Free Danish Government". It did not get far, largely because of the chilly attitude of the Swedes. The Danes here, and all in the underground in Denmark, are very anxious to be extended the honor of being included in the United Nations. Due to a silly fumble on the part of a member of the local British Mission (Turnbull) they were wildly celebrating such official recognition, and were terribly disappointed when the error was clarified. Other Danes, like Henriques for example, are very anxious that Denmark not be included among the United Nations. He gives as his reason the example of Poland, which he feels is handicapping the Allied war effort, but in reality he is very much afraid of Germany. Like many Danes, his one hope is to get through the next few months without aggravating the Germans into destroying Denmark in the closing moments of the war.

It is stated that virtually all full-Jews have now escaped from Denmark and that there is little to give concern as to the possibilities of a terrorist campaign against Jews. This is assuming that the Germans continue their policy of taking no steps against half-Jews in Denmark. There is some indication that refugees from Denmark may increase in the next two months - largely due to Gestapo measures to reorganize the Danish Police, a group that has been somewhat easy to work with in a variety of pro-Allied interests - including refugees. At present, Danish refugees are coming into Sweden at the rate of a little less than 500 a month. As the Department knows, the big months were October and November of 1943. /H

C. Black Market Operations in Danish Currency. Black market operations locally in Danish currency are very extensive, due to the heavy demand for underground purposes. Consequently, the rates are rather good - a trifle under 0.65 Swedish Kr. for one Danish Kr. It probably would be reasonably accurate to say that the demand for such currency now, at least in large lots, is much more than actual supply.

V. Individuals Met During the Month. Following are brief comments concerning individuals met during the month who would be of interest to Treasury.

1. Mr. Wigforss - Minister of Finance. Has been in his present capacity since 1932 and a stalwart of the Social Democratic Party. Seems to be tremendously interested in the United States, particularly its politics, but I would not say he was strongly pro-American. He is an intense worker, and said to be a great scholar. His new Budget has not been considered impressive locally, and actually is more an "estimate" than a Budget. It might be mentioned that in his budget discussions he coined a phrase that Sweden had progressed to an era of "stabilised budget crisis", whatever that means. Perhaps it is directed hopefully to the coming fall elections.
2. Mr. Rooth - Governor of the Riksbank. Generally regarded to be a warm friend of the United States, and extremely cooperative and helpful. Has a charming personality and is most hospitable. Is considered to be thoroughly able in his present assignment. I have hopes that he will prove a valuable contact. There is a considerable reorganisation of the Riksbank under way, which will be reported as soon as the details are available. One of the purposes is to adjust staff assignments to create a division to handle post-war problems. This will be handled by our friend Magnussen, who has been promoted to Vice-President of the Riksbank.
3. Marcus Wallenberg. Stockholm's Enskilda Bank. A very popular figure locally, both with the Swedish and foreign elements. Exceptionally pleasant personality. Although he is considered to be strongly pro-Allied in sympathy, the implications of this sentiment are obscured somewhat by the fact that he handles all United Nations business while his brother, Jacob, is equally entrenched in the Axis end. In other words, the Stockholm's Enskilda Bank has its position pretty well hedged. I have as yet made no approaches to Marcus Wallenberg so am not in a position to determine whether he will be a useful contact.
4. Mr. Brunkman - Director, Svenska Handelsbanken. One of the most useful contacts I have made so far, and thoroughly reliable. Gained his early banking experience in New York with the Bank of Commerce, and is very highly regarded locally. He is definitely pro-Allied. It is likely that the Svenska Handelsbanken is as dependable, from our point of view, as any bank in Sweden, and probably more so than most.
5. Mr. Karl Henriques - Danish Private Banker. One of the finest personalities I have met in Sweden, and extremely helpful although mindful of the nearness of the Gestapo. Is working tremendously hard to assist Danish refugees, and has sufficient prestige locally to obtain excellent results. He is one of my best contacts.

6. Professor Gunnar Myrdal. The first time I met him was at a private lunch just after he had arrived from the United States. He commented on several things in America, but seemed particularly critical of the Treasury, both with respect to post-war problems as well as tax matters. Specifically, he thought that Treasury fumbled the ball in not having had Congress sponsor the stabilization proposal. Conversely, he felt that Treasury had failed to lead Congress in tax matters. In the course of drawing him out on these matters, he got me placed, which he had missed in the earlier introductions, and he seemed greatly embarrassed. I met him the second time at the American Club, where he was the guest speaker at the monthly luncheon. He gave a half hour talk on the situation in America, which was a large subject for thirty minutes - particularly when filled with Swedish food. Part of it was devoted to a discussion of our ability to make a post-war readjustment. He said that we now were spending 100 billion annually, which would drop to 60 billion if the war was won in Europe, but still underway in the Pacific. He then wound up with the pronouncement that the United States faced economic disaster if the war in the Pacific did not extend two years beyond the European struggle. This forecast must have been somewhat startling to the Chinese Minister who was sitting quite near by as one of the guests of honor.

I liked Myrdal very much, despite his vanity, and believe him to be a sincerely warm admirer and friend of the United States. He is much more interested in us than in Sweden, and I would say more pro-American than Swedish. However, he temporarily is struggling with a great hodgepodge of unrelated facts concerning the United States, much as a Rotarian from Belgrade would accumulate after several weeks' visit to America, had he talked with a half dozen Congressmen well scattered geographically, a dozen local Chambers of Commerce, several newspapermen, and had read a few Sunday Gallup Polls.

7. Axel Axelson Johnson - Leading Swedish Industrialist. Disliked him very much and would not hesitate to advance him as the outstanding type in Sweden responsible for the Swedish point of view with respect to close economic ties with the German war effort. Immensely rich and a powerful influence upon the Swedish Government. I would consider him a most unwelcome influence in Swedish affairs.

VI. General Outlook.

I am very optimistic as to my prospects of doing useful work here, and believe that I am making good progress in that direction. One of the first things that I have had to learn, however, is the necessity of moving very carefully, and slowly, in getting established locally. It takes anywhere from three to six months of cautious maneuvering in the right quarters to reach a position of full effectiveness, and it is most certain that any ill-considered steps along the way may permanently

destroy my usefulness. Once I have been fully accepted, however, and have created the confidence and respect so essential to operations here, it is believed that things will move much faster. It seems to me that there is a great deal of work to be done here of special interest to the Treasury.

As to general local conditions, the cost of living is terrific and I do not see how the Foreign Service Officers here are able to maintain appropriate quarters and meet the severe social obligations of official life in Stockholm. Despite the fact that I am not doing anywhere near the entertainment I should be doing as a Senior Officer of this Legation, my expenditures are appalling even though I can find no specific examples of extravagance. Compared with the purchasing power of the dollar in Washington, the Swedish Krona in Stockholm is actually worth about ten cents.

Another item is the extremely poor channel of communication with the United States, which is a morale factor of no small consequence within the Legation. This is really the end of the line so far as mail communications are concerned. For example, I have received only one letter from my family since I left Washington in November. If I write now to tell them to watch out that the oil burner doesn't blow up again, it will be April before they get my caution and July before I get the answer saying that they ran out of oil in December anyway so there wasn't any such problem. This situation has been very hard on people here with families at home. I realize that many Americans are in areas where conditions are much more difficult than ours, and I have a new respect for them, but in many cases there is nothing that could be done to improve circumstances. That may not be the case in Stockholm. Perhaps an arrangement might be made to permit American personnel to exchange a weekly cable with their families.

Very truly yours,

//s/ Iver C. Olsen

Iver C. Olsen
American Financial Attache

Enclosures: As stated.

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BUSINESS NEWS LETTER FROM SWEDEN

Vol. 3 - No. 1
January 12
1 9 4 5

SWEDEN'S AID TO RECONSTRUCTION

Large-Scale Contribution Planned, Ultimate Scope Depends on Postwar Economy

Sweden's relief activities and plans to aid in the reconstruction of war-ravaged countries naturally affect Sweden's economic situation. Swedish industries are already to some extent working for the rebuilding of the neighboring countries, and the sharply downward trend in Swedish exports has been checked by relief shipments. The number of refugees and evacuees in Sweden is about 180,000, or about three per cent of the Swedish consumers.

The outlines for Sweden's share in the postwar rehabilitation were made public by the Government in October, 1943. In a statement accompanying the request for an initial appropriation by the Riksdag, the Minister of Finance said that the plan was based on the fervent desire of the Swedish people to take part in this work. The wish to aid the Northern countries first, he continued, was only natural in view of the many ties which link these countries to Sweden. The ultimate scope of Sweden's relief work, the Finance Minister added, could be fixed only in connection with Sweden's postwar economic position, which would depend to a great extent on what imports, in the first place of raw materials and fuels, it could get. With respect to food-stuffs, Sweden could hardly be expected to keep up a permanent export, but emergency deliveries would be made as far as possible.

Total of Orders For Rehabilitation Purposes Now \$125,000,000

An official Rehabilitation Board is handling all matters relating to governmental participation in the work of international reconstruction. It has, for example, prepared the credit agreements which have been signed with Norway, Finland, and the Netherlands. The total amount of orders for rehabilitation purposes accepted by Sweden is now about 500,000,000 kronor, or \$125,000,000. According to a statement made last fall by the Swedish Minister of Commerce, Sweden's grants of credits for the rebuilding of war-ravaged countries may ultimately reach double that amount, or one billion kronor.

Swedish humanitarian work is directed and coordinated by the Committee for International Relief in Stockholm, on which a number of private organizations, such as the Swedish Red Cross, the Swedish Norway Relief Society, and Save the Children are represented. These organizations depend for support on private contributions.

Relief Activities in Norway Still Restricted by Allied Shipping Regulations

Sweden has succeeded in building up emergency reserves of certain vital goods, out of which deliveries will be made to the Scandinavian neighbor countries as soon as circumstances permit. As regards assistance to Norway, the situation is very complicated, that country being still under German occupation. Swedish relief activities are furthermore restricted by Allied shipping rules. On many occasions the hope has been expressed in Sweden that the Western Powers, in view of the increasing distress in Norway, would consent to immediate deliveries of necessities on a larger scale. In this connection it has been pointed out that the Swedish supervision over the distribution of the goods in Norway has been absolutely effective in keeping the goods out of German hands.

Food Shipments to Norway Were Increased Last Fall

Last fall Sweden received the permission to double the deliveries of foodstuffs to 500 tons a month and to send 75,000 pairs of children's shoes and 150 tons of clothing. Fifty thousand children have now received a complete set of heavy new clothing of the sports type, including ski boots, and another 25,000 have received boots only. Through the Swedish Norway Relief Society, which handles practically all activities of this kind in Norway, free hot meals are being served daily to about 225,000 people, mostly children. The present monthly food shipments of 500 tons go entirely to these food centers.

During the fall it was also possible to send 3,000 tons of sugar to Norway, and Sweden was prepared to ship another 3,000 tons during the early winter. This sugar is sold in Norway against special coupons, and the money thus raised is used for cash relief to seamen's families, whose breadwinners are working outside the country, that is for the Allies. At present about 10,000 such families receive a total of \$250,000 a month. Still another form of relief has been gift parcels. Last summer 110,000 such parcels were sent to Norwegian children, and last Christmas 175,000 parcels were distributed in the same way. Moreover, 10,000 parcels are sent every month to needy families.

All the administration costs of the Norway Relief are being paid by the Swedish Labor Federation and the Swedish Employers' Association. Thus all funds donated go direct to the relief without any deductions.

Norway Granted Considerable Rehabilitation Credits

Sweden has granted Norway a credit for rehabilitation purposes amounting to \$50,000,000. The goods ordered under that agreement cannot be delivered until Norway has been liberated.

During the course of the war, Swedish shipyards have built some twenty-five vessels for Norwegian account, totaling about 350,000 tons d.w. Many of these are tankers of more than 15,000 tons, no ship being less than 9,000 tons. In addition, more than thirty ships have been ordered by Norwegian owners. All deliveries await the end of the war.

Relief Shipments to Finland Boost Export Figure For November

The value of Sweden's total November exports was about \$24,400,000, against only \$14,000,000 for October. The increase was caused mainly by relief shipments to Finland, which is now fighting the Germans. In the middle of December it was stated that 65,000 tons of grain had been sent, out of a total quantity of 150,000 tons to be delivered before the end of the winter. The food deliveries which Sweden has promised Finland further include 10,000 tons of sugar and 5,500 tons of edible fats. Sweden is also sending raw materials and industrial products, such as iron and steel, textiles, chemicals, salt, and coal and coke. These deliveries are made on credit. The new credits granted amount to about \$37,500,000.

Denmark Not in Need of Foodstuffs, But Industrial Assistance Planned

When planning the relief shipments, the Swedish authorities did not deal in any detail with Denmark, the Stockholm daily Dagens Nyheter pointed out some time ago. Normally, Denmark's own most important industry is foodstuffs for export, and in food supply the country will probably always be able to pull through, whatever damages are wrought by the long occupation. As far as Denmark is concerned, Sweden will, therefore, concentrate on assistance of an industrial and financial nature, to be arranged when Denmark is again free.

Credit Agreement With Netherlands, Sweden Ready to Ship Food

With the Netherlands a credit agreement was signed in London last October. Outside of this agreement certain orders have been placed in Sweden by the Netherlands, mostly for locomotives. On December 18, 1944, the first of a series of fifty locomotives was completed at the Nydqvist & Holm works at Trollhättan.

In the end of December it was announced that Swedish authorities were ready to start shipping about \$1,000,000 worth of vital food supplies to the Netherlands, as a gift. Two ships loaded with such goods are only waiting for minor details concerning safe-conduct to be settled. Further relief shipments are being prepared.

(NOTE: Copies of the Sweden issue of the Foreign Commerce Weekly, November 4, 1944, can still be ordered from The American-Swedish News Exchange, 630 Fifth Avenue, New York 20, N. Y.)

SWEDISH SHIPBUILDING IN 1944
Ships Launched Since Middle of Year

<u>Shipyard</u>	<u>Name of Ship, and Tonnage</u>	<u>Owners</u>	<u>Description</u>
Öresund, Landskrona	"Bernhard Ingelsson," 6,000 tons d.w.	Transamarin, Helsingborg	Motor vessel
Lindholmen, Gothenburg	"Scania," 2,900 tons d.w.	Swedish Lloyd, Gothenburg	Motor vessel
Ekensberg, Stockholm	"Korshamn," 1,000 tons d.w.	West Indian Sh. Co., Stockholm	Motor tanker
Götaverken, Gothenburg	"Rautas," 12,000 tons d.w.	Grängesberg, Stockholm	Combined oil and ore carrier
Köckum, Malmö	"Soya," 16,450 tons d.w.	Soya Shipping Co., Stockholm	Motor tanker
Eriksberg, Gothenburg	"Wilhelmina," 3,500 tons d.w.	Fredrika Sh. Co., Stockholm	Motor vessel
Götaverken, Gothenburg	"Scandinavia," 6,250 tons d.w.	Swedish Lloyd, Gothenburg	Motor vessel
Finnboda, Stockholm	"Bifrost," 2,450 tons d.w.	Svea Shipping Co., Stockholm	Motor vessel
Eriksberg, Gothenburg	"Christer Salén," 9,000 tons d.w.	Pulp Shipping Co., Stockholm	Motor vessel
Kockum, Malmö	"Bio-Bio," 7,800 tons d.w.	Johnson Line, Stockholm	Motor vessel
Lödöse, Gothenburg	"Monita," 2,200 tons d.w.	Ethel Shipping Co., Stockholm	Motor vessel
Kockum, Malmö	"Halland," 10,000 tons d.w.	Tirfing, Gothenburg	Motor vessel
Götaverken, Gothenburg	"Wangaratta," 9,000 tons d.w.	Transatlantic, Gothenburg	Motor vessel
Öresund, Landskrona	"Belos," 2,125 tons d.w.	Svea Shipping Co., Stockholm	Motor vessel
Kockum, Malmö	"Ada Gorthon," 6,000 tons d.w.	Gylfe Shipping Co., Helsingborg	Motor vessel
Eriksberg Gothenburg	"Mangarella," 9,050 tons d.w.	Transpacific, Gothenburg	Motor vessel

Ships Delivered Since Middle of Year

Eriksberg, Gothenburg	"Innaren," 6,260 tons d.w.	Transpacific, Gothenburg	Motor vessel
Eriksberg, Gothenburg	"Atomena," 5,025 tons d.w.	Nordström & Thulin, Stockholm	Motor vessel
Kockums, Malmö	"Boolongena," 9,200 tons d.w.	Transatlantic, Gothenburg	Motor vessel
Götaverken, Gothenburg	"Balaklava," 12,730 tons d.w.	Transmark, Gothenburg	Motor tanker
Götaverken, Gothenburg	"Constance," 17,300 tons d.w.	Monacus Shipping Co., Kungälv (Norwegian)	Motor tanker
Eriksberg, Gothenburg	"Kolnaren," 6,060 tons d.w.	Transatlantic, Gothenburg	Motor vessel
Kockum, Malmö	"Cassiopeia," 9,200 tons d.w.	Soya Shipping Co., Gothenburg	Motor vessel
Öresund, Landskrona	"Birka," 2,125 tons d.w.	Svea Shipping Co., Stockholm	Motor vessel

(Business News Letter, Vol. 2, No. 7, July 1944, contains a list of ships launched or delivered during first half of 1944.)

QUOTATIONS ON STOCKHOLM STOCK EXCHANGE AT JANUARY CLOSE

Ten of the leading issues traded on the Stockholm Stock Exchange, together with their prices at the close of business on December 30, 1944, are listed below, and their quotations on November 30, as well as the 1944 and 1943 highs and lows. The figures given are in kronor, the krona having a value of 23.86 cents in United States currency on January 2, 1945.

	Dec. 30th	Nov. 30th	1944		1943	
			High	Low	High	Low
Elektrolux	149	150	155	107	109	83
L. M. Ericsson	45	45.50	47	38	41.50	31
Grängesberg	213	204	213	177	198	167
Holmens Bruk	159	155	159	124	128	108
Mexican Telephone	142	150	155	116	133	75
Mo & Domsjö	235	232	235	190	225	202
S K F	265	268	275	225	248	218
Separator	113	113	115	98	105	88
Swedish American Line	116	117	122	108	138	112
Swedish Match	26	27	28.50	21.50	24.50	16.25
Volvo	71.50		84	68	80	66

* * *

LATEST STATISTICAL DATA FOR 1944

Wholesale Prices - (1935 - 100)				Cost of Living - (1935 - 100)			
End of November				End of November			
1939	1942	1943	1944	1939	1942	1943	1944
128	195	195	195	109	153	153	155

RIKSBANK FIGURES FOR NOVEMBER (in millions of dollars)

Gold Holdings:			Note Circulation:		
1942	1943	1944	1942	1943	1944
347.25	403.25	484.75	457.75	521.25	571.50

COMMERCIAL BANK FIGURES FOR NOVEMBER (in millions of dollars)

	1942	1943	1944
Loans:	1,081.25	1,172.25	1,269.75
Deposits:	1,285.00	1,416.00	1,569.75

GENERAL SHARE INDEX FOR NOVEMBER - (1937 - 100)

1939	1940	1941	1942	1943	1944
79.5	83.7	97.5	105.3	111.0	122.8

VALUE OF SWEDISH EXPORTS AND IMPORTS (in millions of dollars)

	1939	1940	1941	1942	1943	1944
(January - November)						
Imports:	558.00	462.50	377.75	402.50	422.10	390.25
Exports:	432.00	304.00	308.25	298.50	268.25	188.30
(November)						
Imports:	68.50	38.75	35.00	39.25	38.25	27.25
Exports:	45.00	31.00	30.75	29.00	20.75	24.40

PRODUCTION INDEX - (1935 - 100)

	1939	1940	(September) 1941	1942	1943	1944
	125	105	102	110	107	107
	126	106	(October) 103	110	108	110

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BUSINESS NEWS LETTER FROM
SWEDEN

Vol. 2 - No. 12

December 19

1 9 4 4SWEDEN'S ECONOMIC SITUATION AT END OF 1944Employment Difficult to Maintain - Severe Strain on Price Stabilization

In some respects the Swedish economic situation is more complicated and uncertain now than at the end of any of the previous war years. Foreign trade has always been of great importance to Sweden's economy, but practically all of this has ceased or been halted and the country must be prepared for a total stoppage. It has never before had to cope with such a problem.

There are signs indicating that a period of industrial decline is beginning, which may last until Sweden can re-establish its regular trade relations. The stabilization of prices and wages, which was attained in the end of 1942, has at the same time become subject to an increased strain. The whole problem was brought into the foreground by the negotiations for the renewal of collective wage agreements affecting some 830,000 workers. Hitherto the trade unions have contended themselves with wage increases corresponding to but one-half of the rise in the cost of living.

Until last fall, unemployment seemed to be no real danger in war-time Sweden. On the contrary, in many industries there was a shortage of man-power. These difficulties naturally became especially serious during the periods when the country had to maintain a high state of military preparedness. Because of the trade stoppage, however, the employment possibilities now threaten to decrease considerably.

As one means to stave off unemployment, the Government Postwar Planning Commission has proposed that production of goods in greater quantities than are actually necessary for maintaining normal stock inventories should be encouraged. This would be done by Government purchases and by credits or guarantees, and the goods would be stored. The Commission recommends that such production be started during the winter. In industrial circles this method is considered as preferable to putting the unemployed on public works. Production for storage would include, in the first place, manufactures of wood, cellulose or pulp wood, matches, iron ore, and certain iron and steel products. In the war-ravaged countries there is a great need of prefabricated wooder houses, which Sweden is able to produce on a large scale.

Brisk Building Activity in 1944, But Increasing Shortage of Some Materials

The building industry always exercises great influence on the economic situation in Sweden. During 1944, building in general proceeded briskly, especially as regards such dwellings as were subsidized by the Government or the local authorities. However, it was found to be more and more difficult to satisfy the greatly increased demand for certain building materials. With regard to structural iron, Sweden has been more self-supporting during the war than ever before, but requirements have still had to be covered to a great extent by imports. These have now ceased entirely.

Window-glass has been even harder to obtain. As early as in May the largest producer, the Oxelösund Iron Works, was compelled to shut down its coke plant and, in consequence, also its glass works. The opening of new glass works which would not be dependent on imported fuel would require the supply of certain refractory material, which cannot be produced in Sweden.

Increased Importance of Safe-Conduct Traffic - But Its Future Uncertain

Owing to the stoppage of Sweden's trade with Germany, the safe-conduct traffic has assumed greater importance. During 1944, the shipping proceeded unhindered. It has supplied Sweden with extremely valuable quantities of foodstuffs, raw materials for foodstuff production, cotton and hides and skins. However, the future of even the safe-conduct traffic is now uncertain.

7-10570

TECHNICAL PROGRESS IN SWEDEN

Sweden Could Save 800,000 Tons of Coal a Year by Using Waste Lyes

If all the pulp mills of Sweden could utilize all their waste lyes, it would mean a saving of 800,000 tons of coal a year. Sweden's normal requirements of coal and coke are about 8,000,000 tons a year. During the war the annual imports have amounted to only about half of that quantity. Some months ago these imports ceased entirely, when Sweden practically halted its trade with Germany.

For years the cellulose engineers in Sweden have been struggling with the problem of waste lyes from the sulphite mills, using a small fraction of the lyes for the manufacture of industrial alcohol. Now the Hallstavik paper mills, owned by Holmens Bruk at Norrköping, have found a method of utilizing 70 per cent of the sulphite lye, and it is possible that a further 15 per cent can be salvaged in the near future. This lye is used as fuel; it is concentrated by evaporation and consumed by combustion in the main steam boiler. In this way Hallstavik has managed to make itself self-supporting in heat and power.

Swedish Divers May Soon be Able to Descend 425 Feet

A new deep-sea diving apparatus has been constructed by a young Stockholm engineer. If it turns out as well as it promises it will enable divers to descend to 425 feet without undue difficulties. Owing to the effect of the nitrogen of the air on the human organism, it has not hitherto been possible to descend more than 260 feet in Sweden. The new method provides a mixture of air, in which hydrogen gas forms an important ingredient. In America helium gas is used for the same purpose, but helium is not obtainable anywhere else.

On December 15 it was reported from Stockholm that a young diver had descended to 360 feet, which is a new European record. Only insufficient wires prevented him from reaching deeper. He worked at this depth without any trouble, and after the emersion, which lasted two hours and a half, he felt perfectly well. He will try to break the new record next spring.

New Type of Life-Saving Raft

Another novelty is a new type of life-saving raft, designed by an engineer by name of E. Siward. The raft, made entirely of steel, consists of two pontoons connected by a watertight float of half their diameter. Both sides of the latter are exactly similar, so that it makes no difference which of them is up. The raft floats even if damaged, the pontoons being divided into 22 watertight compartments. With 25 persons on board and ample provisions, it submerges in the water to only about 45 per cent of the diameter of the pontoons. The Swedish East-Asiatic Company, Gothenburg, has ordered a number of rafts of this new type.

Many New Products Exhibited at Stockholm Industrial Fair

Among the new products exhibited at the Stockholm Industrial Fair, which was this year held for the second time, was an extraordinarily hard steel, manufactured by the Sandvik Steel Works. Also shown were a number of light metal alloys, among them a magnesium alloy with a specific gravity of only 1.8. In the tool section, the pneumatic and electrical equipment made by Atlas-Diesel attracted attention. The synthetic materials industry was represented by a number of new plastics. Among these was a new kind called "Isolite," which can be used for cog-wheels and even for propeller shafts.

In the field of house-building and design, a number of new or improved products were exhibited, such as a light concrete of lower specific gravity than water, various kinds of wall-insulating materials made from cellulose, and a very light product, "Isoflex," manufactured from sheets of cellulose acetate and especially suitable for the insulation of cold storage rooms, refrigerating holds, etc. A synthetic marble, which has already found widespread use for bathtubs, may also be mentioned.

Over 65,000 persons visited the Stockholm fair during the two weeks it was open, among them members of the foreign representations in Stockholm, including a large group from the Russian Trade Delegation.

SWEDISH COMMERCIAL BANKS DURING WAR
Great Changes Have Occurred, Liquidity Unusually High

For 1943 the Swedish commercial banks paid dividends averaging 4.63 per cent on the net capital. This cannot be regarded as an unreasonable yield, considering that commercial banks are exposed to risks, Ernst C:son Herslow, president of Skandinaviska Banken, Stockholm, said recently in an address which has now been published in the bank's Quarterly Review.

The general rise in the standard of living during the last fifty years brought about important changes in the conditions of the financial institutions, Mr. Herslow continued. At the end of the 19th century Sweden was still a poor country. A large part of the capital then accumulated was readily absorbed, through the commercial banks, by new or expanding industries. As the industrialization progressed, prosperity increased among large groups of the population, who thus obtained greater capacity for saving. These savings found their way primarily to the savings banks and insurance companies, whose capital swelled to a far greater degree than that of the commercial banks. In 1918 the commercial banks held roughly two-thirds, and the savings banks and insurance companies one-third of the total deposits, but at the end of 1943 the situation was completely reversed, the commercial banks holding one-third and the other financial institutions two-thirds.

Marked changes have occurred also in regard to loans and advances. The capital resources of the commercial banks formerly did not suffice to cover the requirements of industry. Today, however, it has been found that the business world does not, by far, need all the capital at the disposal of the commercial banks, although this capital represents a smaller proportion of the total savings. As a consequence, the commercial banks have been trying to find use for their reserves within spheres which were once considered to be of minor importance to them. They have, for instance, greatly increased their advances to Government institutions, and also their investments in mortgage loans.

The general commercial activities of the banks have, naturally, been much influenced by the war. The whole business connected with exports and imports has declined sharply.

Currency Dealings Only 15-20 Per Cent of Pre-War Figures

Still more striking are the changes in the currency dealings of the commercial banks, which may now be estimated at 15 to 20 per cent of the pre-war figures. Besides the diminished trade, the chief reason is that free payments between the countries have been halted by exchange restrictions and, to a very great extent, replaced by clearing agreements or special pacts. Arbitrage transactions have thus been almost entirely prevented.

In the trust departments of the commercial banks, business has greatly increased. Holders of securities have found it expedient to utilize the bomb-proof deposit vaults.

What about the post-war preparedness of the Swedish commercial banks? It is obvious, Mr. Herslow said, that when international trade exchange is resumed, the need of money will again increase and the banks will have to resort to their liquid funds. The Swedish banks, however, have never before been so well equipped to meet coming demands. Their liquid funds in the form of cash, Treasury Bills and short-term Government bonds total about 2,000,000,000 kronor (\$500,000,000). If Sweden is not plunged into a serious inflation, this liquidity must be regarded as rather satisfactory.

There is also good reason to believe that the Swedish commercial banks after this war will be able to avoid ruinous credit losses. The industries in Sweden have gradually consolidated their position and reduced their bank credits. Moreover, loans on stocks represent a mere fraction of what they were during the first World War, the stock prices are not speculative, and the margins for advances on such security are considerably larger than before. Foreign holdings have been reduced to a minimum. The foreign bonds held by the banks - they are mainly Scandinavian - have been drastically written down, if not entirely written off.

Other losses may naturally arise, perhaps when least expected. But the staying power of the Swedish commercial banks certainly deserves to be rated high, Mr. Herslow concluded, and they should be able to discharge satisfactorily their functions in the national economy even under radically changed economic conditions.

QUOTATIONS ON STOCKHOLM STOCK EXCHANGE AT DECEMBER CLOSE

Ten of the leading issues traded on the Stockholm Stock Exchange, together with their prices at the close of business on November 30, 1944, are listed below, and their quotations on October 30, as well as the 1944 and 1943 highs and lows. The figures given are in kronor, the krona having a value of 23.86 cents in United States currency on December 15.

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Grängesberg	204	192	207	177	198	167
Holmens Bruk	155	150	155	124	128	108
Mexican Telephone	150	150	155	116	133	75
Mo & Domsjö	232	220	232	190	225	202
S K F	268	262	275	225	248	218
Separator	113	113	115	98	105	88
Swedish American Line	117	117	122	108	138	112
Swedish Match	27	26.50	28.50	21.50	24.50	16.25

* * *

LATEST STATISTICAL DATA FOR 1944

Wholesale Prices - (1935 - 100)				:	Cost of Living - (1935 - 100)			
End of October				:	End of October			
1939	1942	1943	1944	:	1939	1942	1943	1944
124	193	195	195	:	109	153	153	155

RIKSBANK FIGURES FOR OCTOBER (in millions of dollars)

Gold Holdings:			:	Note Circulation:		
1942	1943	1944	:	1942	1943	1944
342.75	397.00	479.25	:	465.75	535.50	582.25

COMMERCIAL BANK FIGURES FOR OCTOBER (in millions of dollars)

	1942	1943	1944
Loans:	1,069.25	1,138.00	1,266.25
Deposits:	1,315.25	1,464.75	1,610.25

GENERAL SHARE INDEX FOR OCTOBER - (1937 - 100)

1939	1940	1941	1942	1943	1944
86.1	75.1	102.3	111.1	111.9	131.5

VALUE OF SWEDISH EXPORTS AND IMPORTS (in millions of dollars)

	1939	1940	1941	1942	1943	1944
(January - October)						
Imports:	489.50	423.75	342.75	363.25	383.85	363.00
Exports:	387.00	273.00	277.50	269.50	247.50	163.90
(October)						
Imports:	54.75	34.75	41.25	38.50	41.75	25.25
Exports:	40.00	25.75	32.00	38.00	21.75	14.00

PRODUCTION INDEX - (1935 - 100)

	(August)					
	126	106	100	110	106	106
	(September)					
	125	105	102	110	107	107

* * * * *

000573

The American-Swedish News Exchange, Inc.

Founded 1921, Incorporated 1927

630 Fifth Avenue, New York, N.Y.

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NEWS from SWEDEN

RELEASE NO. 161

April 19, 1944

Secret Riksdag Session to Decide on Reply to Allies

STOCKHOLM, April 18 (By wireless)

Pending the decision of the secret Riksdag session set for tomorrow, April 19, the Swedish press continues to debate the note presented on April 13 by the United States and Great Britain, demanding that Sweden cease the export to Germany of ball bearings as well as machinery and materials for the making of ball bearings. The non-partisan Foreign Policy Council, with the King as presiding officer, met yesterday, indicating the importance attached to that problem.

The papers stress that Sweden is bound until the end of the year by a formal treaty with Germany and that the Allies were informed of the contents of this treaty last September when they consented to a continuation of the "safe-conduct" traffic by which Sweden gets certain supplies from overseas. At their request, moreover, the Swedish export of iron ore to Germany was reduced by one-third and that of ball bearings by one-half.

"When the Allies now demand complete cessation of this export," writes the Conservative Svenska Dagbladet of Stockholm today, they advocate a clear breaking of an agreement without such force majeure (or compulsory circumstances) as a change in the war situation along Sweden's own coasts would imply. The Allies realize this but maintain, as the London Times puts it, that 'strategy has its own logic,' which shows that there are military demands behind the pressure. But German strategy also has its own logic, which the Allies seem willing to recognize in Switzerland's, but not in Sweden's case."

Swedish Credit Enables Norway to Order Post-War Supplies Now

STOCKHOLM, April 13 (By wireless)

A formal agreement granting a Swedish Government credit to Norway was signed in London on April 13 by Johan Beck-Friis, Swedish Minister to the Norwegian Government, and Trygve Lie, Norwegian Minister for Foreign Affairs. This will enable Norway to place orders in Sweden now for supplies to be delivered immediately after the cessation of hostilities. No fixed sum is mentioned in the pact, but orders worth 50,000,000 kronor (\$12,500,000) mostly for foodstuffs, are reported already booked. Other commodities mentioned are seed grains, medical supplies, wood products, iron and steel, engines, tools, agricultural and other machinery, and even ships. The credit will come from a 100,000,000 kronor (\$25,000,000) initial appropriation made by the Riksdag last autumn for reconstruction work in war-ravaged countries. The new agreement is the result of negotiations begun as early as 1942. It was further announced that the Netherlands and Belgium are among the other nations which have placed post-war orders in Sweden, although no special treaties have been signed as yet.

Swedish Press Hails Agreement

Satisfaction over the new treaty was expressed on April 14 by all Stockholm newspapers, which saw in it a good omen for future relations between Sweden and Norway. "It is a hopeful sign that the time has come to make specific plans and to publicize them," wrote Dagens Nyheter, pointing out that the amount of exports is limited only by Sweden's ability to deliver and Norway's to receive. "The agreement supplements the work of the United Nations Relief and Rehabilitation Administration," the paper said, adding that Sweden's humanitarian aid to Norway will continue.

Sweden's "Flying General" Injured in Crash

STOCKHOLM, April 18 (By wireless)

The chief of the Swedish Air Force, General Bengt G. Nordenskiöld, known as Sweden's "flying general," crashed today from a low altitude when flying his own plane. Immediately after the start the motor stalled. The General was injured and taken to the hospital, but he is not thought to be in danger of his life.

General Nordenskiöld, who is now 52 years old, was appointed commander in chief of the Swedish Air Force in 1942. He has always preferred to pilot his own machine and has made his inspection trips at the controls of Sweden's best fighting planes.

Air Traffic with Great Britain Interrupted

STOCKHOLM, April 18 (By wireless)

Sweden's "safe conduct" air traffic with England has been closed since April 15, it was announced today. The only plane used at present in the traffic, known as "Falken," is now in the British Isles and may be allowed to leave for Sweden. The interruption, which leaves Sweden without regular air mail from the western world, is thought to be a part of the new British orders closing even diplomatic communications prior to the expected invasion drive on the European continent.

German Military Maps of Sweden Seized by Customs Guards

STOCKHOLM, April 17 (By wireless)

Twenty-five thousand military maps covering central Sweden from the Norwegian border to the Åland Islands in the Gulf of Bothnia, were confiscated today by Swedish customs officials at Hälsingborg on board the German-operated ferry from Helsingør (Elsinore) in Denmark. They are reprints of official Norwegian and Swedish maps, and carry a "For Official Use Only" stamp in German, but they are also marked "copyrighted," in English. They were found among transit goods destined for Oslo, and may have been sent to Sweden by mistake or thanks to Danish sabotage.

"It seems obvious," writes Dagens Nyheter, "that the Germans are preparing for a possible attack against Sweden. We, too, must be prepared." Originally the Germans had planned to ship the maps from Aarhus in Denmark to Norway by boat. "Sweden is grateful for this information," the paper concludes.

Later information shows that the maps are reprints of German maps originally issued in 1940, and that other sheets covering the northern parts of Sweden as well as Norway already had been distributed. The Conservative Svenska Dagbladet of Stockholm adds, on second thought, that the maps might have had one of four purposes: offensive, defensive, routine, or nerve war. Norwegian circles in Sweden are of the opinion that recent German military activities in Norway, particularly along the Swedish border, have been chiefly of defensive character, such as increase of sentries and the mining of bridges. The maps may have been sent to replenish an already existing supply.

German Hospital Train from Finland Passes Through Sweden

STOCKHOLM, April 17 (By wireless)

A record size German military hospital train today started through Sweden from Haparanda on the Finnish border in the north for Hälsingborg in southern Sweden. It comprises 38 ambulance cars and carries 504 German wounded soldiers. A Swedish physician accompanies the train as a control officer to see that the usual international rules are observed. (During World War I, many German and Russian wounded prisoners of war were exchanged through Sweden.) The Left Wing Liberal Morgonbladet of Stockholm expresses the opinion that the Germans now have begun to evacuate their field hospitals in northern Finland.

A German military dentist and a Finnish nurse, who recently arrived together in Sweden on skis from Kemi in northern Finland, will be regarded as bona fide refugees and will not be deported, the Swedish authorities announced today.

BEST AVAILABLE COPY

00057

Nine More "Flying Fortresses" Land in Sweden in One Day

STOCKHOLM, April 15 (By wireless)

A total of nine American "Flying Fortresses" made forced landings on April 11 at various points in southern Sweden. Besides the one which came down at Angelholm (see Release No. 160), three landed at Bulltofta air field near Malmö, two at Rinkaby field near Kristianstad, one at Kristianopel and two at undisclosed places. Except for one man who was found killed at his station, all crew members are safe. Some planes showed hits from anti-aircraft fire. Nine men jumped safely from one bomber, but its pilot managed to land the damaged plane successfully.

Several of the aviators are of Swedish extraction. They were all brought north to Falun, in the central province of Dalecarlia, in seven special first-class sleeping cars. The flyers liked the comfortable railway carriages, they said, the cleanliness and the scenic views on their trip to Falun, where they will live in restricted freedom. "It's just like Oklahoma," a twenty-one year old gunner exclaimed, while others asserted that they hadn't had such a good time since they left the United States. The crew of one bomber which landed near Kalmar, on the southeast coast, was taken sight-seeing through the historic city which was once known as the "Key to Sweden."

American Flyers Escape to Sweden from Denmark

Ten American aviators who had been shot down over Denmark on April 11 arrived in Malmö on the fifteenth in a small sailboat, while four others reached this coastal city, located directly across from Copenhagen, in an open rowboat from the Danish island of Bornholm, accompanied by one Dane and one Danish-American civilian. The flyers had all hidden in a forest and managed to escape the German posses, but six of their comrades were caught by the Nazis.

Arne Andersson, Swedish Runner, Willing to Compete in America

STOCKHOLM, April 14 (By wireless)

Arne Andersson, Swedish holder of the English mile and the 1,500 meter world's records, has announced that he is willing to compete in American races, provided that air transportation can be arranged and the trip to the United States made within a month. In that case, Gunder Hägg will accompany him.

Heart experts at the Sabbatsberg Hospital in Stockholm have concluded a four-day check up of Andersson's heart. They have found that it is of normal size, but phenomenally strong. According to Aftonbladet his normal pulse is 40. After running 1,500 meters with a 100 meter incline, his pulse dropped from 196 to 58 within three minutes.

Communists Score Again in Labor Union Elections

STOCKHOLM, April 6 (By wireless)

Swedish Communists won an unexpectedly great victory over the Social-Democratic Labor party in the election of officers in the Stockholm Metal Workers' Union, capturing all seats with 7,000 votes of the 12,760 cast. The union is Sweden's largest local. A gain had been anticipated, but the overwhelming victory came as a great surprise. (The Communists recently beat the Social-Democrats in a similar election in the Gothenburg Metal Workers' Union, the country's second largest local.)

New American Legation Attache to Handle Refugee Matters

STOCKHOLM, April 13 (By wireless)

I. C. Olsen, financial attache to the American Legation in Stockholm, today confirmed a report from Washington that he has been appointed a special representative to handle matters relating to the aid to the Jews and other persecuted European minorities. Having been charged with similar duties in the United States, he intends to organize all help possible in cooperation with Swedish institutions and groups working for the same purpose.

(Continued on next page)

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(Continued from Page Three)

Interviewed in Svenska Dagbladet Mr. Olsen expressed satisfaction at having been stationed in Sweden, which, he said, has a good reputation as far as refugee questions are concerned. He said that the United States desires close collaboration with Sweden in this field.

"Safe Conduct" Ships Arrive

STOCKHOLM, April 14 (By wireless)

The Swedish "safe conduct" ships "Bali" (10,100 tons d.w., Swedish East Asiatic Company) and "Sagoland" (5,115 tons d.w., Tirring Line) arrived today in Gothenburg bringing 15,000 tons of Brazilian cotton, coffee and rice.

Other Shipping News

The recently completed motorship "Fenja" (Svea Steamship Company) is ready to leave for Piraeus in Greece to replace her sister ship "Wirgil" (1,225 tons d.w.) which was severely damaged by fire when accidentally attacked by British bombing planes on February 7 in the Greek harbor of Kios.

The Swedish American Line reports a net income for 1943 of 1,630,000 kronor (\$407,500). An unchanged dividend of five per cent has been declared. The Line announces that the S/S "Drottningholm" has recently undergone extensive repairs, including improvements in the accommodations for the crew.

NEWS IN BRIEF:

The cornerstone of a Swedish church in Buenos Aires was laid on April 9. An address delivered by the Rev. Nils Bååthe, pastor of the Swedish Legation, was rebroadcast in Sweden.

Since the stream of refugees might be expected to increase, the Swedish Evacuation Commission has asked the Government to appropriate 500,000 kronor (\$125,000) to finance "preparatory measures."

One hundred wives, mothers and sisters of Swedish merchant marine officers who are serving outside the Skagerack blockade have founded a club in Stockholm.

"Arsenic and Old Lace," the Broadway success which has earlier been given in Sweden, is scheduled to return for an engagement at the Oscar Theatre in Stockholm.

The net increase in Sweden's national debt from 1940 to 1943 amounts to somewhat more than 7,000,000 kronor (\$1,750,000,000), according to the Public Debt Office. Of this sum, 5,350,000,000 kronor (\$1,333,750,000) were used to cover the budget deficit.

Dorothy Thompson, the writer and political commentator, plans to go to Sweden, according to Dagens Nyheter.

Victor Mallet, British Minister to Sweden, interviewed upon his recent return from London, told Dagens Nyheter that he had received a very strong impression in England that important events are imminent.

John Gussen, a Stockholm dentist, has received a scholarship from the Sweden-America Foundation to study medical dentistry at Yale University.

A German citizen, Fred Fischerman, has been sentenced to two years of hard labor for spying on refugees by posing as one from Denmark.

Twenty foreign correspondents have been invited to Gothenburg for a stay of several days.

Carl Sandburg's abridged biography of Abraham Lincoln shortly will be published in Stockholm by Natur och Kultur, which will also bring out Walter Lippmann's "U. S. Foreign Policy."

All Swedish residents in Sofia, Bulgaria, have been safely evacuated.

Recently Published

"Scandinavian Pulp and Paper Industries - Their Past, Present and Future." By Eric G. Lagerloef, Pulp and Paper Unit, Bureau of Foreign and Domestic Commerce. FOREIGN COMMERCE WEEKLY. April 8, 1944.

"Swedish Co-op Ads Outstanding." THE COOPERATOR. New York, March 6, 1944.

"Number of Radios in Sweden Increases." TELEGRAPH & TELEPHONE AGE, April, 1944.

* * * * *



700572

February 22, 1944.

DENMARK

Information obtained from the files of the Refugee Unit of the State Department

Late in September 1943, Johnson in Stockholm reported to the State Department that Germany proposed to deport 6,000 Danish Jews. Sweden had remonstrated to Germany and offered to intern any Jews which Germany would permit to leave Denmark for emigration to Sweden if Germany is afraid that the political influence of the refugees might be felt in Sweden. This condition was made only because of Germany's insistence that the proposed deportation was made necessary by the political agitation of Jews in Denmark, although the Swedes appear convinced that this agitation was purely fictitious.

Receiving no response to this request, Sweden followed it up by requesting that all Danish Jewish children be permitted to come to Sweden since they obviously were not dangerous to German interests.

On September 29, Danish Minister Kauffman informed Secretary Hull that he would undertake to guarantee to any government the expenses incurred by it in helping Danish Jews or other Danish nationals. He was prepared to reimburse such governments out of Danish public funds in the United States. This note was referred by the State Department to the Executive Committee of the Intergovernmental Committee. On October 8, the State Department promised Kauffman that it would urge the United States Treasury Department to unblock a reasonable amount of Danish funds to care for needy refugees in Sweden.

On October 2, Storch in Sweden informed the World Jewish Congress that Sweden was prepared to receive every Jew in Denmark. On October 4, he informed the same organization that he had heard reports that the sum of \$25,000 had been offered to the Swedish Government, and he advised that no money should be sent, that the Swedish Government was paying all expenses. Up to that time 3,000 Jews had arrived from Denmark.

On October 9, Boheman in Sweden, was quoted by our Johnson that "almost the entire Jewish population of Denmark is now in Sweden". On October 15, Johnson reported to the State Department that "the Danish organization in Sweden for helping refugees escape now operates among other things a number of small boats crossing daily from the South Swedish coast". On October 25, Storch reported to the W.J.S. that approximately 7500 Danish refugees had arrived up to that time. Of that number 85 to 90 percent were Jews. Only a few more are still arriving.

MEMORANDUM FOR THE FILES

February 17, 1944

Re: Refugees in Sweden

On January 28, 1944, Mr. Leon Dennen of the Jewish Labor Committee, 175 East Broadway, New York City, advised Miss Hodel that he contemplates visiting Sweden in the near future in order to carry on rescue work for his Committee. He stated that there are many opportunities to carry on evacuation work in Finland, Norway and even Poland through the Port of Danzig. Mr. Dennen promised to contact the War Refugee Board before leaving for Europe.

Myr Marba

100580

MEMORANDUM FOR THE FILES

February 16, 1944

Summary of Cables and Letters in the State Department file, entitled "Refugee Groups-- Children from Occupied Areas into Sweden".

Early in 1943 Adler-Rudel of the World Jewish Congress persuaded the Swedish Government to agree to offer Germany an asylum for the duration of the war for 20,000 Jewish children (Telegram of April 21, 1943 from the British Embassy in Sweden to the Foreign Office). Another proposed plan was for Sweden to receive children from occupied areas for only a limited time for purposes of health rehabilitation, after which time they were to return to their homes. (State cable 4860, dated August 12, 1943).

Some time in June, 1943, the United States and British Governments considered the advisability of notifying the Swedish Government that they were favorably disposed toward any plan for the reception in Sweden of refugees from Norway and other enemy occupied countries, particularly child refugees. No doubt because at this time Sweden was already granting haven to approximately 35,000 refugees, including Finnish and Norwegian nationals (letter dated June 8, 1943 from W. G. Hayter of the British Embassy to R. B. Reams of the State Department), the two governments considered offering, as an inducement to Sweden, to relax the blockade to the extent necessary to allow additional food supplies into Sweden (London cable 4095, dated June 21, 1943, copy of which is attached to the original of this memorandum). Washington assented to both these steps (State cable 3905, undated, copy of which is attached to the original of this memorandum).

Nothing further seems to have happened until September 1943, when the State Department advised London that procedurally it would be preferable to have administered by the Intergovernmental Committee *any plan* for the reception in Sweden of refugees from occupied territories. State further advised London that any plan for the reception of child refugees in Sweden would have more likelihood of acceptance by the Nazi Government if it were not restricted to Jewish children. (State cable 5436, dated September 6, 1943).

Again nothing appears to have happened until October 7, 1943 when London advised Washington that inquiries were being made ~~of the~~ Intergovernmental Committee in London by private organizations, and that the Foreign Office "is also interested." London's cable concludes thus:

"The question is raised whether the Department may now wish to consider the desirability of a definite approach to the Swedish Government regardless of any anticipated possibility of ultimate Swedish or German veto. The Department's views are requested." (London cable 6784, dated October 7, 1943, copy of which is attached to the original of this memorandum).

Four days later, State replied suggesting that "confidential inquiry be made of the Swedish Government as to its willingness to take up the matter now with the German Government * * *." The reply cable concludes:

"We feel that a definite statement should be obtained from the Swedish Government before we and the British authorities proceed to make arrangements, including the allocation of funds by the President for our share of the expenditures to be incurred, to put the proposal into execution." (State cable 6316, dated October 11, 1943, copy of which is attached to the original of this memorandum).

Pursuant to the State Department's suggestion, an informal inquiry was made of the Swedish Minister at London through the medium of the Intergovernmental Committee. (London cable 7284, dated October 22, 1943). The Swedish Minister was sympathetic but doubted whether his Government would be willing to approach the Nazi Government at this time, as Sweden had earlier made an offer of asylum for Norwegian children, which offer had been rejected by the Norwegian-Quisling Government. The Swedish Government apparently intended to renew this offer, and the Swedish Minister felt that to broaden the offer to include Jewish children from Germany would merely prejudice the chances of the Norwegian children. The Minister indicated that because of their racial affinity with the Norwegians, the Swedish were particularly interested in aiding Norwegian refugees. The Minister nevertheless consented to put the matter to his Government. (London cable 7517, dated October 30, 1943, copy of which is attached to the original of this memorandum).

When nothing further happened for two months, the British proposed pressing the Swedish Government to make a general offer of asylum to the Nazi Government for 20,000 children, Jewish and other refugee children whose parents had been deported from the country of their domicile, as well as Norwegian children. It was proposed to offer the Swedish Government as an inducement more food through the blockade and also assistance in caring for the children. Moreover, the British had no objection to permitting Norwegian children to return to their homes once their health was restored, as the feeding

of groups of Norwegian children in rotation was considered acceptable. (London cable 239, dated January 11, 1944). The State Department approved the British proposal, and urged a joint British-American approach to the Swedish Government. (State cable 381, dated January 15, 1944, copy of which is attached to the original of this memorandum).

On January 19, 1944, the British and American representatives in London transmitted a written request to the Swedish Minister in London, who promised to forward the request to his Government, together with his personal endorsement. He suggested, in view of the previous rejection of a similar plan by the Quisling Government, the possibility of a joint proposal to the Nazi Government by the Swedish and Swiss. (London cable 561, dated January 20, 1944, copy of which is attached to the original of this memorandum). The Swedish Minister thereupon inquired concerning the Swiss reaction to a similar proposal made by the Allies to the Swiss Government, and was advised that the Swiss had approved a similar scheme in principle, although the details had not yet been worked out.

The British have no objection to a joint Swiss-Swedish proposal, although they feel such a procedure may entail delay. Although the Swedish Government is willing to grant haven to refugee children, it does not desire to court an Axis rebuff merely for the benefit of Allied propaganda. It was pointed out to the Swedish diplomatic representatives in London that if that had been the Allied purpose, the British and Americans could have spread such propaganda long before now. The Swedish representative in London was advised orally that if the Nazis rejected the present Swedish offer of haven, the British and American Governments would actively consider the advisability of publicizing this refusal. (London Airgram A-101, dated January 26, 1944, copy of which is attached to the original of this memorandum).

MJM

TELEGRAM RECEIVED

HEL

PLAIN

London

Dated June 21, 1943

Rec'd 8:37 a.m.

Secretary of State,

Washington.

U.S. URGENT

4096, June 21.

~~SECRET~~ FOR DEPARTMENT AND
STONE BEW ONLY.

This message is being sent in clear telegram instead of airgram because of urgency. Please give minimum distribution in Washington, especially as Swedish delegation made special request to observe utmost secrecy for obvious reasons.

Reference Department's telegram 3651, June 12.

Following is the letter on Norwegian relief from Foote and Riefler which it is proposed to send to Hagglof provided Washington and Stockholm agree. London agreement has already been secured.

"We hereby confirm the verbal statements which we have made regarding exports of foodstuffs for relief purposes from Sweden to Norway.

If at any time the Gothenburg traffic should be closed, His Majesty's Government and the United

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

00058

-2- #4096, June 21, from London.

States Government will issue fresh instructions to their representatives on the joint standing commission in Stockholm. Such instructions which will continue in force as long as the Gothenburg traffic remains closed will give the joint standing commission a wider discretion than at present to permit the exports of foodstuffs for relief purposes to Norway without reference back to London and Washington. They will be empowered to agree to the despatch of foodstuffs, notwithstanding that such foodstuffs are on list A of the Anglo-Swedish War Trade Agreement as subsequently amended by the Swedish declarations of July 1943 on the following conditions: (1) All consignments must consist of indigenous Swedish foodstuffs. (2) All consignments must be gifts from Swedish citizens or organizations, and must be purchased solely with funds raised in Sweden. (3) All consignments must be delivered to the organization known as Swedish Relief for Norway or to some other organization approved by His Majesty's Government and the United States Government and not to individual recipients.

It will still be necessary for the British and
United

000585

-3- #4096, June 21, from London.

United States representatives on the joint standing commission to refer back for the approval of their respective governments the program submitted by the Swedish Relief for Norway organization or other approved organizations, and also applications in respect of unusually large consignments. They will, however, be empowered immediately to authorize small consignments which individuals may wish to send, and also consignments falling within a program already approved.

We also confirm that His Majesty's Government and the United States Government would be favorably disposed towards any scheme for the reception in Sweden of further refugees from Norway or other enemy-occupied countries. In particular, they would welcome any arrangement which the Swedish Government might be able to make for the reception of child refugees from such countries and would be prepared favorably to consider an increase for this purpose in the quantities of foodstuffs and clothing which they allow to reach Sweden through the blockade. They would permit a Swedish ship to leave the Baltic in order to carry supplies for such child refugees on the same

-4- #4096, June 21, from London.

the same terms as the Swedish ships now engaged in carrying relief cargoes to Greece. Such a scheme, however, would only be acceptable to His Majesty's Government and the United States Government on condition that the arrangements for selection of the child refugees were satisfactory to the two Governments."

Comment: Swedes were very insistent on necessity of obtaining some concession with respect to Norwegian relief. They stated that the problem of relief for Norway is one of political importance to their government. It seems that public donations for relief for Norway are being made in Sweden, that Swedish unions agree to work on holidays and donate their pay to Norwegian relief and at times offer their pay to Norwegian relief and at times offer their own ration coupons in addition to funds in order to provide relief. The Swedish Government which depends on strong labor support, has found it extremely embarrassing to forbid such shipments on grounds that they contravened its War Trade Agreement with Great Britain. The Swedes used this argument extensively in opposing new addition of food items to list A and restrictions on exports of food not on list A.

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-5- #4095, June 21, from London.

list A. They stated that it was particularly difficult to explain their refusal of licenses for relief shipments when the foodstuffs consisted of indigenous Swedish products and when the Gothenberg traffic had actually been closed.

The Swedes were dissatisfied with the concessions made in the letter cited above but the British and ourselves felt that these concessions represented the farthest that we were prepared to go to meet the situation. You will note that the concessions would only come into force during a period in which the Gothenburg traffic was closed and would only apply to genuine charity relief shipments of indigenous Swedish goods. In many respects the concessions made are less than those that now apply in intra-blockade parcels from Spain and Portugal.

WINANT

WSB

7 0 0 5 8 8

(COPY)
TELEGRAM RECEIVED

HEL

PLAIN

From London

Dated June 21, 1943

Rec'd 8:37 a.m.

Secretary of State,
Washington.

U.S. URGENT

4095, June 21.

[REDACTED] FOR DEPARTMENT AND

SECRET ONLY.

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

If at

887.48/72

770589

If at any time the Gothenburg traffic should be closed, His Majesty's Government and the United States Government will issue fresh instructions to their representatives on the joint standing commission in Stockholm. Such instructions which will continue in force as long as the Gothenburg traffic remains closed will give the joint standing commission a wider discretion than at present to permit the exports of foodstuffs for relief purposes to Norway without reference back to London and Washington. They will be empowered to agree to the despatch of foodstuffs, notwithstanding that such foodstuffs are on list A of the Anglo-Swedish War Trade Agreement as subsequently amended by the Swedish declarations of July 1943 on the following conditions: (1) All consignments must consist of indigenous Swedish foodstuffs. (2) All consignments must be gifts from Swedish citizens or organizations, and must be purchased solely with funds raised in Sweden. (3) All consignments must be delivered to the organization known as Swedish Relief for Norway or to some other organization approved by His Majesty's Government and the United States Government and not to individual recipients.

It will still be necessary for the British and United States representatives on the joint standing commission to refer back for the approval of their respective governments the program submitted by the Swedish Relief
for

000590

for Norway organization or other approved organizations, and also applications in respect of unusually large consignments. They will, however, be empowered immediately to authorize small consignments which individuals may wish to send, and also consignments falling within a program already approved.

We also confirm that His Majesty's Government and the United States Government would be favorably disposed towards any scheme for the reception in Sweden of further refugees from Norway or other enemy-occupied countries. In particular, they would welcome any arrangement which the Swedish Government might be able to make for the reception of child refugees from such countries and would be prepared favorable to consider an increase for this purpose in the quantities of foodstuffs and clothing which they allow to reach Sweden through the blockade. They would permit a Swedish ship to leave the Baltic in order to carry supplies for such child refugees on the same terms as the Swedish ships now engaged in carrying relief cargoes to Greece. Such a scheme, however, would only be acceptable to His Majesty's Government and the United States Government on condition that the arrangements for selection of the child refugees were satisfactory to the two Governments."

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000591

relief. They stated that the problem of relief for Norway is one of political importance to their government. It seems that public donations for relief for Norway are being made in Sweden, that Swedish unions agree to work on holidays and donate their pay to Norwegian relief and at times offer their own ration coupons in addition to funds in order to provide relief. The Swedish Government which depends on strong labor support, has found it extremely embarrassing to forbid such shipments on grounds that they contravened its War Trade Agreement with Great Britain. The Swedes used this argument extensively in opposing new addition of food items to list A and restrictions on exports of food not on list A. They stated that it was particularly difficult to explain their refusal of licenses for relief shipments when the foodstuffs consisted of indigenous Swedish products and when the Gothenburg traffic had actually been closed.

The Swedes were dissatisfied with the concessions made in the letter cited above but the British and ourselves felt that these concessions represented the farthest that we were prepared to go to meet the situation. You will note that the concessions would only come into force during a period in which the Gothenburg traffic was closed and would only apply to genuine charity relief shipments of indigenous Swedish goods. In many respects the concessions made are less than those that now apply in intra-blockade parcels from Spain and Portugal.

WINANT

7 0 0 5 9 2

TELEGRAM SENT

Department of State

Washington

U.S. URGENT

AMEMBASSY

LONDON
3905

FROM STONE, BOARD OF ECONOMIC WARFARE, AND DEPARTMENT

Reference your 4095, June 21.

In general the proposed text of the letter on relief from Foote and Riefler to Hagglof given in your cable, is acceptable here. It is suggested, however, that definite provision be made for information to be furnished to us covering 1943 to date and in the future regularly in advance, as to the amounts of drugs and other items supplied by Sweden for relief purposes to Norway, so that they can be taken into account by us in licensing shipments of similar items.

It is our understanding that the statements made in the proposed letter will not be deemed to interfere with certain schemes now under consideration here, involving purchases of indigenous Swedish foodstuffs not on the A List for distribution by the Donors Committee. It is also assumed that the principles now in effect of referring all proposed relief schemes for approval in advance to the Joint Standing Commission will continue except as specifically altered by the text of your present proposed letter.

7 0 0 5 9 3

DM
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (MC)

London

Dated October 7, 1943

Rec'd 10:37 p.m.

Secretary of State,
Washington.

6784, October 7, 5 p.m.

In reference to the proposal for removal of some 20,000 Jewish children from Germany to Sweden (see Department's telegram 5436, September 6, 10 p.m.) and in reference to the Department's having given consideration to this proposal, the Directorate of the Intergovernmental Committee reports that it is receiving repeated inquiries from private organizations as to the Department's decision in the matter. The Foreign Office also is interested. The question is raised whether the Department may now wish to consider the desirability of a definite approach to the Swedish Government regardless of any anticipated possibility of ultimate Swedish or German veto. The Department's views are requested.

WINANT

NPL

000594

TELEGRAM SENT

HJB

October 11, 1943

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (MC).

3 p.m.

AMEMBASSY

LONDON

6316

Your 6784, October 7, 5 p.m.

In our study of the proposal for the removal of Jewish children from Germany to Sweden, we have been concerned about the possibility that an approach by the Swedish Government to the German Government for the release of Jewish children alone would result in a rejection of the proposal by the German Government and we have been hopeful that these children could be included in some proposal for the release of children generally from German-held territory. The matter was discussed along these lines at the Department with Thorold of the British Embassy now in London. Nevertheless, we are prepared to give immediate consideration to the proposal as it stands. However, in view of the uncertainty which the Swedish authorities have hitherto shown as to the course of action which they might follow and in light of the developments

100593

-2- #6316, October 11, 3 p.m., to London

developments with respect to Jews in Denmark, we suggest that confidential inquiry be made of the Swedish Government as to its willingness to take up the matter now with the German Government, and of the assistance it will need of us for the care of the children. Perhaps the inquiry could be made by the Director of the Intergovernmental Committee or we would be willing to have the matter presented jointly by the American and British Ministers at Stockholm.

We feel that a definite statement should be obtained from the Swedish Government before we and the British authorities proceed to make arrangements, including the allocation of funds by the President for our share of the expenditures to be incurred, to put the proposal into execution.

HULL
(BL)

840,48 Refugees/3790

A-L/B:GLB:MSL EU VD CI/L

0 0 0 5 9 6

RECEIVED
OCT 30 1943
70100

VI
This telegram must be
closely paraphrased be-
fore being communi-
cated to anyone. (MC)

London
Dated October 30, 1943
Rec'd 1:30 p.m.

Secretary of State
Washington

7517, October 30, 4 p.m.
Embassy's 75.4, October 29, 7 p.m.

The Director has made the explanatory approach to the
Swedish Minister and although the Minister shows entire
sympathy for the proposal he, nevertheless, stated that
he does not believe his government will entertain the
idea of approving the Germans and if it were willing
he does not believe there is the slightest chance that
the German authorities would agree to release the
children. Concerning Sweden's unwillingness to make
the approach he said that recently it had specifi-
cally requested the Quisling regime in Norway to al-
low Norwegian children to go to Sweden to be main-
tained by the Swedish government and had encountered
a definite refusal. This being the position concern-
ing children from Norway he is confident that his
government will be unwilling to make an approach con-
cerning other children because, if it, this would
weaken the case as regards Norwegian children for
which

000597

-2- 7017, October 30, 4 p.m. from London

when it intends to continue its efforts and because
second, Sweden could hardly accept a position in which
it should be unable to help the children of Norway, a
country with which it has close bonds of kinship and
sympathy while attending help to maintain scattered
over Germany and occupied areas with whom it does not
have the same bonds. The Minister, nevertheless,
stated that he is leaving for Stockholm in a few days
and consented to put the matter to the government.

HK

HPL

1059

X

PLAIN

EMBASSY, 3.21
LONDON.

With reference to the suggested approach to the Swedish Legation at London by NEV concerning evacuation of refugee children from occupied areas into Sweden the Department concurs in the proposed presentation of the project outlined in your telegram no. 289 January 11.

You are requested to join with the British Government in making the approach to the Swedish Government. Please keep the Department informed concerning further developments including the result of the discussion between NEV and the Norwegian Government at London.

840.46 Refugees/4379

FR:MD:KCC:KGD
1/24/44
/5

Eu GI/L SH SA A-L
Mr. Reams approved over telephone
Mr. Fell Seen for Taylor
Mr. Niegelman to clear through FEA
R. T. Pell

1059

UD
710 E
CI
EdH
SWL
H.L. 1/2

MM

PLAIN

London

Dated January 20, 1944

Rec'd 10:48 p.m.

Secretary of State,
Washington.

561, Twentieth

[REDACTED]: FOR LIMITED DISTRIBUTION ONLY

In accordance with your 381 of January 15, the Swedish Minister in London was received by Lord Selborne yesterday in the presence of Adams, and handed the following joint letter:

"Ministry of Economic Warfare,
London,

19th January 1944.

Dear Minister,

His Majesty's Government and the United States Government greatly admire the willingness displayed by the Swedish Government to receive refugees from German-occupied Europe. They take note with appreciation of the communication recently made to the Chairman of the Intergovernmental Committee on Refugees to the effect that the Swedish Government is willing to afford asylum to a substantial number of children evacuated from occupied territories

and of

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

84. 48 K.../5016

00600

-2- #561, Twentieth, from London.

and of Jewish children from Germany or occupied territories. They fully realize that these schemes would already have come into operation had not the consent of the German Government and the Quisling Government in Norway been withheld.

His Majesty's Government and the United States Government greatly hope that the Swedish Government will now be prepared to make a fresh approach to the German Government (and, where appropriate, to the Quisling authorities in Norway) offering asylum in Sweden (A) to children from Norway and other occupied countries (B) to Jewish children from Germany and other Axis countries and (C) to other children from Germany and other Axis countries who have been deported from their countries of residence or are in danger of deportation, or whose parents have been deported or are in danger of being deported; and requesting permission for such children to come to Sweden.

Realizing that the reception of a considerable number of children would involve a fresh burden
upon

-3- #561, Twentieth, from London.

upon Sweden's economy, His Majesty's Government and the United States Government would, for their part, be prepared to make appropriate increases in Swedish blockade quotas. They would also give prompt and sympathetic consideration to any request from the Swedish Government for assistance in meeting the requirements of these children.

As regards the carriage of additional supplies, the two governments suggest that an arrangement should be made similar to that which governs the shipment of relief supplies to Greece, namely that both belligerents should permit the departure from the Baltic of a Swedish ship or ships on the understanding that such ships are to be used exclusively for the carriage of relief supplies, and will be allowed to return to the Baltic if for any reason such supplies can no longer be shipped.

As far as His Majesty's Government and the United States Government are concerned there would be no objection to Norwegian children leaving Norway in rotation and returning to their homes after
a stay

-4- # 561, Twentieth, from London.

a stay in Sweden.

Yours sincerely,

Signed Selborne,

Signed Ware Adams"

C It was made clear to the Swedish Minister that (A) the method of choosing the children would have to be satisfactory to our governments, as, for example, by having it under the supervision of some responsible organization such as the Swedish-Norwegian Relief Committee or the Swedish Red Cross, and (B) that if the Germans obstructed this relief plan, we would give full publicity to their action. We considered it wiser to make this last statement orally rather than in writing.

The Norwegian Government was informed of the substance of the letter before the meeting with the Swedish Minister. As the Norwegians intend to make a separate approach to the Swedish Government along similar lines, reference to the Norwegian Government was omitted from the letter.

The Swedish Minister expressed his own sympathy with the proposal for evacuating children and said he would
communicate

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-5- #581, Twentieth, from London.

communicate both the text of the letter and his own endorsement to his government.

He suggested that since Sweden had already placed itself in the vanguard of humanitarian movements in cases like the Oslo students and had already been rebuffed by the Germans, it might be well if the Swedish and Swiss Governments could act in unison in approaching the German Government. Lord Selborne said we would examine this suggestion sympathetically and communicate with him on the subject in the near future. Embassy will revert.

Stockholm has been informed.

WINANT

JEL

10060

A-101, January 26, 1944, 9:30 a. m.

only had the Axis refused to let the Greek children go but, whenever we had endeavored to facilitate the escape of refugees we had been met with an Axis refusal. Indeed, both the British and, I believed, the United States Governments were being pressed to make statements on this subject, particularly with reference to the Jews in Axis countries. We had refrained from any considerable publicity so far, since we did not wish to jeopardise any faint chance which there might be of obtaining Axis consent to evacuation schemes. If, however, it became quite clear that in no circumstances would the Germans agree to any such proposal, there was good reason why we should not be so restrained in future."

EWB understands that this conversation is considered by MEM to obviate the need for a further conversation between Lord Selborne and M. Prytz, the Swedish Minister (see last paragraph of Embassy's telegram under reference) although Mr. Post in his conversation with M. Gisle did not comment explicitly on the Swedish suggestion that a joint Swedish-Swiss approach be made to the German Government. MEM and EWB feel that inasmuch as a joint Swedish-Swiss approach might cause delay and present certain difficulties (e.g., in determining whether particular concessions from the War Trade Agreement with the Swiss were equivalent to particular concessions from the War Trade Agreement with the Sweden), it would be unwise to encourage the Swedish Minister's suggestion. At the same time, if the Swedish and the Swiss, inter alia, decide to approach the German Government jointly, we would have no grounds for protesting.

Owing to an oversight Embassy's telegram under reference was not marked for Mr. Risler.

WINANT

HC:JH
Hectographed by: JH

Children From Occupied Areas Into Sweden
(Source of information: Files of State
Department, Visa Division, Refugee Unit)

(1) On May 19, 1943, Hayter of the British Embassy wrote to the State Department enclosing copies of two telegrams concerning a proposal by the Swedish government to offer asylum in Sweden for 20,000 Jewish refugee children. The British Foreign Office inquired whether the United States would agree in principle to the passage of food stuffs, medical supplies, etc., for these children. The question of finances would have to be considered later since the Swedish government apparently did not wish to bear the expense. Would the United States share the expense with Great Britain? The first telegram enclosed was from the British Minister in Stockholm to the British Foreign Office (April 21, 1943). It stated the Swedish government had agreed to make an offer to the German government to provide asylum in Sweden for approximately 20,000 Jewish children from Germany and occupied areas. The Swedes felt, however, that Germany would not agree. They stated it would be helpful if Great Britain and the United States could give assurances that in the event that these children came into Sweden arrangements would be made after the war to take them to Palestine or some other place outside of Europe as soon as possible. Great Britain and the United States would also be requested to permit the entry into Sweden of additional food supplies. The Foreign Office replied on May 13, 1943, stating that the British government appreciated this humane gesture and would consider authorizing further food shipments through the blockade. On the question of general removal from Sweden, reference was made to discussion at the Bermuda conference of the problem of maintenance and eventual disposal of refugees in neutral countries. It was decided at the conference to recommend in principle that the United States and Great Britain should give a joint undertaking to neutral governments that maintenance and eventual removal were guaranteed. On the other hand, it would hardly be possible for Allied Governments to bind themselves as to eventual removal of Jewish children from Europe as that would be tantamount to acquiescence in the "Judenrein" policy for Europe of the German government. The British Minister to Sweden was accordingly advised to tell the Swedish government that while we could not bind ourselves as to the ultimate destination either inside or outside of Europe of children received in Sweden, it might be assumed that arrangements for maintenance and repatriation would no doubt be considered as part of the international problem at the end of the war. The telegram also raised a question as to why the Swedish government did not want to bear a share of the financial burden in view of its humanitarian work in the past.

(2) On May 21, 1943, Reams of State sent a memorandum to Long stating: (a) agreement with Britain on assurances as to repatriation; (b) food and medical supplies would have to be granted; (c) finances should be handled by the Intergovernmental Committee but the United States should agree to share expenses. It was suggested that Jewish charitable organizations might bear a part of the cost.

(3) On June 5, 1943, memorandum of Brandt stated that Long agreed with Reams and himself that no action could be taken in the matter of assuring funds for support of these children until an Anglo-American agreement for supplying funds generally for refugees was reached and the President indicated the funds from which such payments would be authorized.

(4) On June 8, 1943, Hayter of the British Embassy wrote to State saying that Sweden already had 35,000 Jews and consequently couldn't bear the cost of 20,000 more. However, food would be the principal item of maintenance and that this could be sent through the blockade. The Foreign Office pressed for a reply to its letter of May 19, 1943.

(5) On August 12, 1943, State advised London that this government was interested in the Swedish plan for evacuation of 20,000 Jewish children from Poland and other parts of Europe but that no final decision had been reached as to the method of proceeding. (No. 4860 to London, August 12, 1943.)

(6) On August 13, 1943, Noel Hall of the British Embassy sent a letter to State saying the British had received a telegram from Stockholm stating that the United States Minister to Stockholm had received no instructions on the matter. Our Minister believed, however, that it was useless to expect the Swedish government to press the matter of refugee children until the present crisis regarding stoppage of transits had been surmounted. The British Minister to Stockholm said he concurred. The Swedish Minister to Berlin had unofficially broached the matter to Wilhelmstrasse and was convinced there was not the slightest hope that the German government would permit these Jewish children to leave. It was stated to be useless for the Swedish government at present to make official approaches to the German government more especially as there seemed no prospect of refugee children being accepted in America.

(7) On September 4, 1943, P. H. Gore-Boothe of the British Embassy wrote to State directing attention to the fact

that on August 4, 1943, the executive committee of the Intergovernmental Committee adopted a resolution that in view of agreement of the governments of Great Britain and the United States jointly to underwrite expenditures of the committee other than administrative expenses it be agreed that the financing of all projects be considered individually and that Great Britain and the United States be consulted before any project is sanctioned or expenditures incurred thereon. In view of this resolution the Foreign Office felt that the refugee children project was one for the Intergovernmental Committee. The Foreign Office inquired whether the United States would be prepared to sanction the expenditures involved in the scheme and thereafter to instruct our representatives on the Intergovernmental Committee to join with the British representatives in addressing a written proposal to the Executive Committee recommending the plan for their favorable consideration and asking them to approach the Swedish government in the first instance.

(8) On September 6, 1943, Stone and Lehman advised Riefler and Funkhouser that in view of the Intergovernmental Committee plan to bring Jewish refugee children to Sweden from occupied areas there was no reason why efforts should not be made to institute a general child feeding plan in Sweden similar to that suggested in Switzerland. It stated that the plan had been tentatively presented to the Swedish authorities by the British. The plan would apply to children from occupied areas admitted solely on the basis of need regardless of nationality or religious affiliation and if possible should not be confined to Norwegian children. It was stated that the Department concurred with the British in its willingness to cooperate in any plan whether it involved a permanent removal or return and replacement after restoration to health or the two. The Embassy in London was instructed to familiarize itself with the terms of past discussions with the Swedish government and upon a reply of the latter to recommend further action.

(9) On September 21, 1943, the British government sent another letter asking whether any decision had been reached on the matters presented in the letter of September 4, 1943. On October 7, 1943, London also made inquiry to the same effect stating that the Intergovernmental Committee and Foreign Office were pressing for an answer. The question was raised whether the

Swedish government should be approached even though it was thought that the German government would refuse a request to release children.

(10) On October 11, 1943, State advised London that in view of its study of the proposal they were concerned about the possibility that limiting the program to Jewish children might result in objection by Germany and that they were hopeful this proposal might be included in the proposal for release of children generally. Nevertheless, State was prepared to give consideration to the proposal as it stood. Inquiry should be made of the Swedish government in the light of Jewish developments with respect to Denmark as to whether at that time the Swedish government would be willing to take up the matter of refugee children with Germany. Inquiry should be made either by the directorate of the Intergovernmental Committee or jointly by the American and British Ministers to Stockholm. A definite statement should be obtained from the Swedish government before we would make any arrangements as to allocation of funds. (No. 6316 to London, October 11, 1943.)

(11) On October 22, 1943, London advised that pursuant to the instructions of October 11, 1943, the matter had been presented to the Intergovernmental Committee with the suggestion that it make an inquiry of the Swedish government. The director of the Intergovernmental Committee agreed to make an informal exploratory approach to the Swedish government. (No. 7284 from London, October 22, 1943.)

(12) On October 30, 1943, London advised that the Director of the Intergovernmental Committee had made an exploratory approach through the Swedish Minister. The latter stated he did not believe his government would entertain the idea of approaching the Germans at this time and that he further believed that if such an approach were made, the Germans would not agree to release any children. The Swedish Minister stated that his government had recently asked the Quisling government to permit Norwegian children to come to Sweden and had been refused. The Minister did not believe the Swedish government would wish to make efforts to obtain Jewish refugee children when it had been unsuccessful in obtaining Norwegian children. The Minister said, however, that he was going to Stockholm in a few days and would present the matter. (No. 7517 to London, October 30, 1943.)

(13) On January 11, 1944, London submitted a communication which MEW stated it wished to submit to the Swedish Legation with our concurrence. This communication stated that we appreciated

the willingness of the Swedish government to help evacuate refugee children from occupied countries as expressed in a recent communication to the Chairman of the Intergovernmental Committee. Great Britain and the United States hoped the Swedish government would now make a fresh approach to the German government and the Quisling government (a) to take children from Norway and other occupied countries; (b) to take Jewish children from Germany. Great Britain and the United States would be prepared to increase blockade food quotas. We would also give prompt consideration to other assistance required. New supplies could come in on the same basis as shipments to Greece. We would have no objection to Norwegian children leaving Norway in rotation and returning. If the German and Quisling governments should refuse Great Britain and the United States would desire to give this the fullest publicity. (No. 239 from London, January 11, 1944.) On January 15, 1944, State advised London that we concurred in the approach suggested by MEW. (No. 381 to London, January 15, 1944.)

(14) On January 20, 1944, London advised that the British and American governments had delivered a note to the Swedish Minister in the form suggested by MEW above. It was orally made clear that the method of choosing the children would have to be satisfactory to us and if the Germans were obstructive on this matter we would give full publicity thereto. The Swedish Minister said he would forward the communication to Stockholm with his recommended agreement. He suggested since Sweden had already been rebuffed on prior occasions by Germany it might be well if Sweden and Switzerland made a joint approach.

(15) On January 31, 1944, London transmitted the text of a memorandum of a conference between a representative of MEW and the Consulate of Sweden relative to the joint Anglo-American request to the Swedish government. The Swedish Consular official stated that the Swedish government was quite willing to receive children in Sweden but that they were reluctant to court a rebuff merely to provide the Allies with propaganda. It was pointed out that the Axis' refusal to allow Greek children to leave and their endeavors to obstruct the escape of refugees generally gave the Allies ample opportunity now to make public statements. We had refrained thus far from such utterances in a wish not to jeopardize any chance which there might be to obtain Axis consent to evacuation plans. If, however, it became quite clear that in no circumstances would the Germans agree to such proposal there was good reason why we should not be so restrained in the future. The statement is made that in view of this conference it was felt no further conference with the Swedish Minister was necessary even though no reference

was made to the Swedish suggestion for a joint Swedish-Swiss approach to the German government. MEW felt that such an approach might cause delay and present difficulties such as disputes over differences in the war trade agreements with the Swiss and the Swedes. If, on the other hand, the Swedes and Swiss decided among themselves to present the matter jointly there be no objection.

MEMORANDUM FOR THE FILES

February 14, 1944

Summary of Contents of State Department
file, entitled "Refugee Groups - Danish
Jews into Sweden".

In October 1943 approximately 8,000 or 9,000 Danes escaped into Sweden. Of this number approximately ninety percent were Danish Jews. In order to meet the emergency, the Swedish Riksbank placed 5,000,000 crowns at the disposal of the Danish Minister in Sweden, proposing that the final financial arrangements be completed between the two countries at the termination of the war. The Swedish feel that there are ample employment opportunities in Sweden for the Danish refugees.

In view of the fact that the Swedish Government, in cooperation with the Danish Minister, appears to be satisfactorily handling the problem, there is no need for the present for Red Cross or other aid for the refugees. Despite this, Jewish organizations both in England and the United States have offered to send substantial amounts of funds to Sweden for the aid of Danish Jews. The American Embassy in London recommended that remittances to Sweden from Jewish organizations in England and United States be coordinated through the Intergovernmental Committee. The State Department agreed with this recommendation. (Stockholm cable 3543, dated October 29, 1943; London cable 303, dated January 12, 1944; State cable 828, dated February 2, 1944).

Conclusion

There appears to be little the War Refugee Board can do to aid the Danish refugees in Sweden, inasmuch as the Swedish Government apparently desires to handle the problem by itself and is doing so adequately.

My Marks