

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Jan
180

DATE March 29, 1944

TO

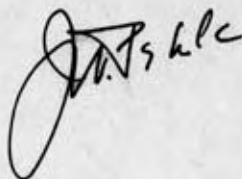
Secretary Morgenthau

FROM

Mr. Pehle



There is attached a copy of the report
of the War Refugee Board for March 20 to 25, 1944.



Attachment.

Developments during the week of
March 20 - 25, 1944

1. STATEMENT ON AXIS ATROCITIES

At our instance, the President has issued a strong statement concerning the systematic torture and murder of civilians by the Nazis and Japanese with particular emphasis on the barbaric campaign of extermination waged by the Nazis against the Jews. The statement points out that with the Jews in the Balkans now facing annihilation as the result of Hitler's recent moves in that area, it is fitting to proclaim again the determination of this government to pursue and bring to justice all who participate in these acts of savagery. The United Nations have made it clear that this is their intent and that this "warning applies not only to the leaders but also to their functionaries and subordinates in Germany and in the satellite countries," the President stated.

The statement called attention to Hitler's claim that these acts were being committed in the name of the German people. The President therefore called upon every German and every other person under Nazi domination "to show the world by his action that he does not share Hitler's insane criminal desires."

The President further stated that until victory is won this government "will persevere in its efforts to rescue the victims of brutality of the Nazis and the Japs, using all means at its command, so far as military operations permit, to aid the escape of intended victims." He called upon "the free peoples of Europe and Asia temporarily to open their frontiers to all victims of oppression." He also reaffirmed the determination of this government to find havens of refuge for these people and to find the means to maintain and support them until their homelands are freed and they may return.

Since the effectiveness of the President's statement will depend largely upon the extent to which it is publicized in German-controlled Europe, we prepared and the State Department very promptly transmitted cables to our Missions at

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Bern, Stockholm, Lisbon, Madrid, Ankara, and Cairo, which contain the statement issued by the President and request our Missions to see to it that the utmost publicity is given it immediately in local newspapers, radio, and in any other manner feasible. These Missions are also being requested to endeavor to have this publicity included in the foreign radio broadcasts emanating from the countries to which they are accredited. We are also suggesting to our Missions in these countries that they attempt to obtain and publicize favorable comment on the President's statement from prominent government officials or other personages in said countries. The Missions are also being asked to report the measures taken to comply with these instructions together with the results thereof.

We have also prepared cables to be sent to Winant and Harriman asking them to make the President's statement available to the British and Russian Governments and to emphasize to such governments the importance our government attaches to the value of a psychological program designed to change the actions and attitudes of the enemy, particularly his satellites, functionaries and subordinates. Winant is also being asked to call the President's statement to the attention of the representatives in London of the governments-in-exile and to advise them of our desire that it be given widespread publicity.

Wilson and Ackerman in Algiers are also being furnished with a copy of the President's statement and we are likewise requesting them to have it publicized effectively.

OWI is employing its full facilities to give publicity to the President's statement.

2. APPROACH TO THE SATELLITES

In view of German military operations in Hungary and reports of increased Nazi pressure on that country to deport Polish and other Jews who have found refuge there, we have sent a cable to State to be transmitted to Norweb at Lisbon, asking him to approach the Hungarian Government through available channels and make it clear that notwithstanding Nazi pressure, any action by the Hungarian

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Government to inflict new persecutions or to continue existing persecutions of Jews will be looked upon with the greatest disfavor by this government and will be taken into account in the future. Norweb is also being asked again to approach the Rumanian Government, through similar channels, and advise it that this attitude of our government likewise applies to any such action by Rumania.

We have also transmitted to the Apostolic Delegate in Washington a copy of the statement issued by the President and have asked him to suggest to the Holy See that action on its part may facilitate the adoption of measures by the people and governments of Hungary and Rumania to protect the Jewish population of these countries.

3. COOPERATION WITH OTHER GOVERNMENTS

(a) British

A reply has been received through the London Embassy from the British Foreign Office to the suggestion made by this government that the British authorize the allocation of immigration certificates to children so as to permit them to enter Palestine within the total allowed under the White Paper. The suggestion by this government had been made in connection with the Swiss effort to obtain exit permits for Jewish children in France. The British have replied that since the Swiss have not yet obtained any promise of exit permits and have made no representations to the Intergovernmental Committee or British Government regarding conditions upon which they would receive the children, the question of the children eventually going to Palestine is entirely hypothetical. The Foreign Office therefore feels that "it would be undesirable to freeze any substantial number of certificates for cases which may never arise." However, the Foreign Office states that it will give appropriate consideration to this matter if and when the Swiss Government approaches the Intergovernmental Committee for concrete assurances. Our Embassy in London has also been informed by the Foreign Office that the unused balance of the quota of 75,000 Jewish immigrants for Palestine

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fixed by the White Paper has now been reduced to approximately 26,000. The Secretary of State for the Colonies said in Parliament in November 1943 with respect to the balance admissible under the existing Palestine quota system that those unable to reach Palestine by March 31, 1944, would not be excluded by the time factor and that "no effort will be lacking on the part of His Majesty's Government to facilitate their arrival subject to the criterion of economic absorptive capacity."

(b) United Nations

We have been advised by Schoenfeld of the substance of conversations he has had with Count Czapski, Deputy Secretary General and Head of the Refugee Department of the Polish Ministry of Foreign Affairs. Czapski is in full accord with the policy set forth in the Executive Order creating the Board and indicated that we would receive the fullest possible cooperation from his government. He stated that because of the great number of Poles held in concentration camps by the Germans, the small percentage who do manage to escape makes up a considerable number of people. He mentioned as the principle obstacles interfering with the rescue and relief of Nazi victims the failure of some of the governments of the countries where the victims attempt to find refuge to give sufficient cooperation, the problem of passports, the matter of obtaining necessary funds and the visa problem. He felt that an important thing to be done immediately was to provide more passports entitling Polish refugees in Switzerland to go to South America. Czapski stated the most helpful measures this government could take for the rescue and relief of refugees would be to intervene with the governments of those countries in which the United States is represented, to assist with the passport and visa problems and to permit funds to be transferred from this country to Europe for relief and rescue work.

We have also received a report from Schoenfeld of his conversations with Dr. Sewerin, who is in charge of refugee matters for the Norwegian Government-in-exile. Dr. Sewerin stated that this Government's refugee policy has the full sympathy of the Norwegian authorities and that they would cooperate with us in every way that might be

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possible. He stated that there was no difficulty in the way of Norwegians escaping to Sweden once they reached the frontier. The chief obstacle to their escape lies in their inability to move about within Norway. According to Dr. Sewerini, approximately 24,000 Norwegians have thus far escaped to Sweden and about 2,000 have escaped to the United Kingdom and other areas. The Jewish population of Norway amounting to about 870 was deported to Poland, and the Norwegian Government has no knowledge of their fate. The report also states that between 6,000 and 8,000 Norwegians are now in Germany, 2,000 of these are being held as prisoners of war and the remainder are in concentration camps or are in prison as the result of court martial.

(c) The Neutrals

(i) Switzerland

In a cable to Minister Harrison now pending at State, the Board refers to certain apparent inconsistencies between the official statement of Swiss Government policy with respect to the admission of refugees and actual practice at Swiss frontiers, as reported by the Union of Orthodox Rabbis, in refusing entry to various categories of persons whose lives are in danger and whom we consider to be political refugees. Since the question appears to be the interpretation Swiss authorities place on the term "political refugees," we are asking Harrison to approach appropriate officials of the Swiss Government with a view to ascertaining the extent to which Swiss authorities - including the Swiss Foreign Police Department, border guards, and cantonal police - consider the following to be political refugees: stateless Jews, Jewish nationals of United Nations now occupied by the Germans, Jewish nationals of Germany and her satellites, and nationals generally of United Nations now occupied by the Germans. At the same time we are asking Harrison to make clear to the Swiss Government our belief that persons in all four of these categories should be considered political refugees and should, after appropriate security checks, be afforded temporary refuge without regard to age, sex, or the existence of close relatives in Switzerland.

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(ii) Turkey

We have been advised by Hirschmann that the Turkish Government is making available the "S.S. Tari," a 4,000 ton passenger vessel having a capacity of 1,500 persons, to evacuate refugees from Constanza to Istanbul. However, the Turkish Government will not permit the vessel to continue with this evacuation work after the completion of the first trip unless by that date this government has made a substitute vessel available to the Turks. Thereafter Hirschmann went to Istanbul regarding the charter of the vessel. He has informed us that our Naval Attache, Black of the War Shipping Administration, the Turkish Naval Attache, and himself were agreed that the "S.S. Tari" is highly desirable for our purposes and that it will sail for Constanza as soon as supplies have been loaded, charter price agreed upon, safe-conduct obtained and insurance placed. Hirschmann reported that we probably would be required to pay about \$4,000 per day exclusive of insurance. The length of the voyage has been estimated at from thirty to thirty-six days. Hirschmann requested authority to enter into a charter party on behalf of the Board with the Turkish State Steamship Lines for the charter of the "S.S. Tari" for one voyage at \$4,000 per day. He also estimated that the premiums for insurance on the vessel would amount to approximately \$80,000 if the insurance were placed in Turkey. Hirschmann also asked that this Government give the Turkish Government a guarantee of replacement in the event of the loss of the "S.S. Tari" similar to that given the Turks in the case of the "S.S. Vatan." We have cabled Hirschmann authorizing him to enter into a charter party for the "S.S. Tari" at the price indicated and to place the insurance on the vessel in Turkey. We also obtained the requested guarantee of replacement from the War Shipping Administration and the Foreign Economic Administration and have advised Hirschmann of this.

The International Red Cross is attempting to obtain safe-conducts for the "S.S. Tari" from all belligerents except Russia. Safe-conduct from the latter has been requested through the Russian Ambassador in Ankara.

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At Hirschman's suggestion we have cabled to Harrison at Bern instructing him to ask the Swiss Government to support the International Red Cross request for safe-conduct.

We discussed with the War Shipping Administration the matter of this Government's making a substitute vessel available to the Turks so that the "S.S.Tari" may make additional voyages to evacuate refugees after completion of its initial trip. They have cabled their representative in Turkey for further information and have advised him that any recommendation made by him will receive sympathetic consideration even if practical difficulties are involved. The War Shipping Administration is also cabling its representative in Algiers to ascertain if the French or Italians are willing to charter a vessel for this purpose or if there is any small freighter available in the Mediterranean which could be chartered to the Turks. However, the War Shipping Administration is of the opinion that the best solution of this problem would be to treat it as one of allocation and attempt to work out an arrangement with the Turks whereby an equivalent amount of space on an Allied vessel proceeding to the eastern Mediterranean would be made available for Turkish requirements in lieu of chartering a vessel to them. We are advising Hirschmann of these developments, pointing out to him the difficulties in the way of putting a vessel in the hands of the Turks by the date of the completion of the "Tari's" first voyage and suggesting to him that, if he could induce the Turks to accept an arrangement whereby equivalent space on an Allied vessel would be made available to them in lieu of a substitute ship, such an arrangement would be more feasible from a shipping standpoint.

In connection with the projected voyage of the "S.S. Tari," the representative of the Jewish Agency in Ankara has informed Hirschmann that it will be five or six weeks before a sufficient number of refugees at Constanza will be ready to embark despite his previous assurances that they would be ready to embark on ten days notice.

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We have also been advised by Hirschmann with respect to the proposed purchase of the "S.S. Necat" for donation to the Turkish Red Crescent, to be used for evacuation work, that the Turkish Government deems it impossible to withdraw a second ship from its small supply to be used for evacuation purposes. We have asked Hirschmann if he has explored the possibility of the Turks making the "S.S. Necat" available for use by the Turkish Red Crescent as soon as the "S.S. Tari" completes its voyage in case arrangements cannot be made to have the "S.S. Tari" make repeated voyages. Hirschmann has also advised that if this government will donate a vessel to the Turkish Red Crescent, the Turks would be willing to have the Turkish Red Crescent operate it under the Turkish flag to evacuate refugees for the duration of the war, the vessel to become the property of the Turkish Red Crescent.

Hirschmann was informed on March 16 by the Rumanian Ambassador to Turkey that the latter had received a reply from his government to the effect that it had decided to transfer to Rumania proper all Jews in Transnistria at the present time and that the Government of Rumania will facilitate in any possible manner the emigration of Jews. The International Red Cross has reported that this movement from Transnistria to Rumania has already begun and that 48,000 Jewish refugees had been moved up to March 20th.

We have also advised Hirschmann of information received from the International Red Cross to the effect that the Bulgarian ship "Bellacitta" is available to transfer 150 refugees weekly from Mangalia to Istanbul and that two other Bulgarian ships are available for this purpose, the "Maritza" and the "Milka." Presumably, the latter two ships are not now usable since Turkey is only permitting rail transport to Palestine at the rate of 150 persons weekly, and the "Bellacitta" would supply this number. We are asking Hirschmann to do everything possible to enable these vessels to evacuate refugees and have cabled Harriman requesting prompt action by the Russians on the International Red Cross request for safe-conduct for the "Bellacitta."

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A full report has been received from Steinhart in response to the circular airgram of January 25th which we are now studying.

Hirschmann will return early in April to report personally on the situation in Turkey.

(iii) Spain

Our cable to Hayes, containing the new measures we are suggesting to facilitate the evacuation of refugees to Spain, is still pending at State.

A cable has been received from Hayes with respect to the license issued with our approval to the JDC for the purpose of evacuating refugee Jewish children from France to Spain. Hayes has not advised Sequerra, the JDC representative, of the terms of this license, taking the position that Sequerra's loyalty to the Allied cause is doubtful and that all JDC business with the Embassy, as heretofore, should be transacted through Blickenstaff. More important is Hayes' objection to any American charitable organization engaging in the clandestine operations contemplated by this license as it is his opinion that such actions could jeopardize the position of such organizations in Spain and might be turned by the Germans to their own advantage and used as a device for getting their agents into Spain and Allied territory.

We received another cable from Hayes in which he states his opposition to the War Refugee Board's sending a representative to Spain and recommends that if the Board wishes to work in Spain, it should work through Blickenstaff, thereby obtaining the value of his experience in this field. Blickenstaff, Hayes is certain, would be acceptable to the Spanish, while a representative

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From the outside would not, as the Spanish would feel such designation contrary to the agreement centralizing refugee work in Spain in the hands of Blickenstaff.

We have proposed to State that the Unitarian Service Committee be permitted to operate in Spain with offices at Barcelona and that a cable be sent to Hayes, asking him to obtain the consent of the Spanish Government. We believe this organization would be of considerable assistance in carrying out the War Refugee Board policies in Spain.

With respect to the movement of stateless and enemy national refugees from Spain to Camp Lyautey, we received a cable from Ackermann that the French were objecting to the admission of certain stateless persons upon the ground that they were not refugees as they had not been in Spain prior to 1938. Since we do not appear to be receiving the full cooperation of the French Committee on National Liberation in connection with this program, we have discussed the matter with Jean Monnet, stressing the various problems involved, the delays attendant upon existing procedures and the necessity for general cooperation. Monnet has agreed to cable Algiers on the matter.

(iv) Sweden

With the approval of the Treasury Department we cabled Minister Johnson that subject to his consent we propose to appoint Iver Olsen, Treasury Representative in Stockholm, as the Special Representative of the War Refugee Board in Sweden. It is also contemplated that State will designate Olsen as Special Attache to the Legation on War Refugee matters.

(d) Latin American Countries

(i) Paraguay

Ambassador Frost has advised us that Paraguayan officials are now at work on plans for immigration and colonization and in this connection are bearing in mind the problem of evacuating and relieving European refugees.

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(ii) Bolivia

In a communication from our Embassy in Bolivia we have been advised that it is practically impossible to determine under present circumstances (and, as directed, without approaching present Bolivian authorities) to what extent Jewish war refugees are permitted to enter Bolivia. In the course of previous diplomatic correspondence the revolutionary government is reported to have indicated that, as a member of the Intergovernmental Committee, "its conduct with respect to Semites will be in accordance with that adopted by the other nations of the continent. Within the country, nationals and foreigners shall enjoy the same guarantees under the Political Constitution of the State without distinction as to whether they are Jews or not."

The Embassy also reports a general resentment that Jewish immigrants admitted to Bolivia in recent years have competed with established Bolivian merchants and small shopkeepers when many of these immigrants were officially admitted with the understanding that they were to engage in agriculture.

(iii) Haiti

In a reply from Ambassador White in Haiti we are advised that a Committee of Aid for Refugees has been appointed by the Haitian Government. At its first meeting on February 7 the Committee is reported not only to have endorsed the objectives of our Government with respect to refugees, but also to have voted to obtain funds by a special state lottery for \$10,000 and by a special issue of five-centime postage stamps. Monies obtained in these ways would be devoted to refugee projects, perhaps through the United States War Relief Fund.

(iv) Peru

Reports have been received from our Embassy in Peru with respect to the Peruvian attitude toward the rescue and relief of the Jews of Europe and other victims of enemy persecution. Pending the receipt of a formal reply on refugee policy from the Peruvian Ministry for

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Foreign Affairs (which the Embassy expects to be non-committal or negative as well as delayed), we are advised that little assistance or real sympathy can be expected from Peru.

(v) Mexico

Ambassador Messersmith has followed up his preliminary report on the possible Mexican attitude with respect to the rescue and relief of European refugees with a resume of his discussions with a spokesman for the Mexican Ministry for Foreign Affairs. So far as the question of Mexican hospitality to Jews is concerned, Messersmith reports that there is no particular problem there, Mexico having afforded refuge to large numbers of refugees without question as to their religion. We are advised, however, that, while Mexico is entirely in sympathy with the proposed activities of the Board, it, nevertheless, cannot take any active part in the transportation of refugees to this continent nor can it assume any responsibility for the maintenance of such refugees in Mexico.

(vi) Nicaragua

After further discussion with the Nicaraguan Foreign Office as to that country's willingness to rescue refugees, our Embassy advises that information will be required regarding the practical steps envisaged by the Board to put our Government's policy into effect, such as the probable number of persons to be received by the United States, the facilities for transport which may be available, the time of the expected evacuations, the nationality of the refugees, etc. With respect to the possibility of the Nicaraguan Government's issuing a public statement on the subject, our Embassy believes that embarrassment might result from our requesting such a statement at this time.

4. COOPERATION WITH THE INTERGOVERNMENTAL COMMITTEE

Wyon Taylor, after discussing with Secretary Morgenthau the respective fields of action of the Intergovernmental Committee and the War Refugee Board, suggested that Gerson and Hallin of the Intergovernmental Committee come

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to Washington to discuss this subject further with Secretary Morgenthau, Mr. Pehle and others interested. We have been advised by Winant that Emerson will arrive here shortly for this purpose.

The plenary session of the Intergovernmental Committee has been called for June 19, unless the director and chairman find it impractical to hold such meeting at that time.

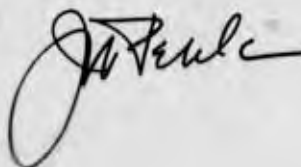
5. SPECIAL PROJECTS

(a) Relief of Refugees on Mauritius

In response to our cable to our Mission in the Union of South Africa, asking that a check be made on reports we had received to the effect that Greek and Jewish refugees on the British island of Mauritius were suffering from disease and inadequate living conditions, we have been advised that malnutrition is general on Mauritius and that there is some malaria and other diseases. Food, clothing and medicines are needed.

(b) Evacuation of Refugees from Rab

We were advised by the British that they had facilities for making local funds available for the evacuation of refugees on the Island of Rab. We approached the JDC, which was willing to furnish \$25,000 for this project. A license has been issued under which the JDC has remitted that amount to the Finance Officer of the British Foreign Office. The lira equivalent will be made available by the British Paymaster in southern Italy.



DEPARTMENT OF STATE
WASHINGTON

March 29, 1944

Dear John:

I enclose a self-explanatory exchange of correspondence with Mrs. E. B. Macgowan of West Los Angeles which I thought would be of interest to you.

Sincerely yours,

(Sgd.) Hayden Raynor

Hayden Raynor,
Special Assistant to
the Under Secretary

Encs.

From Mrs. E. B. Macgowan,
March 19, 1944;
To Mrs. E. B. Macgowan,
March 29, 1944.

Mr. John W. Pehle,
Executive Director,
War Refugee Board,
Washington, D. C.

March 19, 1944

Acting Secretary of State E. Stettinius
The State Department
Washington, D. C.

My dear Mr. Stettinius:

In face of all the world misery that this war is causing it seems that for humanity's sake we should allow many more of the unhappy Jews trapped in Europe to have prompt entrance into our country. I understand this can be done without overstepping our quota, but that we have a changed point of view.

Cannot you bring your influence to bear in this direction that we can save more tortured lives and souls.

Very truly yours,

MRS. E. B. MACGOWAN
10790 Weyburn,
West Los Angeles, California.

March 29, 1944

Dear Mrs. Macgowan:

Your letter of March 19 suggesting that more Jews who are able to escape from Europe should be admitted to this country has been received in Mr. Stettinius' absence. I am showing it to appropriate officers in the Department and I am also taking the liberty of forwarding a copy of it to the Executive Director of the War Refugee Board.

Sincerely yours,

~~Hayden~~ Raynor,
Special Assistant to
the Under Secretary

Mrs. E. B. Macgowan,
10790 Weyburn,
West Los Angeles, California.

U:HR:IMK

March 29, 1944

My dear Mr. Secretary:

Reference is made to the President's statement of March 24, 1944 concerning the murder of the Jews and other persecuted peoples by the Nazis and the Japs.

I am glad to note that the British Foreign Office issued a statement on the same day expressing the unqualified approval of the British Government of the President's statement. In my opinion, the approval of the President's statement or the issuance of a similar statement by the Russian Government is most important, particularly in view of the military situation in the Balkans. Such action by the Russian Government would undoubtedly have considerable influence on the leaders and people in Rumania, Bulgaria and Hungary.

Accordingly, I would appreciate if you would advise me what action has been taken to date toward this end, and if none has been taken, I suggest that consideration be given to taking immediate steps in this direction.

I also suggest that consideration be given to the matter of obtaining similar action by all of the United Nations.

It would be appreciated if your Department would keep me advised of all developments in this regard.

Very truly yours

(Signed) J.W. Pehle
J. W. Pehle
Executive Director.

The Honorable

The Secretary of State.

SED:JM:ecr- 3/28/44

cc: Miss Chauncey (for the Sec'y) Abrahamson, Amsin, Bernstein, Sohn, DeBois, Friedman, Gatten, Hodel, Laughlin, Leaver, Luxford, Mann, McCormack, Peal, Pullak, Rains, Sargoy, Stankiel, Stewart, S. G. White, Pehle, Files

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Consulate General, Algiers
TO: Secretary of State, Washington
DATED: March 29, 1944
NUMBER: 1035

CONFIDENTIAL

No. 7 from Ackerman for War Refugee Board.

Discussions were held by Glasser with General Mac Farlane in Italy. It has been decided, after discussions here with Generals Caffey and Devers, to send Saxon to Bari for a few days in order to investigate the possibility of rescuing refugees via Yugoslavia from the Balkans. This seems extremely difficult under the present circumstances but a change in events may substantially improve chances of success, and if we have full information on the subject, it will aid in the success. Should Saxon be directed to depart for Spain as State Department's telegram to Madrid, no. 788, mentioned, this trip would not interfere as it will take several days for procurement of Spanish visa and while Saxon is away this can proceed.

CHAPIN

REF-200

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (S000)

Algiers

Dated March 29, 1944

Rec'd 2:09 a.m., 30th.

Secretary of State,

Washington.

1038, March 29, 8 p.m.

FOR MORGENTHAU FROM HOFFMAN

Please refer to War Refugee representative cable No. 7. In view of urgent necessity of examining Balkan refugee problem in Italy it has been decided after consultation with Glasser, Ackermann and AFER that Saxon should go to Bari for a few days as representative of War Refugee Board.

CHAPIN

REP

JWP-411

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (RR)

Cairo

Dated March 29, 1944

Rec'd 5:50 p.m., 30th

Secretary of State,

Washington.

GREEK

94, March 29, 7p.m.

I have seen the Greek Prime Minister who after stating that the policy of his Government is in complete accord with the President's statement and the views of the War Refugee Board (Department's 46, GREEK March 24) readily expressed willingness to issue a supporting declaration the text of which will be telegraphed to the Department as soon as released probably tomorrow.

The OWI here is arranging local publicity for the President's declaration and its inclusion in radio broadcasts in Balkan languages over available British and other facilities and it intends similarly to publicize the Prime Minister's statement.

I have not taken the matter up with the Yugoslav officials now in Cairo as these have little standing or influence in the existing circumstances but when and if leadership is established here I will at once approach it and meanwhile the OWI's action above mentioned will provide Yugoslavia with useful coverage.

MacVEAGH

MRM

March 29, 1944

12:40 p.m.

CABLE TO AMBASSADOR WINANT, LONDON, FROM WAR REFUGEE BOARD

In an urgent effort to facilitate the evacuation of refugees from Rumania the War Refugee Board representative in Ankara and Ambassador Steinhardt have after long negotiation received from Turkish Government an offer to charter Turkish vessel to make a single trip from Constanza to Haifa carrying a number of refugees. The War Refugee Board has authorized the immediate charter of the vessel. The United States Government, in order to obtain the charter has guaranteed the replacement of the Turkish vessel if it is lost on the voyage. Negotiations are being carried on for all safe conducts.

Turkish Government has indicated that in view of shipping shortage this vessel will make only one trip unless equivalent tonnage is chartered by the United States Government to them.

War Refugee Board is exploring all possibilities in order to assure that vessel will make more than one trip. War Shipping Administration has requested its Mediterranean regional director Kalloch to sound out the Italians concerning the possibility of charter of one of their vessels to the Turks, if the evacuation program can be arranged. Kalloch is working through MEDBO and has requested that London ask Gibson Graham British representative on MEDBO to assist. Accordingly it is suggested that you communicate with the British Ministry of War Transport as soon as possible with a view to their asking Gibson Graham to assist in this matter.

JBF:bbk - 3/29/44

cc: Miss Chauncy (for the Sec'y) Abrahamson, Akzin, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Luxford, Mann, McCormack, Paul, Pollak, Rains, Sargoy, Standish, Stewart, H. D. White, Pehle, Files

March 29, 1944

3:25 P.M.

CABLE TO LONDON

From War Refugee Board to Winant

Please deliver the following message to Finance Officer, British Foreign Office, from M. A. Leavitt of the American Jewish Joint Distribution Committee:

"This will authorize you to open blocked account in name of American Jewish Joint Distribution Committee, Inc., at Barclays Bank Circus Place Branch Londonwall London E.C.2. with \$20,000 remitted to you by us which you now holding Stop Arranging with Barclays Bank New York for signatures authorized to draw against this account"

EH:lab 3/29/44

FROM American Legation
Wellington, New Zealand.
Date: March 29, 1944.
Date called: March 30, 1944
Rec'd. Apr. 20 8 a.m.

203

The Secretary of State,
Washington.
4-21, March 29, 10 a.m.

This Legation has not received the Department's telegram of January 25 mentioned at the end of the Department's airgram dated February 29, 1944, 7:30 p.m., concerning action and policy of the President's War Refugee Board, but only a circular airgram on this subject dated January 26, 1944, 7 p.m., which was answered by this Legation's airgram A-30, March 9, 9 a.m.

The New Zealand Government's policy was stated in that reply, so it is thought that no additional action should now be taken by this Legation so far as this small isolated Dominion is concerned.

If the Department's telegram of January 25 contains additional information of importance, I should be glad to receive it.

The Prime Minister and the Secretary of External Affairs will be in the United States during the latter part of April en route London and again later on, on their return trip to New Zealand.

CHILDS

PC/drm.

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN LEGATION
Lisbon, March 30, 1944

Subject: Transmitting Report from Local Representative
of War Relief Services, National Catholic
Welfare Conference, regarding Relief of
Refugees in Portugal

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

Sir:

I have the honor to refer to the Legation's despatches
no. 217, February 16, and no. 325, March 25, 1944, regarding
the reports submitted by the local representatives of various
relief agencies in connection with the program of the War
Refugee Board for the relief of the victims of Nazi persecu-
tion in Europe.

Transmitted herewith is a letter, in the nature of a
report, addressed to the Executive Director of the War Re-
lief Services, National Catholic Welfare Conference, 350
Fifth Avenue, New York City, from its local representatives,
Miss Eileen Egan and Dr. Henry Amiel. Provided the Department
perceives no objection, it is requested that this report be
transmitted through the War Refugee Board to the addressee
stated. The Legation is in this case extending its pouch
facilities in order that this report may reach Washington
sufficiently early to be considered together with the re-
ports previously submitted by other agencies.

Respectfully yours,

For the Minister:

Edward S. Crocker
Counselor of Legation

Enclosure:
Letter
300
MCE/mvd

Hotel Tivoli
Avenida da Libertade
Lisbon, Portugal

LETTER NO. 1.

March 28th, 1944

Monsignor Patrick A. O'Boyle,
Executive Director,
War Relief Services, National Catholic Welfare Conference,
350 Fifth Avenue,
New York, New York, U.S.A.

Reverend and dear Monsignor:

Two weeks may seem a long time to wait before sending in a report. However, we were trying to gather as much information as possible in order to write an intelligible report. Right from the start we began a series of conferences and interviews with people representing various groups here.

When we arrived in Lisbon, Father Adalbert Turowski was waiting for us at the pier and helped us install ourselves in rooms which he had arranged beforehand. He dined with us the first evening and reported on the work done for War Relief Services up to the time of our arrival. He told us that he had officially been appointed by His Eminence Cardinal Cerejeira to take charge of work for refugees under War Relief Services pending the arrival of the delegate from the United States. The first evening he presented to us the daily entry book of all expenditures from our account and we saw that of the total sum received up to that time, between eleven and twelve thousand dollars had been expended. His Eminence Cardinal Cerejeira made available to Father Turowski lump sums each month and personally made no disbursements. Father Turowski took on the work for War Relief Services in addition to his other duties as General Secretary of the Pallotine order, and conducted all interviews in his small office, from five to seven p.m. daily. Father Turowski had contacted the other relief agencies operating in Lisbon (Quakers, Unitarians and Jewish Joint Distribution Committee) and they had turned over to him almost all the Catholics on their rolls.

A very fine solution was reached for the refugee group in residence forcee at Caldas da Rainha where a refugee priest, Father Daniel Haysmans who had been named to Caldas some months earlier by the Cardinal Patriarch of Lisbon, was helped by War Relief Services and took charge of the distribution of War Relief Services funds at that settlement. Father Haysmans looked after the spiritual welfare of the twenty odd Catholic refugees in residence at Caldas. Father Turowski also made a monthly stipend available to Poles living in Ericeira, also a place of forced residence, but this was handled through the delegate of the Polish Ministry of Social Welfare.

Bishop Okoniewski.

a Polish Bishop now in residence in Lisbon, received much needed medical help through Father Turowski. The Bishop is being helped by a monthly sum from the Polish government for himself and his secretary, and by a rental allowance from the Rada Polonii, but War Relief Services made available to him important emergency medical help. A few more Catholic refugees are being helped in the north of Portugal in such towns as Coimbra. Father Turowski's work has been painstakingly done, and all records have been scrupulously kept. War Relief Services owes him much gratitude for the important work which he got under way and both representatives are of the opinion that the work could not have been placed in better hands.

Shortly after our arrival we were received by His Eminence Cardinal Cerejeira, Patriarch of Lisbon, who was most gracious and cooperative. He advised that the representatives of War Relief Services make a first hand investigation of the refugee situation in Portugal and then discuss the matter with him once more. Father Turowski and both representatives of War Relief Services were received again by His Eminence today. His Eminence was acquainted with the fact that, in view of the difficulty of finding new offices, War Relief Services would continue to operate from the two room suite now occupied by Father Turowski, at 2, Rua Castilho. These two rooms seem adequate at the present time, and are made available for occupation by War Relief Services because Father Turowski will live in a new apartment with Bishop Okoniewski and his secretary, effective April first. All correspondence should be mailed to this address. His Eminence will place at the disposal of the Lisbon representative either half or all of the funds in his possession. All further remittances may be sent either to His Eminence or directly to the Lisbon representative.

We made a courtesy visit to all other relief agencies operating in Lisbon and were received very cordially by them. Since the Unitarian had more Catholic cases than the other two agencies, we have had occasion to see Mrs. Dexter, Assistant Director of the Unitarian Services Committee, quite often, for clearance on many matters. Mr. Conrad, Director of the American Friends Service Committee, had already handed over completely all Catholic cases to Father Turowski and has been very helpful in many ways. Dr. Schwartz, Director of the Jewish Joint Distribution Committee, who has just returned from London, conferred with us and explained that in Portugal no Catholics had been carried on the Joint relief rolls. However, another point came up concerning a group of refugees from Spain and Portugal, who were shortly to leave for Canada on the basis of an agreement reached after the Bermuda Conference, by which Canada would accept 200 families for settlement. Family groups totalling 280 persons were chosen from Spain and Portugal by the Immigration officer of the Canadian Government, Mr. Odilon Cormier. In the group from Spain were 20 Catholics, including four children. The Joint organized the transportation and visas and has given the maintenance guarantee in Canada, but we have formally assumed responsibility for the trans-

portation

portation costs of this group from Spain to Canada. While they were in Lisbon special help was made available to them in the form of food for women expecting babies and warm clothes for the children and grownups who were lacking them. This will come from the Spanish budget which has been used very little as yet. This will confirm the cable giving their names, etc., sent to War Relief Services Office for action by the Catholic Committee for Refugees. Father Komora, after communicating with the Joint in New York may be able to work out some plan for aiding them in Canada, or in any event, may find it possible to arrange for some Canadian Committee to meet them on their arrival. We would appreciate receiving news at this end of what steps were taken for this group who sailed from Lisbon on the "Serpa Pinto" on March 23rd. Attached you will find a separate sheet giving data on these seven family groups.

Father Turowski arranged a meeting with Mr. Florian Piskorski, representative in Lisbon of the Rada Polonji, whose work consists of sending out about thirty thousand food packages to civilians in Poland. Only supplies permitted by the Portuguese government are sent and these differ from month to month and include almonds, sardines, dried fruit, fruit juices, etc. Mr. Piskorski has a very efficient filing set-up and a group of Portuguese on the packing end; in all, about thirty people are engaged in this enterprise. He reports that his monthly budget for such work is \$12,000. monthly. The Polish Ministry of Social Welfare with a delegate in Lisbon and a representative from among the refugees in Ericeira also supervises the sending out of food packages to civilians in Poland and to Polish Jews (money for the latter is supplied by the Deputation of British Jews).

An official call was paid on Hon. Henry Norweb, American Minister to Portugal, who was very cordial and offered us all possible cooperation. The Polish Minister, Mr. Potforowski, entertained us at luncheon. We were also entertained at various times by the representatives of the Quakers and Unitarian Committees.

To survey the situation at first hand, we visited the towns of Ericeira and Caldas da Rainha, where refugees without visas which will permit them to leave Portugal in the near future are compelled to live. In both towns the refugees are permitted to move freely within the confined of the town and for special reasons are allowed to come to Lisbon or to leave for other places for reasons of health. In general, the refugees live in furnished rooms and have their meals regularly at pensions or hotels. Because of the rise in prices here, relief agencies now give them a daily stipend of 27 escudos, plus medical expenses and pharmaceutical needs. Complete maintenance of a refugee comes to about 800 escudos a month, or \$32.00, exclusive of medical help, etc. When there are many in a family, the individual stipend decreases, and special arrangements are made.

In Ericeira,

Page 4

In Ericeira, there is a sub-delegate of the Polish Ministry of Social Welfare, Dr. Kerner, who has been handling the 35 Polish cases, out of which 12 are Catholic. The Joint has arranged there a small library and a small school for children. The Quakers have no cases in Ericeira and the few cases of the Unitarians are handled by a person appointed from among the refugees.

In Caldas da Rainha, the Unitarians have arranged a small social center on the outskirts of the town. There is a small circulating library, a sitting room in which recreational programs are arranged occasionally and language lessons given whenever there are enough people interested. Mr. Hoffman, who is a friend of Klaus Dohrn, was extremely cordial to us and entertained us at tea. The Quaker cases are handled by a young Hungarian Catholic, Mr. Coloman Nawreck, who is now on the rolls of WRB. The joint has a small school for children.

The general situation can be summed up as follows: the total number of refugees in Portugal is now approximately 700, of whom 150 are at Caldas and 100 at Ericeira. A few are scattered in the north of Portugal and the rest are in Lisbon. The total number of refugees in Portugal has been reduced, by the inclusion, in February, of about 200 who left with the group of 800 for settlement in Palestine, and about 100 who have just gone to Canada. While the work is not as pressing now as formerly, particularly from the point of view of emigration, there is still ample justification for our work here. In our particular refugee cases, there is much need for individualized attention in case work.

We have talked with many Portuguese as well as Americans and have a good idea of things generally here. A report and financial statement on the work done by Father Turowski will follow from Dr. Amiel after the departure of Miss Egan for Spain, on Wednesday, March 20. Best regards to Father Swanstrom and all at the office and please remember us in your prayers

Very sincerely

CATHOLIC FAMILIES IN TRANSIT TO CANADA.

BRAUN	Joseph William	born	Fribourg 11/20/1896, Ex. German (1 yr.)
	Hanka	"	Constantinopf 11/16/1905 ex Polish
	Monique	"	Paris, 9/26/1941 ex German
	Ginette	"	Oleron 3/26/1938 " "
WONDRER	Kurt	"	Zywiec 12/13/1911 Yugoslav
	Alice- Renee	"	Fiume 9/ 8/1911 "
	Felicitas	"	Jurkloster, 12/26/1939 "
PFISTER	Oscar	"	Berlin 5/31/1899 ex Austrian (mech.)
	Carmen	"	Madrid 7/27/1904 ex Spanish
	Ana Marie	"	Velencia 11/17/1939 "
STEIN	Werner Oswald	"	Berlin 8/25/1900 ex German (Dr. Pediatris)
	Magdalena	"	Hamburg 9/19/1909 "
	Bernard-Rafael	"	Cordoba 3/3/1937 "
(he has a cousin: Mrs. Leonie Lachmann, 28 St. Marks Place N.Y.C.)			
FLEISCHER	Paul	"	Vienna 8/29/1887 ex Austrian (Mgr)
	Nell	"	" 5/2/1890 " of factory.
(she has brother: Gustaf L. Chena, 7 East 9th, N.Y.C.)			
MITTLER	Nikolas	"	Budapest 2/21/1914 ex Hungarian (Dr.)
	Elisabeth	"	Amsterdam 12/29/1890 Dutch (medicine)
FAJPER	Henry		
	wife		
	Grown up son.		

AIR MAIL

No. 343

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN LEGATION

Lisbon, March 31, 1944

Subject: Transmitting Clippings of Portuguese
Press Reaction to President Roosevelt's
Statement on Refugees from Persecution

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

Sir:

I have the honor to refer to the Department's telegram No. 350, March 24, 1944 and to the Legation's reply No. 905, March 26, 1944, regarding publicity and comments in the Portuguese press on the subject of President Roosevelt's recent statement on refugees and Nazi persecution and to transmit herewith the clippings on the subject from the Lisbon and Oporto daily newspapers.

It will be noted that Lisbon's leading daily newspaper, "Diario de Noticias", printed a front-page editorial on March 27 under the caption of "Yes, Mr. President", in which the theme is one of complete agreement with the President's statements and a eulogy of Portugal's past efforts to provide a haven for the victims of this war and the refugees from persecution in Europe. It is stated that "Portugal--which, in so far as its resources and possibilities have and will permit, never closed nor will close its heart or its gates upon the distress and pain of others--has the right to be among the first to answer 'present!' to the appeal of Mr. Roosevelt."

- 2 -

The editorial points out that hospitality is one of the main traditions of Portugal and of the Portuguese character, and that, although the country is small and its facilities for guests are limited, it has always attempted to harmonize its police requirements and the need to protect the nation and its neutral status with a tolerance of which there are many attestations. It is said that Portugal can be firmly conscious of having fulfilled her duty and that she has extended every cooperation to the international relief organizations operating within the country. The newspaper prides itself on having first proposed, three years ago, an efficient organization of protection for children who are victims of war. It maintains that the Portuguese Government was the first to take up the initiative for international child relief and offered services which were not then understood or accepted.

No other editorial comment has yet appeared, but all the leading Lisbon and Oporto papers, with the exception of "A Voz", printed the President's statement, or excerpts thereof, in prominent positions under very favorable headlines.

The Legation will transmit any additional official or press comment which may appear on this general subject.

Respectfully yours,

For the Minister:

/s/ Edward S. Crocker
Edward S. Crocker
Counselor of Legation

Enclosures:

Portuguese Press Clippings
on Subject of President's
Statement on Refugees

891/300
MCR/mvd

March 29, 1944

4:55 P.M.

War Refugee Board requests you to transmit the following messages from Leavitt, Joint Distribution Committee to Joseph Schwartz, Lisbon, and from War Refugee Board to Schwartz.

QUOTE Does possibility still exist for Hungarian Jews in possession valid visas for overseas countries to secure transit enabling them enter Switzerland provided maintenance guarantees assured Switzerland. Understand numbers such have entered Switzerland recently. Understand Switzerland received assurances from State Department that American visas will be available for up to four thousand children entering Switzerland after January 1, 1944. Similar assurances will probably be given Spain for one thousand children. We notifying Saly Mayer accordingly. For your information remitting \$25,000 to finance officer British Foreign Office London to be used for evacuation some fifteen hundred refugees on Island of Rab in Adriatic. We authorizing finance officer deposit \$20,000 blocked account at Barclays Bank London to be held for repayment loans made in Rome. Remitting under W2155 additional \$25,000 to Barcelona making approximate total 500,000 pesetas. Assume you communicating Barcelona to await your instructions regarding this. Believe most urgent you proceed Madrid for full frank discussion Ambassador Hayes. Suggest you do not leave for North Africa before communicating with us. War Refugee Board authorized Hirschmann proceed charter TARI for one trip Constanza to Haifa and we indicated agreement participate financial costs. UNQUOTE.

FROM WAR REFUGEE BOARD TO SCHWARTZ. Urge you go Madrid as soon as possible in connection with questions raised by Ambassador Hayes on special license W2155. Board considers it important that you work out satisfactory arrangement with Hayes whereby program of rescue from France can be carried through without delay.

JAL:bbk - 3/29/44

10-344

PLAIN

Stockholm via London

Dated March 29, 1944

Rec'd 3:45 p.m., 30th.

Secretary of State,

Washington.

1067, 29th.

Swedish Politics

DAGENS 29th: New York correspondent reports War Refugee Board's rectification Stockholm AP telegram incorrectly reporting Swedish Government's rejection American proposal regarding usage Swedish tonnage evacuation Jewish refugees. DAGENS adds Swedish Minister Washington assured Board Swedish Government prepared do everything possible support Board's efforts. Report Board's Swedish negotiations if first published concerning its activities. Swedish Foreign Office state investigation disclosed suitable tonnage unavailable.

Our 639. Foreign Office announced British Government's expression regret reply Swedish protest against plane trespass over southern Sweden February 24/25.

Our 1038. AFTONTIDNINGEN 28th referring appointment Gunnar Haeggloef as Swedish Minister Netherlands Belgian Government's London outpoints latter is exile government and not Leopold who prisoner within Belgium. Appointment re-introduces Czechoslovakian representation question Stockholm. 'Twas natural Sweden's representation Czechoslovakia recalled when country ceased exist spring 1939 and nothing indicated republic restorable near future. Nor did country have exile government then. Situation now changed and appears certain Czechoslovakia will realize and confirm treaties concluded by Benes. Sweden ought reconsider representation question particularly because resumption trade relations certain.

Hungarian Minister Stockholm officially notified Foreign Office he unconsiders himself representing new Hungarian Government. Foreign Office announced nothing from Budapest concerning appointment new Hungarian diplomatic representative Sweden.

Our 4146, December 23rd. Stockholm press carries interviews from New York correspondents with Chamberlain von Heidenstam leader Swedish Trade Delegation now concluding

-3- 1067, 29th, Stockholm via London

North American tour. Heidenstam states Americans realize necessity importing in order maintain exports and anxious obtain information regarding Swedish products and markets. American willingness adjust production with foreign importers very noticeable. Quite likely Sweden will import American coal after war also automobiles tractors according prewar quotas. Considerable American interest in importing Swedish iron ore owing current heavy drain American mines.

4,000 civilian workers employed national defense plants striking April 5th unless settlement reached in dispute concerning piece rates. Conflict actually involves 20,000 whose wages for many years contention cause between State and Trade Federation but owing international situation workers hitherto unwilling employ strike weapon. Projected strike has Labor Federation approval. Expected Government will intervene.

JOHNSON

MRM

March 29, 1944

3:30 P.M.

CABLE TO BERN

From War Refugee Board to Harrison

Please deliver the following message to Saly Mayer,
St. Gall, from M. A. Leavitt of the American Jewish Joint
Distribution Committee:

"Wally Piercy Silvahof Berne cables requesting aid
for Italian political refugees musicians Jews and other
friends Stop For your personal confidential informa-
tion she daughter of Arturo Toscanini Stop Please
contact her for such help as possible would appreciate
report Fullstop Understand Switzerland received
assurance from United States Government that American
visas will be available for up to four thousand children
entering Switzerland since January 1, 1944"

FR:lab 3/29/44

March 29, 1944

11:30 A.M.

Draft of cable to Bern for Minister Harrison
from War Refugee Board

With reference to Department's Cable No. 891 of March 18 please immediately inform Reigner, Sternbuch, Saly Meyer and other representatives in Switzerland of American welfare agencies of availability of American visas for 4000 refugee children. They should be advised that this information must be treated as extremely confidential.

BAKrintjn

Mar 29 1944

217

Dear Mr. Ambassador:

Congressman Will Rogers, Jr., Co-chairman of the Emergency Committee to Save the Jewish People of Europe, has requested the assistance of the War Refugee Board in facilitating a trip to Turkey by Eri Jabotinsky, as representative of the Committee.

I understand that Mr. Fowler Harper of the Emergency Committee spoke to you about the matter of permitting Mr. Jabotinsky to proceed to Turkey and that you indicated that a letter from the War Refugee Board would be helpful in expediting this matter.

As you know, the evacuation of refugees from the Balkans is most pressing. Ambassador Steinhardt and the Board's representative in Turkey, Ira Hirschmann, have been working closely with the Turkish Government in this matter.

The Board desires to take advantage of the services of any private agency which can be of help in this task. I believe that Mr. Jabotinsky, working in close consultation with the Board's representative in Turkey, could be of assistance in the efforts of our two Governments to save some of the persecuted people of Europe from death.

Very truly yours,

(Signed) J. W. Pehle

J. W. Pehle
Executive Director.

Honorable Mehmet Munir Ertegun
The Ambassador of Turkey
Washington, D. C.

JED:ecr
3/28/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Embassy, Ankara
TO: The Secretary of State, Washington
DATE: March 29, 1944
NUMBER: 564

CONFIDENTIAL

The following message is from Hirschmann for the War Refugee Board and is Ankara's number 13. Please refer to my number 549 dated March 28, 1944.

On the grounds that they left Constanza without Turkish visas it is the intention of the authorities of Turkey to refuse permission for the landing in Istanbul of the approximately 250 Jewish refugees on the SS MILKA and they have so advised the British. In an effort to obtain a reversal of decision the British Minister is calling on the Secretary General of the Foreign Office and Ambassador Steinhardt is calling on the Minister for Foreign Affairs.

Mindful of the foregoing, if considerable numbers of such refugees arrived without visas it will be extremely difficult to persuade the authorities of Turkey to agree to a further increase in the number of transit visas to be granted Jewish refugees from the Balkans.

STEINHARDT

DCR:MPL
3/31/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Ankara
TO: The Secretary of State, Washington
DATE: March 29, 1944
NUMBER: 568

CONFIDENTIAL

As my number 14 the following message is from the Ambassador and Hirschman for the War Refugee Board.

In our opinion exceptionally well-timed was the President's declaration of March 23. In the Turk and Balkan press as well as on the radio it has received considerable publicity. It is our information that this declaration has made a deep impression on the people of the Balkans as well as in the Central European states where it is known at the present time.

Reliable information has been received by us from Bulgaria, Hungary and Rumania to the effect that it would be desirable to have the President's declaration broadcast in all of the Slavic and European languages by the Algiers and American stations at least once a day. In addition to such daily broadcasts we further suggest that the announcer should stress the penalties awaiting those committing or adding in the commission of atrocities against Jews or any other minorities, regardless of religion, race or nationality. Since a great many people in this area do not have radios it might be well to consider dropping pamphlets from air planes on bombing missions to the countries of Europe and the Balkans, such pamphlets to set forth the President's declaration. That the United Nations now have agents in every part of the Balkans and Europe who are making a record of all of the persons who participate in acts of persecution or violence against the Jews or other minorities might well be effectively incorporated in a statement appearing in such pamphlets and used also by Radio announcers, as a further means of restraining excesses.

STEINHARDT

NOTE: Original message undecipherable.
DCH:MPL
4/10/44

Miss Channing
217-A
March 29, 1944

TO: Files
FROM: Myles Standish

While the transmission of this cable regarding individuals in enemy-occupied territory may appear to conflict with the Board's policy, the message was sent because of the advantages to the Board's operations which might accrue should subjects be able to escape. Savel Radulescu was the Under Secretary of Foreign Affairs under the former Rumanian Foreign Minister, Titulescu. Radulescu is a leader of the pro-Allied groups in Rumania, and at a great risk to himself, befriended Franklin Mott Gunther, our last minister to Bucarest and subsequent to the latter's death, his widow. It is felt that should Radulescu and the other members of his group be able to escape, they can be of considerable assistance to the Board in its operations in Rumania.

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Ankara
DATE: April 4, 1944
NUMBER: 294

CONFIDENTIAL

Following is for Steinhardt and Hirschmann from War Refugee Board.

Please inform Alice Sturdza Cantacuzene through available channels that if she, Pussy, his mother and close friends are able to proceed to Istanbul from Bucharest, all necessary financial and other arrangements will be made by Louise Gunther.

HULL

- cc: Miss Chauncey (for the Sec'y), Abrahamson, Akvin, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Laxford, Mann, Mannon, Marks, McCormack, Murphy, Paul, Peble, Pollak, Rains, Sargoy, Smith, Standish, Stewart, Weinstein, H.D. White, Files.

*Sent to State Dept on 3/30
for transmission.*

NOT TO BE RE-TRANSMITTED

SECRET

COPY NO. 11

WPTL NO. 102

Information received up to 10 A.M. 29th March, 1944.

1. NAVAL

Mediterranean. 25th/26th. Our coastal craft captured a schooner and a caique off Mitylene.

28th. One of H.M. Submarines torpedoed a German motor vessel off S.E. Greece.

2. MILITARY

Burma - Arakan. S.W. of Buthidaung Japanese suffered heavy casualties in several attacks against our forward localities which were held. Our casualties fairly heavy. Our troops made progress in tunnel area and against enemy infiltration N.W. of Buthidaung.

Chindwin. - After 3 days heavy fighting in area of Sangshak (30 miles N.E. of Imphal) Japanese operating at about brigade strength penetrated our defences. Our counter-attacks failed and troops withdrew under cover of neighbouring units during night 26th/27th.

3. AIR OPERATIONS

Western Front - 28th. Escorted Fortresses (two missing) dropped 836 tons on aircraft works Reims and three airfields in France. In these operations supporting fighters (three missing) attacked aircraft on ground and claim 34:2:36.

Italy - 26th/27th. Wellingtons and liberators dropped 127 tons on railway yards at Vicenza.

27th. 200 bombers and fighters attacked railway bridges in Central Italy and 147 light bombers and fighters attacked targets in Rome and Pescara areas.

28th. Escorted Fortresses and Liberators dropped 500 tons on railway Verona. Escorted Liberators dropped 424 tons railway yards Mestre, North of Venice; enemy casualties 12:1:16 for six Allied aircraft.

OFFICE OF THE SECRETARY
MAR 27
DEPARTMENT

THURSDAY, MARCH 30, 1944

- 9:30 C. J. Devine, C. J. Devine and Co., New York
- 10:00 Dudley Mills or Herbert Repp, Discount Corporation, New York
- 11:00 Colonel Pope, First Boston Corporation, New York
- 11:30 Benjamin Levy, Solomon Brothers and Hutzler, New York

Given to the Secretary by Mr. Bell
1/30/44.

222

3/25
1944

ESTIMATED CASH POSITION AND SUGGESTED FINANCING PROGRAM

(In millions of dollars)

Month	New Financing				Total new financing	Balance at end of month
	Drive sales ^{1/}	Savings bonds and notes	Bill program	Certificates of Indebtedness		
Jan.-Feb.	\$17,350	-	-	-	\$17,350	\$17,300
March	-	\$ 950	-	-	950	14,400
April	-	1,200	\$ 400	-	1,600	10,400
May	-	1,200	400	\$2,000	3,600	7,900
June-July	18,000	-	1,800	-	19,800	16,000
August	-	1,200	1,000	1,000	3,200	13,700
September	-	1,200	800	-	2,000	11,100
October	-	1,200	800	-	2,000	6,500
Nov.-Dec.	17,000	-	1,800	-	18,800	16,000
	\$52,350	\$6,950	\$7,000	\$3,000	\$69,300	\$16,000

^{1/} Includes sales to banks for account of time deposits.

Note: 1. If deferred payments are permitted for three months following each of the Fifth and Sixth Drives, then the amounts shown to be raised in each of such Drives would be reduced and the reduction spread over subsequent months and balances adjusted accordingly. 2. Sales of Savings Bonds and Notes during months of Drives are included in Drive totals.

March 30, 1944

Frederik Smith.
Secretary Morgenthau.

I don't think I should have a press conference this morning but I think we should tell the boys we will have something for them Friday, on the Fifth War Loan. Thank you. I can't promise them a press conference but at least we can promise them some news.

Confidentially, I hope to take the twelve o'clock train to New York, but I certainly don't think we ought to have a press conference today. *File*

March 30, 1944
12:05 p.m.

DEFERMENT OF GOVERNMENT BOND DEALERS

Present: Mr. D.W. Bell
Mr. C.S. Bell

H.M.JR: They have asked we help them get twenty-two deferments for the whole industry.

I think a small bank - take a savings bank in a town of seven hundred and fifty people - in a town where they have either one or two million dollars deposits - they have never had more than three clerks, as far as I know. One of these small country banks where all the money is invested in mortgages in individual homes. That is where they always used to put their money. They never lost a dollar in the last depression. But they may have three or four clerks. Now, one clerk, to them, is a great deal more important in their eyes, isn't it?

MR. C.S. BELL: Yes, sir.

H.M.JR: I just wonder, if we start--

MR. C.S. BELL: ...where it would stop?

H.M.JR: ...where it is going to stop. IBM says, "You can't issue those bonds unless we give you the machines. We can't give you the machines unless we make them. Now, we want you to go to Mr. Nelson and get IBM"--

MR. C.S. BELL: In other words, is there anyone engaged in employment in the country who isn't contributing to the war effort? There are very few.

MR. D.W. BELL: There is just no telling where it is going to stop if we once start it. All you can do, if you do anything, is along the lines of Herb Repp.

- 2 -

I question that. As a matter of fact, I turned it down. I told the Chairman of the Board that I couldn't express any opinion.

H.M.JR: Gentlemen, I think we will have to let Mr. Rouse know tomorrow. The answer is, we cannot let the camel stick its nose under the tent.

MR. C.S. BELL: I am just wondering, on that letter - the letter, as you say, wasn't too good, but I don't believe it would do a lot of harm.

MR. D.W. BELL: But would you have to write it to fourteen thousand banks as issuing agents?

H.M.JR: Listen, you never can keep these things quiet. Everything you do will be shouted from the house-tops.

Take this fight on the small banks that Crowley and Eccles are in, and some small bank writes to McKellar and Walter George, "You did it for this Government bond dealer, not for any good purpose, but you won't do it for my constituents."

MR. C.S. BELL: Of course, the safer position is just not to do it.

H.M.JR: I am not going to do it, that is all.

I would like to talk to you about a personal matter.

March 30, 1944
2:07 p.m.

227

I've been thinking some more about this question as to the time. You see?

Yes.

HMJr: And I've now made up my mind I definitely don't want it in May.

G: Don't want it in May?

HMJr: No.

G: Well, I'm glad -- awfully glad of that.

HMJr: Now, when -- what would -- what is your -- date that your boys wanted it?

G: Well, they recommended the 14th, Mr. Secretary. And they will -- the reason they recommended it, they didn't want the drive to last too long and they wanted to get far enough into July to get the interest payments, following the suggestion of the banks that there would be funds available when the quarterly and semi-annual interest and dividend payments are made that the July 1st date would help them.

HMJr: Yeah.

G: So they wanted to get into the first week of July.

HMJr: Well, now, why can't you start on the 12th?

G: Well, we could start on the 12th. It might be a good thing for us to start on a Monday.

HMJr: Let's start on the 12th.

G: I'm in favor of that.

HMJr: What?

G: That -- that's good enough for us.

HMJr: I just don't want it to come on the eve of income tax, Ted.

G: Yes.

- 2 -

What?

Well, I can see that and I don't dislike the 12th. As a matter of fact, it might put the big radio people on the spot to do a real job for us on a Sunday night when people listen to radio.

HMJr: Well, I think then you get the Monday morning papers.

G: That's right. Well, I'm not against the 12th.

HMJr: Well, when you talk to Bell you can say that I'm now for the 12th.

G: Well, that, as far as I'm concerned, settles it then.

HMJr: All right.

B: Our people will be delighted with it.

HMJr: Right.

G: All right, sir.

HMJr: Thank you.

March 30, 1944
3:22 p.m.

W: Hello.

EMJr: McConnell?

W: Yes.

EMJr: Morgenthau.

W: Yes.

EMJr: I got your message via Smith.

W: Yes.

EMJr: And any time you want to talk to me, you know, you can call me direct. I mean, I'm glad to get it through Smith but also I just want to let you know that anything you've got you can call me direct.

W: Well, we were discussing it back and forth between ourselves.

EMJr: Good. But I mean I'm always glad to get it either way, from Smith or from you.

W: All right, sir.

EMJr: Now, what I wanted to tell you and I wanted to have you think this over. Did I tell you who I thought I was going to be able to get to come down here?

W: The Marshall Field man?

EMJr: Yeah.

W: Yeah.

EMJr: Do you still feel the same about it, if I can get him?

W: Yes, I don't think you can build on top of your Procurement Division a sales division.

EMJr: No, but if he would take whatever he needs.

W: And separate them?

- 3 -

Yeah.

That's the only way you can do it. Yeah.

Yeah. But if I had a man like that and he'd build an organization around himself, would you still feel that I shouldn't do it?

W: I still feel you'd be -- the Department would be criticised.

HMJr: Yeah.

M: If you did a perfect job.

HMJr: Yeah. Well, thanks for worrying about me and I'll -- I'll have a talk with him in the morning.

M: Yeah.

HMJr: It's not going to be so easy to get rid of it but I also appreciate your offer, being willing to talk to Hancock and Clayton but I -- let's let the thing simmer a day or two.

W: All right. All right, sir.

HMJr: Because I don't want to do anything that's going to hurt John Sullivan if I can help myself.

M: No, I understand that.

HMJr: And that's what -- what's holding me back.

M: All right, sir.

HMJr: And I think I can take it better than he can, maybe. But I do appreciate your worrying about me.

M: Well, I -- I feel rather that -- that Clayton didn't really get a -- didn't get an...

HMJr: No.

M:idea that he should have there.

HMJr: Well, I couldn't tell it to him without criticising other people.

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M: I know that. I know it was for a purpose.

HMJr: Well, we'll -- we'll see.

M: But if I can help in any way, you let me know.

HMJr: I will.

M: Thank you.

HMJr: Thank you.

TREASURY DEPARTMENT

232

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau

March 30, 1944

FROM Fred Smith (FS)

Late yesterday afternoon I talked to Bob McConnell about his report on contract termination, and at that time he mentioned that he was uneasy about the way the Procurement problem was left, and the impressions that Clayton and Hancock received.

This morning he called from his home in Virginia, still worried. He made these points, and in making them I am sure he has nothing in mind except your welfare and that of the Treasury Department.

- (1) He says he believes Clayton and Hancock definitely went away with the impression that you were trying to get out of this job because it was difficult. He says he knows that you are the last man in Washington who would shirk a tough job, if it fell to you to get it done. He would like to see that made clear to Clayton and Hancock and in fact would like the opportunity to do it.
- (2) He does not believe that either Hancock or Clayton, or most of the Treasury Department, realize the

- 2 -

difference between Procurement and Property Disposal. He points out that only 7% of the Procurement Department's business has been Property Disposal. He further points out that in a business organization there are no two departments farther apart, and having less in common, than the purchasing and sales. Accordingly, the theory that a substantial buying organization is a good selling organization simply because it has a lot of people, is contrary to the fact. It takes two different brands of people, and never the twain shall mix.

- (3) The more he contemplates (and the more I contemplate too, for that matter) the impact of surplus goods on the channels of trade, the more he shudders to think of the hornet's nest that will be stirred up when this thing gets going. He feels, accordingly, that almost any department of Government would be better able to stand this criticism than the Treasury Department.
- (4) If you are stuck with the job, McConnell feels strongly that a separate organization should be set up, under your direction, for the purpose of disposing of this

- 3 -

material. It should not be a division of the Treasury. It should be something as far apart from the Treasury as possible, and still keep within any Executive Order that might be issued. The ideal situation would be to have a separate corporation bearing the same relationship to you as general aniline. This is something I have been thinking about all morning, and I suggest that you think about setting up such a corporation (if you are stuck with the job) to be run by an Advisory Board consisting of business men, members of Congress, Treasury people, representatives of the agencies who will be disposing of property. If such a board could be set up in connection with a strong administrator, you would make it difficult for the Treasury to receive the criticism, since all factions who might criticize are represented on the advisory board. I realize that such a mixed board also has complications, but it seems to me that there are two basically dangerous things about this operation -- criticism and upsetting the economy; and such a board might be of real assistance on both scores.

- 4 -

If this out were taken, John Sullivan might be given the key place on the Board as long as he is available for the job. This would be a good vantage point from his standpoint, and his departure would not cripple the organization if and when he moves to greener pastures.

- (5) McConnell says that since Procurement's experience in selling goods (as against buying goods) is so limited, we are actually faced with the same problem as any other agency -- the problem of setting up an organization to do the job. So the setting up of a separate corporation could be easily explained to the President, or to anybody else.
- (6) McConnell suggests that you let him explain this situation to Clayton and Hancock, with an eye to assuring them that you aren't running out on the job, and also with an eye to making them understand why this is not a good Treasury function as such.

Just to keep the lines straight, I should like to point out that McConnell's desire to see this division removed from the Treasury has grown out of your recent discussions.

- 5 -

This morning is the first time he has offered any information for which he has not been asked.. He also indicated to me this morning that if we were stuck irrevocably with the job, he would make an effort to help you set up some separate organization to do the job, although he is very sure that he has not had the right experience to do it himself, and doesn't want the job.

I am convinced that he only wants to be helpful.

TREASURY DEPARTMENT

237

INTER OFFICE COMMUNICATION

DATE

March 30, 1944

TO Secretary Morgenthau

FROM Fred Smith TS

Re: Procurement fire in Rockaway, New Jersey

1. It happened on March 6, 1944.

2. The warehouse was leased by the Procurement Division from a Van Wert, Ohio, concern, and under the terms of the contract the Van Wert firm was obligated to furnish the personnel required to sort and pack shoes belonging to the Procurement Division. The firm was also to furnish guards.

3. On March 2, four days before the fire, the second floor of one of the buildings, which had been over-loaded, collapsed. This was never completely fixed, although a contractor worked on it for three days.

4. About midnight of March 5, a guard smelled smoke, and they looked for the fire, which they found at 7:45 the next morning.

5. The building burned for nearly four days.

6. On March 8, while the fire was still burning, salvage operations were started with equipment borrowed from the Army Arsenal in Dover, New Jersey: three days later, however, the Underwriters Salvage Company took over the job, and it's still going on.

- 2 -

7. 2, 382,039 pairs of shoes were stored in the warehouses, and although losses have not definitely been determined, preliminary figures look as though 888,402 pairs were lost. Some of these may be reclaimed by the salvage operation.

B. Some of this information Shaeffer got from Kramer of Procurement. Most of the details I got confidentially from Elmer Ireys.

March 30, 1944
3:47 p.m.

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 Hello.

HMJr: Yes, Randolph.

P: I thought I'd better call you again. After I
 got home here I got a call from Louis Weiss.

HMJr: Yeah.

P: And he wanted to be very emphatic on the point....

HMJr: Yeah.

P: that you didn't know anything about any
 pressure put on this man.

HMJr: Oh, good.

P: He thought that if this man knew that anything
 had been done through Field or Louis, it might
 react unfavorably to the situation.

HMJr: Good.

P: And so if you can handle it so that you don't
 know anything about it, he thought it would be
 much better.

HMJr: That's easy. I just -- I never heard of it.

P: Okay.

HMJr: All right.

P: Thank you very much.

March 30, 1944
4:35 p.m.

BRITISH DOLLAR BALANCES

Present: Mr. White
Mrs. Morgenthau
Mrs. Klotz

H.M.JR: What I did was, I asked Lord Halifax whether he had seen these exchanges of cables between Mr. Churchill and Mr. Roosevelt with regard to dollar balances. He said yes, he was quite sure he had seen them, and would I let him look at them, because the arrangement that he has with Anthony Eden is that anything that goes from this country is immediately cabled back to him. So he had had them. But no one in this country had told him anything about them. But he gets his information from us.

So I told him how our Ambassador in London has to go to the Foreign Office to find out what Washington is doing, and nobody ever tells him anything. He laughed. Which is true, do you remember? That goes for our Army, too, in England.

Then I said I wanted to make plain that the thing that disturbed me was the sentence in which he said, "According to Lord Halifax's report to us" - well, I have to paraphrase it - the gist of it is, when I was over with Mr. Hull the statement that I had made to Lord Halifax as to how we would proceed in regard to dollar balances evidently had not been lived up to, and it looked as though Mr. Churchill was questioning my good will and good faith, rather.

So I said that unfortunately, when the President answered Churchill, neither Mr. Hull nor I was in town

and he had to rely on Mr. Stettinius, who had not been present at the original meeting, and therefore, neither Mr. Stettinius nor the President knew what happened.

I simply wanted to assure him, when I made a statement, I said, from Morgenthau to Halifax, that statement stood, and when it no longer stood, I would come and see him. I wanted to have him make it clear to Mr. Churchill that there had been no diversion from the original position which I took.

And then he once more went over the thing, again saying that I had the right to take it up, dollar balances, in the future.

I reminded him, if you remember, the person who said I had the right to do that was Sir David Waley. He said, "That is right." I tried to make that point with you.

Then he went on to say, did I think it would be all right. That was all right.

Then he wanted to know whether I wanted to get any financial cables from his Embassy. He would send me copies. I said that was too dangerous, that the White House always took very good care of me.

He said, "If it is anything important, I will phone you."

I said, "That is all right."

So then he wanted to know whether he should make any more speeches after May. I said, "Why not? Go right ahead."

Then - this is the most significant - "Look," he said, "something happened that I can't understand. I would like you to explain it to me."

- 3 -

He said, "A little while ago, the second man to Crowley" - who is that?

MR. WHITE: I don't know who he means. There is Riley, Currie, Cox--

H.M.JR: No, a name I never heard before. Who deals with Ben Smith?

MR. WHITE: I don't know.

H.M.JR: Well, you find out who it could be.

He said, "He asked to come to see me. He had a message for me from Crowley."

He said he came to see him and said, "Mr. Crowley wants you to know, don't worry about the dollar balances."

So he said, "Does that mean that is a message from Morgenthau?"

He said, "He didn't answer me." He said, "How do you explain that? I don't understand it."

I said, "Well, I guess the only way to explain it is that Mr. Crowley was trying to curry favor with you and leave me as the prize S.O.B."

MR. WHITE: I don't understand it at all.

H.M.JR: Isn't that the darnedest thing you ever heard?

MR. WHITE: I sure would like to find out about that.

H.M.JR: He said, "Now, look, don't get me into trouble about this." I said, "There is trouble enough. I will see it doesn't go back."

So I gave my word, Harry.

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MR. WHITE: Well, you have stopped me from finding out. I can find out who the second man is, but I can't find out whether the story Halifax is telling checks with what somebody else is telling.

H.M.JR: It is just another thing in the back of my head.

MR. WHITE: It is a very strange thing for Crowley to do and say.

H.M.JR: It is no stranger than the story that Crowley sent for the newspapermen and told the newspapermen how Mr. Roosevelt and Mr. Churchill were more and more getting further and further apart. That is the first time - and gave them verse and chapter.

MRS. KLOTZ: That is no gossip, either; that is factual.

H.M.JR: I can't tell you my source, Harry, I am sorry. This is a joke. Harry has some information and I ask, any time anything comes up, if he won't trade. He won't trade with me.

So then he left, and he said, "I enjoyed this meeting very much because you have such an interesting mind." Did anybody ever tell you that?

MR. WHITE: Not recently. (Laughter) Not since I have been married.

H.M.JR: And that is that. Do you think that was too bad?

MR. WHITE: No, I think that was all to the good. I just don't understand that story.

H.M.JR: What White was afraid of was that I would sort of give them an opportunity to make trouble between the President and me, or the President and Churchill, but I don't see - do you?

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MR. WHITE: Not from what--

H.M.JR: If I am reporting correctly--

MR. WHITE: I don't know. That was all right, because the slant you gave it was that neither the President nor Stettinius was present. Of course, I don't know how he knows that Acheson was present. And he knows that Acheson wrote the cable, so it may sound all right.

H.M.JR: I said the President was at a disadvantage because Mr. Hull and I weren't there, and Mr. Stettinius was at a disadvantage because he hadn't been present.

MR. WHITE: I think both those statements are correct.

Monet was in.

March 30, 1944
4:50 p.m.

FINANCING

Present: Mr. Bell
Mr. Haas
Mr. Gamble

H.M.JR: I telephoned this fellow (Gamble). He was so glad to have it in June that he gave me June 12.

MR. BELL: That is all right with me.

H.M.JR: That gives him all the time he wants to line up his people.

MR. GAMELE: There are a number of arguments in favor of the June date.

H.M.JR: Where do we stand, before I can go home and sit? First, the long bond--how does it look to you fellows now?

MR. BELL: The two and a half, we think, will re-open, the last issue, the '65-'70.

H.M.JR: Not a new one?

MR. BELL: We didn't think so.

H.M.JR: New for the purpose of interest?

MR. BELL: We will give another series in order to start the interest on the 26th, but the same bond maturing, both the same dates as the bond we had in the First War Loan Drive. The only difference will be the first coupon.

H.M.JR: Then coming down the line, a two percent?

MR. BELL: A two percent bond, which will be June, '48-'50.

- 2 -

H.M.JR: Eight-ten?

MR. BELL: That is right. No, '52-'54. I got my dates mixed.

H.M.JR: And a one and a quarter?

MR. BELL: March 15, 1947. Now, everybody agreed with that around here, except Chris.

MR. GAMBLE: DeVine.

H.M.JR: Then the certificate?

MR. BELL: The certificate will be one year--it will really be eleven months, dated June 26, and the maturity is June 1.

H.M.JR: I tell you what you do, I will be here at nine-fifteen tomorrow morning. You let Tickton, Henry Murphy, and Lindow have a crack at it, all of us, in case you don't agree, or whether you don't agree, but we will settle it between nine-fifteen and nine-thirty tomorrow.

MR. HAAS: I think we are all agreed.

H.M.JR: Just let them sleep on it.

MR. BELL: We are just about to wind up a statement on it. We haven't turned it over to Fred Smith yet. I will try to give it to him.

H.M.JR: Do you want two minutes with me?

MR. GAMBLE: Yes, I will tell you what I want. I have some people here now, some motion picture people, Mr. Sturdivant from San Francisco, Mr. Ricketson from Denver, Mr. Skouras from Los Angeles, one that you have never met. They headed up this industry war loan drive in the Fourth War Loan. They lit a lot of bonfires under the industry. They got things for us we had never

had before. I have carried on a campaign through the War Activities Committee to get them to appoint the same group again. I am trying to persuade them to take the job. It is an important assignment, and they are disposed to take it. It is one of the reasons why I wanted you to spend a few minutes with them. They would also like to present you with a very fine report that they have made up on everything that they did in the forty-eight States in the Fourth War Loan Drive.

H.M.JR: Here is my trouble: I am going away at noon tomorrow, up to the country, and I am not going to ride a tractor from three in the morning on.

MR. BELL: I was just going to ask. (Laughter)

H.M.JR: The Director of the Budget says he does! I don't know just when I am going to get back. I may be gone two, three, or four days. How long will they be here?

MR. GAMBLE: I think for several days yet. We would like to go to New York and have dinner with them. They are three grand people.

H.M.JR: You mean I should come to New York?

MR. GAMBLE: I thought you might enjoy it, having them throw a dinner for you at the "Twenty-One" or some place.

H.M.JR: Well, why don't you tell them the truth; then if I change my plans and I get word the President wants to see me, I will have to come back.

MR. GAMBLE: I can set it far enough ahead in the week to be safe, if you think Wednesday or Thursday is a safer time.

H.M.JR: Put them down for lunch Thursday. If I can't make it, I can't make it. How is that?

MR. GAMBLE: That is O.K.

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MR. BELL: Cabinet tomorrow?

H.M.JR: I don't think so.

Well, we will clean up then tomorrow morning.

MR. BELL: I think we are in pretty good shape.

H.M.JR: I want you to handle Eccles.

MR. BELL: Yes, I intend to call him this evening.

H.M.JR: Did that fellow from New York call you back?

MR. BELL: Yes, Ihlefeld, Secretary of the Mutual Savings Bank. He says the savings banks have become rather liquid-minded. They are not much interested in the two and three-eighths or the two and a half. He says that they will go for either the one and three-quarters, two, or two and a quarter. He said they would prefer the one and three-quarters. They think probably the two percent market ought to rest a little while.

MR. GAMBLE: They switched off.

MR. BELL: He says they feel they have too much concentration in the two and a half percent area and were glad to come back to the two and a quarter, and will be glad to come back to the two. They are not interested in the two and three-eighths at all. We have sort of discarded that.

H.M.JR: O.K.

Is the statement coming along all right?

MR. GAMBLE: Yes.

MR. BELL: We will have it in his hands in another hour.

Do you want to see this statement before it goes out?

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H.M.JR: Won't I see you tomorrow morning?

MR. BELL: It will be in your form. I don't know how many changes he will want.

H.M.JR: Tell him he can bring it in around nine-thirty tomorrow morning.

MR. BELL: I think he would like to work on it for an hour or so before you go.

H.M.JR: I will see him around nine-thirty tomorrow morning.

March 30, 1944
3:57 p.m.

Q: Anything happen on the Hill?

A: No, we had a very pleasant meeting. The -- Bob Patterson testified and Hancock and representatives of F.E.A. and I said a few things for Treasury.

EMJr: Yeah.

Q: And it was pretty much of a love-feast. They didn't discuss surplus property to any extent at all. It was almost entirely devoted to termination of war contracts.

EMJr: Was Sullivan up there?

Q: No, Sullivan is ill again today. I've talked to him several times but his cold is very bad.

EMJr: Oh.

Q: I talked to him -- and that was the reason I went up was because he couldn't.

EMJr: Oh.

Q: I talked to Dan about it last night and we thought that I ought to go if John wasn't around.

EMJr: Good.

Q: So it was all right.

EMJr: It's all right?

Q: Yep.

EMJr: What happens next?

A: Well, they're having another meeting of the Committee on Saturday and the probabilities are that the bill will be finally agreed upon then. Whether they'll report it out or how they'll handle it on the floor, I don't know. It's all tied up with this recess and the fact that the Murray Sub-committee of the Military Affairs Committee is scheduling a hearing on the same subject next week, but the bill is pretty much agreed upon as far as the agencies and the George Committee are concerned. They really leave the

- 2 -

surplus property problem pretty much out of the bill as I guess I told you before.

HMJr: Yeah. Yeah.

O: They asked Clayton some questions about that but the Committee seemed quite agreed that it was -- it wouldn't make sense to try to cover the controversial aspects of surplus property in this bill; that it would be more desirable to just postpone that and try to get a bill out on contract termination, which only covers surplus property very incidentally.

HMJr: Right.

O: Okay.

HMJr: Thank you.

O: Not at all.

March 30, 1944

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

Subject: Ways and Means Committee meeting, Thursday morning, March 30.

The Ways and Means Committee met from 10 a.m. to 12:30 p.m. The discussion was limited to the question of reducing the value of the \$500 dependent exemption by the amount of the dependent's income.

Mr. Surrey and I, for the Treasury, took the position that on grounds of equity, administrative simplicity, and prevention of tax avoidance, the dependent exemption should be reduced by the amount of the dependent's income. This treatment was worked out in conjunction with the Bureau staff and had its full support. Mr. Stam took the position that the income of dependents should be excluded.

At Chairman Doughton's request Commissioner Nunan was present and was asked his opinion. He said that in general he did not like the idea of taxing a person on income received by dependents but suggested that where the tax had already been withheld it should not be refunded to a person who is being claimed as a dependent. Later he was persuaded that this would produce a very inequitable result and would have administrative difficulties. He then suggested that he was inclined to favor not allowing a dependent any exemption if someone else claimed his exemption. The Bureau Technical Staff has objected to this on the grounds of complexity and difficulty of administration.

After the Committee adjourned Chairman Doughton asked Mr. Stam and the Treasury, including the Bureau, to try once more to reach an agreement and if that was not possible he asked that at least the Treasury and its arm, the Bureau, reach an agreement. A meeting is being held in the Commissioner's office at 2:30 for this purpose.

The Ways and Means Committee is meeting this afternoon to discuss resolutions. It appears likely that the suggestions made jointly by Mr. Stam and the Treasury, including the Bureau, will be adopted.

RB

March 30, 1944

MEMORANDUM FOR THE SECRETARY

From: Mr. Blough

Subject: Taxes. (For your information; no action required)

In accordance with Chairman Doughton's request, as indicated in my previous memorandum covering the morning of March 30, Commissioner Nunan held a meeting in his office at 2:30 p.m. This meeting was attended by Mr. Graves and other representatives of the Commissioner, by Mr. Stam and members of his staff, and by Mr. Surrey and me and members of our staffs. The problem of including dependent's income in the tax return of the person claiming the dependent was explored at length. No agreement was reached with Mr. Stam. All Treasury people, including Commissioner Nunan, were in agreement that we ought to stand by the original plan calling for the inclusion of income. This plan had been worked out in the Bureau and approved in the Treasury some weeks ago.

The Ways and Means Committee is meeting at 10 a.m. Friday, March 31, to resume consideration of this question.

You will no doubt have noticed in the papers that the Ways and Means Committee voted to extend the date of making the last revision in the declaration of estimated tax from December 15 to January 15. This was done in the absence of any of the "experts" and was not in harmony with the recommendation. We had recommended that for the great mass of taxpayers the last payment should come on December 15 with an option to revise the estimate on January 15 if desired.

RB



Not sent *File* 734
THE SECRETARY OF THE TREASURY
WASHINGTON

March 30, 1944

SECRET

MEMORANDUM FOR THE PRESIDENT

On December 30, 1943 General Strong furnished me with a report on Argentina prepared by Military Intelligence. The following points in this memorandum are significant:

1. Unless steps are taken quickly to insulate Argentina and to counter her activities in neighboring countries, Argentina will be able to create a bloc favorable to her and antagonistic to the United States, consisting of all or some of the following countries: Uruguay, Paraguay, Bolivia, Chile, and Peru. (State Department officials share this fear and the present situation in Bolivia, Chile and Paraguay suggests that a bloc of this character is not a mere figment of the imagination).

2. There is strong evidence indicating that the Nazis at least partially control the present Argentine Government. By means of loans, bribes, and financial transactions, the Nazis have a hold on certain members of the G.C.U. (Colonel's clique). It is believed that in order to avoid exposure and remain in power, they follow Nazi orders.

3. Argentina allows pro-Axis propaganda to flow into this hemisphere and Argentina is the headquarters for such activities; at the same time Argentina subdues pro-Allied vehicles of propaganda. The report states:

"This propaganda has been very effective in that it has kept several countries internally divided and has lessened their assistance to the United Nations."

4. Argentina is rendering positive economic aid to the Axis effort by:

(a) serving as a base of operations where supplies are engaged in clandestine purchases of diamonds, oil, and materials vitally needed to the Axis effort.



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concentrate purchases made throughout Latin America and ship them to Spain and then to Germany.

(b) The two largest government-controlled Argentine banks are openly aiding the Axis.

(c) Fritz Mandl, former Austrian munitions manufacturer, is now in Argentina actively engaged in founding an Argentine munitions industry. He was able to remove \$12,000,000 from Germany with the consent of the German Government.

(d) Argentine ports serve as depots from which Spanish and other neutral ships carry war materials and couriers engaged in espionage activities to Axis Europe.

5. Indications exist of possible aid to Axis submarines at sea.

6. The extent to which Brazil will provide expeditionary forces for overseas duty is limited by her need for having adequate defenses against Argentina and an Argentine bloc.

7. Argentina is a tool being used by the Nazis to create a diversion in Latin America which will cause the United States to divert its concentration from the main war effort.

8. Argentina is being used as a cache for the loot of leading Nazis and will be the haven for their persons when they lose the war and have to leave Europe.

In a report transmitted to me on March 16, 1944, by General Marshall, it is stated that the Argentine Government is cooperating with the Spanish Falange in Argentina and that the activities of the Argentine Government in the other American countries助plicate and reinforces the Falangist movement in attempting to create anti-United States sentiment and an anti-United States bloc.

Treasury investigations in the Foreign Funds field clearly indicate that every important German central bank branches in Argentina and that these branches are presently being used by

- 3 -

to finance and otherwise facilitate enemy operations in this hemisphere. Moreover there are strong reasons for believing that these branches will serve as a nucleus for post-war cartel arrangements in this hemisphere.

I call these matters to your attention not only because they illustrate how our whole Good Neighbor policy and doctrine of hemispheric solidarity are crumbling before the pressure of a fascist Argentina but, of more immediate importance, because they offer tangible proof of how Argentina is prolonging the war. I am fully conscious of the objections which have been raised to date by the Combined Boards to the proposal that the United States and United Kingdom jointly impose complete economic sanctions against Argentina and I can fully understand their desire to avoid further complications in their respective fields. Neither am I unmindful of the fact that probably an undisclosed factor in British reluctance to participate in any such program stems from their fear that it might affect adversely British investments in Argentina and might prejudice British post-war trade. The extent, if any, to which these considerations may be influencing the British attitude on the Combined Boards is, of course, an enigma.

On the other hand, it is not as clear to me that the Combined Boards have been acquainted with the extent to which Argentina is harming our war effort. If this were explained to them; if it were made clear that we in the United States are prepared to accept some civilian sacrifices in bringing Argentina to terms; and if it were emphasized that once she is brought to terms we could again count on Argentina supplies and stockpiles, I am hopeful that we would obtain a more favorable report.

March 30, 1944

MEMORANDUM FOR THE FILES

I spoke to Mr. Jabotinsky of the Emergency Committee about the attached letter a few days after its receipt. I told him that we were working on points (1) and (2) but that with respect to point (3) the War Refugee Board was in no position at this time to support the action recommended.

J. E. D.

JEDuBois:ecr
3/30/44

RCC-542

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (SCOO)

ALGIERS

Dated March 30, 1944.

Rec'd 1:05 a.m., 31st

Secretary of State

Washington

1050, March 30, 11 p.m.

FOR WAR REFUGEE BOARD FROM ACKERMANN. FOR BLICKENSTAFF
WAR REFUGEE REPRESENTATIVE. NO. 8

Have just been advised by British who are providing sea transport that it is impossible to secure separate ship now for 358 refugees already cleared for entrance to Fedhala. Second batch of 375 applications were received from Spain yesterday and were immediately delivered to French and AFHQ security services for processing. Because of urgent need shipping elsewhere it now appears that ship cannot leave until last week in April but ship available at that time will be of sufficient size to carry both groups.

Sent to the Department as 1050, repeated to Madrid as 72.

CHAPIN

RR

TELEGRAM SENT

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

March 30, 1944
1 p.m.

AMERICAN CONSUL,
CASABLANCA, (MOROCCO)

44

FROM CROWLEY AND HANNIGAN , FEA, FOR BECKELMAN.

CONFIDENTIAL. Algiers 671, March 1.

War Refugee Board and State Department conferring on cable 671, March 1 and will cable American Representative, Algiers. However, so that you will have the thinking of this office we are advising you that in answer to Question 1, the disposition of those refugees who can be repatriated or returned to their former homes will be the responsibility of UNRRA. The Disposition of those refugees who cannot be repatriated or returned to their former homes will be the responsibility of the Inter-governmental Committee for resettlement.

In answer to Question 2, it is the thought of this office that all refugees desiring to go to the Camp in North Africa from Spain should be accepted. The length of residence in Spain was not taken into consideration in original agreement as it was thought desirable to get all the stateless from Spain as soon as possible. It was our understanding that this was accepted by the French. We also think that the Sephardic Spaniards, as well as any refugees in Portugal, desiring to go to the camp should be accepted.

Murphy is familiar with this whole subject.

HULL
(CHK)

DCR:RLH:ATM SWP WE LA WRB

REmerson
Liaison:
BA 844 RWDunlap:ca
3/16/44
cc: Hannigan
Baldwin
Emerson

100-435

PLAIN

Cairo

Dated March 30, 1944

Rec'd 6:40 p.m.

Secretary of State,

Washington.

GREEK.

95, March 30.

My 94, March 29, 7 p.m.

The Greek Prime Minister has today issued a declaration as follows in translation:

"On the 24th of March 1944 President Roosevelt in a momentous declaration denounced once more to the civilized world the crimes of our bloodstained enemies who, with increased intensity, particularly in the Balkans and Hungary continue, by slaughter and the torments of starvation to exterminate thousands of human beings. The language used by President Roosevelt was the language of the inexorable justice which will before long punish the perpetrators of these unprecedented crimes, together with their satellites and accomplices. This declaration constitutes also, in the highest sense, an expression of human solidarity with all the victims of these barbarous outrages.

The Hellenic Government, fully sharing the views and feelings of the eminent leader of their great Ally the United States of America address to all Hellenes the request that they take particular notice of his recommendation that the Allied Balkan peoples help in the rescue and escape to neutral or friendly countries of the Jews now threatened by new and inhuman persecution or of any other victims of Nazi tyranny".

Copies of this text have been furnished the OWI for broadcasting to the Balkans and the Greek Government will include the statement together with the declaration by the President in its broadcasts to Greece over the American State Broadcasting system.

In addition the Greek Information Office have re-transmitted the message for use by the local and foreign news and the American Office is telegraphing the text

END

- 2 -#95, March 30, from Cairo.

text to its Embassies in London and Washington for
release to the American and British Greek language press

MACVEAGH

MRM

WMT-410

PLAIN

London

Dated March 30, 1944

Rec'd 5:52 p.m.

Secretary of State,

Washington.

CONFIDENTIAL LIMITED DISTRIBUTION ONLY.

2580, 30th.

FOR DEPARTMENT AND FEA.

Reference Department's A-403, March 14.

Subcommittee on Relief concurs with your proposed handling of the three applications for shipment of clothing to Switzerland for distribution to refugees as set forth in your airgram under reference. At one time Swiss Government preferred that goods should not, repeat not, be consigned to save the Children International Union. EWD assumes from your airgram that desirability of now consigning goods in this way will be cleared with Swiss prior to shipment.

WLNANT

MFM

TICKER NEWS

WCNS

11:13 A. M.

March 30, 1944

P
Y
London.--Persons among Germany's satellites who show mercy to the Jews will be remembered when Germany is defeated, Foreign Secretary Eden told Commons.

Eden said German persecution of Jews has been of "unexampled horror", but there were individuals and even officials among Germany's satellites who have shown toleration.

"In the hope of encouraging such good deeds and increasing their number," Eden said, "the British government has made it plain that those who have followed the right path will not be forgotten on the day of reckoning."

Agudas Israel World Organization

Central Executive: LONDON - Branch Offices: JERUSALEM And NEW YORK

Office Of The President
226 West 97th Street
New York 25, N.Y.

March 30th, 1944

Prof. Benjamin Aksin
War Refugee Board
U. S. Treasury Building
Washington, D. C.

Dear Professor Aksin:

Referring to your conversation with our collaborator Mr. S. Frankel, I beg to propose to send the following cable to our representative in Switzerland, Mr. I. Sternbuch:

"ISAAC STERNBUCH
POSTFACH 168
ST. GALLEN, SWITZERLAND

PLEASE PROVIDE COMPLETE LIST OF SOUTH-AMERICAN AND CENTRAL-AMERICAN CONSULATES IN SWITZERLAND WHICH ISSUED PASSPORTS OR CITIZENSHIP-DOCUMENTS FOR THREATENED JEWS TO FORESTALL EVENTUAL DIFFICULTIES.

JACOB ROSENHEIM"

I take the opportunity to send you enclosed a copy of our last statement to the War Refugee Board concerning exchange, which we submitted last week.

I hope that you will have the opportunity of really successful work in favor of European Jewry and remain with kind regards,

Yours faithfully,
s/s/

JACOB ROSENHEIM
President

OFFICE OF THE PERSONAL REPRESENTATIVE
OF THE PRESIDENT OF THE UNITED STATES

New Delhi

March 30, 1944

Subject: Accommodation in India of War Refugees and
Policy of the Government of India toward
further Immigration of such Refugees.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's circular airgram of January 26, 1944, 7 p.m., in regard to the intention of the United States Government to take all measures within its power to rescue Jewish and other persecuted minorities who are in imminent danger of death at the hands of the enemy.

With particular reference to the instructions contained in paragraph 4 of the airgram under reference, an officer of the Mission took up this matter with an officer of the External Affairs Department of the Government of India on February 21, 1944 and, in confirmation of that conversation, sent an aide memoire of the same date, copy of which is attached. On March 22, my note No. 60, copy of which is attached, was sent to the External Affairs Department stressing the desire of the United States Government to receive a reply as soon as possible.

The reply of the Government of India has now been received, a copy of which together with its enclosure is attached. The enclosure gives the numbers of refugees of each nationality which have been given haven in India.

- 2 -

As approximately 500,000 persons of British and British subject nationality were evacuated principally from the British colonies in South East Asia and from China. Apart from these, war refugees accommodated in India consist of 2500 Poles and a scattering of Europeans of various nationalities. Clarifying a statement in paragraph one of its letter that "there is the possibility of a further liability of 8000 additional Poles," the External Affairs Department states that the Government of India has been advised that it may be asked to accommodate such a number but that there is nothing definite about it as yet.

In the second paragraph of its letter the Government of India states that "India's refugee problem is probably greater than that of any other allied or neutral country, and in the light of the present food and accommodation problems and the general economic situation in this country, the Government of India feels that, despite the utmost goodwill, they are not in a position to accept more refugees from elsewhere." As used here, "elsewhere" refers particularly to Europe; the Government of India anticipates that "the advance of Allied armies into Burma may well result in an increased flow of refugees from Burma into India."

Respectfully yours,

/s/ George R. Merrell

George R. Merrell
Secretary in Charge

711.5
JPS/lgk

Enclosures:

1. Copy of Aide Memoire Feb. 21, 1944
2. Copy of Note No. 60 Mar. 22, 1944
3. Copy of letter from External Affairs Department Mar. 28, 1944

Enclosure No. 1 to despatch No. 424
dated March 30, 1944, on the subject
"Accommodation in India of War Refugees
and Policy of the Government of India
toward further immigration of such
refugees," from George R. Merrell,
Secretary in Charge, American Mission,
New Delhi, India.

AIDE-MEMOIRE

There is enclosed a copy of an executive order issued by the President of the United States on January 22, 1944, regarding the establishment of a War Refugee Board to effectuate the United States Government's intention to take all measures within its power to rescue Jewish and other persecuted minorities who are in imminent danger of death at the hands of the enemy.

In this connection, information as to the approximate number of refugees of the several races and nationalities which have been given haven in India would be appreciated. It would also be helpful to know to what extent such refugees have recently immigrated to India or have been accommodated in India while en route elsewhere. An expression of the Government of India's attitude toward immigration into India of such refugees, and an indication to what extent the Government of India would be able to cooperate in an effort to rescue these persecuted minorities would be most welcome.

J. P. S.

New Delhi,

February 22, 1944

Enclosure No. 2 to despatch No. 404 dated March 30, 1944 on the subject "Accommodation in India of War Refugees and Policy of the Government of India toward further immigration of such refugees," from George R. Merrill, Secretary in Charge, American Mission, New Delhi, India.

New Delhi

No. 60

March 22, 1944

The Secretary to the Government of India
in the External Affairs Department,
New Delhi.

Sir:

I have the honor to refer to the Mission's aide-memoire dated February 21, 1944 and initialled "J.P.S." which confirmed a conversation between Mr. Speer of the Mission and Captain Fry of the External Affairs Department regarding the extent to which Jewish and other persecuted minorities have been given haven in India. An expression of the Government of India's attitude toward immigration into India of such refugees and an indication to what extent the Government of India would be able to cooperate in an effort to rescue these persecuted minorities were also requested.

In as much as my government is most anxious to have the benefit of the information above described, I should greatly appreciate an indication as to when the Mission may expect to receive a reply to the questions raised

- 2 -

in the aide-memoire under reference.

I have the honor to be, Sir,

Your obedient servant,

George R. Merrell
Secretary in Charge

Enclosure No. 3 to despatch No. 424 dated March 30, 1944, on the subject "Accommodation in India of War Refugees and Policy of the Government of India toward further immigration of such refugees," from George R. Merrell, Secretary in Charge, American Mission New Delhi, India.

No. 29-W/44

From

The Secretary to the Government of India in the External Affairs Department,

To

The Secretary in charge of the office of the Personal Representative of the President of the United States of America to India, New Delhi.

Dated New Delhi, the 28th March 1944.

Subject: Refugees in India.

Sir,

I am directed to refer to your letter No. 60, dated the 22nd March 1944, and to enclose a statement showing the approximate number of refugees, with their nationalities, who have been given refuge in India since the outbreak of hostilities. In addition there is the possibility of a further liability for 8,000 additional Poles, while the advance of the Allied armies into Burma may well result in a renewed flow of refugees from Burma into India.

2. India's refugee problem is probably greater than that of any other allied or neutral country, and in the light of the present food and accommodation problems and the general economic situation in this country, the Government of India feel that, despite the utmost goodwill, they are not in a position to accept more refugees from elsewhere."

I have the honour to be,
Sir,
Your most obedient servant,

S. Hasan

From Secretary to the Government of India

STATEMENT SHOWING THE APPROXIMATE
NUMBER AND NATIONALITY OF REFUGEES WHO
HAVE BEEN GIVEN REFUGE IN INDIA SINCE
THE OUTBREAK OF THE PRESENT HOSTILITIES

Nationality	Number
British or British protected	506,991
Danish	20
Dutch	45
Polish	3,552
Hungarian	5
Czech	33
Russian	24
American	95
Portuguese	4
French	38
Latvian	1
Spanish	1
Yugoslav	3
Austrian	5
Japanese (British by marriage)	1
Lebanese	1
Swiss	18
Norwegian	5
Greek	8
Swedish	8
German Jew	3

- 2 -

Nationality	Number
German (British by marriage)	2
Finn	3
Philippino	5
Italian (British naturalised)	1
German	<u>2</u>
Total	<u>510,874</u>

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: Amlegation, Lisbon
 DATED: March 30, 1944
 NUMBER 916

SECRET

For Joseph J. Schwartz, 242 Rua Aurea, Lisbon,
 From Leavitt, Joint Distribution Committee.

Can Saly Mayer make discreet inquiry regarding
 request for funds to rescue Jews from Northern Italy
 made by Donati, Volobrand, Lopez as representatives
 Italian colony. Cable reply.

HULL
 (GLW)

TELEGRAM SENT

PLAIN

RE

March 30, 1944

AMLEGATION;

STOCKHOLM.

538 thirtieth

FOR OLSEN FROM SECRETARY MORGENTHAU

Reference is made to State Department cable of today's date which proposes you as Special Representative of the War Refugee Board. This designation has my full approval. It is understood that you will continue your duties as Financial Attache in Stockholm concurrently with the exercise of your duties as Representative of the Board. Please advise whether your designation as Representative of the Board imposes too great a burden upon you in view of your other duties.

HULL
(BLW)

WRB:GLW:KG

A-3/3

FA

NOE

3/23/44

SUMMARY OF TELEGRAM RECEIVED

TO: The American Minister, Bern
 FROM: The Secretary of State, Washington
 DATE: March 30, 1944
 NUMBER: 1946 (SECTION ONE)

CONFIDENTIAL

There follows in substance a message from Riegner for the World Jewish Congress - refers to Legation's cable dated March 25, number 1852.

To answer your message of March 2 concerning rescue action for Bulgarian Jews the following is sent.

Notably in the following small towns the Bulgarian Jews are concentrated according to information obtained mainly by Missim Conforti who is now in Geneva: Lom, Fidin, Rousse, Vratza, Polvdiv, Razgrade, Kustundl, Pleve, Haskovo, Jambli, and Doupnitza. These Jews are living in private buildings and have the right to leave only two hours each day. Almost all of them are very miserable. Jewish public kitchens organized by themselves feed about seventy percent. With trustworthy persons in all localities Conforti is in contact. For local help and especially for evacuation to Turkey, all financial assistance is greatly needed. By methods one and two of license Y-2113 we still have possibilities for transfer. We are also enquiring possibilities Red Cross despatches Bulgaria awaiting results.

Evacuation to Turkey which should be promoted by all means possible is a most urgent matter. It is requested that you intervene urgently and firmly with the Turkish Government for unconditional issuance of entry visas for Bulgarian Jews and halt on Turkish frontiers even all those who illegally present themselves. Absolutely inefficient are the present rules which admit the entry of small groups of fifty only when the preceding fifty have departed from Turkey for Palestine. The keystone of any real evacuation program is the intervention of the War Refugee Board and the United States Government with the authorities of Turkey to change their attitude.

4/4/44

Miss Conforti (for the Sec'y) Abrahamson, Agin, Bernstein,
 Binn, Galt, Friedman, Galt, Galt, Galt, Galt,
 Galt, Galt, Galt, Galt, Galt, Galt, Galt, Galt,
 Galt, Galt, Galt, Galt, Galt, Galt, Galt, Galt,
 Galt, Galt, Galt, Galt, Galt, Galt, Galt, Galt,

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Bern
TO: The Secretary of State, Washington
DATE: March 30, 1944
NUMBER: 1946 (SECTION TWO)

CONFIDENTIAL

Angelo Koujd Mdjiak is in Turkey with the United States Mission at present, according to our information. His support should be sought for your efforts regarding the entry to Turkey of Bulgarian Jews and for the granting of facilities to leave Bulgaria, please intervene with Balabanoff in Ankara. Kindly send by cable your intentions for assistance and the results of your demarches. If the Bulgarian Jews are to be spared the fate of the Hungarian Jews immediate action is necessary.

Concerning the large relief scheme being discussed by the Intergovernmental Committee for refugees in London, please be advised that Intercross in all probability is unable to buy food, supplies, etc., because of political developments in the Balkans. For despatch to Intercross at Geneva which could distribute from here, I suggest you put fifty to a hundred thousand American prepared food parcels at the disposal of the War Refugee Board. In shipment to Europe Intercross can probably be helpful. Also most urgent is this action.

Intercross dispatches including medicaments, food, linen and clothing to Cracow are again officially authorized according to official news from the Jewish Relief Center at Cracow and the German Red Cross dated March 12. This information should be sent to the War Refugee Board. The foregoing is signed by Gerhart Riegner. Number 11500.

END OF MESSAGE

HARRISON

DCR:MPL
4/1/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Bern
 TO: The Secretary of State, Washington
 DATE: March 30, 1944
 NUMBER: 1958

CONFIDENTIAL

in substance

There follows a summary of a message to the Union of Orthodox Rabbis from Sternbuch - refers to Department's message dated March 25, number 1012.

From two hundred and thirty eight Jews interned in the American camp in Vittel an urgent appeal has been received. Distinguished Rabbis who were saved a year ago by receiving various South American passports are included in this group. Paraguay and some states, but not others, recognized these passports. On the grounds that they possess merely accommodation passports and are not eligible for exchange these people on March 20 were isolated for deportation.

That most of the persons in this group were included in the U. S. War Department's exchange list was written by Schabee Frenkel of 113 Wilson Street in Brooklyn to his parents in Vittel. For a protecting power to officially inform the Germans that an exchange is being prepared for these people, is the only chance of saving them. Since all of these persons have veteran certificates and could go to Palestine from Lisbon they will be no burden to the United States in case the exchange is effected.

Consideration should also be given to the rescue of another few thousand (besides the Vittel group) of distinguished persons who are interned at Tittmoning and other camps. We have little news of them and have received no appeal.

A means of preventing deportation would be a few hundred Germans in Texas and their wives in Cuba who are awaiting exchange. The foregoing is number 5655 and it was signed by the following: Sternbuch, Wadha Hatzala, Pines, Ebenfeld and Rosenbaum.

ENDING

100-1000
 3/1/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMLEGATION, TANGIER
DATED: MARCH 30, 1944
NUMBER: 38

CONFIDENTIAL

Please deliver the following message to Renee Reighman, 25 Rue Moliere, Tangier, from Rabbi Abraham Kalmanovitz and Stephen Klein of Vaad Hahatzalah:

"Greenwald received your letter detailing possibilities send food parcels to Jews in ghettos. We guarantee payment up to \$3000. Send immediately parcels to all possible ghettos of Slovakia, Poland, Lithuania elsewhere. Contact Aaron S. Cohen. Availability of further funds dependent on licenses which will be issued providing you can let us have information assuring War Refugee Board packages delivered to bona fide persons. Contact American Legation, Tangier, consult send reply via Legation".

cc: Miss Chauncey (For the Sec'y), Messrs. Abramson, Atzin, Bernstein, Mrs. Cohn, Mr. DuBois, Mr. Friedman, Mr. Gaston, Miss Hodel, Miss Laughlin, Mr. Lesser, Mr. Lufford, Mr. Mann, Mrs. Mannon, Messrs. Marks, McCormack, Murphy, Paul, Pehle, Pollak, Saine, Sargoy, Smith, Standish, Stewart, Weinstein, H.D. White, Files

279

March 30, 1944

4:45 p.m.

CABLE TO AMBASSADOR STEINHARDT, ANKARA

We have been informed that Joseph Schwartz, JDC representative in Lisbon has advised you and Hirschmann that there is good possibility of obtaining a Portuguese ship for evacuation from Constanza. According to Schwartz, Hirschmann has advised him to hold up any negotiations with the Portuguese Shipping Company until the question of the Turkish vessel is settled and evacuation possibilities fully determined. We assume that you will keep in mind Schwartz' suggestion and if occasion arises for use of the Portuguese ship that you will advise Schwartz and ourselves accordingly.

THIS IS WRB ANKARA CABLE NO. 16

JEF:bbk - 3/29/44

PARAPHRASE OF TELEGRAM RECEIVED

TO: The American Ambassador, Ankara
 FROM: The Secretary of State, Washington
 DATE: March 30, 1944
 NUMBER: 573 (SECTION ONE)

SECRET

The following message is from the Ambassador for the Department and the War Refugee Board. It is Ankara's number 15.

On the general subject of refugees the Foreign Minister and I had a talk this morning.

1. Reference was made by me to his offer in the course of our previous talks (please refer to my number 455 dated March 15, 1944) to aid us in obtaining for the SS TARI a German safe conduct. As soon as possible Numan said he would take up the matter with Von Papen and try to persuade him to ask his Government to grant safe conduct to this ship. Numan was advised by me that a proposed charter for the SS TARI which contained provisions that I considered both unfair and unreasonable, had been submitted to us. His reply to this was that I should submit the proposed charter to him and he would strike out any unreasonable or unfair provisions, if we could not reach an agreement with the Turk State Steamship Lines.

STEINHARDT.

OCR:MPL
 4/1/44

cc: Miss Chauncey (For the Sec'y) Abrahamson, Aknin, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Luskard, Mann, Mannon, Marks, McCormack, Murphy, Paul, Pehle, Pollak, Reiss, Sargoy, Seith, Standish, Stewart, Weinstein, H. O. White, Files.

TRANSMISSION OF TELETYPE MESSAGE

TO: The American Ambassador, Ankara
 FROM: The Secretary of State, Washington
 DATE: March 30, 1944
 NUMBER: 573 (SECTION TWO)

SECRET

2. Numan and I then discussed the maltreatment of the Jews in Hungary by the Germans and I asked him whether there was any step he could take to prevent such treatment. He told me he would speak to von Papen in an effort to persuade him to advise his government that the mistakes the Germans have committed in other occupied countries of maltreating the Jews should not repeat.

3. Numan was requested by me to take the necessary steps to obtain the maximum press and radio publicity for President Roosevelt's proclamation of March 23 and to issue instructions that it be periodically brought to the attention of the public and he said he would do this gladly.

4. Numan was then urged by me to authorize the disembarkation of the approximately two hundred and fifty Jewish refugees on board the SS MILKA immediately upon the arrival of the ship. He stated that although the vessel was without papers he had already granted permission for ~~her~~ to enter the port of Istanbul and that he would issue instructions that adequate food supplies are to be put aboard and also medical attention provided if necessary. However he said that he could not see his way clear to allow disembarkation of the refugees since they do not have Turkish visas and that if he should permit the refugees to disembark it would open the flood gates to many similar voyages by unseaworthy ships without papers carrying refugees who had not been cleared by any recognized authorities and who were not in possession of Turkish visas or Palestine entry certificates, and that these vessels would be manned by crews including spies.

STEINHARDT

OCR:WFL
 6/2/44

104 Miss Channon (For the Sec'y), Abrahamson, Akin, Bernstein, Egan, DeLois, Friedman, Goshaw, Hugel, Laughlin, Lessor, Luskoff, Harp, Kasper, Davis, McDermott, Murray, Toul, White, Collek, Brown, Smith, Randall, Stewart, Weinstein, W. G. White, Flier

TRANSMISSION OF TELETYPE MESSAGE

To: The American Ambassador, Ankara
 The Secretary of State, Washington

Date: March 30, 1944

Number: 573 (SECTION THREE)

SECRET

For the purpose of transporting these refugees to Palestine the suggestion was made by Numan that a ship be sent to Istanbul by either Great Britain or the United States. Upon being advised by me that no British or American ship could reach Istanbul Numan said he would be glad to take over any ship at Iskenderun or Mersin and under the Turkish flag bring it to Istanbul. From the Minister's remarks it was clear he is convinced that the present and past illegal traffic in refugees is organized and that he is not willing to have his hand forced by what he regards an organized illegal traffic in refugees. With regard to this he expressed regret that the MILKA incident should come up at the very time he and I were making arrangements for a large scale movement of refugees by means of an increased rail movement and the SS TARI. In addition to the seventy five transit visas being allocated every ten days he said he could not see how the single track railroad with two weekly trains from Istanbul to the Syrian frontier could accommodate more passengers in view of the steadily increasing congestion but that the Minister of Communications and he would discuss the matter. Numan also said that his government is seriously considering the suspension of all passenger traffic because the congestion was so bad at present.

5. Reference was then made by Numan to Kien's reply in the House of Commons to a question as to whether with regard to refugees the Turkish Government was collaborating with Great Britain. I was shown a statement by Numan which he proposed to issue regarding this humanitarian work in which he expresses the intention and the desire of the Government of Turkey to cooperate.

STEINHARDT

CLASS
 7/A

cc: Miss Chaney (For the Sec'y) Landon, Galt, Bernstein, Cole,
 DeLois, Friedman, Galt, Galt, Landon, Lester, Luffert, Mann,
 Menden, Harris, McCormack, Murphy, Paul, Reilly, Tolson, White,
 Gandy, Smith, Stansfield, Tamm, Tolson, E. A. Tamm, Miss

PLAIN

Ankara

Dated March 30, 1944

Rec'd 10:50 a.m., 31st.

Secretary of State,
Washington.

574, Thirtieth.

Remarking that Britain and America are inclined to support Jewish cause in Palestine Ushakligil declares in SON POSTA of twenty-eighth that politics and interests are nevertheless interfering with such tendencies. So far as England is concerned, he continues, American rivalry has already made itself manifest in Mediterranean and Russian rivalry may also make itself felt in same area tomorrow. Friendship with Arab world may therefore serve as effective insurance against such developments. As concerns America she now has petroleum problem in Mediterranean and making enemies of Arab countries would therefore be unwise. Postponement of distant future of discussions in United States of creation of Jewish state in compliance with suggestion of American Chief of Staff has been prompted by foregoing considerations. Consequently Palestinian question can, editorial asserts, be viewed as follows: for England necessity of winning friendship of Arab world in face of possible rivalries, and for America policy of not irritation Mediterranean countries in view of new petroleum policy.

STEINHARDT

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Ankara
TO: The Secretary of State, Washington
DATE: March 30, 1944
NUMBER: 578

CONFIDENTIAL

The following message is from Hirschman for the War Refugee Board and refers to my number 527 dated March 25, 1944. It is Ankara number 16.

It is my understanding that thus far a German safe-conduct for the SS BELLACITTA has not been forthcoming and that the Bucharest representative of the International Red Cross who seems to control the situation regarding this ship will not allow her to sail until such safe-conduct is obtained.

STEINHARDT

DCR:MPL

4/1/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Ankara
TO: The Secretary of State, Washington
DATE: March 30, 1944
NUMBER: 579

CONFIDENTIAL

The following message is Ankara's number 17 and is from the Ambassador for the Department and the War Refugee Board.

Reference my number 573.

This afternoon the Minister for Foreign Affairs telephoned me and said that in the case of the approximately two hundred and fifty Jewish refugees without Turkish visas or Palestine entry certificates who were on board the SS MILLIA, he had decided to make an exception. The Minister said also that he had issued instructions that the refugees are to be allowed to land in Istanbul and that in order to accommodate the refugees he had asked the Minister of Communications to detach four non-passenger cars from the semi-weekly Istanbul-Aleppo train and attach four passenger cars.

STEINHARDT

DCR:MPL
4/3/44

COPY

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Ankara
 TO: The Secretary of State, Washington
 DATE: March 30, 1944
 NUMBER: 581

SECRET

The following message is from the Ambassador and Hirschmann for the War Refugee Board.

Ankara's number 18.

In order to ascertain recent developments in Rumania relating to the Movement of refugees, at our suggestion Simond of the International Red Cross had a further talk with Cretzianu the Rumanian Minister on March 29.

1. In Rumania the Antonescu Government is still in power. There has taken place no noticeable political change. On their way to the eastern front large numbers of German troops are, however, crossing Rumania. The capacity of the single railroad line available for the movement of troops is almost entirely absorbed by this German troop movement.

2. Regarding the Jews in Rumania, as long as the Rumanian Government remains in power, not a single Jew will be molested by this government. Ambassador Steinhardt and Mr. Hirschmann can have my assurance that for the protection of the Jews my Government is now doing and will do everything within its power. During the past two weeks transportation conditions have become very difficult.

3. The Government of Rumania will do everything within its power to have the requisite number of refugees in readiness for embarkation at Constanza as soon as the date of arrival of the SS TARI in Constanza is fixed.

4. As rapidly as transportation facilities permit, the Jews in Transnistria are being moved out of this area to Rumania proper.

Jewish refugees who have arrived in Istanbul from Rumania during the past week and the representative of the International Red Cross in Bucharest have confirmed the statement in number four above which was made by Cretzianu.

STEINHARDT

OSB:WFL
 4/2/44

AIRGRAM

287

FROM Montevideo
Dated March 30, 1944
Rec'd Apr 5 2p

Secretary of State,
Washington.

A-189, March 30, 12 noon.

Reference is made to the Embassy's airgram A-183, March 28, 12 noon, relative to the possibility of the issuance by the Uruguayan Government of a declaration of policy with respect to the rescue and relief of the refugees of Europe.

Mr. David Zagha who travels on a French passport, called at the Embassy this morning in order to confer with the "representative of the War Refugee Board". He presented a letter dated March 4, 1944, and signed by Mr. J. W. Pehle, Acting Executive Secretary, War Refugee Board, Washington, appointing him Special Agent for a period of three months and requesting representatives of the Board to extend him appropriate assistance.

Upon being informed that the Embassy was unaware of the appointment of a representative of the Board in Uruguay, Mr. Zagha stated that he desired information as to the attitude of the Uruguayan Government with respect to the rescue and relief of refugees before proceeding to Europe, and he inquired which Uruguayan official he might consult. Mr. Zagha was informed of Uruguayan policy on immigration as indicated in the Embassy's airgram under reference, and that the Government now has under consideration the issuance of a declaration of policy regarding European refugees. Since this matter is being handled by the Under Secretary an appointment was made and Mr. Zagha called on him this afternoon. Mr. Zagha reports that he had a very satisfactory interview and that he will give the details of his conversation in a letter to Mr. Pehle which the Embassy will transmit in the airmail pouch.

DAWSON

848
EJS:rvn

MEMORANDUM RE: TEMPORARY ADMISSION OF EUROPEAN REFUGEES TO THE VIRGIN ISLANDS

- 1) It is submitted that, following the appeal of the President to neutral countries to facilitate the admission of refugees from Nazi oppression into their territories, the time is opportune for a reconsideration of the contribution which the United States could make to the solution of the problem. The appeal of the President would gain immensely in effectiveness if it were followed by practical action on the part of the United States, and this example would undoubtedly encourage other countries in the Western Hemisphere to relax their immigration restrictions.
- 2) Security considerations have apparently stood in the way of the admission of any considerable number of refugees to the continental United States during the past few years, and only a small fraction of the numbers permitted under the quota system have in fact been admitted. Whatever may be thought about the validity of these security restrictions, it is clear that they cannot apply with equal force, if at all, to the Virgin Islands, where refugees could easily be kept under supervision and where there are no important industrial or military installations. Accordingly, it is urged that the Virgin Islands should be made available for the temporary immigration of refugees who have succeeded or will hereafter succeed in escaping from Axis territory.
- 3) Among those who might well be admitted with a minimum of formality are the applicants for visas to the United States who are waiting for the results of the investigations of the Security Department, which take many months under the existing system. In all cases it is suggested that immigrants to the Virgin Islands should be admitted with a minimum of formality and on the understanding that the permission is temporary, unless in the meantime they are able to obtain permanent immigration visas.
- 4) The whole problem was carefully considered by the Department of the Interior in 1940. On June 5, 1940, President Roosevelt issued an Executive Order (No. 8430) providing that "the Governor of the Virgin Islands is authorized in his discretion to waive the requirements in case of emergency for non immigrant aliens applying for admission at a port of entry of the Virgin Islands". Governor of the Virgin Islands is further authorized by this Executive Order to "waive the passport and visa requirements in cases of emergency for non immigrants". The Legislative Assembly of the Virgin Islands at the same time passed a resolution supporting the purposes of the Executive Order and subsequently Governor Lawrence W. Cramer of the Virgin Islands issued a proclamation embodying both the President's Executive Order and resolution of the Legislative Assembly of the Virgin Islands. The legal conditions for the admission of refugees to the Virgin Islands were thus established.
- 5) Practical difficulties arising principally out of the shipping difficulties of the time seem to have been responsible for the failure to use the legal opportunities thus created. There does not appear to have been any local difficulty, since the islands, both socially and climatically, are suitable for European immigration. There are some fifty islands in the group, comprising together over 85,000 acres. The population is approximately 25,000 of whom 2,000 are white. There are excellent schools in the islands, numerous small towns, and the standard of living is higher than that of the various neighboring islands. The shipping difficulties have now been very largely eased. There would be no insuperable difficulty in providing transportation for refugees who manage to reach Spain and Portugal; nor would there be any considerable difficulty in providing such additional supplies as would be made necessary by an increase in the population. Accordingly, it is urged that the whole question be reconsidered by the United States Government at the present time.

World Jewish Congress
March 30, 1944

SECRET

OPINT No. 103

Information received up to 10 A.M. 30th March, 1944.

1. NAVAL

MEDITERRANEAN. 27th. Our light coastal forces sank a convoy of 6 lighters South of LEGHORN and possibly damaged escorting vessels.

2. MILITARY

RUSSIA. Russians have captured KOLOMYJA (45 miles N.N.W. CERNAUTI) and have reached outskirts of CERNAUTI.

On Lower BUG Russians advance continues after capture of NIKOLAEV.

BURMA. ARAKAN. Our troops have captured the west tunnel and two hill features 7 miles N.W. BUTHIDAUNG.

CHINDWIN. Japanese suffered casualties in attacks on two places 25 miles south and southeast of KOHIMA (55 miles North of IMPHAL.)

HUKAWNG VALLEY. U.S. troops have inflicted heavy casualties on enemy 12 miles Northeast of KAMAING.

3. AIR OPERATIONS

WESTERN FRONT. 29th. Escorted Fortresses dropped 354 tons on BRUNSWICK and 70 tons on other targets in N.W. GERMANY. Results generally unobserved. Enemy casualties by escorting fighters 57, 11, 27 for loss of 9 Fortresses and 10 fighters. Liberators also dropped 103 tons on military targets in N. FRANCE. In enemy convoy off BORKUM Beaufighters torpedoed a 3,500 ton ship possibly torpedoed a 2,500 ton ship and damaged at least three others.

29th/30th. Aircraft despatched:-

VAIRES Railway Centre near PARIS	84
LYONS Aero engine Works	19
Targets in N.W. GERMANY	52

ASSAM and BURMA. 27th. 106 aircraft attacked enemy targets in upper CHINDWIN and CHIN HILLS. During attack by 18 enemy bombers and 20 fighters on LIGBOI (N. ASSAM) Allied Fighters destroyed 2A and damaged 9 others for loss of three fighters.

TREASURY DEPARTMENT

MAR 31 PM 4 12

March 31, 1944
9:15 a.m.

FINANCING

Present: Mr. Bell
Mr. Smith
Mr. Haas
Mr. Gamble
Mr. Lindow
Mr. Tickton
Mr. Murphy
Mrs. Klotz

H.M.JR: Mrs. Roosevelt suggested three women, one of whom should go to England for an educational conference. One of those was Miss Elliott. But Miss Elliott said she wouldn't go unless I release her. I have a call in for nine twenty-five for Miss Elliott. Don't you want her?

MR. GAMBLE: In our program? Very definitely.

H.M.JR: Aren't you counting on it?

MR. GAMBLE: Yes, unless it is very important.

H.M.JR: It is an educational program. The Commission left this morning on a bomber, and she would have to trail along afterwards. We have a big investment in that woman, haven't we?

MR. GAMBLE: Yes. We have just released Mrs. McAdoo to go to England, too, for the OWI.

H.M.JR: Permanently?

MR. GAMBLE: For just a ninety day period. It is something Elmer Davis is interested in.

H.M.JR: The thing is, we want Miss Elliott.

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MR. GAMBLE: Yes, we want Miss Elliott.

H.M.JR: Now, let me just start, gentlemen. I am less confident that I am right than I have been in a long time.

I would like to have these men have a chance at me if there is any doubt in their minds as to this basket, the way we set it up last night.

MR. BELL: I want to give you it as far as we have gone. (Hands the Secretary memorandum entitled "Fifth War Loan," attached.)

That is just the basket as we discussed it yesterday.

H.M.JR: If anybody doesn't like any of this, please talk up, see?

I suppose nobody objects to E, F, and G bonds. Does anybody object to C bonds? "2-1/2% Bonds (February 1, 1944 - March 15, 1965-70. Interest from June 26, 1944.)" What is that?

MR. BELL: The same bonds we had in the Fourth Drive dated February 1. They mature in 1970, and are callable in 1965. The interest in this drive will only run from June 26.

H.M.JR: They mature the same time?

MR. BELL: That is right, the same issue. We will change the first coupon.

H.M.JR: Do you all agree and know this series? No Seven Day Adventists?

(No response.)

H.M.JR: "2% Bonds (June 26, 1944 - June 15, 1962-64)"?

"1-1/4% Note (June 26, 1944 - March 15, 1947)"?

MR. BELL: The maturity date is June 15, '62, '64.

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H.M.JR: Remember, it is sixteen billion dollars, and you are all going to be in this with me, the same boat, no leaks now, all pulling the same stroke.

"Seven-eighths certificate, June 26, June 1?"

(No response)

H.M.JR: Aren't they the dumbest looking people you have ever seen?

MR. HAAS: Normally they are hatchet boys, too.
(Laughter)

MR. BELL: Did you read the note, Mr. Secretary, the one and a quarter percent note, just above the certificate?

H.M.JR: "One and a quarter percent note, June 26, '44, March 15, 1947?"

MR. BELL: Are we all set on the maturity date now? That was the bone of contention in the dealers' minds.

MR. HAAS: You know, we figured it out originally in the first place--there is this other angle.

MR. BELL: Rouse agrees with this date, but Repp and DeVine wanted a little richer security.

MR. GAMBLE: September, '46.

H.M.JR: Is this rich enough?

MR. BELL: We think so.

MR. HAAS: It is on the line.

MR. MURPHY: It is a couple of thirty-second nominal premium, but it is a note, you know. If you try to get more than that on a note, you throw the whole note out of line.

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H.M.JR: I am not arguing, I am just asking.

MR. MURPHY: That was the dating we originally proposed.

H.M.JR: "Goal: \$16,000,000,000. Individuals" \$6,000,000,000."

MR. BELL: Now, in the press statement we are saying nothing about--

H.M.JR: Just a minute, please. Mr. Gamble, how near to six will you be?

MR. GAMBLE: I think we will make the six without any trouble.

H.M.JR: Don't you know?

MR. BELL: You had better say we will make the six.

MR. GAMBLE: I feel better about the six than I felt ~~about~~ about the five and a half in the last drive.

MR. BELL: I was going to say that in the press statement we have prepared we are leaving out any reference to the goal set for E bonds.

H.M.JR: That is all right. I will spill it all at the wrong time! It was all right in Cincinnati, and I asked you. Do you remember I gave the three?

MR. GAMBLE: It was all right.

H.M.JR: Do you remember the palatial suite we occupied?

MR. LINDON: It certainly was.

H.M.JR: Was I sick that day, oh, boy!

"Bank subscriptions: Outside of Drive." "June 1 - July 31," two months?

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MR. GAMBLE: That is right.

H.M.JR: "Bank subscriptions: Outside of Drive. Permitted to subscribe for 2% and 2-1/2% bonds during Drive for savings accounts and certificates of deposit issued to individuals. F and G Savings bonds will also continue to be available. Subscriptions will, however, be limited to 20% of such accounts and certificates, or \$400,000 whichever is lower." Now who has any doubts?

(No response.)

MR. BELL: There are a couple of things that we have left out. One is the hundred dollar denominational on the marketable security. We think that is out for this drive.

H.M.JR: I don't believe in denominations. I would rather make it non-sectarian!

Wait, don't pass over that so lightly. You are not going to have the hundred dollar one? I think you boys are wrong, you know. Why don't you want the hundred dollars?

MR. GAMBLE: Well, do you want to give me the half hour to tell you the reasons? It honestly takes that long, Mr. Secretary.

H.M.JR: The only reason I would want it is--to be perfectly honest, I don't like it; I am the original "agin it." The only reason I am at all weakening is my lack of certainty that you can put this thing over without it.

MR. GAMBLE: I don't think even the strongest advocate of the hundred dollar bond would tell you there was fifty to a hundred million dollars outside-figure sales on it.

H.M.JR: You don't need it now?

MR. GAMBLE: No, sir. As a matter of fact, my greatest fear of the hundred dollar bond at this stage of

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the game is we will have competition to our own merchandise. We will have people in plants comparing one security to another, giving rise to suggestions that maybe some of them aren't as good as others. I think it would be a terrible thing to have that condition creep into our program.

MR. BELL: I have been in favor of the hundred dollar bond from the beginning. That is, I was in favor of it when we started the first loan and the second, but I think the time has passed. If you put it in now, it is a sign of weakness, and I wouldn't do it.

I have had under consideration the question of putting in a new denomination in series E, a two hundred and fifty dollar denomination, but the Federal Reserve Banks told me that they think it will confuse people, and all of the forms and the reports and everything are printed up without the two fifty, and they would have to have a terrible printing job. I am inclined to drop that, too, unless Ted feels strongly about it.

MR. GAMBLE: I would rather leave it.

MR. BELL: The forms are all printed, and everything.

MR. GAMBLE: They are going to be pretty busy during the next forty days doing these other jobs.

MR. BELL: One other thing that was recommended, Mr. Secretary, was this deferred payment and partial payment scheme. We have said nothing about either one of them in the press release, but I think we can let those go over, and if we decide later on to do it, we can. I think some of us have some doubt as to whether we ought to go in that direction. I think we are all set.

H.M.JR: Which is the one we are going to re-open, '67-'72?

MR. BELL: No, '65-'70.

MR. GAMBLE: February 1, 1944.

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MR. BELL: You are really giving four weeks here. The salesmen all recommended three.

MR. GAMBLE: But they have this holiday problem, and if you try to cut it before the holiday--you have three days out of it, anyway, Mr. Bell. It will end on July 8. That is the first full week in July. July the 8th is a Saturday.

(The Secretary held a telephone conversation with Miss Elliott, as follows:)

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March 31, 1944
9:28 a.m.

HMJr: Hello.

Operator: I have Miss Harriet Elliott.

HMJr: Go ahead.

Operator: Go ahead.

HMJr: Hello.

Harriet Elliott: Hello.

HMJr: Hello, Miss Elliott.

E: Hello, Mr. Secretary, how are you?

HMJr: I'm all right. Miss Elliott -- and you -- how are you?

E: Well, I'm all right. I'm sort of dazed.

HMJr: Well, that's a good time to talk to you then.

E: (Laughs)

HMJr: I mean -- Mrs. Roosevelt called us late last night....

E: Yes.

HMJr:and said that -- she was quite upset to think that she might have suggested you and that it might put us out.

E: Yes.

HMJr: Now, do I understand I have any choice in the matter?

E: Well, I told them yesterday at the State Department when they called me that I couldn't say anything until I had talked with you and with Mr. Jackson and Mr. Graham.

HMJr: Yes.

E: And that I would try to let them know by noon today.

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QWJ: Yes.

E: And I asked them -- asked the State Department to call you.

QWJr: Yes. Well, I can tell you how Ted Gamble and I feel.

E: Yes?

QWJr: We're very reluctant to let you go.

E: Well, whatever you say. Well, it will -- I certainly will abide by it.

QWJr: Well, I don't want to be unfair, but we're -- we're right on top of this thing and -- uh -- I mean, we really need you very badly and this other group, I understand, left this morning.

E: Yes.

QWJr: So it might be several weeks until they could get you on a plane and -- well, I just feel this is so -- we're so closely associated with the war through the financing.

E: Uh huh.

QWJr: And the other thing -- I may be wholly unfair -- well, it's education will be there when the war is over, I hope.

E: Yes. Well, now, you -- this settles it completely because -- so far as I'm concerned.

QWJr: Yeah.

E: Because as I told them, that I had a definite obligation here to you.

QWJr: Yes.

E: I told Mr. Dickey that when he called me yesterday.

QWJr: Yeah.

E: And that under no circumstances would I do anything until I had talked with you and I asked them to call you.

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Well, they haven't yet.

Oh huh.

Now -- well, I'd appreciate it enormously if you would stay by us.

E: I'll certainly do it.

HMJr: Well, thank you so much.

E: How are you?

HMJr: I'm all right. We're just finishing up the last touches on the basket.

E: Yes.

HMJr: And we plan to start the drive on June 12th.

E: Yes.

HMJr: And run it through to the 26th on individuals and then after that get the corporations.

E: Oh, yes. Well, I'll call the State Department right away and tell them that I can not go.

HMJr: Well, I appreciate that very much.

E: Because certainly I wouldn't think of doing anything that would upset your plans.

HMJr: Well, it definitely would to have you go.

E: Well, I -- you -- I really appreciate the fact that you think I'm that much needed.

HMJr: Well, we do. We're counting on you very heavily.

E: All right. Thank you very much.

HMJr: Good bye.

E: Remember me to Mrs. Morgenthau.

HMJr: I'll do that.

E: Thank you.

HMJr: Bye.

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H.M.JR: Are we all set? Do you have the press release?

MR. GAMBLE: I have a copy here.

MR. SMITH: I haven't the front end. I want to put a couple of paragraphs in of pearls of wisdom. I only got it last night.

H.M.JR: I will have to leave it to you fellows.

MR. SMITH: This is basically the press release.

H.M.JR: I can see you again around eleven.

MR. SMITH: You could read this, and I could just deliver you the pearls, and it will only take a paragraph.

H.M.JR: Do you mind making it diamonds? You know the connotation.

MR. SMITH: You mean about swine?

(Mr. Bell distributes copies of release for publication April 3, 1944, copy attached.)

H.M.JR: You know, Admiral Leahy said to me, "I suppose if the war is over in Europe, there will be a sharp reduction in expenditures."

I said, "No, Admiral, it may even go up, because we would have four billion dollars to pay for cancellation of contracts. The result might be a rise in expenditures." I said, "There is no decline in expenditures now in prospect."

Couldn't you even put that it might increase?

MR. BELL: We are a little afraid to do that.

H.M.JR: What day is June 26?

MR. BELL: Tuesday.

MR. GAMBLE: Monday. The start of this corporate security drive is Monday, two weeks from the opening day of the drive.

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H.M.JR: June 28 is a Monday. Then you run two more weeks.

MR. GAMELE: To July 8, which is a Saturday.

H.M.JR: It is all right as far as I am concerned.

MR. GAMELE: I was afraid if we made it a week earlier, like the first of July, we would miss July's business. It is too close.

MR. BELL: This is about the same as was in the last drive release. The banking thing on the end is not--

H.M.JR: I think that is all right.

MR. BELL: Did Mr. Smith write something to precede it?

H.M.JR: He said he would have something not later than eleven.

MR. SMITH: I have something now, but it isn't any good.

MR. BELL: You know what Fred calls this? He calls it the garbage.

MR. HAAS: The pearls he is going to put into it.

H.M.JR: I call this the oatmeal. He will supply the sugar.

MR. BELL: I like it the way it is.

H.M.JR: Are you people all satisfied? How about these things you wrote me, George?

MR. HAAS: We have had some changes since then; I think the only difference here is this note. Isn't that right?

MR. LINDOR: Yes.

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MR. BELL: Maybe we didn't suggest originally the re-opening of the two and a half.

MR. HAAS: Yes.

H.M.JR: All right boys, I have something to do.

Securities to be offered:

E, F & G Savings Bonds

C Savings Notes

2-1/2% Bonds (February 1, 1944-March 15, 1965-70. Interest from June 26, 1944)

2% Bonds (June 26, 1944 - June 15, 1952-54)

1-1/4% Note (June 26, 1944 - March 15, 1947)

7/8% Certificate (June 26, 1944 - June 1, 1945)

Goal: \$16,000,000,000. Individuals \$6,000,000,000

Date: June 12 - July 8 (Accounting period: June 1 - July 31)

Bank subscriptions: Outside of Drive. Permitted to subscribe for 2% and 2-1/2% bonds during Drive for savings accounts and certificates of deposit issued to individuals. F and G Savings bonds will also continue to be available. Subscriptions will, however, be limited to 20% of such accounts and certificates, or \$400,000 whichever is lower, less any securities acquired under somewhat similar arrangement announced last December.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, April 3, 1944.

Press Service
No.

Secretary Morgenthau announced today that the Fifth War Loan Drive would start June 12, and would run until July 8, 1944.

The goal has been set at \$16,000,000,000.

The Secretary pointed out that the direct cost of the war alone since January 1, 1944 has exceeded ²³\$22,000,000,000 and with the critical phases of the war still ahead of us, no decline in expenditures is now in prospect.

The entire amount is to be raised from investors other than commercial banks and \$6,000,000,000 of the total is to be raised directly from individuals.

The major emphasis throughout the entire period of the Drive - June 12 to July 8 - will be placed on the quota of \$6,000,000,000 for individuals. During the period from June 12 to June 26 only sales to individuals will be reported by the Treasury, although subscriptions will be received from all non-banking investors during the entire period of the Drive. The campaign to sell to individuals will be supplemented starting June 26 with an intensive campaign to sell all other non-banking investors - the quota for which is \$10,000,000,000.

All subscriptions for Savings Bonds and Savings Notes received at the Federal Reserve Banks or at the Treasury of the United States between June 1 and July 31, 1944, will be credited to the Drive.

The goal and the type of securities to be offered were determined by the Treasury after consultation with a group of chairmen of the State War Finance Committees, officials of the Federal Reserve System, a Committee of the American Bankers Association and other investment authorities.

The securities to be sold under the direction of the War Finance Committees will consist of:

- Series E, F and G Savings Bonds
- Series C Savings Notes
- 2-1/2% Bonds of 1965-70
- 2% Bonds of 1952-54
- 1-1/4% Notes of 1947
- 7/8% Certificates of Indebtedness

The 2-1/2% Bonds to be offered in the Drive will be on additional issues of the 2-1/2% Bonds of 1965-70 dated February 1, 1944, due March 15, 1970, callable March 15, 1965. Although the bonds of this issue are dated February 1, 1944, the interest on the bonds to be sold during the Drive will accrue from June 26. A special coupon will be attached to such bonds covering interest

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that will accrue to September 15, 1944, the due date of the first coupon.

The bonds will be issued in coupon or registered form at the option of the buyers, in denominations from \$500 to \$1,000,000. Commercial banks, which are defined for this purpose as banks accepting demand deposits, will not be permitted to own these bonds until February 1, 1954, except for the limited investment of time deposits.

The 2% Bonds will be dated June 26, 1944, due June 15, 1954, callable June 15, 1952, and will be issued in coupon or registered form at the option of the buyers, in denominations of \$500 to \$1,000,000.

The 1-1/4% Treasury Notes will be dated June 26, 1944, due March 15, 1947 and will be issued in coupon form only in denominations of \$1,000 to \$1,000,000.

The 7/8% Certificates of Indebtedness will be dated June 26, 1944, due June 1, 1945, and will be issued in denominations of \$1,000 to \$1,000,000 and in coupon form only.

The Treasury will request that, until after the closing of the subscription books there be no trading in the marketable securities and no purchases of such securities other than on direct subscription.

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To avoid unnecessary transfers of funds from one locality to another, the Treasury again urges that all subscriptions by corporations and firms be entered and paid for through the banking institutions where funds are located. This request is made to prevent disturbances to the money market and the banking situation. The Treasury will undertake, as in the Fourth War Loan Drive, to see that statistical credit is given to any locality for such subscriptions that the corporations and firms may request; except subscriptions from insurance companies will be credited to the State of the Home office as in the past.

In order to help in achieving its objective of selling as many securities as possible outside of the banking system, the Treasury requests the cooperation of all banking institutions in declining to make speculative loans for the purchase of Government securities. The Treasury is in favor of the banks making loans to facilitate permanent investment in Government securities provided such loans are made in accord with the joint statement issued by the National and State Bank Supervisory Authorities on November 23, 1942.

Concurrently with the Drive, but not as a part of it, commercial banks

will be permitted to subscribe to the 2% and 2-1/2% bonds offered, as well as to Series F and Series G Bonds, in limited amounts for the investment of their time deposits. The total limit on such purchases, together with those made for the same purpose in accordance with the formula announced by the Treasury last December, will be 20% of the savings deposits and time certificates of deposit issued in the names of individuals or \$400,000, whichever is less, for any one bank. The limitation of \$100,000 on the amount of Series F or Series G Bonds, or a combination of the two held by any one institution, will remain unchanged. Purchases of securities made by commercial banks for the limited investment of time deposits will not be credited toward the goal of the Drive.

Harry White.

March 31, 1944
9:46 a.m.

309 ✓

W: Hello.

H: Good morning, sir.

HMJr: How are you, Mr. Brown?

B: Fine, thank you, Mr. Secretary.

HMJr: Look, I have been -- I tried to get Mr. Hull yesterday. I had no luck. I tried again this morning and this is what I'd like.

B: Yes.

HMJr: We'd like to go ahead now and -- provided the President gives us approval -- call this conference on monetary stabilization. You see?

B: Yes.

HMJr: And I don't know how familiar Mr. Hull is with it but I would appreciate it if he would send for Harry White in my office.

B: Uh huh.

HMJr: - And give Mr. White an opportunity in the next day or two to explain it directly to Mr. Hull.

B: Yes, I see.

HMJr: See?

B: Yes.

HMJr: Now, will you try -- will you give Mr. Hull that message?

B: I'll be very glad to do that, Mr. Secretary.

HMJr: And if he could give Mr. White a half an hour, not too far off, to explain it to him in person.

B: Yes. All right, sir, I'll pass that message along to him.

HMJr: Thank you very much.

B: It's a great pleasure.

EMJr:

Thank you.

B:

Not at all, sir. Not at all.

March 31, 1944
10:25 a.m.

PERSONNEL RECOMMENDATIONS
SURPLUS PROPERTY ADMINISTRATION

Present: H. M. McBain
Mr. Sullivan
Mr. Gaston

H.M.JR: Mr. McBain has some suggestions.

MR. McBAIN: I have given a lot of thought to this matter, and I have quite a wide acquaintance in the merchandising business.

My first suggestion for this job is Ted. V. Houser, Vice President and General Merchandise Manager of Sears Roebuck. He has charge of all the merchandise procurement for Sears Roebuck, which is much more extensive than ours. Our sales last year were slightly over nine hundred million. He is about forty-three or forty-four years of age, has been in this specific job for three or four years; and Art Barrows, the President, and General Wood, the Chairman, have been loud in their praises of the man.

I know him personally. He is just a strong, aggressive, experienced merchandiser, who spends his entire life on problems such as these, on a much bigger scale than we have ever dreamed of.

There is another man at Sears Roebuck, who is equally good - Penn Brooks. Penn Brooks is Vice President of Sears, in charge of all manufacturing. They own a great many factories, and he runs all of them, working hand-in-hand with Houser.

I think Houser's experience is a little more to the point here, but they are top-notch merchandise men, both of them.

I haven't mentioned Art Barrows, the President of Sears, because he is in somewhat the position I am. He is a merchandise man formerly in charge of all their Pacific West operations, elevated to his present post a year ago.

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I have been in this position just one year. We are still in that position of "newness." We haven't jelled to the position yet.

I think it would be impossible to get Barrows. His title might be better, but Brooks or Houser would do equally as well; perhaps better. They are a little closer to it and outstanding men.

Another man who should be considered is Edwin Marks, Vice President of Macy's. He is their General Merchandise Manager, and has held that job successively for about seventeen or eighteen years. I don't know his age, but I would guess it at fifty-five. I won't say too much in his favor, because I am a little fearful that his health wouldn't let him take it. He hasn't been too well in the last few years.

There is another man who would do a perfectly outstanding job. It might be that you would not consider him because his corporation isn't known as well, but I think he would take it. I am pretty sure he would. The man's name is Ernest L. Olrich. He is President of the Munsingwear Company of Minneapolis, which is the second largest underwear manufacturers in the country, I believe. The reason I know him so well is that he was formerly Comptroller of Marshall Field and Company. He worked with us for five years. He is the most aggressive executive we ever had in our business.

MR. GASTON: How old is Olrich?

MR. McBAIN: Olrich is forty-eight or forty-nine. He is just a human dynamo; never quits. He can work eighteen hours a day, is a good administrator, a good organizer. Before coming with us, he was Treasurer of the Fred Harvey Restaurant system, and he had quite a wide experience in that.

H.W.JR: Did he marry one of the Fred Harvey girls?

MR. McBAIN: No, he didn't. He was one of the few in there who didn't, I guess!

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I can't say too much about Olrich. I know him personally better than all the rest of these men.

H.M.JR: Do you think he might be available?

MR. McBAIN: I think he would, because he left us due to a difference with our former Chairman of the Board, Mr. McKinsey, who died, and whose death brought about our re-organization. Olrich took this Munsingwear Company more or less as a challenge. It was in the red. He has had it now five years as President, and he has got it on a very profitable basis. I think he is a little bit chafing at the bit and wants bigger things to do. He has made a success of it.

H.M.JR: Has he the general merchandising experience?

MR. McBAIN: Yes, with Marshall Field and Company. He also had - I am sorry the name has slipped my mind - a large merchandising job in Kansas City before he went with Fred Harvey. In that merchandising company he handled merchandise only. We tried to get him back two years after he went with Munsingwear. I went after him and wanted to make him Vice President in charge of all our mills. At that time he felt he didn't have the Munsingwear Company in the kind of shape he should leave it in, and he wouldn't come. That is no longer true.

He is just outstanding. He is aggressive, and he will cut red-tape anywhere he finds it, which I think would be helpful here.

H.M.JR: I had a terrible time with General Wood, you see, to get Donald Nelson. I brought Don Nelson to Washington.

MR. McBAIN: Yes, I know.

H.M.JR: I went all through this business with General Wood. I hate to do it again. I had a terrible time.

MR. McBAIN: I understand.

H.M.JR: And so did Nelson have a terrible time.

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MR. McBAIN: I may be wrong, but he could do one of the greatest things for the United States that has been done. When we look back for the two years what that War Production Board did, I am eternally grateful as a citizen.

H.M.JR: I agree with you. But I brought him down to do procurement for me.

MR. GASTON: Wartime procurement.

H.M.JR: I mean, I had Nelson and I have had Mr. Swope. Wouldn't you (Sullivan) hate to go up against General Wood?

MR. SULLIVAN: Well, aside from that, Olrich sounds like a better man, more the type of man we need for this job.

MR. McBAIN: You would get an honesty and an aggressiveness with Olrich that would be very hard to find. He is the most aggressive executive we have ever had. He is completely honest and dependable.

H.M.JR: Whom else do you have?

MR. McBAIN: Well, I think Earl Puckett, head of the Allied Stores, should be considered. The Allied is a group of department stores doing about one hundred and seventy-five million dollars worth of business. It is not one ownership - that is, Allied doesn't own all of all the stores, but it is an amalgamation of stores where Allied owns a substantial ownership.

MR. GASTON: Supervising the buying, and so forth?

MR. McBAIN: Yes, they have central buying offices in New York and other places. Puckett took the Allied Stores - ten years ago they were in very bad shape. Today they are one of the most successful group of stores in America. Puckett is a man about fifty-two or fifty-three. He has done a great job with the Allied. I don't know enough about him personally to know whether he would be available or not; whether he would consider it. He should be considered, and you can get a lot more information about

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him than I am able to give you. He is one of the great merchants of America.

Another group that should be considered. It just happens I had luncheon yesterday with Oscar Webber, General Manager of Hudsons. The Hudson store in Detroit is almost identical to ours in Chicago. They should be able to supply one of those Webber brothers.

MR. SULLIVAN: I know the Webbers.

MR. McBAIN: You know the four brothers? The four of them own the business. It is a privately-owned corporation. Two of them work six months a year each. Actually, they are staffed about four-to-one of top men in their store compared with our store in Chicago. I think one reason is that it is a family proposition, but nevertheless those men have built that business from scratch. They did eighty-four and a half million in the last year.

The four Webbers have run it since Mr. Hudson died. I think he died in 1907 or 1908, so it is really the Webber store. These four men range in age from about fifty-five to sixty-five. Two of them, Tom and Gerry, are brothers. They are the two merchandise men. They are the ones who only work six months each year. If they are in that kind of position, I should think they would be ideal to come down here and do something for the country.

H.M. JR: Do you think they would be so inclined?

MR. McBAIN: I don't know them that well, but I just mention the four Webbers as real possibilities. Dick is the President, Oscar the General Manager, and Tom and Gerry are the merchandise men.

MR. GASTON: Dick and Oscar are cousins of Tom and Gerry?

MR. McBAIN: No, they are all brothers. But the Hudson name is tops, and the men are tops. Oscar is the General Manager and the most aggressive of the four, I believe. He is the youngest.

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There is one other idea which I'd like to have you consider. You know the American Retail Federation, I take it.

The American Retail Federation was formed about four or five years ago in the interests of all kinds of retailers. It includes food, hardware, and things besides merchandising groups. Their headquarters are in Washington. The Managing Director is a man named Dr. Craig.

MR. SULLIVAN: We have had several conferences.

MR. McBAIN: The National Drygoods Association is a member of that Federation. My suggestion is that I think it would be well worth your while to talk to Dr. Craig on this problem. He knows retailers and who they are and the better ones better than any man in America, I think.

The retail fraternity are vitally interested in this thing, because, heavens!, if this isn't done properly it will be horrible for retailers of all kinds. I can think of no one who would put his heart and soul into this - not ~~only~~ to give you ideas, but to push and help you get the man - than Dr. Craig right here in Washington. He knows them ten times better than I do. I certainly think he is worth talking to.

H.M.JR: Have you talked to Dr. Craig?

MR. SULLIVAN: No, but Frey has, several times. They have had several conferences. I was to have talked with him this week.

MR. McBAIN: I am suggesting him as a "suggestion" man, really.

MR. SULLIVAN: Yes, we thought he should be a reservoir of information on both types.

MR. McBAIN: I have two or three others here that I didn't put down too seriously, but they perhaps should be considered.

Ned Lipman, General Manager of the Emporium in San Francisco, the largest store out there, is a very fine

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merchant. He has a great acquaintance all over the country. He is a man about fifty years of age, an excellent merchandiser.

One other, Walter Hoving, President of Lord and Taylor. You may know him.

H.M.JR: I know him by name.

MR. McBAIN: I think he is one of the most aggressive of the New York merchants.

H.M.JR: He has helped us on war bonds. I think he headed up the New York stores, or something.

MR. McBAIN: Yes, he is the National President of the USO, I think. He is a very independent retailer. He does things differently from everyone else. He would be aggressive. His name is better known than some of the others, nationally.

H.M.JR: What did he do before?

MR. McBAIN: He came from Montgomery Ward in Chicago. He was the Sales Promotion Manager of Montgomery Ward before he came to Lord and Taylor.

H.M.JR: Isn't Lord and Taylor part of a chain?

MR. McBAIN: That is part of the Allied chain of which Earl Puckett, whom I recommended even higher than Hoving, is head; so really Puckett is Hoving's boss. Allied owns about ninety percent of the Lord and Taylor stock.

Now, Puckett isn't as well known as Hoving, generally, but I think actually he is more aggressive. I think Hoving is more of a store manager.

H.M.JR: But of all of these people you put whom as number one?

MR. McBAIN: For the man, himself, and aggressive getting-the-job-done, I'll put Olrich Number One.

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I would put Ted Houser, of Sears, number two. He would be a little better than Olrich. He has a little wider knowledge of all sources of merchandise than Olrich. I don't think he is quite such an aggressive fellow as Olrich.

MR. GASTON: A detailed knowledge of merchandise?

MR. McBAIN: Olrich has another advantage in that he is a great traveller. He doesn't believe in sitting in his office at Munsingwear. He has made at least two trips a year all over the United States, calling on all the stores. He has a tremendous acquaintance of all the store people. He knows the people better than Houser, and Houser perhaps knows the merchandising sources better.

MR. GASTON: A super sales manager.

MR. McBAIN: Half of the time he has been Sales Manager and the other half, President.

H.M.JR: Could I suggest something? I don't know if you have any other business in Washington today, but maybe you might want to sit down with Mr. Sullivan and Mr. Frey; you might sketch out to him what you think you are doing and get his reactions.

MR. SULLIVAN: That is just what I want to do.

H.M.JR: I think we might as well get as much as we can out of you!

MR. McBAIN: I don't see why you shouldn't.

March 21, 1944
12:50 a.m.

W: Hello.

EMJr: I have Mr. Milhouser who is one of the directors and is Acting President.

W: Right.

DeWitt
Milhouser: Hello.

EMJr: Hello, Mr. Milhouser.

W: Hello, Mr. Secretary.

EMJr: How are you?

W: How are you?

EMJr: Fine. Mr. Milhouser, what I'm calling you up about is this: I wondered if there was any chance to borrow Mr. Folsom, whom I know you have just taken, to help us get started with this surplus property -- surplus sales of consumer goods that we have taken on in Procurement from the War and Navy Departments.

W: How -- how long a job will it be?

EMJr: Oh, well, we'll take him for as long as you will let us have him. I realize that you have just taken him and -- but if he could just help get us guided and get us started.

W: Ah....

EMJr: You see....

W: I -- I -- frankly, I don't know how to answer you. After all, we've got a tremendous job here. We've lost our man who has been operating all of our divisions of -- manufacturing divisions.

EMJr: Yes.

W: And Folsom is just about getting his feet on the ground and -- well, you know what we're doing for the Government.

EMJr: Yes.

And I'll be glad to discuss it with -- David Sarnoff is overseas, as you know. General Harvard will be back here on Monday.

HMJr: Yes.

M: I -- I'm -- I almost have to tell you now that it probably is out of the question.

HMJr: I see.

M: I mean if it's a command, that's one....

(Interruption on wire)

HMJr: Hello?

M: Hello.

HMJr: I didn't hear. We were cut -- I didn't hear what you said.

M: I say, I think it will be almost impossible for us....

HMJr: Yes.

M:to let him go at this time.

HMJr: Yes.

M: We've got -- really have got nobody down there. We're short of manpower like everybody else is, but I'll be glad to discuss it with General Harvard on his return on Monday.

M: Well, if I couldn't get him on any other basis, if I could have him as a consultant even for a couple of days a week for a month, you see?

M: Yeah. In addition to that I thought -- he spent the whole day with me yesterday -- he isn't well and he's planning to have some sort of a gall bladder operation as soon as he can get away.

HMJr: I see.

M: But I'll talk it over and -- can I call you Monday?

HMJr: I'm not sure that I'll be here Monday but if I'm not, they'll let you know where I am.

Very well.

HMJr: See?

: Yeah.

HMJr: They'll let you know.

M: Well....

HMJr: You put in a particular party call, you know.

M: Yes.

HMJr: And I may be in the country.

M: Uh huh.

HMJr: But if I am they'll let you know.

M: Well, I -- I appreciate that you can use him down there for whatever time we can spare him and I think -- I don't want to give you an answer one way or the other now, but if -- I don't want to give you any encouragement that we can let him go.

HMJr: Right. Well....

M: We'll talk it over and let you know.

HMJr: I thank you.

M: Thank you.

March 31, 1944
11:00 a.m.

ARGENTINA .

Present: Mr. Luxford
Mrs. Klotz

H.M.JR: I just want to tell you that in my talk with Admiral Leahy I asked him to find out, you see, what the chances are of there being sufficient boats to go down to the Argentine and bring up what grain they wanted.

So he said he made inquiries from the War Shipping Board. They reported back that there are enough boats.

~~MR.~~ MR. LUXFORD: I see.

H.M.JR: He said he would be very much pleased to be relieved of that and there are enough boats. He said that the War Food Administration had been asking War Shipping, and saying that they may want to bring up a lot more food to relieve the situation in this country.

But the question we were trying to run down is, was there enough shipping in the next three months to take care of what is in the Argentine.

Henry Wallace brought that up. He was under the impression there was not. The answer is there is.

MR. LUXFORD: That was a long shot.

H.M.JR: But he doesn't like me to quote him.

MR. LUXFORD: I thought there must be enough shipping.

H.M.JR: I don't want you to say Admiral Leahy told me this and that. He is very touchy on that.

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Given to the Secretary by Mr. Bell
on 3/31/44.

FIFTH WAR LOAN

Securities to be offered:

E, F & G Savings Bonds

C Savings Notes

2-1/2% Bonds (February 1, 1944-March 15, 1965-70. Interest from June 26, 1944)

2% Bonds (June 26, 1944 - June 15, 1952-54)

1-1/4% Note (June 26, 1944 - March 15, 1947)

7/8% Certificate (June 26, 1944 - June 1, 1945)

Goal: \$16,000,000,000. Individuals \$6,000,000,000

Date: June 12 - July 8 (Accounting period: June 1 - July 31)

Bank subscriptions: Outside of Drive. Permitted to subscribe for 2% and 2-1/2% bonds during Drive for savings accounts and certificates of deposit issued to individuals. F and G Savings bonds will also continue to be available. Subscriptions will, however, be limited to 20% of such accounts and certificates, or \$400,000 whichever is lower, less any securities acquired under somewhat similar arrangement announced last December.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Monday, April 3, 1944.

Press Service
No.

Secretary Morgenthau announced today that the Fifth War Loan Drive would start June 12, and would run until July 8, 1944.

The goal has been set at \$16,000,000,000.

The Secretary pointed out that the direct cost of the war alone since January 1, 1944 has exceeded ²³ ~~\$2~~,000,000,000 and with the critical phases of the war still ahead of us, no decline in expenditures is now in prospect.

The entire amount is to be raised from investors other than commercial banks and \$6,000,000,000 of the total is to be raised directly from individuals.

The major emphasis throughout the entire period of the Drive - June 12 to July 8 - will be placed on the quota of \$6,000,000,000 for individuals. During the period from June 12 to June 26 only sales to individuals will be reported by the Treasury, although subscriptions will be received from all non-banking investors during the entire period of the Drive. The campaign to sell to individuals will be supplemented starting June 26 with an intensive campaign to sell all other non-banking investors - the quota for which is \$10,000,000,000.

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All subscriptions for Savings Bonds and Savings Notes received at the Federal Reserve Banks or at the Treasury of the United States between June 1 and July 31, 1944, will be credited to the Drive.

The goal and the type of securities to be offered were determined by the Treasury after consultation with a group of chairmen of the State War Finance Committees, officials of the Federal Reserve System, a Committee of the American Bankers Association and other investment authorities.

The securities to be sold under the direction of the War Finance Committees will consist of:

Series E, F and G Savings Bonds

Series C Savings Notes

2-1/2% Bonds of 1965-70

2% Bonds of 1952-54

1-1/4% Notes of 1947

7/8% Certificate of Indebtedness

The 2-1/2% Bonds to be offered in the Drive will be an additional issue of the 2-1/2% Bonds of 1965-70 dated February 1, 1944, due March 15, 1970, callable March 15, 1965. Although the bonds of this issue are dated February 1, 1944, the interest on the bonds to be sold during the Drive will accrue from June 26. A special coupon will be attached to such bonds covering interest

that will accrue to September 15, 1944, the due date of the first coupon.

The bonds will be issued in coupon or registered form at the option of the buyers, in denominations from \$500 to \$1,000,000. Commercial banks, which are defined for this purpose as banks accepting demand deposits, will not be permitted to own these bonds until February 1, 1954, except for the limited investment of time deposits.

The 2% Bonds will be dated June 26, 1944, due June 15, 1954, callable June 15, 1952, and will be issued in coupon or registered form at the option of the buyers, in denominations of \$500 to \$1,000,000.

The 1-1/4% Treasury Notes will be dated June 26, 1944, due March 15, 1947 and will be issued in coupon form only in denominations of \$1,000 to \$1,000,000.

The 7/8% Certificates of Indebtedness will be dated June 26, 1944, due June 1, 1945, and will be issued in denominations of \$1,000 to \$1,000,000 and in coupon form only.

The Treasury will request that, until after the closing of the subscription books there be no trading in the marketable securities and no purchases of such securities other than on direct subscription.

To avoid unnecessary transfers of funds from one locality to another, the Treasury again urges that all subscriptions by corporations and firms be entered and paid for through the banking institutions where funds are located. This request is made to prevent disturbance to the money market and the banking situation. The Treasury will undertake, as in the Fourth War Loan Drive, to see that statistical credit is given to any locality for such subscriptions that the corporations and firms may request; except subscriptions from insurance companies will be credited to the State of the Home office as in the past.

In order to help in achieving its objective of selling as many securities as possible outside of the banking system, the Treasury requests the cooperation of all banking institutions in declining to make speculative loans for the purchase of Government securities. The Treasury is in favor of the banks making loans to facilitate permanent investment in Government securities provided such loans are made in accord with the joint statement issued by the National and State Bank Supervisory Authorities on November 23, 1942.

Concurrently with the Drive, but not as a part of it, commercial banks

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will be permitted to subscribe to the 2% and 2-1/2% bonds offered, as well as to Series F and Series G Bonds, in limited amounts for the investment of their time deposits. The total limit on such purchases, together with those made for the same purpose in accordance with the formula announced by the Treasury last December, will be 20% of the savings deposits and time certificates of deposit issued in the names of individuals or \$400,000, whichever is less, for any one bank. The limitation of \$100,000 on the amount of Series F or Series G Bonds, or a combination of the two held by any one institution, will remain unchanged. Purchases of securities made by commercial banks for the limited investment of time deposits will not be credited toward the goal of the Drive.

~~AAA~~

MEMORANDUM FOR THE SECRETARY.

March 31, 1944.

Mail Report

With no new battles and not much sniping on the tax front, the mail for the week was light and less disturbed than for some time. Only half a dozen persons wrote individually to request simplification of tax forms, and another half dozen sent in the Collier editorial, which after four weeks has passed the 250 mark. Several protested against the declaration of estimation that must be filed by April 15, some asking for an extension of time. Ten additional organizations, most of them denominational colleges, joined the drive for inclusion of anticipated charitable donations on Form W-2, in order that the sum may be deducted before the rate of withholding is determined. In the other tax mail were the usual requests for refunds, inquiries about provisions of the new tax bill, suggestions as to how loopholes may be closed, and a few reports of tax evasion.

Bond mail offered nothing new. Redemptions requested through this office were fairly high, but complaints about delays set a further low record. Of a total of 12, only 5 came from personnel of the War Department - a change from last fall when the count was 75 or 80 each week. Now and then a writer protested that he had not learned in time of various offerings of Government securities or of calls for redemption.

Check difficulties and currency mishaps accounted for much of the other correspondence. Radio comments on shipments of gold to China prompted a few inquiries as to why such step was taken when in all likelihood the gold will fall into Japanese hands.

H. E. Forbush
by Kay Pearson

General Comments

Carl A. Pharson, Supply Office, U. S. Naval Training Station, Farragut, Idaho. Your intelligent attitude and that of Senator McCarran towards the evils of a recurrence of prohibition prompts me to offer both of you my best wishes for your efforts. It is odd that almost all the things we are fighting for are being more and more repressed in this country instead of liberalized and anyone who fights this repression deserves support and gets mine.

Don S. Bowers, W. C. Norris, Manufacturers, Tulsa, Oklahoma. Under date of March 1, I addressed a letter to the Headquarters 830th AAF Specialized Depot, Memphis, Tennessee, and requested all literature in connection with surplus material on hand for disposal. March 9, we received a form letter telling us that a copy of Catalog #2 of Available Property of the U. S. Army Air Force could be furnished only after we disclosed our connection or participation in the war effort. * * * I might state that this Company was the first company in Oklahoma to win the Army-Navy "E" Award, and that we are continuing to participate in the war effort to the extent of approximately 90% of our capacity, being now engaged in the manufacture of 90 MM aircraft shell, pipe fittings for the LST program, and various fittings for the portable pipe lines used abroad, besides making large quantities of miscellaneous items for other prime contractors for use in the war effort. Under date of March 20, this Memphis office sent us another form letter telling us that our request would have to be made directly to the Treasury Department in Washington, D. C. Now, frankly, it looks to us like we are being given a "run around" on this matter. It has come to the writer's attention in the prior months that considerable criticism has been directed to the Air Forces because they were holding idle machinery and were making no particular effort to get it into use. Certainly this

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file that I have before me bears out this condition. We know there are large lists of machine tools that are available, idle, and taxpayers property. We insist that a list of such tools be mailed to us. The writer certainly intends to get such list if it is necessary to appeal to our elected representatives in Washington to secure action.

Edward A. Collins, N.Y.C. For nearly three years applications for a license to transfer certain funds were pending in the Foreign Funds Control Division. During much of that period, despite many inquiries, conferences, submission of really pertinent data, it was impossible to obtain a clear delineation as to why a license was not forthcoming. Generally, we were informed that issuance of a license in this case was contrary to the Department's policy. * * * Some weeks ago, however, the matter reached the desks of Messrs. Raymond L. Jones and Charles C. Eulass of the Securities Unit, Licensing Division. As a result of the patient and clear understanding given by these two officials, we have been able to furnish needed data, and we better understand the Department's position with respect to this and similar cases. I take this occasion to recommend Messrs. Jones and Eulass for their courtesy and intelligent handling of persons somewhat inclined to be difficult, and to compliment you and the Department for having these men associated with you.

Favorable Comments on Bonds

Pvt. Mabel M. Callahan, Camp Crowder, Mo. Mail call to the WAC means quite as much as to any man in service. The Certificate of Appreciation that has been sent me for work in the War Bond Program, while employed by the Hollywood Sun Tattler is more than appreciated by every member of my Company, as well as myself. Thank you for this thoughtful expression of past civilian effort.

Mrs. Alice G. Brogniez, Houston, Texas. Like many Americans, my love for my country is equalled by my faith in it. Therefore, I bought "Baby" Bonds whenever possible. The first of these will mature next year. Instead of destroying or replacing them, could not the same be reissued by paying the difference between the purchase price and the maturity value, and puncturing them with the month and year of their re-issue? Of course, this should be done only when the bonds have been kept to full maturity, and the owner expresses the wish of collecting the aforementioned difference without cashing the bonds. It seems to me that this would not only save paper and time, but those bonds would be a testimonial that, in peace as well as during war, some of us prove our trust in our country and strive to help in every possible way, be it ever so humble.

J. V. Williams, Lawyer, Marshall, Minn. I am enclosing herewith a letter written by Albert Taveirne, Ghent, Minnesota. I have been the County Chairman during all the War Loan Drives for this county - Lyon County, Minn. Mr. Taveirne is so sincerely interested in the success of our Bond Drives that I feel his letter should be sent on to you just as he wrote it. * * * (The following is quoted from Mr. Taveirne's letter.) * * * I am writing to you in regard to the farmers. The farmers have the biggest income of all time. I bought a 160-acre farm in 1930, had a couple of dry years, then

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came the depression. All farmers had gotten down to the bottom. * * * The Farm Mortgage Act of 1933 took a chance on me when I was in need. Ten years later, War was forced upon us. The Government is in need of money now. They did not let me down in 1933, so I can't let the Government down in 1944. Probably I will be the first farmer in the United States willing to sign a pledge with the United States Government that all proceeds of my 160-acre farm, which includes money from crops and livestock, will go to the Treasury in the form of War Bonds. * * * I was a refugee in 1914 in Belgium and was sixteen years old then. I lived on a farm in Flanders battlefield -- I know what freedom means. (* * * Tells how farming goes under gestapo rule. * * *) I came to America, July 4, 1920, to Ghent, Minn., Lyon County. I had my citizenship papers; bought a 160-acre farm which I still operate. I was lucky to adopt a country where freedom from want and fear and of religion still exists. If we all work for the common cause, the spirit of 1776 will always remain. The more money we invest in War Bonds, the sooner we will have our boys home again. * * *

Unfavorable Comments on Bonds

Paul W. Dierberger, Great Falls, Montana. I am returning this "citation" to you in utter disgust at the sinful waste of the taxpayers' money in printing and distributing such childish tokens of appreciation. Since when does the Government need to reward its citizens for doing their duty in a time of emergency? Is this a New Deal conception of American citizenship? * * * There are still plain, humble citizens who are glad to serve America without receiving a citation. Waste of time, waste of paper, waste of money, waste, waste, waste all along the New Deal line.

Walter H. Marshall, Box 88, Channelview, Texas. * * * You will see from the enclosed appeal of mine to the Civil Service Commission in Washington that pressure methods are being carried on here at the San Jacinto Ordnance Depot at Houston, Texas, to force employees to buy War Bonds under the Class A Pay Reservation Plan or suffer the humiliation of a refusal of a promotion or a raise in pay, regardless of your loyalty to our War efforts, or your qualifications for a position. I feel that such coercion, such intimidation cast a reflection on the patriotism of an American citizen. I do not feel that the morale of the American people has fallen to that degree, yet. * * * (The following is quoted from an order issued by Lt. Col. M. F. Barnes to Mr. Marshall.) It is the expressed desire of the Secretary of War to increase the enrollment of civilian employees under the Class A Pay Reservation Plan for the purchase of War Bonds to a minimum of 10% of gross payroll by at least 90% of personnel. In the furtherance of this plan, all employees have been informed that the undersigned would not view with favor a proposed promotion for any individual who refuses to support the war efforts of his country by the purchase of War Bonds under this pay reservation plan. * * * No employee of this depot has been required to enroll under the Class A Pay Reservation Plan for the purchase of War Bonds, and

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no employee will be discharged because he refuses to participate. On the other hand, it has been administratively determined by this Headquarters that one of the standards of attitude to be considered in the recommended promotion of any employee will be the allotment of a minimum of 10% of his salary under the Pay Reservation Plan. * * *

James R. Bancroft, President, American Institute of Finance, Boston, Mass. * * * The extension of the Certificates of Indebtedness which expired February 1st was so poorly announced, and the time allowed was so brief, that I missed them myself. As a matter of fact, little harm was done because that maturity came coincident with a Bond Drive and it was possible to replace the maturity of course immediately in the new One-Year 7/8's. However, the same thing happened last week on the Certificates which mature April 1. I saw no announcement whatsoever in either the Boston or New York papers. It may have been in them, and I may have missed it, but I read the financial pages carefully and it must have been relatively inconspicuous. Again the time allotted - as I recollect it, two days, or at least not over three - was extremely brief. I just cannot see the point in it. I cannot see what gain it can be to the Government. As perhaps you know, we are an investment counsel organization with clients spread all over the country. Under existing conditions, we have naturally adopted a very conservative attitude and as a result have asked various clients to invest substantial sums in Government Bonds, and for strictly liquid capital in the one-year 7/8's. In this last episode I felt compelled to wire all my clients when I fortunately found out about the brief opportunity for extension of the one-year 7/8's through banking connections. I am this morning in receipt of a letter from one of my clients in Philadelphia which I am quoting in part to give point to my remarks: * * * I frankly do not feel disposed to go into these Certificates again if any

- 7 -

other way can be found to employ the funds to equal or better advantage. My broker had some notice of the offer on Thursday, the 23rd, the same day as you did, but my bank - which has good connections in Philadelphia and New York - nevertheless did not receive the offer until Saturday morning. Altogether, it seems to have been what I would call a 'sneak' offer by the Treasury." I quote this to give you a typical reaction. It is not the only one we have received from clients. Naturally I do not agree with the attitude and will state so emphatically, but I could not refrain from calling the condition which has existed recently to your attention and asking for light in regard to it. * * *

Favorable Comments on Taxation

Aksel G. S. Josephson, Mobile, Ala. In attending to my letter to you about my experience with your Mobile Office, the Internal Revenue Collector in Birmingham was good enough to make out my income tax return from the information given in my letter to you. At the same time he told me that I had overpaid my income tax with \$15.00, and that this amount would be sent me by check from Washington. I write to ask that the check, if not already mailed, be sent me at the above address. It would interest me to know when I may expect the check.

Blanche Bergen, Miami, Florida. I have noticed how mean people have become and how unwilling they are to do the things that are necessary, especially about the income tax which they avoid paying. They try to pay a third of what they should, so I have tried to build some kind of plans to take care of these mean people. * * * I have been talking to a gentleman in the Revenue Office, but he told me he could not accept my complaint, and told me to write you and give you the details. I hope to hear from you, or someone representing you, soon.

F. D. Russell, President, Security Mutual Life Insurance Company, Binghamton, N. Y. I want to commend you for the activity put forth by you and your associates in the Treasury Department in trying to simplify the income tax forms and the method of paying taxes. It is my personal opinion that the withholding tax method is fair and equitable to every person subject to tax. In considering the simplification of the tax program, may I urge you to so design the plan that religious and charitable institutions will not suffer a serious reduction in income from average individuals. * * * As an employer, I am interested in developing and encouraging a charitable

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instinct in every one of my employees. I am willing to do whatever book work is necessary to permit my employees to continue their charitable contributions. It is my firm opinion that these organizations should be supported by individuals and not be dependent upon the Federal Government for any financial support. * * *

Unfavorable Comments on Taxation

W. Zane Tucker, Grand Rapids, Michigan. A letter which I have just received from the Detroit, Michigan, Internal Revenue Service is brought to your attention because the second paragraph of the letter -- "You are advised that savings bonds are not acceptable in payment of Internal Revenue taxes" -- appears not only in direct contradiction to the printed terms of sale of the bonds, as they appear on the face thereof, including the statement -- "This bond is redeemable at the option of the owner" -- but in my opinion it would amount to bad public policy for Uncle Sam's own Treasury to refuse to honor its very own IOU, especially in payment of tax obligation to the Treasury Department. These bonds, par value \$700, cash value \$525, were offered in part payment of my fourth installment of my 1943 income tax. I submitted the bonds to the Detroit Internal Revenue Office to cover \$525 of the payment because I was told that it would require Uncle Sam a minimum of ten days to two weeks to cash the bonds. You will note that the bonds were purchased in June and September 1943, hence the 60-day clause had run. Therefore, the bonds were "redeemable at the option of the owner". * * * As a citizen and taxpayer and as a booster of War Bonds, I believe the Treasury Department should accept its own IOU at its acknowledged cash value, against taxes a taxpayer owes the Treasury Department. Why in justice and reason cannot this be done?

Raleigh W. Dodson, National Life Insurance Company, N.Y.C., sends copy of letter he has addressed to Hon. Robert L. Doughton. * * * I have today received the form for reporting April 15th "Estimated Income" for 1944. Including these "Estimated Returns" I must make a return FOUR TIMES a year. I spent nearly three days and nights trying to get adequate information and figure out what I should pay in the return sent on March 15th. No definite information was available,

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even at the office of Internal Revenue. As to legal deductions, the best I could get was that "I might try this, or that, or the other, and it might or might not be allowed". I am unable to hire a high-grade lawyer to advise me. Twenty-five years ago a perfectly legal deduction was disallowed and I paid the amount which I should not have paid for it. A year later I went to the Office of Internal Revenue and a very courteous man there said I was right in taking the deduction in the first place, and it should and would be refunded, if I would fill out and swear to a form which he provided, and which was filled out and signed under his direction. Twenty-five years have elapsed, and as of today I have never even received an acknowledgment, much less a refund. Well, that, at least, could not be charged to Roosevelt, who makes enough mistakes in administering local affairs - under the authority voted him by Congress - but nevertheless has accomplished a great deal, while Congressmen and Senators sit on the side-lines, without a single constructive plan to offer, and spend their time in sniping at him and catering to the Pressure Groups of their own States and Districts, to the detriment of the Nation as a whole. * * *

Donald M. Babbitt, El Cerrito, Calif. In most ways the new Tax Bill, as proposed by the House Ways and Means Committee seems wise and acceptable. We like the surtax part, but we think the new normal tax portion even more unfair and unjust to the little fellow than the victory tax, which we assumed was just for the duration. Changing the name and making it stiffer does not eliminate its evils. Many of us, both in the Kaiser Shipyard offices, and others, strongly oppose this part of it. While the Ways and Means Committee claims credit for simplification, this new normal tax is the one strong drawback to such a contention. * * * Certainly the taxing of all wage earners down to \$550, regardless of dependents, deductions, or ability to pay, is nothing to be proud

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of in this country where we value our high standard of living. Most of those I know make more than any of the above illustrations used. But most too, would gladly pay more, rather than to see such a tax imposed so low where a little can hurt so much. There is one just solution. If the basis of our regular income tax is, and has been fair, and we really want simplification, confine the tax to it and increase each bracket proportionately, removing everything else. I have already heard many question why this wasn't done.

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

March 31, 1944

CONFIDENTIAL

Received this date from the Federal Reserve Bank of New York, for the confidential information of the Secretary of the Treasury, compilation for the week ended March 22, 1944, showing dollar disbursements out of the British Empire and French accounts at the Federal Reserve Bank of New York and the means by which these expenditures were financed.

FMB

FEDERAL RESERVE BANK
OF NEW YORK

March 29, 1944.

CONFIDENTIAL

Dear Mr. Secretary: Attention: Mr. H. D. White

I am enclosing our compilation for the week ended March 22, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Faithfully yours,

/s/ L. W. Knoke

L. W. Knoke,
Vice President.

The Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington 25, D.C.

Enclosures

COPY

ANALYSIS OF BRITISH AND FRENCH ACCOUNTS
(In Millions of Dollars)

Week Ended March 22, 1944

Strictly Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)					C R E D I T S				Net Incr. (+) or Decr. (-) in Funds (d)	BANK OF FRANCE		
	Total Debits	D E B I T S			Total Credits	Proceeds of Sales of		Transfers from Official Australian Account	Other Credits (c)		Total Debits (e)	Total Credits (e)	Net. Incr. or Decr. in Funds (g)
		Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits		Gold	Securities (Official) (b)						
First year of war (a)	1,793.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	416.2	+ 35.0	866.3(f)	1,095.3(f)	+ 229.0
Year period through December, 1940	2,782.3	1,425.6	20.9	1,335.8	2,793.1	2,109.5	108.0	14.5	561.1	+ 10.8	878.3	1,098.4	+ 220.1
Second year of war (h)	2,303.0	1,792.2	3.4	407.4	2,189.8	1,193.7	274.0	16.7	705.4	- 13.2	10.5	4.4	- 16.1
Third year of war (i)	1,235.6	904.8	7.7	223.1	1,361.5	21.8	5.5	57.4	1,276.8	+ 125.9	10.3	1.0	-
Fourth year of war (j)	764.0	312.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.1	-	-	-
<u>1943</u>													
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-
November	65.9	42.4	5.9	17.6	89.0	-	-	3.5	85.5	+ 23.1	-	-	-
December	98.1	16.3	-	81.8	134.5	-	-	36.5	98.0	+ 36.4	-	-	-
<u>1944</u>													
January	44.0	23.2	10.6	12.0	127.5	-	-	1.0	126.5	+ 62.7	-	-	-
February	143.6	14.3	2.1	127.4	144.5	-	-	29.0	115.5	+ 0.7	-	-	-
March													
April													
May													
June													
July													
August													
Week Ended					19.2	-	-	9.0	10.2	+ 10.0	-	-	-
March 1, 1944	9.2	1.4	2.1	5.7	17.0	-	-	8.0	9.0	+ 6.7	-	-	-
March 8, 1944	10.3	5.8	-	4.5	34.8	-	-	15.0	19.8	- 25.3	-	-	-
March 15, 1944	60.1	52.5	4.1	3.5	29.8(k)	-	-	-	29.8(k)	+ 23.1	-	-	-
March 22, 1944	6.7	1.0	-	5.7	-	-	-	-	-	-	-	-	-

See attached sheet for footnotes.

- (a) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this Bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1940 amounted to \$334 million.
- (c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the requisitioning of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.
- (d) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (e) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (g) For monthly breakdown see tabulations prior to April 23, 1941.
- (h) For monthly breakdown see tabulations prior to October 8, 1941.
- (i) For monthly breakdown see tabulations prior to October 14, 1942.
- (j) For monthly breakdown see tabulations prior to September 29, 1943.
- (k) Includes \$ 1.9 million apparently representing current and accumulated dollar proceeds of sterling area services and arms sales exports, and \$20.0 million in connection with the expenses of our armed forces abroad.

DATE	CANADA (and Canadian Government)		OF		C R E D I T S		D E B I T S		COMMONWEALTH BANK OF AUSTRALIA	
	Total	British A/C	Other	For French A/C	For Own A/C	Proceeds of Gold	Total	British A/C	Other	Net Incr. (+) or Decr. (-) in (Sterling) Credits
First year of war	32.0	16.6	15.4	20.9	41.0	412.7	32.4	31.2	3.9	181.7
Second year of war	477.2	16.6	460.6	20.9	41.0	526.8	38.7	17.5	230.2	110.7
Third year of war (a)	525.8	0.3	525.5	7.7	360.0	198.6	7.7	16.7	40.5	123.9
Fourth year of war (b)	723.6	-	723.6	170.4	741.3	47.1	170.4	155.1	235.2	74.3
1941	47.2	-	47.2	10.6	59.5	70.1	10.6	16.8	22.9	16.8
1942	18.1	0.1	18.2	-	89.2	71.3	-	42.8	29.2	71.3
1943	17.6	0.1	17.7	-	89.2	95.1	-	6.6	19.7	89.2
1944	146.8	0.3	147.1	-	55.1	146.5	-	39.7	91.7	55.1
1945	32.3	-	32.3	10.6	67.9	78.5	10.6	6.0	46.2	67.9
1946	23.7	-	23.7	2.1	93.2	110.5	2.1	31.3	93.2	93.2
1947	6.6	-	6.6	-	16.3	18.4	-	9.9	11.8	16.3
1948	0.6	-	0.6	-	27.5	26.4	-	15.6	20.7	27.5
1949	5.1	-	5.1	-	1.3	26.4	-	15.0	20.7	1.3
1950	0.5	-	0.5	-	10.6(B)	10.6(B)	-	9.0	4.1	10.6(B)

(a) For monthly breakdown see tabulations prior to April 23, 1941.
 (b) For monthly breakdown see tabulations prior to October 8, 1941.
 (c) For monthly breakdown see tabulations prior to October 14, 1942.
 (d) For monthly breakdown see tabulations prior to September 29, 1943.
 (e) Reflects changes in all dollar holdings payable on demand or maturing in one year.
 (f) Does not reflect transactions in short term U. S. securities.
 (g) Includes \$ 4.1 million deposited by War Supplies, Ltd.
 (h) \$ 4.1 million received from New York account of Canadian Chartered Bank and \$ 5.

First year of war 6.2 million.
 Second year of war 8.9 million.
 Third year of war 10.1 million.
 Fourth year of war 13.9 million.
 Fifth year of war (through March 22, 1944) 10.7 million.

Average weekly expenditures for

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

March 31, 1944

Administrative Memorandum No. 7

Subject: Liaison with Foreign Economic Administration

In response to our request that the Foreign Economic Administration designate a staff member to serve in a liaison capacity with the War Refugee Board, the Foreign Economic Administration has appointed Mr. Hilbert Zarky to serve in this capacity. Future contacts with the Foreign Economic Administration should accordingly be channeled through or cleared with Mr. Zarky.

Mr. Zarky can be reached at Foreign Economic Administration, Extension 2655.


J. W. Pehle
Executive Director

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: Ambassador, London
DATED: March 31, 1944
NUMBER: 2516

CONFIDENTIAL

WAR REFUGEE BOARD SENDS THE FOLLOWING FOR AMBASSADOR WINANT.

There has been received from the Government of Turkey an offer to charter a Turkish ship to make a single trip for the purpose of carrying a number of refugees to Haifa from Constanza. This offer is the result of an urgent attempt to facilitate the evacuation of refugees from Rumania and long negotiations between the Government of Turkey, Ambassador Steinhardt and the War Refugee Board's representative in Ankara. The War Refugee Board has authorized immediate charter of the vessel. In order to obtain the charter the United States Government has guaranteed replacement of the Turkish ship should it be lost on the voyage. Negotiations to obtain safe conduct from the appropriate governments are being carried on at the present time.

It has been indicated by the Turkish Government that unless equivalent tonnage is chartered to them by the United States Government, the vessel referred to will make only one trip because of the shipping shortage.

The War Refugee Board is trying to meet the Turkish requirements so that the vessel will make more than one trip. The War Shipping Administration has requested Kalloch, the Mediterranean Regional Director of the War Shipping Administration, to explore the possibility that the Italians might be willing to charter to the Government of Turkey one of their vessels if arrangements for carrying out the evacuation program can be made. Kalloch, who is working through MEDBO, has asked London to Request Gibson Graham, British representative on MEDBO, to help in this endeavor. We request that you communicate as soon as possible with the British Ministry of War Transport with a view to obtaining Gibson Graham's assistance in this matter.

HULL
(ELW)

WIN
 This telegram must be
 paraphrased before being
 communicated to anyone
 other than a Government
 agency. (BR)

March 31, 1944

Midnight

RESTRICTED

AMEMBASSY

LONDON.

2517

FROM WAR REFUGEE BOARD TO WINANT.

Following message for Finance Officer, British Foreign Office,
 from M. A. Leavitt of Joint Distribution Committee.

QUOTE This will authorize you to open blocked account name
 of American Jewish Joint Distribution Committee, Inc., at Barclays
 Bank Circus Place Branch Londonwall London E.C.2. with \$20,000
 remitted to you by us which you now holding Stop Arranging with
 Barclays Bank New York for signatures authorized to draw against
 this account UNQUOTE.

HULL
 (GLW)

MRS:GLW:KG
 3/31/44

BC

WT

Mr. Riegelman SW

cc: Miss Chauncey (For the Sec'y), Abrahamson, Akzin, Bernstein, Cohn, DuBois,
 Friedman, Gaston, Hodel, Laughlin, Lesser, Luxford, Mann, Mannon, Marks,
 McCormack, Murphy, Paul, Pehle, Pollak, Rains, Sargoy, Smith, Standish,
 Stewart, Weinstein, H. D. White, Files

MO - 884

PLAIN

London

Dated March 31, 1944

Rec'd 10:05 p.m.

Secretary of State

Washington

2647, Thirty-first

FOR WAR REFUGEE BOARD.

In reference to President's statement (Department's telegram 2273, 24th) the following questions and answers in House of Commons March 30th are of interest:

"Mister Silverman (by private notice) asked the Secretary of State for Foreign Affairs whether in view of the recent enemy occupation of Hungary and the rapid march of events in the Balkans he has any statement to make with reference to the urgent and immediate peril which now threatens Jews and other victims of Nazi persecution in those countries.

Mister Eden: Yes, sir. My Honorable Friend will have taken note of the statement made on 24th March by President Roosevelt on the subject of his question and of the fact that His Majesty's Government at once wholeheartedly associated themselves with the United States Government in this matter. Further action is now under discussion between the United States Government and His Majesty's Government and I wish now to take this opportunity to make on behalf of His Majesty's Government the following declaration: Evidence continues to reach His Majesty's Government and Allied Governments that the Nazi policy of extermination has not been halted. The persecution of the Jews has in particular been exemplified horror and intensity. On this His Majesty's Government in common with their Allies, now that the hour of Germany's defeat grows ever nearer and more certain, can only repeat their detestation of Germany's crimes and their determination that all those guilty of them shall be brought to Justice. But apart from direct guilt there is still indirect participation in crime. Satellite governments who expel citizens to destinations named by Berlin must know that such actions are tantamount to assisting in inhuman persecution of slaughter. This will not be forgotten when the inevitable defeat of the arch enemy of Europe comes about.

- 2 - 2647, 31st, from London

Happily there are individuals and even official authorities among the satellites who have resisted the evil German example and have shown toleration and mercy. These things are known to the Allies and in the hope of encouraging such good deeds and increasing their number His Majesty's Government are concerned to make it clear that those who have followed the right path will also not be forgotten in the day of final reckoning. The time of respite is short but there is still opportunity for the merciful to multiply their acts of humanity, for the guilty to try to make amends for their deeds of shame by releasing their victims and making so far as is possible restitution to them. His Majesty's Government are confident that they are expressing the sentiments of all the Allied Governments in calling upon the countries allied with or subject to Germany to join in preventing further persecution and cooperate in protecting and saving the innocent. His Majesty's Government for their part are firmly resolved to continue in cooperation with all Government and private authorities concerned to rescue and maintain so far as lies in their power all those menaced by the Nazi terror.

Mister Silverman: May I while thanking the Right Honorable Gentlemen for his full and extremely effective reply add that it makes in my view supplementary questions unnecessary.

Miss Rathbone: Will the Right Honorable Gentleman ensure that the very important statement he has made is given the widest publicity in all enemy and enemy occupied countries and among their satellites and not least among the Slovaks whose attitude has been extremely unsatisfactory so that the message may be read by the people and not only by the Governments, possibly by leaflet as well as by radio.

Mister Eden: Yes, sir."

WINANT

MRM

TELEGRAM SKYT

PLAIN

March 31, 1944

AMEMBASSY,

CLEARLONDON.
2518, thirty-first

Please transmit promptly to Mr. Frantisek Nemecek and Mr. Jan Becko, c/o Czechoslovak Ministry of Foreign Affairs, London, the following which is text of License N. W-2153 issued by the Treasury Department to United Czechoslovak Relief, New York City, relative to a relief and evacuation program to be carried out in enemy territory on behalf of the relief committees of the American Federation of Labor and the National C.I.O. (Text of license begins):

1. In order to provide relief to persons in enemy or enemy-occupied territory, and in order to arrange for the evacuation to places of safety or relative safety as shall be selected by Mr. Frantisek Nemecek and Mr. Jan Becko, London, England, the disbursing trustees for the licensee (hereinafter referred to as the trustees), of persons in enemy or enemy-occupied territory whose lives are in imminent danger and, pending possible evacuation, to sustain and safeguard the lives of such persons, the trustees (including such agents as they may appoint) are hereby licensed, notwithstanding General Ruling No. 11, to communicate with persons in enemy or enemy-occupied territory in any manner they deem necessary or expedient and to take all other appropriate action, including the acquisition of necessary funds, goods, or services from persons in enemy or enemy-occupied territory against payment in accordance with the terms of this license. The necessary funds to finance such operations may be obtained by any of the following methods:

(a) The first method is the purchase of currency or exchange of the country in which the operations are to be effected from persons in the United Kingdom or in neutral country, who the trustees, after consulting with the American Embassy in London,

England

cc: Miss Chauncey (For the Sec'y), Messrs. Abrahamson, Aitkin, Bernstein, Mrs. Cohn, Mr. DuBois, Mr. Friedman, Mr. Gaston, Miss Hadel, Miss Laughlin, Mr. Lesser, Mr. Luxford, Mr. Mann, Mrs. Mazon, Messrs. Marks, McCormack, Murphy, Paul, Peble, Pollak, Rains, Sargoy, Smith, Stanish, Stewart

- 2 -

England, when feasible, are reasonably certain have held such currency or exchange since prior to the freeing of such country by the United States, or have since acquired such currency or exchange in such manner as has not benefited the enemy. The sellers of such currency or exchange may be reimbursed therefor in pounds sterling or in the currency of the neutral country in which the seller is located at the prevailing unofficial rates of exchange in the United Kingdom or such neutral country.

(b) The second method is the acquisition of local currencies or exchange from persons in enemy or enemy-occupied territories for which reimbursement will not be made until after the war. In order to insure reimbursement after the war to the persons supplying such currencies or exchange, blocked accounts may be established on your books in the United States, or in a bank in the United States or a bank in the United Kingdom or in a bank in a neutral country. No payments may be made from any such blocked account without the specific approval of the Treasury Department and no assignments may be made of any interest in such blocked account without such approval.

(c) The third method should not be used if it is feasible to obtain the local funds by either of the first two methods. The third method is the acquisition of the necessary local funds, goods, or services from persons in enemy or enemy-occupied territory against payment in free exchange or free currency notes. The trustees should take reasonable steps to avoid such foreign exchange or free currency notes being paid to persons who will make it available to the enemy.

2. The total amount of dollars or foreign currency paid out or set up in blocked accounts or otherwise obligated under the terms of this license shall not exceed \$150,000 or the foreign currency equivalent thereof, during the year ending December 31, 1944.

3. The trustees should keep the American Embassy in London, England, fully informed with respect to the financial transactions effected under this license. Insofar as feasible, the trustees should make certain that the persons

from

- 3 -

from whom the local currencies or exchange are purchased are acceptable to the Embassy. The trustees should satisfy themselves that payments to such persons will not benefit the enemy.

4. Periodic reports with regard to any operations engaged in under this license should be filed with the Treasury Department by the trustees through the American Embassy in London, England. (Text of license ends.)

The War Refugee Board has been informed by the United Czechoslovak Relief that the operations involved in the above quoted license can be carried out from the United Kingdom so long as the necessary authority is secured from the United States Government. We presume, therefore, that any necessary arrangements will be made by the disbursing trustees in London with the appropriate British authorities. The license above set forth is designed only (repeat only) to remove any prohibitions against these operations resulting from Executive Order 8389 as amended, and General Ruling Number 11, and constitutes this Government's approval of the program contemplated therein.

License number W-2153 is substantially identical with the licenses which Treasury has issued to the World Jewish Congress, the Joint Distribution Committee, and other private agencies, covering operations in Switzerland. These operations have been approved by the Department, the War Refugee Board and the Treasury, and you are requested to take such reasonable steps as may be necessary to facilitate carrying them into effect provided the necessary arrangements with the British have been made, and to report promptly to the Department the progress being made and any difficulties encountered, particularly in connection with the financial operations involved. In order to avoid delays in these matters, you are requested to make liberal interpretations of the terms of this license, bearing in mind that time is of the essence. With particular reference to paragraph (1-a), this paragraph has already been construed by the Treasury as permitting the purchase of local currency or exchange from persons in neutral or Allied areas, regardless of the actual location of the currency. Although the third method of payment under paragraph (1-c) permits the transmission of enemy-occupied territory of free foreign exchange, it should be used if the immediate execution of the operations permitted under the license can be

most

2518, 31st

- 4 -

most effectively accomplished. Either one of the first two methods should be used in preference to the third if the operations will not thereby be prejudiced in any way. Experience resulting from similar operations in Switzerland is the basis for the foregoing interpretation of the license.

HULL
(GLW)

WT:WIR:AMN 3/29/44 BC WRB CE

March 31, 1944

1:05 p.m.

SECRET BY COURIER

SECRET CIRCULAR AIRGRAM

FOR THE PERSONAL AND CONFIDENTIAL ATTENTION OF THE AMBASSADORS
At Tegucigalpa, San Jose, Quito, Managua, Port-au-Prince,
Caracas, San Salvador and Lima.

* Refer our previous communications regarding War Refugee Board. Europe a number of persons holding passports issued in the names of various Latin American countries including the country to which you are accredited. Our information is that in a large number of cases such persons are interned under conditions which are immeasurably better than the treatment they would receive if they did not have such passports. It is reported that without such passports, such persons would be transported to Poland and death.

The plight of these refugees was the subject of a memorandum presented to the Department by the Polish Ambassador in Washington on December 24, 1943, in support of the request of his government that this Government intercede on humanitarian grounds to save the persons concerned from deportation to Poland by interceding to prevent the withdrawal of these passports in cases in which they may have been improperly issued.

The following are excerpts from a report of Dr. Kullmann, Vice Director of the Intergovernmental Committee, who has recently made an exhaustive investigation of the matter in Switzerland: QUOTE
It is estimated that 4,000 (passports) have been issued from Switzerland and it is known that others have been issued from other neutral countries including Sweden. Some informants estimated the total number to be as high as nine to ten thousand but some thought that it did not exceed 5,000. In Switzerland it (the securing of the passports) was organized by private individuals and reached such proportions that the Swiss Federal Government had to intervene. Legal action was taken against several of the organizers and at the same time enquiry was made regarding the authority of some of the representatives of the South American states to carry on these transactions.

There seems little doubt that the German authorities are aware of what has been going on but for reasons of their own they have hitherto not adopted a general policy of withdrawing the passports. While in many cases the possession of these documents has afforded the owners protection against persecution and even special treatment in some of the camps, in other cases they have afforded no protection at all and particularly so where the persons concerned were not interned. Originally the German authorities seem to have cherished the hope that the persons with these South American passports might constitute a basis for the exchange of German nationals in South American countries and it is not improbable that they still have vague hopes of this. Other reasons have been suggested for their

- 2 - CIRCULAR, March 31, 1:05 p.m.

lack of consistency. Recently however they have been making enquiries through some of the protecting powers of the South American Governments concerned regarding the genuineness of the documents and they have been submitting lists of persons concerned with a view to verification UNQUOTE.

Sir Herbert Emerson, Director of the Intergovernmental Committee, on the basis of the foregoing recommends that the Latin American Governments in whose names such passports have been issued, be approached on two points, QUOTE (first) that the Governments should refrain from withdrawing the passports which have been issued and (second) that if and when the protecting power on the request of the German authorities submits lists of persons with such passports they should instruct the protecting power that the passports have been confirmed UNQUOTE.

Although the Department does not condone the unauthorized issue of passports, it does not follow that the Department should withhold its intercession in a situation in which the lives of so many persons are at stake. The Department and the War Refugee Board agree with Emerson that where thousands of human lives lie in the balance because of war conditions and enemy persecutions, appropriate steps should be taken to avoid the nonrecognition by the Germans of such passports.

The Department understands that these passports, appearing on their face to have been issued by competent officials, are valid until they are cancelled. While Department agrees that the Government to which you are accredited is entirely within its rights in cancelling such passports, it urges that the right of cancellation be not exercised until the holders shall have reached a place of safety, so that the act of cancellation shall not be, in essence, condemnation of the holder to a terrible death. All that is here asked is that the Government to which you are accredited deal with the question at a time when it shall occasion the least possible measure of human suffering.

SPECIAL INSTRUCTIONS TO THE AMBASSADOR.

You are instructed to memorize the contents of this agram, burn the document and discuss the matter orally with the government to which you are accredited. Such report as you submit to the Department on this subject should be by secret courier.

HULL
(AAB)

Sent to Costa Rica, Ecuador, Nicaragua, Haiti, Venezuela, El Salvador and Peru and Honduras.

WFB:GLW:KG

S/cr

FC

WCA

ARA

VD

BOL

3/28/44

(Insert *) Information has been received that there are in enemy-occupied

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: AMLEGATION, LISBON
 DATED: March 31, 1944
 NUMBER: 928

The following message is for Joseph Schwartz from the
 Joint Distribution Committee:

QUOTE: Does possibility still exist for Hungarian Jews in possession valid visas for overseas countries to secure transit enabling them enter Switzerland provided maintenance guarantees assured Switzerland. Understand numbers such have entered Switzerland recently. Understand Switzerland received assurances from State Department that American visas will be available for up to four thousand children under 16 years of age entering Switzerland between January 1 and July 1, 1944. Similar assurances will probably be given Spain for one thousand children. We notifying Saly Mayer accordingly. For your information remitting \$25,000 to finance officer British Foreign Office London to be used for evacuation some fifteen hundred refugees on Island of Rab in Adriatic. We authorizing finance officer deposit \$20,000 blocked account at Barclays Bank London to be held for repayment loans made in Rome. Remitting under W 2155 additional \$25,000 to Barcelona making approximate total 500,000 pesetas. Assume you advising Barcelona to await your instructions regarding this. Believe most urgent you proceed Madrid for full frank discussion Ambassador Hayes. Suggest you do not leave for North Africa before communicating with us. War Refugee Board authorized Hirschmann proceed charter TARI for one trip Constanza to Haifa and we indicated agreement participate financial costs. UNQUOTE

Following from War Refugee Board to Schwartz:

Urge you go Madrid as soon as possible in connection with questions raised by Ambassador Hayes on special license W 2155. Board considers it important that you work out satisfactory arrangement with Hayes whereby program of rescue from France can be carried through without delay.

PARAPHRASE OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMLEGATION, HERN
DATED: MARCH 31, 1944
NUMBER: 1088

CONFIDENTIAL

You are requested to contact Sternbuch and report the present status of the matter. This refers to Treasury license no. W-2148 discussed in the Department's telegram of March 9, 1944, no. 784.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMLEGATION BERN
DATED: MARCH 31, 1944
NUMBER: 1089

CONFIDENTIAL

FROM WAR REFUGEE BOARD FOR MINISTER HARRISON.

With reference to Department's Cable No. 891 of March 18 please immediately inform Reigner, Sternbuch, Saly Meyer and other representatives in Switzerland of American welfare agencies of availability of American visas for 4000 refugee children. They should be advised that this information must be treated as extremely confidential.

cc: Miss Chauncey (For the Sec'y), Messrs. Abrahamson, Atkin, Bernstein, Mrs. Cohn, Mr. DuBois, Mr. Friedman, Mr. Gaston, Miss Hodel, Miss Laughlin, Mr. Lesser, Mr. Luxford, Mr. Mann, Mrs. Mannon, Messrs. Marks, McCormack, Murphy, Paul, Pehle, Pollak, Rains, Sargoy, Smith, Standish, Stewart, Weinstein, H.D. White, Files

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: March 31, 1944
NUMBER: 1090

CONFIDENTIAL

Following is from War Refugee Board for Harrison.

We request you to inquire of appropriate Swiss authorities whether they feel that their present negotiations with regard to the immigration, for refuge in Switzerland, of Jewish and other children from France, would be helped by similar approaches by the Eire and Portuguese Governments. If it is believed by the Swiss Government that such approaches by the Eire and Portuguese Governments would aid and not embarrass their own efforts, the wisdom of this Government requesting the Governments of Portugal and Eire to associate themselves with the Swiss approach will be considered by the Board.

Please cable results of your inquiry.

HULL

cc: Miss Cahuncey (For the Sec'y), Abrahamson, Akzin, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Lufford, Mann, McCormack, Paul, Pehle, Pollak, Rains, Sargoy, Smith, Standish, White, Files

SUMMARY OF TELEGRAM RECEIVED

FROM: The American Legation, Bern
TO: The Secretary of State, Washington
DATE: March 31, 1944
NUMBER: 1994

SECRET

With reference to the situation of the Jews who reportedly have been interned in Vittel, Isaac Sternbuch has approached the Legation. (Please refer also to my number 1958 dated March 30, 1944.) A total of two hundred and thirty eight persons comprised of children and adults most of whom have obtained documentation of ten Latin American Governments - Peru, Paraguay, Costa Rica, Honduras and others, are involved.

According to Sternbuch interested persons are attempting some kind of remedial action with Government whose officials abroad have issued the false documents which these persons possess. The statement has been made repeatedly that the State Department has interested itself and is urging the Governments concerned to find some means of alleviation either by complete recognition of nationality or by assuming responsibility in some other way for the victimized persons. Kindly inform me if this report is authentic. We have now clandestinely received information that largely because of some alleged action by the Spanish Embassy in Berlin as the protecting power of the Paraguayans, these persons are about to be or already have been removed elsewhere by the German authorities. The Swiss Foreign Interests Division has told me informally that the Government of Spain had been requested by the Germans to inquire into the bonafides not only of the Paraguayans but of all suspected claims and that other Governments denied responsibility and claims. However there is not available to me a complete picture of the affair.

The following four persons who claim U. S. nationality are contained in the list of internees concerned: Nettie and Lieba Wachtel, Malka Hager and Hirsch. According to the records of the Legation, applications for documentation of Nettie and Lieba Wachtel and Hirsch as American citizens were submitted to the Department. In a list received from the Swiss authorities and transmitted to the Department as Legation's dispatch 4037 dated September 3, Malka Hager was reported as an American citizen. We have not yet received the Department's decisions concerning citizenship claims of these persons.

2- #1994 from Bern.

Interested Jewish circles in Switzerland and Sternbuch are fearful of the fate awaiting the above described group and believe that it may be possible to arrange with authorities of Germany an exchange of Germans who may at present be in North and South America for members of this group. Such arrangements it is realized would require time for negotiations and meantime pending submission of such proposal to German authorities it is Sternbuch's hope that the German authorities might be prevailed upon to postpone any summary action by which the group would be affected. The possibility that the Department might be willing to telegraph the American Embassy at Madrid asking it to communicate with the Spanish Foreign Office with a view to appropriately communicating with the Spanish Ambassador in Berlin in the premises, was therefore suggested to the Legation by Sternbuch. Sternbuch further suggested that in such an arrangement the Spanish Ambassador in Berlin might be asked to request the authorities of Germany to withhold any action until there could be an investigation of the possibility of arrangements for exchange against the Germans.

Accordingly Sternbuch's proposal is being submitted to the Department by me. Urgency is stressed by Sternbuch. That representations may also have been made in London to the International Committee and possibly in Washington too, I have reason to believe.

Until the status of the Hager and Wachtel cases is definitely determined I am requesting the authorities of Switzerland to ask the Germans to take no action.

My despatch number 6921 dated December 27, sent to the Department in microfilm number 33 reported the developments reported in the foregoing.

HARRISON

DCR:MPL
4/1/44

cc: Miss Chauncey (For the Sec'y), Mr. Abrahamson, Mr. Akzin, Mr. Bernstein, Mrs. Cohn, Mr. Dubois, Mr. Friedman, Mr. Gaston, Miss Hodel, Miss Laughlin, Mr. Lesser, Mr. Luxford, Mr. Mann, Mrs. Mannon, Mr. Marks, Mr. McCormack, Mr. Murphy, Mr. Paul, Mr. Pehle, Mr. Pollak, Mr. Rains, Mr. Sargo, Mr. Smith, Mr. Standish, Mr. Stewart, Mr. Weinstein, Mr. H. D. White, Files

March 31, 1944

2:40 p.m.

CABLE TO BERN

From War Refugee Board to Harrison

Please deliver the following message to Isaac Sternbuch, Postfach 168, St. Gallen, Switzerland, from the Agudas Israwl World Organization:

"Please provide complete list of South-American and Central-American consulates in Switzerland which issued passports or citizenship documents for threatened Jews to forestall eventual difficulties. Jacob Rosenheim"

It will be appreciated if you will have the attached cable dispatched to Isaac Sternbuch, Postfach 168, St. Gallen, Switzerland, from Mr. Jacob Rosenheim, President, Agudas Israel World Organization, and bill the Agudas Israel World Organization, 226 West 97th Street, New York 25, New York, for the cost of the message and any answer thereto.

BAkzin:jp 3/31/44

March 31, 1944

10:00 a.m.

CABLE TO ANKARA

From War Refugee Board to Steinhardt

Please deliver the following message to Jacob Griffel, Hotel Continental, Beyoglu, from the Vaad Hahatzala Emergency Committee:

"Please arrange rescue for as many people possible.

We are ready with money, sending \$25,000. Immediately contact American Embassy, cable us every week. Form with Kastner and others a rescue committee. Contact also Sternbuch. Answer immediately to Vaad Hahatzala, 132 Nassau Street, New York City. Rabbis Israel Rosenberg, El Silver, Jacob Levinson, Aaron Kotler and Abraham Kalmanowitz"

THIS IS WRB ANKARA CABLE NO. 17

APOSTOLIC DELEGATION
UNITED STATES OF AMERICA

3339 Massachusetts Avenue
Washington, D. C.

March 31, 1944

My dear Mr. Pehle:

In reply to my recent communication to the Cardinal Secretary of State, Vatican City, mentioned in my letter to you under date of March 25, 1944, I received the following message:

The Holy See has taken advantage of every possible occasion to bring assistance to suffering Jewish people. Some time ago the Apostolic Nuncios in Bucharest and Budapest were called upon to interest themselves in the lot of unfortunate Jews in Rumania and Hungary. The appeals to these Nuncios have been repeated from time to time and now further insistent recommendations are being made by the Holy See, although, sad to say, no great assurance can be given that they will succeed.

If other information regarding this matter reaches me, I shall notify you at once.

With assurance of highest personal regards and with sentiments of esteem, I remain

Yours very sincerely,

/s/ A. G. Cicognani

Archbishop of Laodicea
Apostolic Delegate

Mr. John W. Pehle
Executive Director
War Refugee Board
Washington, D. C.

cc: Miss Chauncey (For the Sec'y) Abrahamson, Akzin, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Luxford, Mann, Mannon, Marks, McCormack, Paul, Pehle, Pollak, Rains, Murphy, Sargo, Smith, Standish, Stewart, Weinstein, H. D. White, Files

SECRET

OPTEL No. 10A

Information received up to 10 a.m., 31st March, 1944.

1. NAVAL

MEDITERRANEAN. 28th. A U.S. Destroyer bombarded shore targets in ANXIO area.

ANTI-SUBMARINE OPERATIONS. 29th. North of PALERMO 3 of H.M. ships sank a U-boat which has previously torpedoed and sunk one of H.M. Destroyers in which casualties not yet known.

2. MILITARY

RUSSIA. Russians have occupied CERNAUTI and cleared railway from BALTI through RIBNITSA and SLOBODKA to PERVOMAISK. Progress in the area of the LOWER BUG includes the capture of YANOVKA about 37 miles N.N.W. of ODESSA.

3. AIR OPERATIONS

WESTERN FRONT. 29th/30th. 306 tons were dropped on VAIRES .

20th. 46 escorted Thunderbolts attacked 5 airfields in HOLLAND. Off Norwegian Coast a 14,000 ton repair ship from TIRPITZ with Naval and Air Escort was twice attacked. In first attack Beaufighters claim 2 torpedo hits and 8 R.P. hits. No details of second attack.

30th/31st. Aircraft despatched:

NUREMBERG	795
Seamining	55
Leaflets	14
Intruder Patrols including attacks on CASSEL COLOGNE Airfields	103.

First reports indicate a concentrated attack on NUREMBERG through heavy cloud. Enemy fighters extremely active between RHINE and target. 96 of our aircraft are at present outstanding. 15 enemy aircraft operated over East and Southeast ENGLAND in 2 phases and a few bombs were dropped causing a few casualties.

BULGARIA. 30th. Escorted U.S. bombers dropped 590 tons on railway yards at SOFIA. Enemy casualties 13, 4, 9, for 6 Allied aircraft.

YUGOSLAVIA. Fortresses dropped 151 tons at IMOTSKI 32 miles N.W. of MOSTAR.

BURMA. Between 28th and night 29th/30th targets on Upper CHINDWIN in the NAGA HILLS at RANGOON and MANDALAY were attacked by 526 offensive sorties.