

Diary

Book 748

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United Kingdom

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June 29, 1944
9:23 a.m.

Operator: Go ahead.

William C. Bullitt: Hello.

HMJr: Hello, Bill.

B: Hello, Henry. How are you? I saw you in the distance at that Kung party yesterday....

HMJr: Oh.

B:but didn't get a chance to talk to you.

HMJr: Well, that's too bad.

B: Look here, I want to see you myself very much, and Hoppenot, who is the head of this French delegation said to me a couple of days ago that he'd never met you and he was very anxious to meet you and couldn't I arrange to -- a peacable meal or drink together or something or other. Now, would you care to meet him or not?

HMJr: Hoppenot?

B: He's the head of the French delegation here. He's the titular head of the whole French thing.

HMJr: Oh, yes.

B: Yeah.

HMJr: Well, I'd be glad to meet him if -- if -- it just doesn't -- I sound -- if you could do it during office hours today.

B: Yeah.

HMJr: Because the rest of the day I'm all tied up getting ready for this Monetary Conference.

B: Yeah. Sure.

HMJr: So, if you'd care to bring him in this afternoon....

B: What time will you fix, Henry?

HMJr: Would three o'clock be

B: Well, I'll try to get hold of him right away.

HMJr: And if it's all right -- if you just would

B: Yeah.

HMJr:let the office know, here. Just tell them.

B: Three o'clock?

HMJr: Yes.

B: Well, now, Henry, listen, I want to talk to you sometime, of course, when you have a few minutes. I want to tell you a lot of things and there're some things I'd just like to tell you for your own ears.

HMJr: Well....

B: Let's get together one of these days.

HMJr: Well, I -- you know, we've had bad luck and....

B: Yeah.

HMJr: First, Elinor was sick and....

B: Yeah.

HMJr:one thing and another.

B: Well, now....

HMJr: I'll be here next week a couple of days.

B: You will?

HMJr: Yeah.

B: Well, do you want to -- you want to come in for a meal on Monday or so?

HMJr: Well, it always sounds -- I'm still in Bretton Woods, you see?

B: Yeah.

HMJr: And just when I'm coming down, I don't know, but I'll call you.

B: Yeah.

HMJr: Because....

B: When are you going to Bretton Woods?

HMJr: Tomorrow afternoon.

B: Oh, Lord.

HMJr: And I'm all chock-a-block.

B: I understand perfectly. Well, I'll bring in -- I'll bring in Hoppenot then at three o'clock.

HMJr: And I should know how to spell it, but I don't.

B: H-o-p-p-e-n-o-t.

HMJr: H-o-

B: Double p-e....

HMJr: Double p-e....

B: ...n-o-t.

HMJr: ...n-o-t. Now, what is his relation, opposite Monnet?

B: He is the titular head of the whole thing here -- Hoppenot is.

HMJr: I see.

B: He is the -- he is the Chairman of the French Delegation with the rank of Minister.

HMJr: I see.

B: Monnet was a -- a Minister on Mission -- rather a Commissaire on Mission. Hoppenot is the titular head of the whole thing. He's the fellow who makes all the communications to the State Department and does all the official stuff.

HMJr: Was he formerly Under Secretary of Foreign Affairs?

B: He -- he wasn't Under Secretary. He was one of the permanent officials of the Quai D'Orsay under Leger

HMJr: Who?

B: and Massigli.

HMJr: Who?

B: He was the number three in there.

HMJr: Who was the man that they found a job for up at the Library of Congress?

B: That's Leger, L-e-g-e-r.

HMJr: I see. Okay.

B: That's a different person.

HMJr: That's a different fellow.

B: This man was Leger's immediate subordinate.

HMJr: I see.

B: Yeah.

HMJr: I've got it straight now.

B: Fine. Well, I'll bring him in at three o'clock then, Henry.

HMJr: Thank you.

B: That's fine.

June 29, 1944
10:48 a.m.

HMJr: Mr. Sweetser.

Arthur Sweetser: Oh, yes, Mr. Secretary. How are you?

HMJr: Fine.

S: Good.

HMJr: I haven't seen you since Geneva.

S: No, it's a very long time, isn't it?

HMJr: Too long.

S: Yes.

HMJr: Mr. Sweetser, Mr. Gaston says you were very helpful on my talk that I'm going to give.

S: Well, I -- I -- I -- that was very nice of him.

HMJr: Now, I'm getting the American Delegation together at ten tomorrow in my office.

S: Ten o'clock.

HMJr: And I'd like very much if you'd be here.

S: Well, I'd love to.

HMJr: Because I'm going to count on you for guidance. After all, these conferences is an old story to you.

S: (Laughs) I've had a lot of them, yes.

HMJr: Yes. So, if you'd be here at ten tomorrow.

S: All right.

HMJr: And one thing I've asked for and -- when they have these conferences, doesn't the presiding officer or -- isn't there always a parliamentarian present? I mean, on these things, there's a question of rulings or something. How do they handle those things?

S: Well, they usually -- they have a credentials committee, of course, in the first place.

HMJr: Supposing there was a row on the floor and there's a question of procedure.

S: They usually have a legal advisor.

HMJr: A legal advisor?

S: Yes, that's what they used to have in the League of Nations meetings, and....

HMJr: Well....

S:usually the Chairman would pretty well know what the situation was.

HMJr: Yeah, well, that's my trouble. I don't, you see.

S: Yeah.

HMJr: Well, I've put it up to Kelchner to see that I get somebody.

S: Yes. Well, that would be a good thing, of course, to have somebody who is familiar with that kind of problems. He'll give you a credentials committee, of course, won't he, for examining the credentials of the delegates?

HMJr: Would you mind calling him up and tell him I talked to you about it?

S: Yes, surely.

HMJr: And just raise that point.

S: Yes, surely, with pleasure.

HMJr: And say that -- just what's he going to do and I need somebody at my elbow who can guide me on it. I've never conducted a meeting of this nature.

S: Yeah. Well, I don't think you'll find it very difficult, Mr. Secretary. These fellows are all very agreeable, you know, and they will accept your ruling.

HMJr: Yeah.

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S: They go along with you. They realize that this is, in a very large sense, our conference. We've called it and we're the hosts and so forth. They sort of expect us to do unparliamentary and unexpected things.

HMJr: Well, it's just -- I'd like to be prepared, that's all.

S: Yes.

HMJr: I mean, it would be very embarrassing if somebody raised a question and I've got to look all around the room to try to find somebody.

S: That's right.

HMJr: I want somebody at my elbow.

S: Yes.

HMJr: And if you would take that on with Kelchner to see that I got somebody....

S: All right. I'll call him right away, Mr. Secretary.

HMJr: Thank you.

S: Thank you.

June 29, 1944

11:30 am

GROUP MEETING.

Present:

Mr. D. Bell
Mr. C. Bell
Mr. Glasser
Mr. O'Connell
Mr. Gamble
Mr. Pehle
Mr. Blough
Mr. Sullivan
Mr. Gaston
Mr. Smith
Mrs. Klotz

HM, Jr: Daniel?

Mr. Bell: I received the figures that you asked for on expenditures in China. Remember you asked General Clay to give you some monthly expenditure figures?

HM, Jr: Yes.

Mr. Bell: The way they have fixed them up they are a little hard to understand, but they have spent, or will have spent up to the end of June, for which they call operational construction, 9 billion 760 million yuan and they will spend three billion 850 million on what they call non-operational construction, making a total of 13 billion 610 million Chinese yuan, and they expect that to run along at the rate of 2½ billion in July, 2.3 in August and 2 billion 1 in September, making a total of about 20 billion up to the end of September, which is what you asked for -- the next quarter.

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HM, Jr: Yes. All in yuan?

Mr. Bell: Yes. And that's under the new arrangement where the Chinese Government has advanced the money.

HM, Jr: Yes.

Mr. Bell: On account of which we paid \$25 million and they have spent \$36 million or will have spent \$36 million by the end of September of our own currency. They spent 26 million prior to this arrangement and they are still spending at the rate of 1 million to 1½ million a month for pay of personnel in our own currency.

HM, Jr: Well, that isn't quite ...

Mr. Bell: These figures are being checked by cable. I don't know whether we told you, but Dr. Acheson said the other day they were spending \$150,000 to \$200,000 net. He meant what they spent in China in the first instance would be largely returned through the PX's, so any net outgo in China would not amount to more than \$100,000 or \$150,000 a month and that amount could, in his opinion, control the black market rate. Colonel Fosrer saw these figures of 1 million - 1½ million and he thought the net figure given by Acheson seemed too little, so he has asked for a check.

HM, Jr: That's much less than Clay thought it was going to be.

Mr. Bell: No, Clay said it was running about 2 billion and he thought it would drop off gradually as construction was completed and then it would go over entirely to an operation basis, but he thought in the next month it would reach 2½ billion yuan.

HM, Jr: What else, Dan?

Now, Dan and I had a talk. We meet on the morning of the 5th to decide what we do on the insurance. If we do anything, it will be on the installment plan.

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Mr. Bell: There seems to be quite a bad situation in Baltimore, speculating in securities with the banks lending money to individuals with the understanding that they will take the securities off their hands right after the drive and I don't know there is much we can do about it. We have talked to some of the banks over there. Apparently they all agreed in the last drive they wouldn't do this thing, but one bank did not comply with the understanding and went out and made substantial loans.

HM, Jr: Yes.

Mr. Bell: Now, they say they are not going to allow that bank to do the same thing this time, but apparently they have not been able to get together and each bank is drumming up business to make loans and they are announcing they are well over their quota in this drive -- the second State to go over.

Mr. Gamble: Atlanta is doing the same thing.

HM, Jr: They always do it.

Mr. Gamble: We have not relaxed the restrictions and in our conversations with our people we tell them we have not relaxed.

Mr. Bell: We have not relaxed. I think I may be able to squeeze them down a little by saying no increase in the War Loan Account above the limit fixed in our regulations. We have given the Federal Reserve Banks some leeway, by saying it's 30% of demand deposits exclusive of war loan, but if they want to go above 30% you have flexibility to make the increase provided the increase is secured by Government securities. I think we can take off the excess in those districts.

HM, Jr: The loan is going well enough that we can afford to be tough.

Mr. Bell: I think we ought to let them know that what we said in our regulation is exactly what we meant.

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Mr. Gamble: I think informal policing of those particular banks

Mr. Bell: You have a whole community involved.

HM, Jr: Listen, boys. You boys do it. What you and Gamble decide, I will O.K.

Mr. Bell: Well, I will talk to Hugh Leach to see how far he can go on the 30%.

Mr. Gamble: My point is New York is in good shape.

HM, Jr: You say you would not go over New York?

Mr. Gamble: It isn't that. If anything, Sproul leans over backward. As a matter of fact, in all previous drives Sproul wouldn't even let the dealers and brokers go over their quota. I think it's wise, but certainly he does not need to be tightened up any more or he will close the bank.

HM, Jr: All right. We understand each other. You get tough where the thing is going well and where it's not

Mr. Gamble. All right. No, it isn't that.

Mr. Bell: (Laughing) He said yes.

HM, Jr: He said yes for me, but for the written record he said something else.

Mr. Gamble: No, I did not say anything else. There are two or three banks who are breaking our regulations. Nobody has been encouraged to do it. Those banks ought to be called to task on it.

HM, Jr: Right. But you don't want us to do any calling in New York.

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Mr. Gamble: I mentioned New York only as an example where they have leaned over backward.

Mr. Bell: I don't think there is a lot of it in New York.

HM, Jr: Dan, you and I, after all these years alongside each other. Right?

Mr. Bell: Sure.

HM, Jr: I still say "if necessary".

Mr. Bell: I was trying to help Ted out.

HM, Jr: Ted, if necessary, will New York unbend a little bit? Loosen up?

Mr. Gamble: Yes, and that would take dynamite!

HM, Jr: Well, we can use it. I am sure they have some second-hand dynamite left over from World War I with Mr. Aldrich they might let you have.

Mr. Bell: Did you notice that line? (Refers to chart.)

HM, Jr: What State is that?

Mr. Bell: That's Georgia.

Mr. Gamble: Atlanta.

HM, Jr: Oh, for God's sake! I can't get excited if some of these cities do a little black market to help us.

Mr. Bell: That's all I have.

HM, Jr: If you do the right thing in the right place, and that's different in each place.

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Mr. Bell: Yes, I understand.

HM, Jr: O.K. But you don't have to answer.

Mr. Gaston: Are individuals making money on these deals, Dan?

Mr. Bell: They could make a little money. If a person subscribes to \$100,000 and borrows maybe -- puts up only \$5,000 and they borrow the money for 3/4% and during the time they hold it they get 2 1/2% and maybe when the market is over they sell it at a premium -- nice little profit.

HM, Jr: On the Morgenthau policy, they always make money in buying Government bonds and that's why they keep buying them.

Mr. Bell: It leaves a pretty good taste in the mouth.

HM, Jr: As long as they don't keep changing the interest rates as they did in the last war and if they can make a little money, fine! I am satisfied.

Mr. Gaston: Just like Alexander Hamilton. Alexander's friends, who had inside information, went out and bought bonds at 5¢ on the dollar and sold them at par.

HM, Jr: Practically the Morgenthau policy. I will overlook that remark. I still say if a laboring man can make a few dollars, even though he should be a banker in Baltimore! All right?

Mr. Bell: It was a pretty good policy established by Hamilton.

Mr. Gaston: You think it was?

Mr. Bell: Yes -- redeem Government bonds at 100¢ on the dollar.

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Mr. Gamble: But lest there be any misunderstanding, the whole amount would be only a small fraction of what we are doing.

HM, Jr: Just so there is no misunderstand, nothing succeeds like success and if in order to attain success if some people are over-enthusiastic and run away, that's the least of it. I would not be sitting here and kidding you (Mr. Gamble) if you were behind and not making your quota, but you are so far over your 4 $\frac{1}{2}$ billion I can afford to kid you. I am kidding because you are in such good shape. But if the Pacific Northwest does that to get their quota, that's something else!

Mr. Bell: They are going to have to do something like that!

Mr. Gamble: If anybody wants to lose any money on the Pacific Northwest, I will take all the bets.

HM, Jr: Anything else, Dan?

Mr. Bell: All I have.

Mr. C. Bell: You spoke of having a parliamentarian. Kelchne is the man and you might want to have him over and Fred Smith and myself besides McDermott to go over the beginning of the conference, just how it would be handled. I think he would like very much to explain it to you.

HM, Jr: How about 9:30 tomorrow morning?

Mr. Bell: That's fine.

Mr. Smith: McDermott is already up there.

HM, Jr: He's a parliamentarian himself.

Mr. Bell: Yes, sir. I think he has been designated that by the President to start the meeting.

Mr. Smith: He's president of the conference before you are elected. Temporary president.

HM, Jr: Does that mean he knows this stuff?

Mr. Bell: Yes, he knows it.

That is a change in the letter which I had yesterday on the young lady to go to England. Mr. O'Connell feels that Mrs. Walker should go rather than the name we presented yesterday.

HM, Jr: Is that acceptable? How old is Mrs. Walker?

Mr. O'Connell: 47. (Laughter)

Mrs. Klotz: They fixed it. That's dirty. Oh, that's awful!

Mr. O'Connell: I think I should say that if I gave the impression yesterday, and I think I did, that I was upset about Charley's position in this, I was completely wrong. But this, in my judgment, is the right thing to do.

HM, Jr: On behalf of Mr. Bell, I say "thank you". That was the impression I got. It was in your own shop?

Mr. O'Connell: Yes, sir.

HM, Jr: That's big business! What's the matter with the poor girl? Bet she bought her own trousseau already.

Now (to Mrs. Klotz) you know how long you have to wait before you go to London!

Mrs. Klotz: I would love to answer that.

Mr. Blough: I rather hope to be out of the office for the next two weeks. It seems suitable for every other purpose. I wonder if you want to do any tax talking before that time?

HM, Jr: God, no! But you will have to see Dan Bell.

Mr. Bell: It's all right. I approved.

HM, Jr: It's all right with me.

Mr. Glasser: I would like, Mr. Secretary, to tell you of discussions that are now going on with the Committee of Executive Policy, of foreign economic policy, of which Acheson is Chairman, on what to do with Germany. They are having discussions on what to do with Germany after the war, including the reparations problem. I think the Committee will make its recommendations sometime next week, but the documents are just beginning to come and they are quite voluminous.

HM, Jr: What Committee is that?

Mr. Glasser: I believe it is the Executive Committee on Foreign Economic Policy.

HM, Jr: Who's Chairman?

Mr. Glasser: Dean Acheson.

HM, Jr: O. K. Just putting me on notice?

Mr. Glasser: That's right.

HM, Jr: I put Mr. Bell on notice that the State Department has set aside the 6th of July for finance day with General De Gaulle.

Mr. Bell: I told Jack.

HM,Jr: Had he known it?

Mr. Bell: No, I don't think so. Said they would start, however, to dig out some stuff. He knew it was coming sometime. I did not tell -- did the State Department set aside that day?

HM,Jr: No, Mr. Gray. He said everybody had been notified.

Mr. Bell: I see.

HM,Jr: Joe?

Mr. O'Connell: Nothing.

HM,Jr: John?

Mr. Pehle: Only that the Roumanian situation is looking up, through various sources, very much and looks very hopeful.

HM,Jr: Good. Are you not going to send anybody to Spain?

Mr. Pehle: I just put MacDonald permanently on ice and I have to allow a little cooling period. Jim Mann is over. We sent him to Lisbon and then he went into Spain and depending on what he can work out we can consider

HM,Jr: What about Justice Murphy?

Mr. Pehle: That's a real possibility, but I think we have to wait a little bit in view of the McDonald situation.

HM,Jr: Justice Murphy has asked to go; volunteered.

Mr. Pehle: He wants to go to Rome too.

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HM, Jr: Anything else?

Mr. Pehle: No, sir.

HM, Jr: Frederick?

Mr. Smith: Nothing.

Mr. Gamble: This is a report on the handling of your speeches overseas.

HM, Jr: I have asked Sweetser here. I am going to lean on Sweetser. He's down as Assistant to me. It isn't that the fellow knows the technique. He has lived with this thing for years.

(To Mr. Gamble) Well, that's fine on the overseas. You did not get a report on Poughkeepsie?

Mr. Gamble: I havenot yet. I understand the fellow's name is Moran and he filed his material with A.P. and U.P. direct and I have asked him to send us copies.

Mr. Bell: Too late.

Mr. Gamble: Too late probably. Bad hour. I will be in New York tomorrow. Any details of the 4th of July show, Mr. O'Connor will have any of the information that you need to have. He's the man who will meet you at the plane at Philadelphia. He's our man.

HM, Jr: He will meet me in Philadelphia?

Mr. Gamble: He will meet you at the plane in Philadelphia and will have the flag, citations and letter, etc.

Mr. Sullivan: I have re-written George Haas' resume in the form of a letter from you to her. I changed that part which referred to the part you were

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specifically bothered about. It does not affect the tax-exemption status.

Yesterday afternoon, Joe and I saw Justice Byrnes who was very much disturbed by that list and he finally concluded that he should show the list to the President. He kept the list and will call me as soon as he has talked to the President about it.

HM, Jr: Well, the President is leaving town tonight. that's in the room.

Mr. Sullivan: I don't think there is any urgency about this. I would much rather the President see it and then tell us to go ahead than if we went ahead and then somebody went to him.

HM, Jr: This helen Gehagan, she is to be the key woman at the Democratic Convention.

Mr. O'Connell: It may not be urgent, but they asked us for the return 9 or 10 days ago and Dies will wonder why his investigator has not been given access to the returns.

HM, Jr: If Dies calls me up, I am at Bretton Woods and it's Sullivan and O'Connell.

Mr. D. Bell: And they won't be found.

Mrs. Klotz: Don't worry, they won't be around.

Mr. O'Connell: Byrnes was very good. He was quite concerned about the list and I think properly so.

HM, Jr: That was a good idea.

Mr. Sullivan: That was yours.

HM, Jr: Was it mine? Very good! I had two good messengers.

Mr. Gaston: I have not been able to get Judge Rosenman yet. he's been out.

HM, Jr: If anybody has memoranda or anything waiting on me, they will have to take the initiative because I am so far behind on my reading that most likely when I leave tomorrow I will put it all in the dead letter file so if there is anything anybody is waiting on me for, they will have to initiate it.

Mr. D. Bell: Do you think you will have time to read it up in Bretton Woods?

HM, Jr: I am taking a tennis racket and a pair of swimming trunks.

Mr. Sullivan: I just sent up for a non-resident fishing license for Buck Brant of the Wall Street Journal.

Mr. D. Bell: In that connection, Spence called me. He had a friend in his office. Also this gentleman was a very close personal friend of McCormack's, and this man wanted to know if there was any objection to his attending sessions at Bretton Woods. he said you don't have to worry about accommodations or his getting there. It's an education to attend. Is it an open session?

HM, Jr: No. We have a very simple answer; Dr. Kelchner. Right, Charley?

Mr. C. Bell: Yes, sir. Spence, by the way, has been insisting on staying in the main house. We had him in the Crawford House. We made a promise to put him and his wife in the main house, but a single room.

HM, Jr: Who sleeps under the bed?

Mr. C. Bell: It's disturbing to Kelchner, but they are going. They opened the door for her and then wanted me to open the door and push her out.

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Mr. D. Bell: Isn't the answer the sessions are closed?

HM, Jr: No. Refer all these to Kelchner.

Mr. D. Bell: Just looking for an excuse to say no.

HM, Jr: No. Why should I say no to a friend of McCormack? He will end up by being Collector of Customs if he gets mad.

O.K?

oOo-oOo

*Reurrote this
at 10:30*

6-29-44

Fellow delegates and members of the conference:

You have given me an honor and an opportunity. I accept the presidency of this conference with gratitude for the confidence you have reposed in me. I accept it also with deep humility. For I know that what we do here will shape to a significant degree the nature of the world in which we are to live -- and the nature of the world in which men and women younger than ourselves must round out their lives and seek the fulfillment of their hopes. All of you, I know, share this sense of responsibility.

We are ~~the~~ more likely to be successful in the work before us ~~as~~ we see it in perspective. Our agenda is concerned specifically with the monetary and investment field. It should be viewed, however, as part of a broader program of agreed action among nations to bring about the expansion of production, employment and trade contemplated in the Atlantic Charter and in Article VII of the mutual aid agreements concluded by the United States with many of the United Nations. Whatever we accomplish here must be supplemented and buttressed by other action having this ~~high~~ end in view.

President Roosevelt has made it clear that we are not asked to make definitive agreements binding on any nation, but that

proposals here formulated are to be referred to our respective governments for acceptance or rejection. Our task, then, is to confer, and to reach understanding and agreement, upon certain basic measures which must be recommended to our governments for the establishment of a sound and stable economic relationship among us.

We can accomplish this task only if we approach it not as bargainers but as partners -- not as rivals but as men who recognize that their common welfare depends, in peace as in war, upon mutual trust and joint endeavor. It is not an easy task that is before us; but I believe, if we devote ourselves to it in this spirit, earnestly and sincerely, that what we achieve here will have the greatest historical significance. Men and women everywhere will look to this meeting for a sign that the unity welded among us by war will endure in peace.

Through cooperation we are now overcoming the most fearful and formidable threat ever to be raised against our security and freedom. In time, with God's grace, the scourge of war will be lifted from us. But we shall delude ourselves if we regard victory as synonymous with freedom and security. Victory in this war will give us simply the opportunity to mould, through our common effort, a world that is, in truth, secure and free.

Essential steps in

We are to concern ourselves here with ~~one of the pillars of~~
~~freedom and security~~ *The Creation 2* a dynamic world economy in which the
 people of every nation will be able to realize their potentialities
 in peace; will be able, through their industry, their inventiveness,
 their thrift, to raise their own standards of living and enjoy,
 increasingly, the ^{independent} ~~fruits of material progress~~ on an earth infinitely
 blessed with natural riches. *This is the cornerstone of freedom and security* All else must be built upon this.

For freedom of opportunity is the foundation for all other
 freedoms.

I hope that this conference will focus its attention upon
 two elementary economic axioms. The first of these is this:
 that prosperity has no fixed limits. It is not a finite substance
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Secretary Morgenthau's
Acceptance Speech

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We are more likely to be successful in the work before us if we see it in perspective. Our agenda is concerned specifically with the monetary and investment field. It should be viewed, however, as part of a broader program of agreed action among nations to bring about the expansion of production, employment and trade contemplated in the Atlantic Charter and in Article VII of the mutual aid agreements concluded by the United States with many of the United Nations. Whatever we accomplish here must be supplemented and buttressed by other action having this ~~high~~ end in view.

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I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity has no fixed limits. It is not a finite substance to be diminished by division. On the contrary, the more of it that other nations enjoy, the more each nation will have for itself. There is a tragic fallacy in the notion that any country is liable to lose its customers by promoting ^{*industrialization*} ~~greater production~~ and higher living standards among them. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about 20 per cent of our exports went to the 47 million people in the highly industrialized United Kingdom; less than three per cent went to the 450 million people in China.

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6-29-44

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Regarded Unclassified

Secretary's Acceptance Speech

Fellow delegates and members of the conference:

You have given me an honor and an opportunity. I accept the chairmanship of this conference with gratitude for the confidence you have reposed in me. I accept it also with deep humility. For I know that what we do here will shape to a significant degree the nature of the world in which we are to live -- and the nature of the world in which men and women younger than ourselves must round out their lives and seek the fulfillment of their hopes. All of you, I know, share this sense of responsibility.

Must  President Roosevelt has made it clear that we are not asked to make definitive agreements binding on any nation, but that proposals here formulated are to be referred to our respective governments for acceptance or rejection. Our task, then (is (not to negotiate but) to confer, and to reach understanding and agreement, upon the measures which must be recommended to our governments for the establishment of a sound and stable economic relationship among us.

We can accomplish this task only if we approach it not as bargainers but as partners -- not as rivals but as men who recognize that their common welfare depends, in peace as in war, upon mutual trust and joint endeavor. I do not mean to minimize

- 2 -

the task before us, but I believe, if we devote ourselves to it in this spirit, earnestly and sincerely, that what we achieve here will have the greatest historical significance. Men and women everywhere will look to this meeting for a sign that the unity welded among us by war will endure in peace.

Through cooperation we are now overcoming the most fearful and formidable threat ever to be raised against our security and freedom. It may be, with God's grace, that the scourge of war will soon be lifted from us. But we shall delude ourselves if we regard victory as synonymous with freedom and security. Victory in this war will give us simply the opportunity to mould a world that is, in truth, secure and free.

We are to concern ourselves here with the foundation, indeed with the very cornerstones, of freedom and security -- a stable world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches.

I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity is ~~unlimited~~. It is not a finite substance to be

has no fixed limit,

- 3 -

diminished by division. On the contrary, the more of it we give *Other Nations enjoy*
~~to others~~, the more *each Nation will* we shall have of it for *itself*. There is
 a tragic fallacy in the notion that we ~~are liable to lose our~~ *endanger our own*
~~welfare~~ *welfare* customers by promoting *greater productive opportunities* industrialization and higher living
 standards *in other countries.* among them. Good customers are prosperous customers.
 The point can be illustrated very simply from the foreign trade
 experience of my own country. In the prewar decade, about 40 per
 cent of our exports went to the 40 million people in the highly
 industrialized United Kingdom; less than four per cent went to the
 400 million people in China.

The second axiom is a corollary of the first. Prosperity,
 like peace, is indivisible. We cannot afford to have it scattered
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All of us have seen the great economic tragedy of our time. We saw the world-wide depression of the 1930's grow out of the first world war. We saw currency disorders develop and spread from land to land, destroying the basis for international trade and international investment and even international trust. In their wake, we saw unemployment and wretchedness -- idle tools, wasted wealth. We saw their victims fall prey, in places, to demagogues and dictators. We saw bewilderment and bitterness become the breeders of fascism and, finally, of war.

In many ~~of our~~ countries we ~~set up~~ controls and restrictions ^{were set up} without regard to their effect on other countries. Some of us, in a desperate attempt to grasp a share of the shrinking volume of world trade, aggravated the disorder by resorting to competitive depreciation of currency. Much of our economic ingenuity was expended in the fashioning of devices to hamper and limit the free movement of goods. These devices became economic weapons with which the earliest phase of our present war was fought by the Fascist dictators. There was an ironic inevitability in this process. Economic aggression can have no other offspring than war. It is as dangerous as it is futile.

We know now that economic conflict must develop when nations endeavor separately to deal with economic ills which are international in scope. To deal with the problems of international

exchange and of international investment is beyond the capacity of any one country, or of any two or three countries. These are multilateral problems, to be solved only by multilateral cooperation. They are fixed and permanent problems, not merely transitional considerations of the postwar reconstruction. They are problems not limited in importance to foreign exchange traders and investment bankers but are vital factors in the flow of raw materials and finished goods, in the maintenance of high levels of production and consumption, in the establishment of a satisfactory standard of living for all the people of all the countries on this earth.

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~~Throughout the past decade, the Government of the United States has sought in every sphere to promote collaborative action among the nations of the world. The Treasury Department has carried on this endeavor in the realm of monetary and financial problems.~~ ^{many directions} ~~to promote collaborative action among the nations of the world.~~ ^{This Government} ~~The Treasury Department has~~ carried on this endeavor in the realm of monetary and financial problems. ^{we} In 1941, the Treasury began to study the possibility of international cooperation on a multilateral basis as a means of establishing a stable and orderly system of international currency relationships and to revive international investment. Our technical staff -- soon joined by the experts of other nations -- undertook the preparation of practical proposals, designed to implement international monetary and financial cooperation. The opinions of these technicians, as reported in the joint public statement which they have issued, reveal a common belief that the

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disruption of foreign exchanges can be prevented, and the collapse of monetary systems can be avoided, and a sound currency basis for the balanced growth of international trade can be provided, if we are forehanded enough to plan ahead of time -- and to plan together. It is the consensus of these technical experts that the solution lies in a permanent institution for consultation *and collaboration* on international monetary, finance and economic problems.

An outline for a Stabilization Fund of the United and Associated Nations is one of the proposals on our agenda. But provision for monetary stabilization alone will not meet the need for the rehabilitation of war-wrecked economies. It is not, in fact, designed toward that end. It is proposed, rather, as a permanent mechanism to *promote* ~~assure~~ exchange stability ~~under relatively normal conditions~~. Even to discharge this function effectively, it must be supplemented by many other measures to remove impediments to world trade.

long-range
For ~~rehabilitation~~ and reconstruction purposes, international loans on a broad scale will be imperative. We have in mind a need wholly apart from the problem of immediate aid which is being undertaken by the United Nations Relief and Rehabilitation Administration. The need which we seek to meet through the second proposal on our agenda is for loans to provide capital for economic reconstruction, loans for which adequate security

may be available and which will provide the opportunity for investment, under proper safeguards, of capital from many lands. The technicians have prepared the outline of a plan for an International Bank for Postwar Reconstruction which will investigate the opportunities for loans of this character, will recommend and supervise them and, if advisable, furnish to investors guaranties of their repayment.

I shall not attempt here to discuss these proposals in detail. That is the task of this conference. It is a task the performance of which calls for wisdom, for statesmanship, above all for good will.

The transcendant fact of contemporary life is this -- that the world is a community. The young men of all our separate countries have been dying together -- dying for a common purpose without distinction as to uniform or flag or national allegiance. It is not beyond our powers to enable the young men of all our countries to live together -- to pour their energies, their skills, their aspirations into mutual enrichment and peaceful progress. Our final responsibility is to them. As they prosper or perish, the work which we do here will be judged. The opportunity before us has been bought with blood. Let us meet it with faith in one another, with faith in our common future, which these men fought to make free.

6-27-44

Fellow delegates and members of the conference:

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We can accomplish this task only if we approach it not as bargainers but as partners -- not as rivals but as men who recognize that their common welfare depends, in peace as in war, upon mutual trust and joint endeavor. I do not mean to minimize

the task before us, but I believe, if we devote ourselves to it in this spirit, earnestly and sincerely, that what we achieve here will have the greatest historical significance. Men and women everywhere will look to this meeting for a sign that the unity welded among us by war will endure in peace.

Through cooperation we are now overcoming the most fearful and formidable threat ever to be raised against our security and freedom. It may be, with God's grace, that the scourge of war will soon be lifted from us. But we shall delude ourselves if we regard victory as synonymous with freedom and security. Victory in this war will give us simply the opportunity to mould a world that is, in truth, secure and free.

We are to concern ourselves here with the foundation, indeed with the very cornerstone, of freedom and security -- a stable world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches.

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In many of our countries we set up controls and restrictions without regard to their effect on other countries. Some of us, in a desperate attempt to grasp a share of the shrinking volume of world trade, aggravated the disorder by resorting to competitive depreciation of currency. Much of our economic ingenuity was expended in the fashioning of devices to hamper and limit the free movement of goods. These devices became economic weapons with which the earliest phase of our present war was fought by the Fascist dictators. There was an ironic inevitability in this process. Economic aggression can have no other offspring than war. It is as dangerous as it is futile.

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Throughout the past decade, the Government of the United States has sought in every sphere to promote collaborative action among the nations of the world. The Treasury Department has carried on this endeavor in the realm of monetary and financial problems. In 1941, the Treasury began to study the possibility of international cooperation on a multilateral basis as a means of establishing a stable and orderly system of international currency relationships and to revive international investment. Our technical staff -- soon joined by the experts of other nations -- undertook the preparation of practical proposals, designed to implement international monetary and financial cooperation. The opinions of these technicians, as reported in the joint public statement which they have issued, reveal a common belief that the

disruption of foreign exchanges can be prevented, and the collapse of monetary systems can be avoided, and a sound currency basis for the balanced growth of international trade can be provided, if we are forehanded enough to plan ahead of time -- and to plan together. It is the consensus of these technical experts that the solution lies in a permanent institution for consultation on international monetary, finance and economic problems.

An outline for a Stabilization Fund of the United and Associated Nations is one of the proposals on our agenda. But provision for monetary stabilization alone will not meet the need for the rehabilitation of war-wrecked economies. It is not, in fact, designed toward that end. It is proposed, rather, as a permanent mechanism to assure exchange stability under relatively normal conditions. Even to discharge this function effectively, it must be supplemented by many other measures to remove impediments to world trade.

For rehabilitation and reconstruction purposes, international loans on a broad scale will be imperative. We have in mind a need wholly apart from the problem of immediate aid which is being undertaken by the United Nations Relief and Rehabilitation Administration. The need which we seek to meet through the second proposal on our agenda is for loans to provide capital for economic reconstruction, loans for which adequate security

may be available and which will provide the opportunity for investment, under proper safeguards, of capital from many lands. The technicians have prepared the outline of a plan for an International Bank for Postwar Reconstruction which will investigate the opportunities for loans of this character, will recommend and supervise them and, if advisable, furnish to investors guaranties of their repayment.

I shall not attempt here to discuss these proposals in detail. That is the task of this conference. It is a task the performance of which calls for wisdom, for statesmanship, above all for good will.

The transcendant fact of contemporary life is this -- that the world is a community. The young men of all our separate countries have been dying together -- dying for a common purpose without distinction as to uniform or flag or national allegiance. It is not beyond our powers to enable the young men of all our countries to live together -- to pour their energies, their skills, their aspirations into mutual enrichment and peaceful progress. Our final responsibility is to them. As they prosper or perish, the work which we do here will be judged. The opportunity before us has been bought with blood. Let us meet it with faith in one another, with faith in our common future, which these men fought to make free.

Fellow delegates and members of the conference:

You have given me an honor and an opportunity. I accept the chairmanship of this conference with ~~my~~ gratitude for the confidence you have reposed in me. I accept it also with deep humility. For I know that what we do here will ^{to a significant degree} shape the nature of the world in which we are to live -- and the nature of the world in which men and women younger than ourselves must round out their lives and seek the fulfillment of their hopes.

All of you, I know, share this sense of responsibility. ~~The war~~ has prodded us into the ~~very~~ healthy habit of coming together in ~~international~~ conference when we have common problems to discuss and solve. We have done this ^{with notable success} in respect to various phases of the war and ~~in respect to~~ ^{in respect to} measures which must be taken immediately after the war, ~~such as the~~ ^{such as the} relief and ~~rehabilitation of Europe and~~ ^{rehabilitation of Europe and} the distribution of the world's food supply. But these ~~have been~~ ^{are} essentially emergency matters. Here in Bretton Woods the representatives of many nations are meeting for the first time to talk over proposals for an enduring program of future economic cooperation and peaceful progress. ~~This is, of course, but one phase of the arrangements which~~

must be made for an orderly, harmonious world. But it is a most vital phase. And the spirit in which we carry on these discussions will set a pattern for future friendly ~~discussions~~ consultations among nations in their common interests. The hopeful gaze of a great many million human beings will be ~~lifted~~ lifted momentarily from the smoke and wreckage of the battle fronts to this quiet New Hampshire village -- lifted for a sign that men of different nationalities have learned how to compose their differences and how to work together as friends. This conference affords the first concrete test of our capacity to cooperate in peace as we have in war. The world's hopes will soar or falter as we meet this test.

President Roosevelt has made it clear that we are not asked to make definitive agreements binding on any nation, but that proposals here formulated are to be referred to ^{our} ~~the~~ respective governments for acceptance or rejection. Our task, then, is not to negotiate but to ~~meet~~ confer, and to reach understanding and agreement, upon the measures which must be recommended to our governments for the establishment of a sound and stable economic relationship among us.

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I do not mean to minimize the task before us, but

I believe, ~~that~~ if we devote ourselves to ^{it} ~~the task~~ in this spirit,

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historical significance. *Men and women everywhere will look to this meeting for a sign that the unity welded among us by war will endure in peace.*

~~We have discovered the uses of cooperation and found them very~~

~~great indeed.~~ Through cooperation we are now overcoming the most

fearful and formidable threat ~~has~~ ever to be raised against our

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of war will soon be lifted from us. But we shall delude ourselves if

we regard victory as synonymous with freedom ^{and security.} Victory in this war

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We are to concern ourselves here with the foundation, indeed with the very cornerstone, of freedom and security -- a stable world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress ~~in an earth~~

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- 3 - ~~of other nations enjoy,~~

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~~kind of cake which we can eat and still possess; a kind of cake~~
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illustrated very simply from the foreign trade experience of my
own country. In the prewar decade, about ³⁰ 40 per cent of our
exports went to the ³⁰ 45 million people in the highly industrialized
United Kingdom; less than four per cent went to the 400 million
people in China.

The second axiom is a corollary of the first. Prosperity,
like peace, is indivisible. We cannot afford to have it scattered
here or there among the fortunate or to enjoy it at the expense
of others. Poverty, wherever it exists, is menacing to us all and
undermines the well-being of each of us. It can no more be
localized than war, but spreads and saps the economic strength
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thread of economic life in every nation is inseparably woven into
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Handwritten note on the right margin: *...of other nations*

infinitely blessed with natural riches.

I hope that this conference will focus its attention upon two ~~primary~~ elementary economic axioms. The first of these is this: that prosperity is unlimited. It is not a finite substance to be ~~limited~~ ~~by~~ diminished by division. On the contrary, the more of it we give to others, the more we shall have of it for ourselves. Here is a kind of cake which we can eat and still possess; a kind of cake which will grow as we ~~share~~ ^{share} ~~it~~ ^{with} others. There is a tragic fallacy in the notion that we are liable to lose our customers by promoting industrialization and higher living standards among them. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about 40 per cent of our exports went to the ~~highly industrialized~~ 40 million people in the highly industrialized United Kingdom; less than four per cent went to the 400 million people in China.

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see chart
figures

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To deal with the problems of international exchange and of international investment is beyond the capacity of any one country, or of any two or three countries. These are multi-lateral problems, to be solved only by multi-lateral cooperation. They are fixed and permanent problems, not merely transitional considerations of the postwar reconstruction. They are problems not limited in importance to foreign exchange traders and investment bankers but are vital factors in the flow of raw materials and finished goods, in the

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study the possibility of international cooperation on a multilateral basis as a means of establishing a stable and orderly system of ~~fixed~~ international currency relationships and to revive international investment. Our technical staff -- soon joined by the experts of other nations -- undertook the preparation of practical proposals designed to implement international monetary and financial cooperation.

The opinions of these technicians, as reported ~~it~~ in the joint public statement which they have issued, reveal a common belief that the disruption of foreign exchanges can be prevented, ~~xxxxxxxxxxxxxxxxxxxx~~

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the solution lies in a permanent institution for consultation on international monetary, finance and economic problems.

The Treasury Department has carried out this research in the realm of monetary and financial problems.

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ASSISTANT SECRETARY OF THE TREASURY

Mr. Fred Smith:

PG, end of first paragraph reads "our Latin-American neighbors."

"Our neighbors on the American continents" or "our neighbors of the Americas" would be better.

Sorry I didn't notice it before and it may not matter, but I think there has been a general decision to drop "Latin-America" and "Latin America".

W.G.

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We are more likely to be successful in the work before us if we see it in perspective. Our agenda is concerned specifically with the monetary and investment field. It should be viewed, however, as part of a broader program of agreed action among nations to bring about the expansion of production, employment and trade contemplated in the Atlantic Charter and in Article VII of the mutual aid agreements concluded by the United States with many of the United Nations. Whatever we accomplish here must be supplemented and buttressed by other action having this end in view.

President Roosevelt has made it clear that we are not asked to make definitive agreements binding on any nation, but that

proposals here formulated are to be referred to our respective governments for acceptance or rejection. Our task, then, is to confer, and to reach understanding and agreement, upon certain basic measures which must be recommended to our governments for the establishment of a sound and stable economic relationship among us.

We can accomplish this task only if we approach it not as bargainers but as partners -- not as rivals but as men who recognize that their common welfare depends, in peace as in war, upon mutual trust and joint endeavor. It is not an easy task that is before us; but I believe, if we devote ourselves to it in this spirit, earnestly and sincerely, that what we achieve here will have the greatest historical significance. Men and women everywhere will look to this meeting for a sign that the unity welded among us by war will endure in peace.

Through cooperation we are now overcoming the most fearful and formidable threat ever to be raised against our security and freedom. In time, with God's grace, the scourge of war will be lifted from us. But we shall delude ourselves if we regard victory as synonymous with freedom and security. Victory in this war will give us simply the opportunity to mould, through our common effort, a world that is, in truth, secure and free.

We are to concern ourselves here with essential steps in the creation of a dynamic world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches. This is the indispensable cornerstone of freedom and security. All else must be built upon this. For freedom of opportunity is the foundation for all other freedoms.

I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity has no fixed limits. It is not a finite substance to be diminished by division. On the contrary, the more of it that other nations enjoy, the more each nation will have for itself. There is a tragic fallacy in the notion that any country is liable to lose its customers by promoting greater production and higher living standards among them. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about 20 per cent of our exports went to the 47 million people in the highly industrialized United Kingdom; less than three per cent went to the 450 million people in China.

The second axiom is a corollary of the first. Prosperity, like peace, is indivisible. We cannot afford to have it scattered here or there among the fortunate or to enjoy it at the expense of others. Poverty, wherever it exists, is menacing to us all and undermines the well-being of each of us. It can no more be localized than war, but spreads and saps the economic strength of all the more favored areas of the earth. We know now that the thread of economic life in every nation is inseparably woven into a fabric of world economy. Let any thread become frayed and the entire fabric is weakened. No nation, however great and strong, can remain immune.

All of us have seen the great economic tragedy of our time. We saw the world-wide depression of the 1930's. We saw currency disorders develop and spread from land to land, destroying the basis for international trade and international investment and even international faith. In their wake, we saw unemployment and wretchedness -- idle tools, wasted wealth. We saw their victims fall prey, in places to demagogues and dictators. We saw bewilderment and bitterness become the breeders of fascism, and, finally, of war.

In many countries controls and restrictions were set up without regard to their effect on other countries. Some countries, in

a desperate attempt to grasp a share of the shrinking volume of world trade, aggravated the disorder by resorting to competitive depreciation of currency. Much of our economic ingenuity was expended in the fashioning of devices to hamper and limit the free movement of goods. These devices became economic weapons with which the earliest phase of our present war was fought by the Fascist dictators. There was an ironic inevitability in this process. Economic aggression can have no other offspring than war. It is as dangerous as it is futile.

We know now that economic conflict must develop when nations endeavor separately to deal with economic ills which are international in scope. To deal with the problems of international exchange and of international investment is beyond the capacity of any one country, or of any two or three countries. These are multilateral problems, to be solved only by multilateral cooperation. They are fixed and permanent problems, not merely transitional considerations of the postwar reconstruction. They are problems not limited in importance to foreign exchange traders and bankers but are vital factors in the flow of raw materials and finished goods, in the maintenance of high levels of production and consumption, in the establishment of a satisfactory standard of living for all the people of all the countries on this earth.

Throughout the past decade, the Government of the United States has sought in many directions to promote joint action among the nations of the world. In the realm of monetary and financial problems, this Government undertook, as far back as 1936, to facilitate the maintenance of orderly exchanges by entering into the Tri-Partite Agreement with England and France, under which they, and subsequently Belgium, the Netherlands and Switzerland, agreed with us to consult on foreign exchange questions before important steps were taken. This policy of consultation was extended in the bi-lateral exchange arrangements which we set up, starting in 1937, with our ^{on the American Continent} ~~Latin American~~ neighbors.

In 1941, we began to study the possibility of international cooperation on a multilateral basis as a means of establishing a stable and orderly system of international currency relationships and to revive international investment. Our technical staff -- soon joined by the experts of other nations -- undertook the preparation of practical proposals, designed to implement international monetary and financial cooperation. The opinions of these technicians, as reported in the joint public statement which they have issued, reveal a common belief that the disruption of foreign exchanges can be prevented, and the collapse of monetary systems can be avoided, and a sound currency basis for the balanced growth of international trade can be provided, if we are forehanded

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We can accomplish this task only if we approach it not as bargainers but as partners -- not as rivals but as men who recognize that their common welfare depends, in peace as in war, upon mutual trust and joint endeavor. It is not an easy task that is before us; but I believe, if we devote ourselves to it in this spirit, earnestly and sincerely, that what we achieve here will have the greatest historical significance. Men and women everywhere will look to this meeting for a sign that the unity welded among us by war will endure in peace.

Through cooperation we are now overcoming the most fearful and formidable threat ever to be raised against our security and freedom. In time, with God's grace, the scourge of war will be lifted from us. But we shall delude ourselves if we regard victory as synonymous with freedom and security. Victory in this war will give us simply the opportunity to mould, through our common effort, a world that is, in truth, secure and free.

We are to concern ourselves here with essential steps in the creation of a dynamic world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches. This is the indispensable cornerstone of freedom and security. All else must be built upon this. For freedom of opportunity is the foundation for all other freedoms.

I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity has no fixed limits. It is not a finite substance to be diminished by division. On the contrary, the more of it that other nations enjoy, the more each nation will have for itself. There is a tragic fallacy in the notion that any country is liable to lose its customers by promoting greater production and higher living standards among them. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about 20 per cent of our exports went to the 47 million people in the highly industrialized United Kingdom; less than three per cent went to the 450 million people in China.

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Secretary Morgenthau's
Acceptance Speech

6

Fellow delegates and members of the conference:

You have given me an honor and an opportunity. I accept the presidency of this conference with gratitude for the confidence you have reposed in me. I accept it also with deep humility. For I know that what we do here will shape to a significant degree the nature of the world in which we are to live -- and the nature of the world in which men and women younger than ourselves must round out their lives and seek the fulfillment of their hopes. All of you, I know, share this sense of responsibility.

We are more likely to be successful in the work before us if we see it in perspective. Our agenda is concerned specifically with the monetary and investment field. It should be viewed, however, as part of a broader program of agreed action among nations to bring about the expansion of production, employment and trade contemplated in the Atlantic Charter and in Article VII of the mutual aid agreements concluded by the United States with many of the United Nations. Whatever we accomplish here must be supplemented and buttressed by other action having this high end in view.

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We can accomplish this task only if we approach it not as bargainers but as partners -- not as rivals but as men who recognize that their common welfare depends, in peace as in war, upon mutual trust and joint endeavor. It is not an easy task that is before us; but I believe, if we devote ourselves to it in this spirit, earnestly and sincerely, that what we achieve here will have the greatest historical significance. Men and women everywhere will look to this meeting for a sign that the unity welded among us by war will endure in peace.

Through cooperation we are now overcoming the most fearful and formidable threat ever to be raised against our security and freedom. In time, with God's grace, the scourge of war will be lifted from us. But we shall delude ourselves if we regard victory as synonymous with freedom and security. Victory in this war will give us simply the opportunity to mould, through our common effort, a world that is, in truth, secure and free.

We are to concern ourselves here with one of the pillars of freedom and security -- a dynamic world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches. All else must be built upon this. For freedom of opportunity is the foundation for all other freedoms.

I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity has no fixed limits. It is not a finite substance to be diminished by division. On the contrary, the more of it that other nations enjoy, the more each nation will have for itself. There is a tragic fallacy in the notion that any country is liable to lose its customers by promoting greater production and higher living standards among them. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about 20 per cent of our exports went to the 7 million people in the highly industrialized United Kingdom; less than three per cent went to the 450 million people in China.

The second axiom is a corollary of the first. Prosperity, like peace, is indivisible. We cannot afford to have it scattered here or there among the fortunate or to enjoy it at the expense of others. Poverty, wherever it exists, is menacing to us all and undermines the well-being of each of us. It can no more be localized than war, but spreads and saps the economic strength of all the more favored areas of the earth. We know now that the thread of economic life in every nation is inseparably woven into a fabric of world economy. Let any thread become frayed and the entire fabric is weakened. No nation, however great and strong, can remain immune.

All of us have seen the great economic tragedy of our time. We saw the world-wide depression of the 1930's grow out of the first World War. We saw currency disorders develop and spread from land to land, destroying the basis for international trade and international investment and even international trust. In their wake, we saw unemployment and wretchedness -- idle tools, wasted wealth. We saw their victims fall prey, in places to demagogues and dictators. We saw bewilderment and bitterness become the breeders of fascism and, finally, of war.

In many countries controls and restrictions were set up without regard to their effect on other countries. Some of us, in

a desperate attempt to grasp a share of the shrinking volume of world trade, aggravated the disorder by resorting to competitive depreciation of currency. Much of our economic ingenuity was expended in the fashioning of devices to hamper and limit the free movement of goods. These devices became economic weapons with which the earliest phase of our present war was fought by the Fascist dictators. There was an ironic inevitability in this process. Economic aggression can have no other offspring than war. It is as dangerous as it is futile.

We know now that economic conflict must develop when nations endeavor separately to deal with economic ills which are international in scope. To deal with the problems of international exchange and of international investment is beyond the capacity of any one country, or of any two or three countries. These are multilateral problems, to be solved only by multilateral cooperation. They are fixed and permanent problems, not merely transitional considerations of the postwar reconstruction. They are problems not limited in importance to foreign exchange traders and investment bankers but are vital factors in the flow of raw materials and finished goods, in the maintenance of high levels of production and consumption, in the establishment of a satisfactory standard of living for all the people of all the countries on this earth.

- 7 -

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June 28, '44

Fellow delegates and members of the conference:

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We are to concern ourselves here with ^{one of the pillars of} ~~the foundation~~ ^{indeed} ~~with the very cornerstone~~ of freedom and security -- a ^{dynamic} ~~single~~ world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches. All else must be built upon this. For freedom of opportunity is the ~~basis~~ ^{foundation} for all other freedoms.

I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity ^{has no fixed limits} ~~is unlimited~~. It is not a finite substance to be

diminished by division. On the contrary, the more other nations enjoy, the more each nation will have for itself. There is a tragic fallacy in the notion that we endanger our own welfare by promoting greater productive opportunities and higher living standards in other countries. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about ²⁰40 per cent of our exports went to the ⁴⁷40 million people in the highly industrialized United Kingdom; less than ~~four~~ ^{three} per cent went to the ⁴⁵⁰400 million people in China.

The second axiom is a corollary of the first. Prosperity, like peace, is indivisible. We cannot afford to have it scattered here or there among the fortunate or to enjoy it at the expense of others. Poverty, wherever it exists, is menacing to us all and undermines the well-being of each of us. It can no more be localized than war, but spreads and saps the economic strength of all the more favored areas of the earth. We know now that the thread of economic life in every nation is inseparably woven into a fabric of world economy. Let any thread become frayed and the entire fabric is weakened. No nation, however great and strong, can remain immune.

- 3 -

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~~to others,~~ ^{each nation will} the more ~~we~~ ^{itself} shall have ~~of it~~ for ourselves. ~~(Here is a~~
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④

Fellow delegates and members of the conference:

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We are to concern ourselves here with the foundation, indeed with the very cornerstone, of freedom and security -- a *dynamic* ~~static~~ world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches. *all else must be built upon this. For freedom of opportunity is the indispensable basis for all other freedoms.*

I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity is unlimited. It is not a finite substance to be

diminished by division. On the contrary, the more of it we give to others, the more we shall have of it for ourselves. ~~Here is a kind of cake which we can eat and still possess; a kind of cake which will grow as we share it with others.~~ There is a tragic fallacy in the notion that we are liable to lose our customers by promoting industrialization and higher living standards among them. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about 40 per cent of our exports went to the 40 million people in the highly industrialized United Kingdom; less than four per cent went to the 400 million people in China.

The second axiom is a corollary of the first. Prosperity, like peace, is indivisible. We cannot afford to have it scattered here or there among the fortunate or to enjoy it at the expense of others. Poverty, wherever it exists, is menacing to us all and undermines the well-being of each of us. It can no more be localized than war, but spreads and saps the economic strength of all the more favored areas of the earth. We know now that the thread of economic life in every nation is inseparably woven into fabric of world economy. Let any thread become frayed and the tire fabric is weakened. No nation, however great and strong, can remain immune.

- 4 -

All of us have seen the great economic tragedy of our time. We saw the world-wide depression of the 1930's grow out of the ~~first world war~~. We saw currency disorders develop and spread from land to land, destroying the basis for international trade and international investment and even international ~~trust~~^{faith}. In their wake, we saw unemployment and wretchedness -- idle tools, wasted wealth. We saw their victims fall prey, in places, to demagogues and dictators. We saw bewilderment and bitterness become the breeders of fascism and, finally, of war.

In many of our countries we set up controls and restrictions without regard to their effect on other countries. Some of us, in a desperate attempt to grasp a share of the shrinking volume of world trade, aggravated the disorder by resorting to competitive depreciation of currency. Much of our economic ingenuity was expended in the fashioning of devices to hamper and limit the free movement of goods. These devices became economic weapons with which the earliest phase of our present war was fought by the Fascist dictators. There was an ironic inevitability in this process. Economic aggression can have no other offspring than war. It is as dangerous as it is futile.

We know now that economic conflict must develop when nations endeavor separately to deal with economic ills which are international in scope. To deal with the problems of international

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As far back as 1935, we tried to facilitate the maintenance of orderly exchanges by entering into the Tri-Partite Pact Accord with England and France, under which they, and subsequently Belgium, the Netherlands and Switzerland, agreed to consult on exchange questions before important steps were taken. This policy of consultation was extended in the bilateral exchange arrangements which we set up with our Latin-American neighbors and a few other countries. Through these arrangements, dollar exchange was made available, under adequate safeguards, to help maintain stable exchange rates.

exchange and of international investment is beyond the capacity of any one country, or of any two or three countries. These are multilateral problems, to be solved only by multilateral cooperation. They are fixed and permanent problems, not merely transitional considerations of the postwar reconstruction. They are problems not limited in importance to foreign exchange traders and investment bankers but are vital factors in the flow of raw materials and finished goods, in the maintenance of high levels of production and consumption, in the establishment of a satisfactory standard of living for all the people of all the countries on this earth.

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Sheet A *Q*
Throughout the past decade, the Government of the United States has sought in every sphere to promote ^{social} collaborative action among the nations of the world. The Treasury Department has carried on this endeavor in the realm of monetary and financial problems. In 1941, the Treasury began to study the possibility of international cooperation on a multilateral basis as a means of establishing a stable and orderly system of international currency relationships and to revive international investment. Our technical staff -- soon joined by the experts of other nations -- undertook the preparation of practical proposals, designed to implement international monetary and financial cooperation. The opinions of these technicians, as reported in the joint public statement which they have issued, reveal a common belief that the

disruption of foreign exchanges can be prevented, and the collapse of monetary systems can be avoided, and a sound currency basis for the balanced growth of international trade can be provided, if we are forehanded enough to plan ahead of time -- and to plan together. It is the consensus of these technical experts that the solution lies in a permanent institution for consultation on international monetary, finance and economic problems.

An outline for a Stabilization Fund of the United and Associated Nations is one of the proposals on our agenda. But provision for monetary stabilization alone will not meet the need for the rehabilitation of war-wrecked economies. It is not, in fact, designed toward that end. It is proposed, rather, as a permanent mechanism to assure exchange stability under relatively normal conditions. Even to discharge this function effectively, it must be supplemented by many other measures to remove impediments to world trade.

For rehabilitation and reconstruction purposes, international loans on a broad scale will be imperative. We have in mind a need wholly apart from the problem of immediate aid which is being undertaken by the United Nations Relief and Rehabilitation Administration. The need which we seek to meet through the second proposal on our agenda is for loans to provide capital for economic reconstruction, loans for which adequate security

may be available and which will provide the opportunity for investment, under proper safeguards, of capital from many lands. The technicians have prepared the outline of a plan for an International Bank for Postwar Reconstruction which will investigate the opportunities for loans of this character, will recommend and supervise them and, if advisable, furnish to investors guaranties of their repayment.

I shall not attempt here to discuss these proposals in detail. That is the task of this conference. It is a task the performance of which calls for wisdom, for statesmanship, above all for good will.

The transcendant fact of contemporary life is this -- that the world is a community. The young men of all our separate countries have been dying together -- dying for a common purpose without distinction as to uniform or flag or national allegiance. It is not beyond our powers to enable the young men of all our countries to live together -- to pour their energies, their skills, their aspirations into mutual enrichment and peaceful progress. Our final responsibility is to them. As they prosper or perish, the work which we do here will be judged. The opportunity before us has been bought with blood. Let us meet it with faith in one another, with faith in our common future, which these men fought
make free.

OFFICE OF THE SECRETARY OF WAR INFORMATION
OFFICE OF THE SECRETARY OF WAR INFORMATION
JUN 28 1944

SPECIAL ASSISTANT TO THE SECRETARY
Mr. McDermott

To: Mr. White Date: 6/28/44

From: Eva A. Page
OWI Speech Clearance - ext. 71842

Subject: Proposed Address by H. Morgenthau, Jr.
Secretary of Treasury
Monetary Conference
Bretton Woods, N.H. - July 1, 1944

Treasury has asked for clearance by NOON today. Will you call as soon as possible with comments?

Secretary Morgenthau's speech
at Bretton Woods opening conference

Fellow delegates and members of the conference:

You have given me an honor and an opportunity. I accept the chairmanship of this conference with gratitude for the confidence you have reposed in me. I accept it also with deep humility. For I know that what we do here will shape to a significant degree the nature of the world in which we are to live -- and the nature of the world in which men and women younger than ourselves must round out their lives and seek the fulfillment of their hopes. All of you, I know, share this sense of responsibility.

President Roosevelt has made it clear that we are not asked to make definitive agreements binding on any nation, but that proposals here formulated are to be referred to our respective governments for acceptance or rejection. Our task, [then is not to negotiate but] to confer, and to reach understanding and agreement, upon the measures which must be recommended to our governments for the establishment of a sound and stable economic relationship among us.

We can accomplish this task only if we approach it not as bargainers but as partners -- not as rivals but as men who recognize that their common welfare depends, in peace as in war, upon mutual trust and joint endeavor. I do not mean to minimize the task before us, but I believe, if we devote ourselves to it in this spirit, earnestly and sincerely, that what we achieve here will have the greatest historical significance. Men and women everywhere will look

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to this meeting for a sign that the unity welded among us by war will endure in peace.

Through cooperation we are now overcoming the most fearful and formidable threat ever to be raised against our security and freedom. It may be, with God's grace, that the scourge of war will soon be lifted from us. But we shall delude ourselves if we regard victory as synonymous with freedom and security. Victory in this war will give us simply the opportunity ^{by our common effort to accomplish the} to mould a world that is, in truth, ^{tasks upon which freedom and security depend.} secure and free.

We are to concern ourselves here with ^{one of the pillars} the ~~foundation~~, indeed ^{one of the pillars of} with the ~~very cornerstones~~, of freedom and security, -- a stable world economy in which the people of every nation will be able to realize their potentialities in peace; will be able, through their industry, their inventiveness, their thrift, to raise their own standards of living and enjoy, increasingly, the fruits of material progress on an earth infinitely blessed with natural riches.

I hope that this conference will focus its attention upon two elementary economic axioms. The first of these is this: that prosperity is unlimited. It is not a finite substance to be ^{that others shall} diminished by division. On the contrary, the more ~~of it we give to~~ ^{have} others, the more we shall have ~~left~~ for ourselves. There is a tragic fallacy in the notion that we are liable to lose our customers by promoting industrialization and higher living standards among them. Good customers are prosperous customers. The point can be illustrated very simply from the foreign trade experience of my own country. In the prewar decade, about 40 percent of our exports went to the 40

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million people in the highly industrialized United Kingdom; less than four percent went to the 400 million people in China.

The second axiom is a corollary of the first. Prosperity, like peace, is indivisible. We cannot afford to have it scattered here or there among the fortunate or to enjoy it at the expense of others. Poverty, wherever it exists, is menacing to us all and undermines the well-being of each of us. It can no more be localized than war, but spreads and saps the economic strength of all the more favored areas of the earth. We know now that the thread of economic life in every nation is inseparably woven into a fabric of world economy. Let any thread become frayed and the entire fabric is weakened. No nation, however great and strong, can remain immune.

All of us have seen the great economic tragedy of our time. We saw the world-wide depression of the 1930's grow out of the first world war. We saw currency disorders develop and spread from land to land, destroying the basis for international trade and international investment and even international trust. In their wake, we saw unemployment and wretchedness -- idle tools, wasted wealth. We saw their victims fall prey, in places, to demagogues and dictators. We saw bewilderment and bitterness become the breeders of fascism and, finally, of war.

In many ~~of our~~ countries ~~we set up~~ controls and restrictions ^{were set up} without regard to their effect on other countries. Some of us, in a desperate attempt to grasp a share of the shrinking volume of world trade, aggravated the disorder by resorting to competitive

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depreciation of currency. Much of our economic ingenuity was expended in the fashioning of devices to hamper and limit the free movement of goods. These devices became economic weapons with which the earliest phase of our present war was fought by the Fascist dictators. There was an ironic inevitability in this process. Economic aggression can have no other offspring than war. It is as dangerous as it is futile.

We know now that economic conflict must develop when nations endeavor separately to deal with economic ills which are international in scope. To deal with the problems of international exchange and of international investment is beyond the capacity of any one country, or of any two or three countries. These are multilateral problems, to be solved only by multilateral cooperation. They are fixed and permanent problems, not merely transitional considerations of the postwar reconstruction. They are problems not limited in importance to foreign exchange traders and investment bankers but are vital factors in the flow of raw materials and finished goods, in the maintenance of high levels of production and consumption, in the establishment of a satisfactory standard of living for all the people of all the countries on this earth.

Throughout the past decade, the Government of the United States has sought in every sphere to promote collaborative action among the nations of the world. The Treasury Department has carried on this endeavor in the realm of monetary and financial problems. In 1941, the Treasury began to study the possibility of international cooperation on a multilateral basis as a means of establishing a

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stable and orderly system of international currency relationships and to revive international investment. Our technical staff -- soon joined by the experts of other nations -- undertook the preparation of practical proposals, designed to implement international monetary and financial cooperation. The opinions of these technicians, as reported in the joint public statement which they have issued, reveal a common belief that the disruption of foreign exchanges can be prevented, and the collapse of monetary systems can be avoided, and a sound currency basis for the balanced growth of international trade can be provided, if we are forehanded enough to plan ahead of time -- and to plan together. It is the consensus of these technical experts that the solution lies in a permanent institution for consultation on international monetary, finance and economic problems.

The formulation of the fund is proposed
 An outline for a Stabilization Fund of the United and Associated Nations is one of ^{the} ~~the~~ ^{plans} proposals on our agenda. But provision for monetary stabilization alone will not meet the need for the rehabilitation of war-wrecked economies. It is not, in fact, designed toward that end. It is proposed, rather, as a permanent mechanism to assure exchange stability under relatively normal conditions. Even to discharge this function effectively, it must be supplemented by many other measures to remove impediments to world trade.

For rehabilitation and reconstruction purposes, international loans on a broad scale will be imperative. We have in mind a need wholly apart from the problem of immediate aid which is being

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undertaken by the United Nations Relief and Rehabilitation Administration. The need which we seek to meet through the second proposal on our agenda is for loans to provide capital for economic reconstruction, loans for which adequate security may be available and which will provide the opportunity for investment, under proper safeguards, of capital from many lands. The technicians have prepared the outline of a plan for an International Bank for Postwar Reconstruction which will investigate the opportunities for loans of this character, will recommend and supervise them and, if advisable, furnish to investors guaranties of their repayment.

I shall not attempt here to discuss these proposals in detail. That is the task of this conference. It is a task the performance of which calls for wisdom, for statesmanship, above all for good will.

The transcendant fact of contemporary life is this -- that the world is a community. The young men of all our separate countries have been dying together -- dying for a common purpose without distinction as to uniform or flag or national allegiance. It is not beyond our powers to enable the young men of all our countries to live together -- to pour their energies, their skills, their aspirations into mutual enrichment and peaceful progress. Our final responsibility is to them. As they prosper or perish, the work which we do here will be judged. The opportunity before us has been bought with blood. Let us meet it with faith in one another, with faith in our common future, which these men fought to make free.

Insert After First Paragraph:

The work we are about to undertake in the monetary and investment field is ~~but~~ part of a broader program of agreed action among nations to bring about the expansion of production, employment, and the exchange and consumption of goods, which is contemplated ^{in the Atlantic Charter and} in Article VII of the mutual-aid agreements concluded by the United States with many of the United Nations. We are more likely to be successful in the work before us if we view it in its true perspective; if we recognize that whatever we may accomplish here cannot be fully successful unless supplemented and buttressed by other action having these high ends in view; if we recognize that what we do in the monetary and investment field must supplement, and be supplemented by, other measures for bringing about or permitting the expansion of international trade.

I appreciate the opportunity you have given me to act as chairman of this Conference. I recognize, as we all must, the burden of responsibility which falls upon us. For we are here to lay the first foundations of a progressive, prosperous, new, free world.

Sometime in the not-too-distant future, God willing, the men of our several nations will have completed their bloody journey to Berlin and Tokyo, and peace will come to our earth. It will be a peace fortified by and founded upon the unconditional surrender of those international criminals who undertook to fit the universe to their own selfish purposes. With the elimination of those enemies of mankind, we shall enter upon a new era in which all the nations of the world can cooperate to earn peace and prosperity through the generations to come.

To us here today falls the responsibility of taking the first vital step in this direction. You, as delegates, represent forty-four nations; you are the representatives of 96% of all the people who populate the earth. With you rests the hope of the future.

The people of your nation and mine are fighting and dying together today.. We have learned during this bitter war how to join our hands, how to knit our strength together. We have seen

that it was disunity among us which imperiled our freedom and gave our enemies the courage to launch their assault against all mankind. We know now that by preserving our unity in battle, we can eventually preserve our freedom and our liberty. The things for which we fight bind us together. They make us a community and they will be preserved as long as that community endures. The community will endure as long as we continue to work in the common interest.

The outcome of this Conference will provide the first real proof that we of the United Nations, and those associated with the United Nations, stand ready to build a cooperative peace.

We have come here at the invitation of the President of the United States to consider means to deal with the international monetary and financial problems that will confront the world after the war has been fought to a victorious conclusion. None of us underestimates the difficulties of our task, but I believe all of us are confident that in a spirit of friendly cooperation we can find solutions to these problems.

We know now that the thread of economic life in every nation of the world is inseparably woven into a fabric of world economy. Let any thread become frayed and the entire fabric is weakened. No country, however great and strong, can stand apart.

All of us here in this room have seen the great economic tragedy of our time. We have witnessed the fantastic growth of production and distribution all over the world -- and we have seen, in the face of this miracle, financial and economic instability shake our economic systems to their very foundations.

We saw the world-wide depression of the 1930's grow out of the first world war. We saw currency disorders develop and spread from country to country destroying the basis for international trade and international investment and even international trust.

In many of our countries we set up controls and restrictions; we imposed them and extended them without regard to their effect on other countries. And then some of our nations, in a desperate attempt to grasp a share of the shrinking volume of world trade, resorted to competitive depreciation of currency. This contributed to a general weakening of exchange relations and controls had to be set up to force a balance in international accounts. These were potentially vicious devices. In the hands of a few they became instruments for economic and political pressure; they became economic weapons with which the earliest phase of our present war was fought by Nazis, Fascists and Imperialist dictators.

After several terrible years, the cancerous depression that visited upon every nation of the world ran its course. Each nation endeavored to cure its domestic ills with domestic

measures, and had varying degrees of success. But whatever success may have been secured in any one nation, the international facets of the depression hung on. The financial problems which gave rise to the mounting disorders of the 1930's remained unsolved, and they are unsolved as of this very day. The exchange of raw materials and finished production continued at depression levels, unable to recover from trade restrictions, exchange instability, exchange controls, discriminating arrangements, blocked balances and other devices of economic aggression, in the face of which there can be no peaceful or prosperous trade.

During the first World War and the subsequent world-wide depression, international investment for production purposes became virtually extinct. The measure of this calamity has never been fully appreciated. After a century of international investment, this heart-beat of progress suddenly came to a stop. Restoration of this practice on a sound basis is in the common interest of the investor and the borrower, and to the advantage to the lending and borrowing countries, and finally to the advantage of world economy.

The restoration of international trade after the war depends entirely upon the re-creation of international investment. And this, in turn, depends upon international confidence, which will come only with orderly exchange arrangements. The resumption

of international investment for production purposes will expedite the task of rebuilding peacetime industries and will help maintain a high level of employment throughout the world.

Wholly aside from maintaining orderly international exchange practices, we must be prepared also to give action, aid and encouragement to international investment if this should prove necessary.

To deal with the problems of international exchange and of international investment is beyond the capacity of any one country, or of any two or three countries. These are international problems, to be solved only by international cooperation. They are fixed and permanent problems, not merely transitional considerations of the post-war reconstruction. They are problems not limited in importance to foreign exchange traders and investment bankers, but are vital factors in the flow of raw materials, in the movement of finished goods, in the maintenance of a high level of production and consumption, and in the establishment and preservation of a satisfactory standard of living for all the people of all the countries on this earth.

It is up to us here in Bretton Woods to assure a troubled world that our free countries can and will solve these perplexing problems. We will do it through international cooperation; through dedicating ourselves to the interests of our community of nations.

We in the Treasury have been working towards international cooperation in the monetary field for many years. This Conference comes as the result of our deep interest in seeking a solution to problems which have beset us and all other nations during the past ten years.

Having become increasingly concerned with restrictions on international exchange transactions, and with the decline of international investment, I have tried, on several occasions, and in many ways, to solve some of the international monetary and financial problems that brought this situation about. But, as I have said, there is little that any one country can do.

Back in the 1930's, we tried to facilitate the maintenance of orderly exchanges by calling together the finance ministers of a number of countries to discuss problems as they arose. I am sure that this policy of informal cooperation aided to some extent in retarding the depreciation of currencies and the spread of dangerous, stringent exchange controls.

Later, to formalize cooperation in maintaining stable exchanges, the United Kingdom, France, and the United States entered into the Tri-partite Pact Accord, under which they, and later Belgium, the Netherlands, and Switzerland, agreed to consult on exchange questions, before important steps were taken. This policy of consultation was extended in the bi-lateral exchange

arrangements which we set up with our latin-American neighbors and a few other countries. Under these arrangements, dollar exchange was made available, under adequate safe-guards, to help maintain stable exchange rates.

The rapid decline of international investment for productive purposes, and the destructive flight of capital which grew out of monetary and political uncertainties, led us, in 1934, to undertake the systematic collection of data on short-term capital movements. At the outbreak of the war, this information was extremely helpful in the administration of our Foreign Funds Control, which had no other purpose than to safe-guard the foreign exchange resources of invaded countries, and to prevent the use of looted resources by the enemy.

In 1941, we undertook to study the possibility of international cooperation on a multilateral basis as a means of establishing a stable and orderly system of international currency relationships, and to revive international investment. Our technical staff undertook the preparation of practical proposals designed to implement international monetary and financial cooperation. Our technical experts were soon joined by the technical experts of other nations, and the results of their discussions have been made public in the form of a joint statement. The opinions of these experts, as reported in the joint statement,

reveal a common belief that the disruption of foreign exchanges can be prevented and the collapse of monetary systems can be avoided, and a sound currency basis for the balanced growth of international trade can be provided, if we are forehanded enough to plan ahead of time. It is the concensus of these technicians that the solution lies in a permanent institution for consultation on international monetary, finance, and economic problems.

Our task here is to discuss and plan such an institution.

These things we know:

We must agree on the maintenance of a stable and orderly system of exchanges and avoid competitive exchange depreciation.

We must restore multilateral payments facilities on current international transactions and eliminate the foreign exchange restrictions which hamper the growth of world trade. We must give countries confidence in undertaking such policies by making available to them under adequate safeguards resources through which they may take steps to remedy maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

The outline for a Stabilization Fund of the United and Associated Nations to achieve these objectives is one of the proposals on our agenda. But provision for monetary stabilization alone will not meet the need for the rehabilitation of war-wrecked

economies. It is not in fact designed towards that end. It is proposed as a permanent mechanism rather for assuring exchange stability under relatively normal conditions. Even to discharge that function effectively it must be supplemented by many other measures to remove hampering restrictions to world trade.

For rehabilitation and reconstruction purposes international loans on a broad scale will be imperative. We have in mind a need wholly apart from the problem of immediate relief which is being undertaken by the United Nations Relief and Rehabilitation Administration. The need which we seek to supply through the second proposal on our agenda is for loans to provide capital for economic reconstruction, loans for which adequate security may be available and which will provide the opportunity for investment under proper safeguards of capital from many lands. The technicians have prepared the outline of a plan for an International Bank for Post-War Reconstruction which will investigate the opportunities for loans of this character, will recommend and supervise them and if advisable furnish to investors guaranties of their repayment.

President Roosevelt has made it clear that we, as representatives to this Conference, are not asked to reach definitive

agreements binding on any nation, but that proposals here formulated are to be referred to the respective governments for their acceptance or rejection. We are here not to negotiate but to consult on problems of the most vital importance to all of us and to the governments and peoples whom we represent.

Though we do not seek to make binding agreements and although the subjects of our consultation may seem limited and technical in their scope, I believe that if we devote ourselves sincerely to our task, what we achieve here will have the greatest historical significance. Beyond the proposals we are to consider, which themselves are designed to become integral and essential parts of a program of future economic cooperation and peaceful progress, we may here further advance a process of friendly consultation between Nations in their common interest, which holds the highest promise for enduring peace after the struggle against tyranny and aggression has been won.

Insofar as we can give substance to that promise we arm ourselves and our gallant fighting men with new strength.

9:00 am 5-28

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(Revised - 6-20-44)

6:11:45 - f -

DRAFT OF THE SECRETARY'S STATEMENT

Fellow delegates to the Conference:

I am delighted to be able to join in the welcome extended to you by the President and the Secretary of State.

We are convened at the invitation of the President of the United States to consider means to deal with the international monetary and financial problems that will confront the world after the war has been fought to a victorious conclusion. None of us underestimates the difficulties of the task that has been given to us, but I believe all of us are confident that in a spirit of friendly cooperation we can find solutions to these problems that will hold new hope for the world.

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The two great wars of this generation and the two decades of uncertainty and confusion between them are the most convincing proof that security and prosperity are inseparable, that both are beyond the power of any one country to assure for itself and that only by acting together in a full realization of our community of interest can we avert the dangers that threaten us separately.

The great and powerful nations gathered at this conference have demonstrated their determination and their ability to fight together to assure a free world. We are on the march toward victory. It is our duty to demonstrate that these nations can work together in solving their common economic problems and thus lay more secure foundations for world peace.

The thread of economic life in every country is inseparably woven into fabric of the world economy. When any thread is frayed the entire fabric is weakened. No country, however great and strong, can stand apart and be indifferent while the world economy is torn to shreds. The great economic tragedy in our time is that, with all our capacities for production and distribution and with the knowledge that we possessed of the interdependency of nations, we permitted the economic and financial instability that grew out of the previous world-wide depression of the 1930's. We shall incur and we shall deserve the blame of all future generations if we do not apply our knowledge and our goodwill to prevent such tragedies in the future.

It is my belief that one of the first and most important steps in dealing with international economic

TEARS

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problems after the war is to provide a stable and orderly pattern of exchange rates through international monetary cooperation. This is one of the essentials for the revival of international commerce and finance. Without such arrangements we cannot hope for restoration of international trade and international investment, and the difficulty of maintaining a high level of production in employment will be immeasurably increased.

The international monetary problems with which we must deal have a two-fold origin: on the one hand we have not heeded the unsettled problems of the decades before the war. Unfortunately, in the period of the 1930's we permitted a stifling of international trade and international investment. All countries were affected by the world-wide instability of exchanges and the competitive depreciation of currencies in the desperate attempt of some countries to secure for themselves a larger share of a shrinking volume of world trade.

The loss of confidence in currencies led to a flight from currency in many countries. Exchange control was instituted as a means of preventing this destructive flight

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from currencies, but in some countries it was frankly used as an instrument for economic and political pressure. The emergence of blocked balances in bi-lateral clearing arrangements was the final evidence of the breakdown of currencies in the international sphere.

The problems that gave rise to the monetary disorder of the 1930's have remained unsolved. Now to them are added the new problems growing out of the war and the devastation that it has wrought. Monetary international economic relationships have been disrupted. Great structural changes in the world economy have grown out of the war. These distortions must not be permitted to destroy the fabric of the world economy. We have before us a tremendous task of reconstruction in which measures for lasting economic cooperation must be combined with measures for rebuilding the productive capacity of the nations most ravaged by war.

To deal with these problems is beyond the capacity of any one country. They are essentially problems of an international character and they can be solved only by international cooperation. These are not merely transitory

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problems of the American post-war period affecting only a few countries. The history of the past two decades shows that they are continuing problems of vital interest to all countries. We must assure a troubled world that the free countries will solve these perplexing problems and only through international cooperation will it be possible to do this.

For more than ten years as Secretary of the United States Treasury, I have been concerned with endeavoring to bring about a greater degree of international monetary cooperation. We have tried the system of informal cooperation on problems as they arise. We have tried the so-called tripartite accord of 1936 under which the six participating nations agreed to consult on exchange rates with a view to avoiding unnecessary fluctuations and for the purpose of helping to remove the restrictions on exchange transactions which were impeding the growth of world trade. We have entered into bilateral stabilization arrangements with our Latin American neighbors and with other countries for the purpose of facilitating the maintenance of exchange rates and for consulting on exchange problems. The experience of the United States with informal cooperation

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with these bilateral arrangements and the tripartite accord have convinced me that international cooperation on a multilateral basis - the broadest possible system of consultation and concerted action - provides the only means for establishing stable and orderly exchange rates and for eliminating the restrictive and discriminatory practices that have in the past stifled world trade.

At my request the technical staff of the United States Treasury undertook in 1941 the preparation of practical proposals for the purpose of implementing international monetary cooperation and cooperation on international investment. I know in the United Kingdom and in other countries the same problems have been given prolonged and careful study. There has been a general recognition that these problems cannot be solved by any countries acting alone, that they are properly matters for international cooperation.

For more than two years the technical experts of the United Nations have been discussing these proposals on an unofficial basis. The results of their extended discussions were made public in the form of a joint statement by experts recommending the establishment of an international

(Revised - 6-20-44)

DRAFT OF THE SECRETARY'S STATEMENT

Fellow delegates to the Conference:

I am delighted to be able to join in the welcome extended to you by the President and the Secretary of State.

We are convened at the invitation of the President of the United States to consider means to deal with the international monetary and financial problems that will confront the world after the war has been fought to a victorious conclusion. None of us underestimates the difficulties of the task that has been given to us, but I believe all of us are confident that in a spirit of friendly cooperation we can find solutions to these problems that will hold new hope for the world.

The two great wars of this generation and the two decades of uncertainty and confusion between them are the most convincing proof that security and prosperity are inseparable, that both are beyond the power of any one country to assure for itself and that only by acting together in a full realization of our community of interest can we avert the dangers that threaten us separately.

- 2 -

The great and powerful nations gathered at this conference have demonstrated their determination and their ability to fight together to assure a free world. We are on the march toward victory. It is our duty to demonstrate that these nations can work together in solving their common economic problems and thus lay more secure foundations for world peace.

The thread of economic life in every country is inseparably woven into fabric of the world economy. When any thread is frayed the entire fabric is weakened. No country, however great and strong, can stand apart and be indifferent while the world economy is torn to shreds. The great economic tragedy in our time is that, with all our capacities for production and distribution and with the knowledge that we possessed of the interdependency of nations, we permitted the economic and financial instability that grew out of the previous world-wide depression of the 1930's. We shall incur and we shall deserve the blame of all future generations if we do not apply our knowledge and our goodwill to prevent such tragedies in the future.

It is my belief that one of the first and most important steps in dealing with international economic

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problems after the war is to provide a stable and orderly pattern of exchange rates through international monetary cooperation. This is one of the essentials for the revival of international commerce and finance. Without such arrangements we cannot hope for restoration of international trade and international investment, and the difficulty of maintaining a high level of production in employment will be immeasurably increased.

The international monetary problems with which we must deal have a two-fold origin: on the one hand we have not heeded the unsettled problems of the decades before the war. Unfortunately, in the period of the 1930's we permitted a stifling of international trade and international investment. All countries were affected by the world-wide instability of exchanges and the competitive depreciation of currencies in the desperate attempt of some countries to secure for themselves a larger share of a shrinking volume of world trade.

The loss of confidence in currencies led to a flight from currency in many countries. Exchange control was instituted as a means of preventing this destructive flight

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from currencies, but in some countries it was frankly used as an instrument for economic and political pressure. The emergence of blocked balances in bi-lateral clearing arrangements was the final evidence of the breakdown of currencies in the international sphere.

The problems that gave rise to the monetary disorder of the 1930's have remained unsolved. Now to them are added the new problems growing out of the war and the devastation that it has wrought. Monetary international economic relationships have been disrupted. Great structural changes in the world economy have grown out of the war. These distortions must not be permitted to destroy the fabric of the world economy. We have before us a tremendous task of reconstruction in which measures for lasting economic cooperation must be combined with measures for rebuilding the productive capacity of the nations most ravaged by war.

To deal with these problems is beyond the capacity of any one country. They are essentially problems of an international character and they can be solved only by international cooperation. These are not merely transitory

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problems of the American post-war period affecting only a few countries. The history of the past two decades shows that they are continuing problems of vital interest to all countries. We must assure a troubled world that the free countries will solve these perplexing problems and only through international cooperation will it be possible to do this.

For more than ten years as Secretary of the United States Treasury, I have been concerned with endeavoring to bring about a greater degree of international monetary cooperation. We have tried the system of informal cooperation on problems as they arise. We have tried the so-called tripartite accord of 1936 under which the six participating nations agreed to consult on exchange rates with a view to avoiding unnecessary fluctuations and for the purpose of helping to remove the restrictions on exchange transactions which were impeding the growth of world trade. We have entered into bilateral stabilization arrangements with our Latin American neighbors and with other countries for the purpose of facilitating the maintenance of exchange rates and for consulting on exchange problems. The experience of the United States with informal cooperation

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with these bilateral arrangements and the tripartite accord have convinced me that international cooperation on a multilateral basis - the broadest possible system of consultation and concerted action - provides the only means for establishing stable and orderly exchange rates and for eliminating the restrictive and discriminatory practices that have in the past stifled world trade.

At my request the technical staff of the United States Treasury undertook in 1941 the preparation of practical proposals for the purpose of implementing international monetary cooperation and cooperation on international investment. I know in the United Kingdom and in other countries the same problems have been given prolonged and careful study. There has been a general recognition that these problems cannot be solved by any countries acting alone, that they are properly matters for international cooperation.

For more than two years the technical experts of the United Nations have been discussing these proposals on an unofficial basis. The results of their extended discussions were made public in the form of a joint statement by experts recommending the establishment of an international

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monetary fund. I know you join with me in the hope that the recommendations of the experts will be advanced toward practical fruition in the acts of this conference.

The studies and discussions of the experts have revealed a common opinion that if we are to prevent the disruption of foreign exchanges to avoid the collapse of the monetary systems and to provide a sound currency basis for the balanced growth of international trade, we must provide a permanent institution for consultation on international problems.

We must agree on the maintenance of a stable and orderly system of exchanges and avoid competitive exchange depreciation. We must restore multilateral payments facilities on current international transactions and eliminate the foreign exchange restrictions which hamper the growth of world trade. We must give countries confidence in undertaking such policies by making available to them under adequate safeguards resources through which they may take steps to remedy maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

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The outline for a Stabilization Fund of the United and Associated Nations to achieve these objectives is one of the proposals on our agenda which we have had under consideration and which we have discussed with the experts of other Nations here represented. But provision for monetary stabilization alone will not meet the need for the rehabilitation of war-wrecked economies. It is not in fact designed toward that end. It is proposed as a permanent mechanism rather for assuring exchange stability under relatively normal conditions. Even to discharge that function effectively it must be supplemented by many other measures to remove hampering restrictions to world trade.

For rehabilitation and reconstruction purposes international loans on a broad scale will be imperative. We have in mind a need wholly apart from the problem of immediate relief which is being undertaken by the United Nations Relief and Rehabilitation Administration. The need which we seek to supply through the second proposal on our agenda is for loans to supply capital for economic reconstruction, loans for which adequate security may be provided and which will provide the opportunity for

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investment under proper safeguards of capital from many lands. The experts have prepared the outline of a plan for an International Bank for Post-War Reconstruction which will investigate the opportunities for loans of this character, will recommend and supervise them and if advisable furnish to investors guaranties of their repayment.

In inviting you as representatives of the United and Associated Nations to this monetary and financial conference President Roosevelt has made it clear that we are not asked to reach definitive agreements binding on any Nation, but that proposals here formulated are to be referred to the respective governments for their acceptance or rejection. We are here not to negotiate but to consult on problems of the most vital importance to all of us and to the governments and peoples whom we represent.

Yet though we do not seek to make binding agreements and although the subjects of our consultation may seem limited and technical in their scope, I believe that if we devote ourselves sincerely to our task what we achieve here will have the greatest historical significance. Beyond the proposals we are to consider, which themselves

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are designed to become integral and essential parts of a program of future economic cooperation and peaceful progress, we may here further advance a process of friendly consultation between Nations in their common interest which holds the highest promise for enduring peace after the struggle against tyranny and aggression has been won.

In so far as we can give substance to that promise we arm ourselves and our gallant fighting men with new strength.

DRAFT OF THE SECRETARY'S ACCEPTANCE STATEMENT

The deep gratification I feel for the confidence you have expressed in me is tempered by the realization of the enormous responsibility with which this Conference is charged. No one cognizant of the facts under-estimates the difficulties of the task that has been given to us. All of us hope that in a spirit of friendly cooperation we can meet these problems.

The two great wars of this generation, and the decades of uncertainty and confusion between them, are the most convincing proof that security and prosperity are inseparable, that both are beyond the power of any one country to assure for itself, and that only by acting together can we avert the dangers that threaten us separately. The great and powerful nations gathered at this conference have demonstrated their determination and their ability to fight together to assure a free world. We must now demonstrate that these nations can work together in solving their common economic problems.

The economic life of all countries is closely tied to that of others, and they must inevitably share in general prosperity or general depression. No country, however great and strong, can stand apart and be indifferent while the world economy is torn asunder. The great economic tragedy of our time is that countries

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neglected this fundamental truth, that they permitted the economic and financial instability that grew out of the previous war to degenerate into the world-wide depression of the 1930's. We are determined that this time we shall be forehanded in dealing with the economic and financial problems of this war.

Unfortunately in the period of the 1930's currency disorders were allowed to develop which spread from country to country, destroying the basis for international trade and international investment. Controls and restrictions were imposed and extended without regard to their effect on other countries. Some countries, in a desperate attempt to secure for themselves a larger share of a shrinking volume of world trade, resorted to competitive depreciation of currencies, the direct effect of which was to contribute to a general weakening of exchange rates. Exchange control was adopted as a means for forcing a balance in international accounts. In a few countries these devices were frankly used as instruments for economic and political pressure, economic weapons in preparation for the war that was already planned by the Nazi, Fascist and Imperialist dictators.

The international financial problems that gave rise to the monetary disorder of the 1930's remained unsolved. The spreading depression was halted largely by measures of a domestic character; but international economic life remained stagnated. The interchange of raw materials and of finished products continued at depression

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levels, stifled by trade restrictions, exchange instability, exchange controls, discriminatory currency arrangements, blocked balances and other devices of economic aggression in which peaceful and prosperous trade cannot flourish.

To these unsettled problems of the 1930's, there have been added in the past five years the new problems growing out of the war. Of necessity, normal international economic relationships have been disrupted and great structural changes have taken place in the world economy as a result of the war. In every country, controls and restrictions have been placed upon international transactions in order to conserve foreign exchange resources or to impose an economic and financial blockade of the enemy. These wartime controls, effective instruments for winning the war, can be destructive elements in the period of peace. We must prepare now to avert the tragedy of a new breakdown of currencies, wide-spread exchange instability, and the retention and extension of the controls and restrictions imposed during the war.

The decade of the 1930's saw the virtual extinction of international investment for productive purposes. For more than a century international investment had been an important factor in economic progress and in the steady and balanced growth of international trade. The productive resources of many of the nations gathered at this conference, including the United States, were developed in large part with the aid of investment funds provided by the older industrial countries. At the same time, the development of these new countries contributed to the expansion

of world markets and the phenomenal growth in the supply of the raw materials needed by the new industrial world. This healthy development of international investment was interrupted by the first World War. Unfortunately, when international investment was resumed in the 1920's, the projects were, too often, ill-conceived and the funds unproductively used.

Deep depression in the lending countries and in the borrowing countries, the aggressive acts of Germany, Italy and Japan, but above all the serious currency disorders and the restrictive measures on the transfer of earnings and the return of capital, all contributed to bringing about a serious deterioration of international investment in the 1930's. Productive and profitable international investment was replaced by a flight of capital seeking security and refuge in the countries where some measure of financial and political stability still prevailed. The present war has, of course, halted completely the normal process of international investment, with the great lending countries absorbed in the task of producing and using the great weight of armaments with which they will crush the enemy.

The restoration of international trade after the war depends not only upon the establishment of stable and orderly exchange arrangements but on the revival of international investment. To the great industrial countries, which are also the great lending countries, the resumption of international investment for productive

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purposes will make easier the task of restoring their peace-time industries and of maintaining a high level of employment. To the newer countries international investment will facilitate economic development and provide them with a market for their production of raw materials and semi-finished products. To all countries, the expansion of international trade on the basis of sound international investment is essential for a healthy and prosperous economy.

No one can doubt that opportunities for profitable and productive international investment will continue in a world that is assured peace and freedom. To some extent, private capital will again flow abroad after the war, particularly in the field of direct investment which involves the provision of technical knowledge as well as capital. But the flow of international capital in the years immediately after the war will be far less than the sums that can be economically used unless investors are assured of a recurrence of losses from depreciated currency and exchange restrictions, from failures and defaults.

The establishment of stable and orderly currency arrangements will provide a sound foundation for international investment. We must be prepared, however, to give active aid and encouragement to international investment if this should prove necessary. The restoration of international investment on a sound basis is in the common interest of the investor and the borrower, and to the advantage of the lending and borrowing countries and the world economy in general.

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The stabilisation of currencies and the revival of international investment are not simply technical problems of importance to foreign exchange traders and investment bankers. They are vital factors in the flow of raw materials, the movement of finished goods, and the maintenance of a high level of production and consumption. In every country, agriculture and industry must find abroad important sources of supply or large segments of their market. Without a high level of international trade we cannot hope for the prosperity which is the only sound basis for democratic government and world peace.

~~For more than ten years,~~ As Secretary of the United States Treasury, I have ^{become increasingly} ~~been~~ concerned with the growth of restrictions on international exchange transactions and the decline of international investment. Throughout this difficult period, it has been the policy of the United States Treasury to contribute in every possible way to the intelligent solution of international monetary and financial problems. To facilitate the maintenance of orderly exchanges, the United States Treasury informally cooperated with the Finance Ministries of a number of countries in meeting exchange problems as they arose. Whatever small measure of success we had in the 1930's in retarding the continued depreciation of currencies and the spread of stringent exchange controls was in part due to this policy of informal cooperation.

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To formalize cooperation in maintaining stable exchanges, the United States, the United Kingdom and France entered into the Tri-Partite Accord under which they and the other countries adhering to this Accord, Belgium, the Netherlands and Switzerland, agreed to consult on exchange questions with a view to preventing unnecessary fluctuations in exchange rates and helping to remove the restrictions on exchange transactions. This policy of consultation was extended in the bilateral exchange arrangements with our Latin American neighbors and with other countries in which dollar exchange was made available, under adequate safeguards, for the purpose of facilitating the maintenance of stable exchange rates.

As Secretary of the Treasury, I was deeply concerned with the decline of international investment for productive purposes in the 1930's and the large and destructive flight of capital growing out of the monetary and political uncertainty of this decade. In 1934, the United States Treasury undertook the systematic collection of data on short-term capital movements. When the war broke out, these data were extremely helpful to the Treasury in the effective administration of our Foreign Funds Control which had no other purpose than to safeguard the foreign exchange resources of the invaded countries and to prevent the use of such looted resources by the enemy. It is our intention, in cooperation with other countries, to relinquish such controls as soon as they can be safely done, and to restore the free movement of capital to and from the United States.

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The experience of the past ten years has convinced me that international cooperation on a multilateral basis provides the only means for establishing a stable and orderly system of international currency relationships and for reviving international investment, without which world trade cannot grow and prosperity in the great trading countries is impossible. At my request the technical staff of the United States Treasury, in cooperation with other departments of this Government, undertook in 1941 the study of these problems for the specific purpose of preparing practical proposals for international cooperation on monetary and financial problems. As you know, the same problems have been given very careful and extended study by the experts of the United Kingdom and other countries.

The tentative proposals of the experts have been made available to the public and have been submitted to Finance Ministers for consideration. For more than two years the technical experts of the United Nations have been discussing these proposals on an unofficial basis. These exploratory discussions have revealed the general opinion of the experts that difficult though these problems are, they can be solved, and that they are appropriately matters for international cooperation.

The experts have recommended that steps be taken to maintain a stable and orderly system of exchanges and to avoid competitive exchange depreciation; to assist in the establishment of multilateral

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payments facilities on current international transactions and in the elimination of the foreign exchange restrictions which hamper the growth of world trade. Countries should be given confidence in undertaking such policies by making available to them, under adequate safeguards, the foreign exchange needed to meet their adverse balances on current international transactions while they take steps to correct the maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

Through such means, it will be possible to facilitate the expansion and balanced growth of international trade and to contribute to the maintenance of a high level of employment in real income which must be a primary objective of economic policy. To assure common action on these purposes and policies the experts have recommended the establishment of an International Monetary Fund to be a permanent institution to promote international monetary cooperation and to provide the machinery for consultation on international monetary problems.

The discussions of the experts on the problems of international investment have revealed a general opinion that the restoration of private international investment for productive purposes is an international problem that can be solved only through international cooperation. The benefits of international investment are world-wide in scope and the responsibility for the maintenance of an

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adequate level of international investment must be international. While all countries cannot undertake to be leaders abroad, there is every reason why they should join as guarantors in international investment from which they all derive benefits.

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It has been proposed to establish a Bank for Reconstruction and Development in which all of the United and Associated Nations would participate. The principal function of such a Bank would be to guarantee loans made by private investors for approved projects which contribute to the productivity of the borrowing country and which can be serviced out of the accruing foreign exchange resources of the borrowing country. Only where market conditions make it impossible to secure funds from private investors on reasonable terms would the Bank participate in or make loans out of its own resources. In fact, it is expected that a large part of the capital of such an institution would be reserved as a surety fund for securities guaranteed by the Bank.

This, in brief, is the program of international cooperation on monetary and financial problems that has been proposed by the technical experts. No one who has worked closely with these problems pretends that this program will miraculously cure the ills of a world that has gone through a decade of severe restrictions and controls and five years of destructive war. We are all conscious of the fact that the proper domestic policies are of primary importance in securing international prosperity. We are aware of the fact that much remains to be done in the field of commercial policy. We claim

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no more for this program than that it is a necessary step in establishing a sound basis for international monetary and financial policies essential for a prosperous and peaceful world.

There are men of small minds and narrow vision who tell us that we must wait and see, that there is always time to deal with these questions. They counsel us that it is better to be late to be sure we are not premature, that it is better to do little to be sure that we do not do too much, that it is better to do nothing to be sure that we make no petty errors. To such men I say that the people of the United Nations are determined to prevent a breakdown of international economic relationships that will inevitably be followed by world-wide depression.

We cannot afford the risks of a do-nothing policy. Unless we act promptly to establish the basis for a world economy free from currency restrictions and discriminations, we shall lose by default to the proponents of ^{the} narrow policy of bilateralism, exchange control, and blocked currencies. We are at the crossroads in the determination of monetary and financial policy for the post-war world. One road inevitably leads to economic isolation in which each country will impoverish itself to achieve an impossible self-sufficiency. The other is the road to a flourishing economic life in which international trade, international investment and

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normal currency relationships will make possible a period of peace and prosperity. It is for us to decide now which of these roads the world will take.

I know I speak for all when I say that we are conscious of the great responsibility that has been given to us, that we are determined that the free world born again in the travail of war will be a world of work and wealth based upon international cooperation.

DRAFT OF THE SECRETARY'S STATEMENT

Fellow delegate to the Conference. I am delighted & glad to join in the welcome extended to you by the President and the Secretary of State.

We are convened at the invitation of the President of the United States to consider means to deal with the international monetary and financial problems that will confront the world after the war has been fought to a victorious conclusion. None of us ~~is ignorant of the facts~~ underestimates the difficulties of the task that has been given to us, *but I believe* All of us are confident that in a spirit of friendly cooperation we can *find solutions to* meet these problems, *that will hold new hope for the world.*

The two great wars of this generation and the two decades of uncertainty and confusion between them are the most convincing proof that security and prosperity are inseparable, that both are ~~borne~~ *dependent* the power of any one country to assure for itself and that only by *acting* *in a full realization of our community of interest* accounting together can we avert the dangers that threaten us separately. The great and powerful nations gathered at this conference have demonstrated their determination and their ability to fight together to assure a free world. *We are on the march toward victory,* It is our duty to demonstrate that these nations can work together in solving their common economic problems, *and thus lay more secure foundations for world peace.*

The thread of economic life in every country is *inseparably* woven into fabric of the world economy. When any thread is frayed the entire fabric is weakened. No country, however great and strong, can stand apart and be indifferent while the world economy is torn to shreds.

- 2 -

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production and distribution
and with the knowledge that
we possessed of the interdependence
of nations,

The great economic tragedy in our time is that we permitted the economic and financial instability that grew out of the previous world-wide depression of the 1930's. We are determined that ~~this~~ ^{shall never and we shall deem} the blame of all future generations if we do not apply our ~~time we shall~~ ^{knowledge and our goodwill to prevent such tragedies in the future} ~~unforehandedly in dealing with these questions.~~

It is my belief that the first ^{one of} ~~step~~ [^] in dealing with international economic problems after the war is to provide a stable and orderly pattern of exchange rates through international monetary cooperation. This is ^{use of} ~~the~~ [^] essential ~~basis~~ [^] for the revival of international commerce and finance. Without such arrangements we cannot hope for restoration of international trade and international investment, and the difficulty of maintaining a high level of production in employment will be immeasurably increased. The international monetary problems with which we must deal have a two-fold origin: on the one hand we have not heeded the unsettled problems of the decades before the war. Unfortunately, in the period of the 1930's we permitted a stifling of international trade and international investment. All countries were affected by the world-wide instability of exchanges and the competitive depreciation of currencies in the desperate attempt of some countries to secure for themselves a larger share of a shrinking volume of world trade. The loss of confidence in currencies ~~lead~~ [^] to a flight from currency in many countries. Exchange control was instituted as a means of preventing this destructive flight ^{from} ~~^~~ currencies, but in some countries it was frankly used as an instrument for economic and political pressure. The emergence of blocked balances in bi-lateral clearing arrangements were the final

ASSISTANT SECRETARY OF THE TREASURY

Resort 113

We have before us a tremendous task of reconstruction in which measures for lasting economic cooperation must be combined with measures for rebuilding the productive capacity of the nations most ravaged by war.

- 3 -

evidence of the breakdown of currencies in the international sphere.

The problems that gave rise to the monetary disorder of the 1930's have remained unsolved. Now to them are added the new problems growing out of the war, ^{and the devastation that it has wrought,} Monetary international economic relationships have been disrupted, ~~by the war~~. Great structural changes in the world economy have grown out of the war. These distortions must not be permitted to destroy the fabric of the world economy, ~~the~~ L

*To deal with these problems is*
~~problem~~ beyond the capacity of any one country, ~~to deal with them.~~

They are essentially ~~the~~ problems of an international character and they can be solved only by international ~~mutual~~ cooperation. These ^{not merely} are ~~our~~ transitory problems of the American post-war period affecting only a few countries. The history of the past two decades shows that they are continuing problems of vital interest to all countries. We must assure a troubled world that the free countries will solve these perplexing ^{and} problems/only through international cooperation will it be possible to do this.

For more than ten years as Secretary of the United States Treasury, I have been concerned with ^{endeavouring to} bringing about a greater degree of international monetary cooperation. We have tried the system of informal cooperation on problems as they arise. We have tried the ^{so-called} tripartite accord ^{of 1936} under which ^{six participating nations} the United States and the great western democracies agreed to consult on exchange rates with a view to avoiding unnecessary fluctuations and for the purpose of helping to remove the restrictions on exchange transactions which were impeding the growth of world trade. We have entered into bilateral stabilisation arrangements with our Latin American neighbors and with other countries for the purpose of facilitating the maintenance of exchange rates and for consulting on exchange problems. The experience

ASSISTANT SECRETARY OF THE TREASURY

Resort P 3

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of the United States with informal cooperation with these bilateral arrangements and the tripartite accord have convinced me that international cooperation on a multilateral basis ^{- The broadest possible system of consultation and concerted} provides the only means for establishing stable and orderly exchange rates and for eliminating the restrictive and discriminatory exchange practices that have ^{in the past} stifled world trade.

At my request the technical staff of the United States Treasury undertook in 1941 the preparation of practical proposals for the purpose of implementing international monetary cooperation and cooperation on international investment. I know in the United Kingdom and in other countries the same problems have been given prolonged and careful study. There has been a general recognition that these problems cannot be solved by any countries acting alone that they are properly matters for international cooperation.

For more than two years the technical experts of the United Nations have been discussing these proposals on an unofficial basis. The results of their extended discussions were made public in the form of a joint statement by experts recommending the establishment of an international monetary fund.

I know you join with me in the hope that the recommendations of the experts ^{be advanced toward} will find practical fruition in the acts of this conference.

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8/13/44

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The studies and discussions of the experts have revealed a common opinion that if we are to prevent the disruption of foreign exchanges to avoid the collapse of the monetary systems and to provide a sound currency basis for the balanced growth of international trade, we must provide a permanent institution for consultation on international problems.

We must agree on the maintenance of a stable and orderly system of exchanges and avoid competitive exchange depreciation. We must restore multilateral payments facilities on current international transactions and eliminate the foreign exchange restrictions which hamper the growth of world trade. We must give countries confidence in undertaking such policies by making available to them under adequate safeguards resources ^{through which} ~~of the Fund while~~ they ^{make} take steps ~~of~~ ^{to} remedy ^{maladjustments} in their balance of payments without resorting to measures destructive of national or international prosperity.

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For ~~the~~ rehabilitation ^{and reconstruction purposes} ~~of devastated lands and war-wrecked economies~~ international loans on a broad scale will be imperative. We have in mind a need wholly apart from the problem of immediate relief which is being undertaken by the United Nations Relief and Rehabilitation Administration. The need which we seek to supply through the second proposal on our agenda is for loans to supply capital for economic reconstruction, loans for which adequate security may be provided and which will provide the opportunity for investment under proper safeguards of capital from many lands. The experts have prepared the outline of a plan for an ^{for Post War Reconstruction} international bank which will investigate the opportunity for loans of this character, will recommend and supervise them and if advisable furnish to investors guaranties ^{of} their repayment.

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In inviting ~~XXXXXXXX~~ you as representatives of the United and Associated Nations to this monetary and financial conference has made it clear that we are not asked to reach definitive agreements binding on any Nation, but that proposals here formulated are to be referred to the respective governments for their acceptance or rejection. We are here not to negotiate but to consult on problems of the most vital importance to all of us and to the governments and people~~s~~ whom we represent.

~~That this conference seems of the greatest historical significance~~
 Yet though we do not seek to ~~xxxxx~~ make binding agreements and although the subjects of our consultation may seem limited and technical in their scope, I believe that if we devote ourselves sincerely to our task, what we achieve here will have the greatest historical significance. Beyond the proposals we are to consider, which themselves ~~are designed to~~ ~~will xxxxxxxxxx~~ become integral and essential parts of a program of future economic cooperation and peaceful progress, ~~we may here lay the foundation and set the pattern for future consultations~~ and ~~set the pattern for future consultations xxxxxx~~ through which our common we may here further advance a ~~program~~ of friendly consultation between Nations ^{process} in their common interest which holds the highest promise for enduring peace after the struggle against tyranny and aggression has been won.

In so far as we can give substance to that promise we arm ourselves and the brave men from among us who are fighting in the front lines of the battle for liberty and against tyranny with new strength, ~~with which to achieve the victory.~~

Population of China	450,000,000
Population of United Kingdom	47,000,000

U.S. Exports to China as % of total U.S. Exports - 1929 - 1934	2.8857
" " " - 1935 - 1939	1.5670

U.S. Exports to United Kingdom as % of total U. S. Exports - 1929 - 1934	17.5154
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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE June 29, 1944

TO Mr. Fred Smith

FROM Mr. Lindow WY

Subject: Exports to the United Kingdom and China

During the ten year period 1931-1940, total exports from the United States amounted to \$26,222 millions. Of this total \$4,882 millions or 18.6 percent was exported to the United Kingdom. Exports from the United States to China during this same period amounted to \$581 millions or 2.2 percent of total exports.

The population of the United Kingdom is about 47 millions, while China is estimated to have a population of approximately 460 millions.

June 29, 1944

Mr. Fred Smith

Mr. Lindew

Subject: Exports to the United Kingdom and China

During the ten year period 1931-1940, total exports from the United States amounted to \$26,222 millions. Of this total \$4,582 millions or 15.6 percent was exported to the United Kingdom. Exports from the United States to China during this same period amounted to \$581 millions or 2.2 percent of total exports.

The population of the United Kingdom is about 47 millions, while China is estimated to have a population of approximately 460 millions.

WL:RPM:lrw

June 29, 1944

Mr. Fred Smith

Mr. Lindew

Subject: Exports to the United Kingdom and China

During the ten year period 1931-1940, total exports from the United States amounted to \$26,222 millions. Of this total \$4,582 millions or 18.6 percent was exported to the United Kingdom. Exports from the United States to China during this same period amounted to \$581 millions or 2.2 percent of total exports.

The population of the United Kingdom is about 47 millions, while China is estimated to have a population of approximately 460 millions.

WL:RPM:lrv

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE June 12, 1944

TO Mr. Smith
FROM Mr. E. M. Bernstein *EMB*

Subject: Treasury Policy on International Monetary Cooperation under Secretary Morgenthau.

The principal achievements of the Treasury on international monetary cooperation under Secretary Morgenthau are the following:

1. The Treasury introduced the Gold Reserve Act providing for the establishment of the Exchange Stabilization Fund with power to deal in gold and exchange for the purpose of stabilizing the dollar.

The period prior to Mr. Morgenthau's appointment as Secretary of the Treasury was one in which the foreign exchange value of the dollar was gradually adjusted to the revised level of prices at home and the depreciation of other currencies abroad. This process having been completed the Treasury was determined to fix the gold value of the dollar and to provide through the exchange stabilization fund the means of facilitating the maintenance of a greater degree of exchange stability and of avoiding the disruptive fluctuations in exchange rates. The Gold Reserve Act was passed and the President fixed the present gold content of the dollar on January 31, 1934. Soon thereafter, Secretary Morgenthau authorized the resumption of gold sales for the purpose of settling international balances.

2. The Treasury began the systematic collection of data showing the movement of short-term funds between the United States and other countries.

The period of the 1930's was one of capital flight that was disrupting to the monetary systems of the countries from which the capital fled and the countries to which it fled. This capital flight was a reflection of the instability of exchanges and in turn was an important factor in adding to this instability. To avoid such disruptive flights of capital, many countries found it necessary to impose increasingly stringent controls on exchange transactions. While the capital flight in the early thirties was very largely motivated by the hope of speculative profit, in the later thirties it was a reflection of political instability resulting from the acts of the Nazi Government.

In 1934 the Treasury began the collection of capital movement data which were later published. This policy not only called attention to the dangerous movement of flight capital, but it provided the Treasury with important information that was extremely useful when this Government later took steps to prevent the looting by the enemy of funds belonging to the nationals of the United Nations.

- 2 -

3. On September 25, 1936, the Tripartite Accord was entered into between the United States, United Kingdom and France. On November 24, 1936 Belgium, the Netherlands and Switzerland indicated their adherence to the principles of the Tripartite Accord.

Throughout the period from 1934 to 1936 the Treasury had been cooperating informally with other friendly Governments in helping to avoid unnecessary fluctuations in the exchanges. It was apparent that helpful though such cooperation was in particular cases it was desirable to extend such cooperation. On September 25, 1936 the Tripartite Accord was entered into between the United States, United Kingdom and France. It provided for consultation on exchange rates with a view to avoiding unnecessary fluctuations and expressed the purpose of the cooperating countries to help remove the restrictions on exchange transactions which were impeding the growth of world trade. Two months later, Belgium, the Netherlands and Switzerland announced their adherence to the Accord.

The Tripartite Accord was an important step forward in the attainment of international cooperation on international monetary problems. Though limited in scope and confined to a consultative role, it was a recognition by the United States and the Western European democracies that exchange problems could be solved by only international cooperation.

4. The Treasury has entered into bilateral stabilization arrangements with a number of friendly countries for the purpose of facilitating the stability of their exchanges in terms of the dollar.

For the past seven years the Treasury has been entering into stabilization arrangements with our Latin American neighbors and a few other countries. The purpose of these arrangements has been to facilitate the maintenance of exchange rates of these currencies with the dollar by providing dollar exchange under adequate safeguards against the sale to our stabilization fund of local currencies of these countries. These agreements provided for consultation on exchange rates and on other economic problems that bear on the maintenance of orderly and stable exchanges.

The experience of the United States with these bilateral arrangements and the Tripartite Accord convinced the Treasury that international cooperation on a multilateral basis, involving the extension and broadening of the principles of the bilateral arrangements and the Tripartite Accord, provides the best basis for establishing stable and orderly exchange rates and for eliminating the restrictive and discriminatory exchange practices that have stifled world trade.

5. The Treasury cooperated with the United and Associated Nations in preventing enemy countries from looting the dollar exchange, securities, and gold resources of the occupied countries.

- 3 -

When the German armies invaded Denmark and Norway, the Treasury asked the President of the United States to issue an Executive Order subjecting to Treasury License any transfer of funds and other property in the United States in which the governments or the nationals of these countries had an interest. This Executive Order was extended to every country occupied by the enemy. It was later used to prevent transactions through neutral countries which might be helpful to the enemy and harmful to the interests of the United States and other United Nations. Measures were taken by the Treasury under this Order to prevent the disposal in this country of currency and securities looted by the enemy. The Treasury, in cooperation with other countries, had recently announced measures to hamper the enemy in the disposal of looted gold.

6. The Treasury has sponsored proposals for an International Stabilization Fund and a Bank for Reconstruction and Development.

At the request of Secretary Morgenthau, the Treasury began studies of the postwar monetary and financial problems. As a result of these studies the Treasury came to the conclusion that it would be necessary to take positive steps to prevent the disruption of foreign exchanges and the breakdown of some monetary systems and to aid and encourage international investment after the war. The Treasury prepared proposals for an International Stabilization Fund and a Bank for Reconstruction and Development which have been submitted to the United and Associated Nations.

OS e MW IS MW NAMI

To: Mr. Fred Smith 172

Copy of the
President's Message
as revised by
White House -
to be signed today.

FROM: MR. GASTON

June 29, 1944

TO THE MEMBERS OF THE UNITED NATIONS
MONETARY AND FINANCIAL CONFERENCE:

I welcome you to this quiet meeting place with confidence and with hope. I am grateful to you for making the long journey here, grateful to your governments for their ready acceptance of my invitation to this meeting. It is fitting that even while the war for liberation is at its peak, the representatives of free men should gather to take counsel with one another respecting the shape of the future which we are to win.

The war has prodded us into the healthy habit of coming together in conference when we have common problems to discuss and solve. We have done this successfully with respect to various military and production phases of the war, and also with respect to measures which must be taken immediately after the war is won -- such as relief and rehabilitation, and distribution of the world's food supplies. These have been essentially emergency matters. At Bretton Woods, you who come from many lands are meeting for the first time to talk over proposals for an enduring program of future economic cooperation and peaceful progress.

The program you are to discuss constitutes, of course, only one phase of the arrangements which must be made between nations to ensure an orderly, harmonious world. But it is a vital phase, affecting ordinary men and women everywhere. For it concerns the basis upon which they will be able to exchange with one another the natural riches of the earth and the products of their own industry and ingenuity. Commerce is the life blood of a free society. We must see to it that the arteries which carry that blood stream are not clogged again, as they have been in the past, by artificial barriers created through senseless economic rivalries.

Economic diseases are highly communicable. It follows, therefore, that the economic health of every country is a proper matter of concern to all its neighbors, near and distant. Only

- 2 -

through a dynamic and a soundly expanding world economy can the living standards of individual nations be advanced to levels which will permit a full realization of our hopes for the future.

The spirit in which you carry on these discussions will set a pattern for future friendly consultations among nations in their common interest. Further evidence will be furnished at Bretton Woods that men of different nationalities have learned how to adjust possible differences and how to work together as friends.

The things that we need to do, must be done — can only be done — in concert. This conference will test our capacity to cooperate in peace as we have in war. I know that you will all approach your task with a high sense of responsibility to those who have sacrificed so much in their hopes for a better world.

FRANKLIN D. ROOSEVELT

Members of the Conference:

I welcome you to this quiet meeting place with confidence and with hope. I am grateful to you for making the long journey here, grateful to your governments for their ready acceptance of my invitation to this meeting. It is fitting, ~~I think~~, that even while the war for liberation is at its peak, the representatives of free men should gather to take counsel with one another respecting the shape of the future which we are to win.

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- 3 -

approach your task with a high sense of responsibility to those who have sacrificed so much in their hopes for a better world.

Members of the Conference:

I welcome you to this quiet meeting place with confidence and with hope. It is fitting, I think, that even while the battle for liberation is at its peak, the representatives of free men should gather to take counsel with one another respecting the shape of the future which we are to win. I am grateful to you for making the long journey here, grateful to your governments for their ready acceptance of my invitation to this meeting.

The war has prodded us into the healthy habit of coming together in conference when we have common problems to discuss and solve. We have done this, with notable success, in regard to various phases of the war and in regard to measures which must be taken immediately after the war is won, such as relief and rehabilitation and distribution of the world's food supplies. But these are essentially emergency matters. At Bretton Woods, you who come from many lands are meeting for the first time to talk over proposals for an enduring program of future economic cooperation and peaceful progress.

The program you are to discuss relates to somewhat technical financial and monetary problems and constitutes, of course, but one phase of the arrangements which must be made to ensure an orderly, harmonious world. But it is a most vital phase, weighted with meaning for ordinary men and women ~~everywhere~~ ^{everywhere} ~~throughout the world~~. It concerns nothing less than the basis upon which they will be able to exchange with one another the natural riches of the earth and the ~~products~~ products of their own industry and ingenuity. Commerce is the life blood of a free society. We must see to it that the arteries which carry that blood stream are not clogged again, as they have been in the past, by artificial barriers ~~created~~ ^{through a} senseless economic rivalry.

Economic diseases are highly communicable. It follows, therefore, that the economic health of every country is a proper matter of concern to all its neighbors, near and distant. When the stimulus of loans or investments ~~is~~ ^{is} necessary to recovery, ~~these~~ ^{these} must be available on terms which will be advantageous to lenders and borrowers alike. For only through a ~~soundly~~ ^{dynamically and} expanding world economy can the living standards of individual nations be advanced to levels which will permit a full realization of our hopes for the future.

The spirit in which you carry on these discussions will set a pattern for future friendly consultations among nations in their common interest. The hopeful gaze of a great many million human beings will be lifted momentarily

from the smoke and wreckage of the battle fronts to this quiet place in New Hampshire -- lifted for a sign that men of different nationalities have learned how to compose their differences and how to work together as friends. I know that you will approach your task with a high sense of responsibility to them. The things that we need to do can be done only in concert. This conference affords the first concrete test of our capacity to cooperate in peace as we have in war. The world's hopes will soar or falter as we meet this test.

Draft of President's Address. *W.D.*

Members of the Conference:

It affords me great pleasure to be able to welcome you here to discuss matters of the most urgent importance affecting the future welfare of the peoples of all our countries. Through you I wish to thank your governments for their unanimously cordial and ready acceptance of my invitation to this meeting.

The problems that you are to discuss are on their face limited in scope and relate only to certain financial and monetary arrangements that we have had under informal discussion over the past many months. But these are not isolated problems. They are part of a pattern through which it is our common wish, I know, to achieve a charter of human liberties, to make real and secure the freedom for which we fight on behalf of all liberty-loving peoples, all abused and oppressed peoples in this war against aggressors and against the spirit of aggression.

We meet in this peaceful spot at a time when that war is rising toward a climax of fury on battlefronts distant in space, but terribly close to us as our hearts and minds

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weigh what we have at stake there. This mounting fury of the struggle is for us a sign of hope and promise, for no longer are we resisting the enemy's attack; now we are carrying the battle to him and we shall not cease nor slacken until victory is complete. You can be very sure of that. We have great struggles ahead and the cost will be great but the result is certain.

That fact has become plain enough now so that even the overlords of tyranny know it and they cease any longer to deceive even themselves with their boasts that freedom-loving men can be held in lasting slavery.

I speak of the battlefields and the surge toward victory of the freedom-loving peoples of the world not merely because the support of our brave men who are fighting and dying must be our first concern, but because their struggle is directly and vitally related to the matters we are here to discuss. In fact it imposes a tremendous obligation on us and imparts the greatest urgency to our consultations.

For what we are here to do is a part of the great problem of making secure and lasting the victory that our gallant sons and brothers are winning for us. Our problem is no less a one than to evolve the methods by which

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lasting freedom and peace for men of good will can become realities. I know of no way by which these hopes can be realized except through the frank and friendly consultation and the lasting and unselfish cooperation of the representatives of free peoples throughout the world.

This belief and this hope is in all your minds and hearts. That is what gives an importance far beyond the scope of your agenda to this conference. I express, I know, what all of you feel when I voice the hope that here you will set a pattern of effective consultation for the common good which will be the basis of a new charter of liberty for mankind.

I shall leave to others discussion of the specific projects which will come before this conference, but of the beliefs, the principles, which have formed the basis of our thinking I do wish to speak.

The fundamental premise is that the economic health of every country is a matter of some concern to all its neighbors, near and distant. We do not believe that any single nation is so self-contained that it can prosper

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highly in a world of sick economies. In order that all Nations may prosper together all possible obstacles to international trade and commerce must be removed. Better facilities for trade and better facilities of payment must be provided. Access to essential materials on fair terms must not be denied to any country. The ports of all the world must be kept open to the commerce of all the world on equitable terms.

It seems to us as illusory as it is immoral for any Nation to expect to prosper through the ruin of any other. Rather, one Nation may expect to prosper as all prosper.

The oppressed and the downtrodden of the world look for the victory of the democracies to bring them a better day. The productive power that the world has demonstrated under the stress of war justifies the hope of higher standards of living, of culture and of well-being throughout the world.

We shall be recreant to a great and solemn obligation if we do not open the way toward the achievement of these hopes.

Speech Welcoming Delegates to
International Monetary and Financial Conference.

Fellow delegates and members of their staffs, we are convened at the invitation of the President of the United States to formulate ways of dealing with international monetary and financial problems which will confront the world after the war of liberation has been fought to a victorious conclusion.

On behalf of the President of the United States, and on behalf of the American people, let me say that your presence here today, despite the almost insuperable difficulties of war-time travel and despite the sacrifice of your time from your war-time duties, is most gratifying. It symbolizes the devotion of the United Nations and the nations associated with them in this war to the principle that victory is not alone an end in itself but, rather, a means to the end of a post-war world in which international cooperation will be a fact and not a pious phrase. This conference is concrete evidence of their determination to find practical machinery for the maintenance of world peace and world prosperity.

We are assembled here today to grapple with some of the most important - and most urgent - economic problems which will confront the world in the post-war period. I refer, in particular, to the problems of world monetary stability and the international financing of reconstruction and development.

Though these be momentous undertakings when appraised in terms of their economic implications, it would be a profound misconception of our

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responsibilities to overlook the broader ramifications of our mission.

The eyes of the world are today momentarily lifted from the smoke and wreckage of the battle front. They are hopefully - even prayerfully - turned to this quiet New Hampshire village for some glimpse, some reassuring sign, of the kind of a world that will emerge from the present conflict.

These eyes are not alone the eyes of the world's statesmen; nor the cold and dispassionate eyes of bankers, industrialists and technicians. Rather, they include the hungry eyes of the common man - the collective eyes of a war-torn world. These are the eyes of our fighting soldiers, of our men and women in the war factories, of the victims of enemy oppression in enemy-occupied territory - yes, even the eyes of the enemy himself.

These men and women - the common people - are not interested in the technical niceties of the problems before this conference, nor in the technical niceties of any proposals we may be able to formulate. Neither are these people primarily concerned with the precise terms of any such proposals.

What they do want to know is: Can the Allies this time work together in peace as they have so brilliantly in war? Are we fighting this war just to return to the depths of hopeless uncertainty of the last decade? Will the blood we and our families have shed in this war consecrate a new era, or will it be profaned by petty jealousies and suspicions before it has even dried?

- 3 -

My friends, we cannot again disappoint these people. We cannot again shatter their hopes in the ability of man to work with man in peace as well as in war. Ours is a mission that must not fail.

Let none of us, however, be lulled into any false notion that ours is an easy task; that it will be a simple matter for forty sovereign states to sit down together and formulate proposals dealing with such complex problems upon which they can all agree. That agreement, that unity, we are seeking is something for which we must all strive, something for which we must all sacrifice, and something for which we must all accept a full measure of responsibility.

The technical experts of our respective countries have spent these past two years working on proposals upon which there could be technical agreement for international cooperation in the monetary and financial fields. They have worked with great patience and determination. They have left no stone unturned in their efforts to arrive at a common understanding of all of the technical problems involved. I am certain that today they are as one man on the proposition that there is clearly a technical basis for international cooperation in this field.

We are now called upon to translate these technically feasible programs into reality. We must dedicate our full efforts to this end. The time allotted to us for this task is short, but the need for immediate action is great.

Our men on the fighting fronts, and those supporting them, know no compromise with necessity. It is not too much to expect that we - their representatives - also will measure up to the necessity for success in our mission.

- 4 -

In voicing these views I am deeply conscious of the fact that they are fully shared by all those present. They transcend the meaning of the word "hope" - they can only be expressed - and understood - in terms of prayer. Ours is a prayer for success - and the world prays with us.

June 29, 1944

Personal and Confidential

My dear Mr. President:

This is my first gossipy letter on the Bretton Woods Conference.

The Australian delegate arrived in this country thoroughly sold on the principles of Bretton Woods. He went up to New York and was wined and dined by Mr. Tom Lamont and Mr. Winthrop Aldrich, who tried their best to unsell him on the Conference. When they found they were being unsuccessful, they told him the Conference would fail any way because it would never get the approval of Congress.

Yours sincerely,

(Signed) H. Morgenthau, Jr.

The President,

The White House.

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June 29, 1944.

My dear Bernie:

Let me acknowledge the receipt of your letter of June 27, together with the enclosed memorandum. It was very good of you to send me the name of Mr. Carl Neprud, and to tell me something about his record.

We shall miss you from Washington, and you may be sure that I shall be glad to hear from you whenever you care to write me. I shall be particularly glad to have any suggestions you may wish to pass on in connection with the Monetary Conference.

With thanks again for your letter, and all good wishes,

Sincerely,

(Signed) Henry

Mr. Bernard M. Baruch,
597 Madison Avenue,
New York 23, New York.

BEF/dbs

BERNARD M. BARUCH
597 MADISON AVENUE
NEW YORK 22, N.Y.

June 27, 1944.

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

My dear Mr. Secretary:

You asked me for the name of some man who knew something about China and Chinese money. There is a gentlemen by the name of Carl Neprud, whose address is 1808 Conn Ave., Washington, D.C., who is an American who spent all his business life in the service of the Chinese Maritime Customs, and who was at the time of Pearl Harbor a Deputy Commissioner of Customs, if not the Commissioner of Customs, in the Port of Shanghai. He was the highest ranking American in the Customs Service in Shanghai and was repatriated on the Gripsholm in 1942.

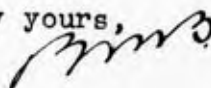
Although unknown to me, I am told that he knows as much as any American about the Chinese Maritime Customs, that is the imports and exports of China which passed under their jurisdiction through the Treaty Ports. He is in his late fifties. Perhaps he would be helpful to you in your work.

I have pulled out of Washington for the summer and therefore you will not have me around to pester you. But you had better look out for me on this monetary thing. Beware of the Greeks bringing presents. For the Greeks you can substitute Keynes. All of his statements that I have seen make me confident of the opinion I had of him from the first day I met him. However I do not think anybody is going to sell you any gold bricks.

Getting back to Mr. Neprud, his recommendation came to me from Mr. Elwood J. Mahon, a former manager of several branches of the National City Bank in China.

I do not know him, but he also may be a man who can help you in the Eastern situation.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "C. W. ...", written over the typed word "yours".

June 28, 1944.

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Memorandum:

Now that the G.I. and contract termination bills are out of the way, I think our number one consideration is unemployment insurance, which should have been a part of the human demobilization as recommended by me. Congress will probably pass legislation on surpluses and demobilization.

The Treasury has always been important but its importance increases with the advent of peace and peace negotiations. The military must finish the war, and then they must say what is necessary to be done to have peace and keep it.

That is where the State Department and you come in. To have peace, people must make a living in trade with one another. That means an international monetary unit, which is more far reaching than is generally thought. The Treasury position looms larger and more important every day in the peace and what will follow it.

W.M.

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

TO: Secretary Morgenthau

DATE June 29, 1944

FROM: Mr. Gamble

Your June 21st speech celebrating the opening of the Avenue of the Allies in New York was give the following coverage:

RADIO

French -- June 21 and 22
Portuguese -- twice on June 21
Swedish -- June 22
Polish -- twice on June 22; once on June 23

CABLE WIRELESS

Algiers -- 160 words
Chungking -- 150 words
Bombay -- 150 words
Cayenne - Brazzaniwell - Leopoldville -- 230 words
London -- twice, 150 words each time
Sydney -- 150 words

You will also be interested to know that your June 12th talk from Texarkana was heavily covered in all OWI Overseas operations.

The President has received the following report from General Marshall, Admiral King and General Arnold, three United States Joint Chiefs of Staff:

On our return from the Front in Normandy we perceive a state of mind in this country against which we believe the public should be warned.

The progress of our armed forces on all fronts, against fanatical and determined enemies, should be a source of the highest gratification to the American people. Our forces of land, sea and air, many of them recently in action for the first time, have shown not only the courage that was expected of them but a toughness and a technical skill that has made them more than a match for the veterans whom they opposed. Backed by the enormous material production that has been made possible by American industry and labor, we can look forward to an eventual complete victory over all our enemies.

This depends, however, on a continuance of the full support now given to the fighting forces by the home front. The battles now in progress entail heavy losses in material which American industry must replace, and any slackening in the needed production will only delay ultimate victory. No effort required in the home-front battle should be diverted by any element in the production machine — whether it be ownership, management, rank-and-file workers, or those in the service of the government itself.

The recent favorable course of the fighting seems to have persuaded some people that the war is as good as won, and that accordingly they can throw up their war jobs and go back to civilian life. No doubt most of the men at the front would also like easier and better paid peacetime jobs; but they are sticking to the jobs they have now.

There is still a tough fight ahead of us. Anyone can see that desertions on the fighting fronts would protract the war and reduce our prospects of victory. Desertions on the home front would tend to the same result. The war is not yet won; it will be won the sooner if everybody in war work sticks to his job till complete victory has been attained.

MARSHALL

KING

ARNOLD

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: Amembassy, London
DATED: June 29, 1944
NUMBER: 5133

CONFIDENTIAL

CABLE TO AMBASSADOR WINANT, LONDON, AMBASSADOR HAYES, MADRID, AMBASSADOR NORWEB, LISBON, MINISTER JOHNSON, STOCKHOLM, AND MINISTER HARRISON, BERN.

There is repeated to you herewith for your information only, the text of a cable sent today to Ambassador Steinhardt in Ankara:

"The following is the text of a resolution which has been introduced in the House of Representatives by Congressman Bloom, Chairman of the House Committee on Foreign Affairs:

QUOTE Whereas the Government of the United States has made clear by its actions its determination to take all measures within its power to rescue the Jews and other victims of enemy oppression who are in imminent danger of death at the hands of the Nazis; and

Whereas there are great opportunities for the evacuation of refugees from the Balkan countries through Turkey of which full advantage has not been taken: Therefore be it

Resolved, That the House of Representatives of the United States of America requests the Secretary of State to urge that the Government of Turkey in the interests of humanity facilitate the entry into Turkey of refugees who can escape from the Nazis, and establish in Turkey a refugee camp in which such persons can be temporarily sheltered. UNQUOTE

"In your discretion this pending resolution should be given local publicity and may be used by you in bringing further pressure on the Turkish Government."

Foregoing repeated to Stockholm as no. 1282, to Madrid as no. 1845, to Bern as no. 2228, and to Lisbon as no. 1861.

HULL
(GLW)

A-204

VIA COURIER

3:00 p.m.

June 29, 1944

SECRET

AMEMBASSY,

SAN SALVADOR (EL SALVADOR).

SECRET AND CONFIDENTIAL FOR THE INFORMATION OF THE
AMBASSADOR.

The following is from the War Refugee Board.

Reference is made to your A-237 of June 7. It is not clear therefrom in what respect the Salvadoran note of May 20 to Spain modifies the previous request to Spain referred to in such note and apparently reported in your A-186 of May 3. Please ascertain and transmit results of your investigation.

The Legation at Bern reports that the Swiss Government, which acts as protecting power of El Salvador, vis-a-vis Germany, has received a formal declaration from El Salvador recognizing Salvadoran passports held by Jews in Germany and German-occupied territories. This declaration is a most essential step in protecting the persons concerned from persecution. Please approach the new Salvadoran Government with the request that it take no step which might weaken this declaration or confuse the Swiss authorities as to its continuing validity.

HULL
GLWWRB:MMV:KG
6/28/44

CABLE TO AMBASSADOR WINANT AT LONDON

Personal to the Ambassador from Pehle:

Referring to our conversation in Washington,
I would appreciate knowing whether you have
had an opportunity to discuss with Arthur
Goodhart the possibility of his undertaking
to represent the Board in London.

4:20 p.m.
June 29, 1944

LSL:esserial

6/29/44

AMLEGATION,
BERN.
2215, twenty-ninth

PLAIN

June 29, 1944

The cable below is for Harrison and McClelland from War Refugee Board.

The following is the text of a statement by Francis J. Spellman, Roman Catholic Archbishop of New York, released today by the OWI. This statement will, of course, be short-waved to appropriate areas but such additional use as may be made of it by local papers and radio stations will be helpful, and to this end please make appropriate efforts. Text follows:

QUOTE: Almost on the feast of Pentecost, the day on which the Church of Christ emphasizes the suranational, supraracial character of her mission, we learned that the government of Hungary had agreed to enforce against the Jewish people a code of discriminatory laws. We were told that this unhappy segment of Israel in Hungary is being herded into Ghettos after its homes and its shops had been systematically looted and pillaged.

This announcement has shocked all men and women who cherish a sense of justice and of human sympathy. It is in direct contradiction of the doctrines of the Catholic Faith professed by the vast majority of the Hungarian people. It is a negation of the noblest pages of Hungarian history and cultural tradition.

Through the stormy ages Hungarian Catholics have been loyal to the lofty principles of justice, mercy and charity proclaimed by Our Divine Lord in the Sermon on the Mount. They have been steadfast whether under attack by the Mongols and the Turks in centuries past or in our own times under the bitter persecution of Bela Kun and his cruel cohorts.

It seems incredible, therefore, that a nation which has been so consistently true to the impulses of human kindness and the teachings of the Catholic Church should now yield to a false, pagan code of tyranny because of blood and race. How can men of good will fail to heed those solemn words of Pope Pius XI: INNERQUOTE Abraham is called our patriarch, our ancestor. Anti-semitism is not compatible with the sublime reality of this text. It is a movement in which we Christians cannot share. Spiritually we are Semites. END INNERQUOTE

One of the great lessons to be learned from the life of Hungary's king and Patron Saint is that no minority should be oppressed. For injustices of whatever kind can wreck and destroy the integrity of any nation's life.

Nearly a thousand years ago, St. Stephen, King of Hungary,
received his

-2- #2215, twenty-ninth, to Bern

received his crown from Pope Sylvester II. He realized that Hungary was destined by the very exigencies of geography to be the crossroads of Europe where diverse racial stocks would necessarily meet. St. Stephen pledged himself and his people to live as common children of a loving mother country.

The same saintly national hero dreamed always of Hungary as a **INNERQUOTE** regnum Marianum, **END INNER QUOTE** as a realm of Mary. To this day, the coinage and the postage stamps of the country bear the figure of Mary, the Mother of Mankind. It would be all the more tragic, therefore, if a people so devoted to Mary, the Jewish Maiden who was the Mother of the Messiah, should freely countenance cruel laws calculated to despoil and annihilate the race from which Jesus and Mary sprang.

It is incredible that a people with such profound Christian faith, with its glorious history, with the oldest parliamentary tradition on the Continent, would join in a hymn of hatred and willingly submit to the blood lust and brigandage of tyranny.

No man can love God and hate his brother. No one who hates his brother can be a faithful follower of the gentle Christ.

UNQUOTE

You are authorized to bring this statement to the attention of Hungarian and other satellite authorities through such channels as may be available to you.

Sent to Bern. Repeated to Ankara, Lisbon, Madrid and Stockholm.

HULL

CODE ROOM: Repeat, Mutatis Mutandis, /to Ankara, #585 for Steinhardt and Hirschmann; Lisbon, 1865 for Norweb and Dexter; Madrid, /for Hayes; and Stockholm, 1283 1850 for Johnson and Olsen.

WRB:MMV:KG
6/28/44

WE NE NOE

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMconsul, Jerusalem
DATED: June 29, 1944
NUMBER: 119

CONFIDENTIAL

Please deliver the following message to Dr. Joseph Schwartz, c/o American Consulate, from Moses A. Leavitt of the American Jewish Joint Distribution Committee:

"Regarding proposal finance evacuation from Balkans we arrived following decision after serious consideration. While we appreciate your Magnes Resnik recommendations in view risks involved we believe responsibility for boats operating without safe conduct should be shared by War Refugee Board Jewish Agency and Joint Distribution Committee. In light present situation War Refugee Board is prepared to assume such responsibility subject to concurrence of Steinhardt and Hirschmann and we likewise ready to do so. We approve therefore program up to \$800,000 for 2,600 persons and hope amount can be reduced by refugee participation Jewish Agency. We prepared provide 500,000 Swiss francs. Cable to whom francs should be paid in Switzerland. Cable also banking instructions for remittance to Turkey or Palestine as and when sums required. Essential that refugees be warned in advance of risks involved in such voyages and assume Barlas will be instructed accordingly. It is essential that arrangements be worked out whereby Resnik and Hirschmann will be kept continuously advised of all plans of Barlas for such trips and that Hirschmann Resnik approve each project. If possible we would prefer making our remittances directly to Resnik for him to pay out as and when required by Barlas. We cabled Resnik to give Hirschmann his complete whole-hearted cooperation".

HULL
(GLW)

ORIGINAL TEXT OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMCONSUL, JERUSALEM
DATED: June 29, 1944
NUMBER: 120

CONFIDENTIAL

Please deliver the following message to Dr. Joseph Schwartz, c/o American Consulate, from Moses A. Leavitt of the American Jewish Joint Distribution Committee:

"Approve emergency grant two million lire
Rome one time grants \$4800 for workshops \$2000
hostels Naples \$2000 school for twelve months and
\$12,500 monthly for three months' period supplementary maintenance schools etc. Southern Italy.
Working on lire clearance \$90,000 will advise
soonest. Cabling on other matters your cable next
days. Assume you planning return New York for consultation soonest possible".

EMBASSY OF THE
UNITED STATES OF AMERICA

Lima, June 28, 1944

CONFIDENTIAL

No. 711

Subject: Bringing Refugee Children from
Europe into Peru

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

Sir:

I have the honor to refer to the Department's confidential circular airgram of April 15, 7 p.m., directing me to approach the Peruvian government with the view to inquiring as to the acceptance of refugee children below the age of sixteen without regard to religion, nationality or stateless status, and to my telegram no. 866.

1/ I have the honor to enclose herewith the translated text of the note of the Foreign Minister expressing willingness to receive up to fifty children, under certain specified conditions.

In my telegram no. 541, dated April 24, I advised the Department of the reaction of Doctor Self y Muro, which was to the effect that in the absence of adequate organizations for taking care of children he would have to depend upon the different foreign colonies. The text of the note leads to the supposition that the Belgian and French colonies have expressed willingness to assist in this matter.

Respectfully yours,

J. C. White

JCW:fw
711.5

AIR MAIL

Enclosure no. 1 to despatch
no. 711, June 23, 1944

(COPY)

Lima, June 20, 1944

Sir:

In reply to your esteemed note no. 29, of April 25, I have the honor to inform Your Excellency that the Peruvian government, being desirous of cooperating in the humanitarian work in which the United States is interested, notwithstanding the fact that there do not exist in this country special organizations that are suitable for (the care of) children nor official establishments of sufficient extent to take care of other than local needs, is disposed to receive up to fifty European refugee children; provided that these should be of French or Belgian nationality and that they should be brought to the port of Callao, since the absence of suitable transportation does not permit it to assume obligations such as might arise by taking charge of children in Switzerland.

I avail myself of this occasion to repeat to you the assurances of my highest and distinguished consideration.

(Signed) Alfredo Solís y Muro

His Excellency
John Campbell White,
Ambassador of the U. S. A.,
Lima.

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: Amlegation, Lisbon
 DATED: June 29, 1944
 NUMBER: 1864

CONFIDENTIAL

From War Refugee Board to Norweb.

Please deliver the following message to Robert Pilpel, 242 Rua Auresa, Lisbon, from Moses A. Leavitt of the American Jewish Joint Distribution Committee:

"For your information and that of Dobkin following is text of message I sent Schwartz today:

"Regarding proposal finance evacuation from Balkans we arrived following decision after serious consideration. While we appreciate your Magnes Resnik recommendations in view risks involved we believe responsibility for boats operating without safe conduct should be shared by War Refugee Board Jewish Agency and Joint Distribution Committee. In light present situation War Refugee Board is prepared to assume such responsibility subject to concurrence of Steikhardt and Hirschmann and we likewise ready & so. We approve therefore program up to \$800,000 for 2,600 persons and hope amount can be reduced by refugee participation Jewish Agency. We prepared provide 500,000 Swiss francs. Cable to whom francs should be paid in Switzerland. Cable also banking instructions for remittance to Turkey or Palestine as and when sums required. Essential that refugees be warned in advance of risks involved in such voyages and assume Barlas will be instructed accordingly. It is essential that arrangements be worked out whereby Resnik and Hirschmann will be kept continuously advised of all plans of Barlas for such trips and that Hirschmann Resnik approves each project. If possible we would prefer making our remittances directly to Resnik for him to pay out as and when required by Barlas. We cabled Resnik to give Hirschmann his complete whole-hearted cooperation."

THIS IS WRB LISBON CABLE NO. 42.

HULL
 (RM)

FME - 954

Lisbon

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

Dated June 29, 1944

Rec'd 9:17 a.m.

Secretary of State,

Washington.

2026, June 29, 11 a.m.

THIS JDC 23 FROM PILPEL FOR LEAVITT WEB 88

Saly has 13 formal instruments reference to
loan witnessed by Inter-Cross representative Rumania
including period March through May. Total amount
108 million lei payment end of war \$120000. Other
large loans possible. Hopeful receive news from
France soon as well as information regarding future
loans.

NORMEB

WMB EDA

KEM-258

PLAIN

LISBON

Dated June 29, 1944

Rec'd 6:46 a.m., 30th

Secretary of State,

Washington.

2032, June 29, 6 p.m.

WRB 89. This Embassy has conveyed contents of resolution in Department's circular telegram June 28 to Portuguese Government and taken all possible steps suggested last paragraph same telegram

NORWEB

RR

CABLE TO JOHNSON FOR OLSEN, STOCKHOLM FROM WAR REFUGEE BOARD

1. Reference Stockholm's WRB no. 18, May 19, and Stockholm's WRB no. 22, May 31.

American Relief for Norway, Inc. is willing to provide funds for program outlined in aforementioned cables in addition to funds being provided by them for operations covered by License No. W-2152, text of which was cabled to Stockholm April 8 (Department's no. 619). Under new Treasury license issued on recommendation of Board, American Relief for Norway will remit \$10,000 to you, as WRB representative, to be expended under your direction by such agencies as you may select for the operations. A report should be sent by you as to disposition of the \$0,000 and results achieved. If results on use of this \$10,000 are satisfactory American Relief for Norway, Inc. proposes to furnish additional monthly remittances of \$10,000 each.

2. Reference Stockholm's WRB No. 17, May 19, and Stockholm's WRB No. 24, June 2, 1944.

Through contact with Dr. Conrad Hoffman, Board has arranged for the Board of National Missions of the Presbyterian Church in the United States to provide funds for relief of Christian Jews in occupied Europe. On recommendation of Board, Treasury has issued license to Board of National Missions of Presbyterian Church permitting remittance of \$5,000 to Rev. Birger Fernow, Director of the Svenska Israels Missionen, Stockholm, providing that expenditures may be made by Fernow only as authorized by you as WRB representative. Attempt will be made to obtain additional funds for this program. Report on use of \$5,000 remittance referred to above should be sent through you.

THIS IS WRB STOCKHOLM CABLE NO. 38

June 29, 1944
1:00 p.m.

CABLE TO MINISTER JOHNSON, STOCKHOLM, SWEDEN, FROM THE WAR REFUGEE BOARD

SECRET

Please refer to your 2316 of June 26 concerning the reopening of the Bardaland safe-conduct question.

The Board feels strongly that all possibilities for obtaining a German safe-conduct should be exhausted, as human lives hang in the balance. Therefore, it would be much appreciated if the Swedish Government would take the action suggested in our 1213 of June 16.

Please convey the Board's appreciation for Boheman's understanding and cooperative attitude.

This is WRB Cable to Stockholm No. 37.

10:45 a.m.

June 29, 1944

MJM:MS:bbk - 6/28/44

MAE-910
Distribution of true
reading only by special
arrangement. (SECRET-W)

Stockholm
Dated June 29, 1944
Rec'd 6:35 a.m.

Secretary of State,
Washington.

2360, June 28, 9 p.m.

THIS IS NO. 40 FOR WAR REFUGEE BOARD.

Reference is made to our No. 31 for War Refugee Board (Legation's 2231, June 21, 4 PM) and our No. 39 for WRB (Legation's 2234, June 27, 11 PM, with respect to cooperation of Swedish Foreign Office in assigning an attache to its legation in Budapest for the purpose of furthering the relief and rescue of refugees.

We should emphasize that the Swedish Foreign Office in making this assignment feels that it has cooperated fully in lending all possible facilities for the furtherance of an American program. It is not likely, however, that it will provide the newly appointed attache with a concrete program; but instead will probably give him rather general instructions which will not be sufficiently specific to enable him to deal promptly and effectively with situations as they develop in Hungary. The newly designated attache, Raoul Wallenberg, feels however that he, in effect, is carrying out a humanitarian mission in behalf of the War Refugee Board. Consequently he would like full instructions as to the line of activities he is authorized to carry out and assurances of adequate financial support for these activities so that he will be in a position to develop fully all local possibilities. We are very favorably impressed with Wallenberg's ability to act intelligently and with discretion in carrying out any responsibilities that the WRB may delegate to him and urge strongly that appropriate instructions be forwarded as soon as possible. Arrangements have been made to communicate with him in Budapest through the Swedish Foreign Office and vice versa and it should be possible for us to keep currently informed on developments in Hungary.

JOHNSON

RR

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMLEGATION, Stockholm
TO: Secretary of State, Washington
DATED: June 29, 1944
NUMBER: 2371

CONFIDENTIAL

I have given notice to the Swedish Foreign Office, with Gullion's agreement, that we wish to utilize the BIRGER JARL to evacuate such American nationals as may desire to depart and also protected nationals. Permission has been given by the Swedish Foreign Office to allow us to have this ship until July 5, Wednesday. It is stated by them that they are unable to allow us to have it for a longer time as they are afraid that panic conditions will materialize in Finland and that public demand will necessitate making available all possible Swedish ships for the evacuation of Swedish peoples. In view of these circumstances at the latest date the ship must depart Monday morning from Sweden and Tuesday night from Finland.

On this 6 day basis about 50,000 crowns will be the total for incidental expenses for this ship. Evacuees will be able to sit down but sleeping accommodations for calculated total of evacuees are not available on this ship.

It is the hope of the Swedish Foreign Office that tomorrow the question of visas will have been cleared, but for the time being it is of the belief that in lieu of visas and passports the assurance that we will care for individuals involved and (*) list of names and nationalities will serve.

This has been repeated to Helsinki as my message No. 56, 5 p.m., dated the twenty-ninth of June.

It is proposed by me to certify to the Government of Sweden that the Government of the United States guarantees the payment of all incidental expenses connected with the repatriation of American nationals subsequent to the war as well as the support and evacuation of evacuees in Sweden. We assume that the Ministers of Belgium, Italy and Britain will undertake to repatriate their nationals in notes addressed to the Swedish Foreign Office.

Concerning Helsinki's 513, June 27, 5 p.m. in which it was reported that there are approximately 60 Jewish refugees waiting for visas and that there could be included among the evacuees a number of these persons, the Swedish Foreign Office asks for data

-2-

as to nationalities, names, and assurances that the War Refugee Board will bear the expense burden and help the Government of Sweden in repatriating these Jewish refugees or in transporting them after the war to some other country.

It is anticipated that the question of secrecy will be very difficult. Frank skepticism is entertained by the Swedish Foreign Office as to the possibility of keeping the evacuation secret although everything possible will be done to keep it from becoming known.

We shall be grateful if you will send instructions by wire immediately.

JOHNSON

(*) Apparent Omission

DCR:EMS

7/1/44

DRAFT OF CABLE TO AMBASSADOR HARRISON AND
McCLELLAND.

Following discussions with Minister Bruggmann in Washington Pehle, Executive Director of War Refugee Board, suggests that refugee problem be discussed informally and in confidence with the Swiss Foreign Office emphasizing in particular the following points:

1. The Contribution which Switzerland has made and is making to the refugee problem is appreciated here both in government circles and by the American public.
2. We would appreciate receiving from the Swiss Government informally and confidentially any and all suggestions on what can be done on the problem.
3. We appreciate that certain phases of the matter can best be handled by informal arrangement with the Swiss Government rather than by formal requests to make demands on the German Government. Generally, where such action would be helpful we are willing that you discuss particular problems with the Swiss Government informally and confidentially before making formal requests.

It is the view of Bruggmann that the cooperation of this Government and the Swiss Government on refugee matters could be facilitated by following these suggestions.

The Department is in accord.

THIS IS WEB BERN CABLE NO. 62.

June 29, 1944
10:45 a.m.

JWPehle:llh 6/28/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMLEGATION, BERN
DATED: JUNE 29, 1944
NUMBER: 2206

CONFIDENTIAL

FOR MCCLELLAND AND MINISTER HARRISON AT BERN

Please advise whether information contained your
3914 of June 19 or information contained first sentence
paragraph marked two your 3867 of June 17 is considered
by you more reliable.

THIS IS WRB BERN CABLE NO. 61.

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMLEGATION, BERN
DATED: June 29, 1944
NUMBER: 2207

CONFIDENTIAL

From War Refugee Board to Harrison.

Please deliver the following message to Dr. Gerhardt Riegner, 37 Quai Wilson, Geneva, From D. A. Leon Kubowitski of the World Jewish Congress:

"Concerning your message of May 20 in reference to the evacuation of Jews from Roumania we are informed from Istanbul that all available ships are already being used so that additional funds will only raise prices. Chartering larger ship would be impractical since German safe conduct would be requested. Please investigate further and report."

This is WRB Bern cable no. 60.

CABLE TO AMBASSADOR STEINHARDT AT ANKARA FOR HIRSCHMANN

Report received here from Sofia indicates that a thousand Turkish pounds are demanded there for each Turkish visa. Would appreciate inquiry as to correctness of report and if correct your efforts materially to reduce required amount.

THIS IS WRB CABLE TO ANKARA NO. 67

4:20 p.m.
June 29, 1944

LSLesser:als 6/28/44

CABLE TO ANKARA

From War Refugee Board to Steinhardt

Please deliver the following message to Dr. Joseph Schwartz,
c/o American Embassy, Ankara, from Moses A. Leavitt of the American Jewish
Joint Distribution Committee:

"Regarding proposal finance evacuation from Balkans we arrived following decision after serious consideration Stop While we appreciate your Magnes Resnik recommendations in view risks involved we believe responsibility for boats operating without safe conduct should be shared by War Refugee Board Jewish Agency and Joint Distribution Committee Stop Inlight present situation we ready accept responsibility and War Refugõe Board is prepared to assume such responsibility subject to concurrence of Steinhardt and Hirschmann Stop We approve therefore program up to \$800,000 for 2,600 persons and hope amount can be reduced by refugee participation Jewish Agency Stop We prepared provide 500,000 Swiss francs Stop Cable to whom francs should be paid in Switzerland. Cable also banking instructions for remittance to Turkey or Palestine as and when sums required Stop Essential that refugees be warned in advance of risks involved in such voyages and assume Barlas will be instructed accordingly Stop It is essential that arrangements be worked out whereby Resnik and Hirschmann will be kept continuously advised of all plans of Barlas for such trips and that Hirschmann Resnik approve each project Stop If possible we would prefer making our remittances directly to Resnik for him to pay out as and when required by Barlas Stop We cabled Resnik to give Hirschmann his complete wholehearted cooperation"

THIS IS WEB CABLE TO ANKARA NO. 66

FH:db 6/28/44

June 29, 1944

12:45 p.m.

CABLE TO AMBASSADOR STEINHARDT AND HIRSCHMANN, ANKARA, FROM WAR REFUGEE BOARD

Board has just been advised that Barlas cabled World Jewish Congress through regular channels as follows:

QUOTE TURKISH FOROFFICE APPROVED PROPOSAL INCREASE INDIVIDUAL TRANSIT ALLOWING TWENTY VISAS WEEKLY BUCHAREST BUDAPEST SOFIA RESPECTIVELY STOP ALSO AGREED ABOLISH LIST SYSTEM INSTRUCTING CONSULS ISSUE VISAS ON RECOMMENDATION LOCAL REPRESENTATIVES STOP FOR YOUR INFORMATION STOP INFORM BOARD ACCORDINGLY UNQUOTE

According to Hirschmann's report of March 6 the Turks agreed to grant transit visas to 27 families weekly from Bulgaria, Rumania and Hungary combined, constituting approximately 60 persons a week. In addition report states that Turks had agreed to grant transit visas to 140 children and 10 adults every ten days.

In light of above we would appreciate comment on quoted cable. We would also appreciate current figures on entries into Turkey by land route.

This is WRB Cable to Ankara No. 65.

June 29, 1944
10:45 a.m.

FH:WJM:bbk - 6/27/44

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

June 29, 1944

7 p.m.

AMEMBASSY,
ANKARA.
583

Congressman Bloom, Chairman of the House Committee on Foreign Affairs, has introduced the following resolution in the House:

QUOTE Recognizing that the United States Government has demonstrated its determination to take all measures within its power to rescue Jews and other victims of enemy oppression who are in imminent danger of death at the hands of Nazis by its actions; and

Recognizing that full advantage has not been taken of the great opportunities for the evacuation of refugees in the Balkan countries through Turkey; be it therefore Resolved:

That the Secretary of State be requested by the House of Representatives of the United States to urge that the Government of Turkey facilitate, in the interests of humanity, the entry of refugees who can escape from the Nazis into Turkey and establish a refugee camp in which such persons can be temporarily sheltered on its territory. UNQUOTE

If it will be helpful, in your discretion, this pending resolution may be used by you in bringing further pressure on the Turkish Government and given local publicity.

This is WRB cable to Ankara No. 58.

HULL
(GLW)

WRB:GLW:OMH
6/28/44

NE

S/CR

AL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: Amembassy, Ankara
 DATED: June 29, 1944
 NUMBER: 584

CONFIDENTIAL

CABLE TO STEINHARDT AND HIRSCHMANN, ANKARA, FROM
 J. W. PHELLE, WAR REFUGEE BOARD.

Schwartz recently cabled JDC as follows from Algiers:

"Magnes Resnik advise Jewish Agency urgently requests immediate decision following proposal transportation to Istanbul. Utilize MILCA MARITZA similar ships without safe conduct which impossible obtain order transport 2600 persons from Balkans. Agency requests we assist finance costs estimated \$800,000 exclusive participation passengers but agency believes possible reduce cost if part payment half million Swiss francs be made Switzerland. If we cannot participate this project agency asks we provide Swiss francs as loan deductible from any other funds payable agency. Magnes committee recommends (1) our immediate agreement principle participation above transportation project for each passenger arriving Istanbul and unable pay subject determination our representative Turkey, (2) we finance fully all transportation projects which may secure safe conduct with possibilities reimbursement by passengers with means. Our own view we cannot assume responsibility any manner placing people on ships sailing without safe conduct especially since recent sinking MARITZA en route Constanza. However if War Refugee Board ready assume with Jewish Agency responsibility this project we should participate payment transportation costs those actually arrival Istanbul. View large amount involved suggest you discuss with War Refugee Board possibility their participating financial costs. If you consider this advisable view all above circumstances reply here and Lisbon."

With approval of Board JDB has sent following answer to Schwartz in Jerusalem:

"Regarding proposal finance evacuation from Balkans we arrived following decision after serious consideration. While we appreciate your Magnes Resnik recommendations in view risks involved we believe responsibility for boats operating without safe conduct should be shared by War Refugee Board Jewish Agency and Joint Distribution Committee. In light present situation War Refugee Board is prepared to assume such responsibility subject to concurrence of Steinhardt and Hirschmann and we likewise ready do so. We approve therefore program up to \$800,000 for 2,600 persons and hope amount can be reduced by refugee

- 2 -

participation Jewish Agency. We prepared provide 500,000 Swiss francs. Cable to whom francs should be paid in Switzerland. Cable also banking instructions for remittance to Turkey or Palestine as and when sums required. Essential that refugees be warned in advance of risks involved in such voyages and assume Barlas will be instructed accordingly. It is essential that arrangements be worked out whereby Resnik and Hirschmann will be kept continuously advised of all plans of Barlas for such trips and that Hirschmann Resnik approve each project. If possible we would prefer making our remittances directly to Resnik for him to pay out as and when required by Barlas."

We will await report and recommendations from you on this matter.

THIS IS WEB ANKARA CABLE NO. 64.

HULL
(GLW)

NOT TO BE RE TRANSMITTEDSECRETCopy No 11OPTEL 212

Information received up to 10 A.M. 29th June 1944

1. NAVAL

Home Waters 28th. Strong S.W. wind prevented sailing of LCT convoys and tows, and slowed down unloading on beaches. Minesweeping also interfered with and clearance of approach channels to CHERBOURG postpo. In Eastern area 22 mines detonated in four minutes by minesweeping flotilla.

29th. In assault area one LSI, one MGB and one MM/S mined and sunk and one trawler damaged.

East Indies 18th. one of H.M. submarines sank 1500 ton ship in convoy off PENANG.

2. MILITARY

N.W. France To 12 noon 28th. Mopping up continues in CHERBOURG PENINSULA where enemy pockets of resistance are still holding out in the CAPDELAHAGUE area. West of CAEN, British advance continued satisfactorily. Bridgehead established over river ODON and advanced elements reached high ground N.E. of EVRECY. Fierce enemy resistance encountered.

Italy To 6 A.M. 28th. Slight progress of left of 8th Army West of L. TRASIMENO and N.W. of CHUISI. Further west French troops made small gains and on their left U.S. troops advanced between one and four miles.

Burma British troops advancing N.E. from IMPHAL have reached within 8 miles of UKHRUL. Chinese troops have occupied a village six miles W.E. of MOGAUNG on the MOGAUNG-MYITKYINA railway.

3. AIR OPERATIONS

Western Front 27th/28th. 2665 tons dropped on FB launching and supply sites, and 760 tons on railway centres in PARIS area. 28th. 798 tons dropped through cloud on SAARBRUCKEN railway centre; 576 tons on airfields, road and rail bridges in France; 430 tons on a large FB site in PAS DE CALAIS. Offensive operations of ARAF curtailed by bad weather conditions.

28th/29th. Aircraft despatched: railway centres BLAINVILLE 116, METZ 114, SAARBRUCKEN 33, and synthetic oil plant BUER 10; bomber support and patrols 54, sea mining 12. Twenty aircraft missing. Visibility over BLAINVILLE and METZ good and attacks concentrated.

German Activity. Revised figures for 24 hours ending 6 A.M. 28th show 54 bombs destroyed by fighters and 16 by A.A. During 24 hours ending 6 A.M. 29th about 152 FB's launched of which 102 crossed coast and 56 reached LONDON area.

Italy 26th/27th. 164 tons on TRIESTE oil refinery.

Hungary 27th. 673 tons on railway centres BUDAPEST area and BROD. Supporting fighters, of which two are missing claim 38:11:5.

Bulgaria and Rumania 28th. 250 tons on KARLOVA airfield, 209 tons on railway centre BUCHAREST area, 130 tons on oil refinery BUCHAREST-TITU, 97 tons on oil refinery BUCHAREST-PRAHOVA. Escorting fighters report enemy casualties 31:12:2.

4. HOME SECURITY

28th. 6 AM to 6 PM considerable damage to houses. Killed 18. serious 130. 6PM 28th to 6 AM 29th LONDON, railway blocked, three hospitals damaged.

June 30, 1944

9:45 am

PRESENT:

Dr. White
Dr. Kelchner
Mr. Smith
Mr. Charles Bell
Mrs. Klotz

HM, JR: Well, where are we today?

Dr. Kelchner: We revised the program for the first session in accordance with our conversation of yesterday.

HM, JR: Fine! Fine! Now, if you will explain it.

Dr. Kelchner: First, the convening. Then thank you words by yourself. We prepared a script. It may have to be revised somewhat. I don't know whether you desire something of that nature.

HM, Jr: Sure. If it's a script, Fred Smith always has music underneath.

Mr. Smith: We have a native with a mouth harp.

HM, Jr: I see. Fine! This is wonderful. As long as I don't forget my glasses, I ought to be able to go through with this.

Dr. White: There is some reason you shifted the two South Americans to the second day rather than the one set for the Czechoslovakians? Is there a reason?

HM, Jr: There was a general mix-up.

Dr. White: We need the support of the South Americans.

-2-

HM, Jr: Wait a minute. You have got -- let's run through the thing once more.

Dr. Kelchner: message of the President and then responses by China and Czechoslovakia since apparently the Chinese are preparing a response to the President's message.

Dr. white: They knew they would be on one of the two-day program.

HM, Jr: Kung called up for a copy of the President's message so he could answer.

Dr. White: I said that they would be notified officially because we were not certain.

HM, Jr: Kung called up bell. I gave it to him at lunch. We can't take it away.

Dr. White: It's all right to have Kung there.

HM, Jr: You have Suarez doing the nominating.

Dr. White: Then it should be Souza Costa on the first day.

HM, Jr: It's all the first day.

Dr. Kelchner: They switched the whole thing.

Dr. white: Oh, excuse me.

Dr. Kelchner: Then appointment of temporary committees to effect the organization and then the address of Suarez of Mexico who will nominate the Secretary as permanent president of the conference. Originally we had planned to have that the second day.

Dr. White: Oh, I see!

-3-

Dr. Kelchner: Then Souza Costa of Brazil will second the nomination and the Canadian and the Russian will all second the nomination of the Secretary as president of the conference, and then election of the permanent president.

Dr. White: And the acceptance speech of the permanent president?

Dr. Kelchner: Yes.

Dr. White: My, God! Eight speeches in one day! I hope you have good reasons. Terrible task.

HM, Jr: The reason is we were picking all Ministers of Finance. What else are you going to do that day? We are telescoping into Saturday afternoon what yesterday was set for Saturday, all day, and Monday.

Dr. White: It would have been better for you, better for the audience, to have the first part on Saturday and have your speech on a separate day.

HM, Jr: We don't agree with you. No. This gets all the folderol over and then you can get down to work. The other way we were not going to get down to work until Tuesday.

Dr. White: How about the press? Will the Secretary's speech get a good play.

Mr. Smith: Oh, yes, because they have the Sunday papers. That's the basic reason for this switch.

HM, Jr: You haven't got eight speeches. You exaggerate so. You have Souza Costa, Illsley, the Soviet Union ...

Dr. White: They are all good, but ...

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Mr. Smith: They are all going to be short, aren't they?

HM, Jr: I think this is very good. You (Dr. White) can get the background if you want to.

Dr. White: It's all right.

HM, Jr: Anybody on there who should be on that we don't have?

Dr. White: No. This is a list of men who, after discussion with Warren and Dean Acheson, we have decided on.

HM, Jr: I am very pleased with the set-up. I think it is very good.

Dr. White: Only one point you should raise, I think, either you or Dean, that one of the British delegates ought to be on one or the other. I did not think so because we were saving a good speech by Keynes for later in the week when he submits his technical speech.

HM, Jr: They wanted Keynes to nominate me. I did not want it. I vetoed it. My suggestion was Czechoslovakia.

Dr. White: And I explained to Keynes that we would like him to make one excellent speech, but later.

HM, Jr: What you should tell him is if he speaks the middle of next week sometime, singly, he will get all the play in the press and this way the thing will be drowned under by the President and the rest of us.

Dr. White: Much more important for him to speak later. He's quite satisfied.

HM, Jr: I think this is very good. What do you think, Charles?

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Mr. Bell: I think this is fine and you are actually going into the proceedings at the beginning. You will be conducting this. But Warren has written it all out and it all adds up together.

Mr. Smith: What is going to play the Star Spangled Banner?

Mr. Kelchner: Orchestra up at the hotel.

HM, Jr: I think this is very good. I am very much pleased.

Dr. White: Have each of these now been notified?

Dr. Kelchner: Yes. We have not notified the Chinese because the Secretary talked to them. The others, yes. That will be checked and double-checked tomorrow morning or tonight on the train.

HM, Jr: If you have not let Kung know, I think I would let him know it will be tomorrow afternoon so he will have his speech ready.

Was my statement given out today?

Mr. Smith: Yes.

HM, Jr: And the President's?

Mr. Smith: No. The President's has not come over yet -- not the final signed copy. We will take that final one, photostat it and give it to the press services. McDermott did not want us to give it out.

HM, Jr: The President, very confidentially, left town last night so either it is there or it is not.

Mr. Smith: It was to come over to Gaston as soon as we could get it.

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HM, Jr: If he did not sign it before, I very strongly recommend that they take a correct copy which we have and give it to the press. Why does he have to sign it? He has gone away now.

Dr. White: Are you having translations made?

Mr. Smith: No. McDermott talked to somebody in the State Department about translations and they are making up their minds what to do about it.

Dr. Kelchner: OWI and CIAA.

Dr. White: It would be nice if we have translations to give around to the delegations.

Mr. Smith: That's State Department. I spoke to McDermott about it.

HM, Jr: This "new deal" we have, it's Kelchner. I think it would be good if you would have time to have translations between now and 3 o'clock tomorrow. Are the translators up there or do they go tonight?

Dr. Kelchner: Some of them went up yesterday. I think they could get it translated in time.

HM, Jr: Would you make an effort?

Dr. Kelchner: Yes, surely. Do you want it distributed at the conference?

Dr. White: Right before the conference.

HM, Jr: I think it would be nice when they go in. I don't know how many languages you do it in.

Dr. Kelchner: We are trying to get English established as the official language of the International Conference. Regulations provide English. We are playing

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down the other languages. Most of these people understand and read it if they can't speak it. They do read English and I should think translations would be fine for overseas broadcast, that is OWI and CIAA. Whether it would be desirable and necessary at the conference, I, frankly, I just have a question. It would be better to distribute English copies there and for overseas work have it translated and put on the wire.

HM, Jr: I am suggesting. I think it would be very nice if we had it translated in Russian.

Dr. Kelchner: Yes.

HM, Jr: And I think if we took care of the Russians -- the head man can't speak a word of English. You wouldn't want to do Spanish as well?

Dr. White: Spanish would be equally important.

HM, Jr: I think if we could have Spanish and Russian.

Mr. Smith: And instead of handing them out, we will indicate they are available.

Dr. Kelchner: We will not have the Russian. They do their own. We will make English copies available to them immediately. All right?

HM, Jr: Yes.

Mr. Smith: I can give you a copy of the Secretary's and a copy of the President's too.

HM, Jr: We can start now. Now, harry, when we go into this 10 o'clock meeting, this part I have been working with this group yesterday afternoon, when we go in there I expect you to take it over and explain about the committees, etc., but this part about the first day, etc.

Dr. White: Doesn't concern them beyond informing

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them what is to be done.

HM, Jr: I think I will open the meeting and ask Dr. Kelchner to explain what the first day will be like and then Dr. White will explain.

Dr. White: That will be very good.

June 30, 1944

Fred Smith
Secretary Morgenthau

The man to sell Bernard Baruch on the Monetary Conference is Edward Brown. Edward Brown assisted Baruch when he was building up his rubber program and I know he has great confidence in him. Please speak to me about it. *Done*

FEM - 515
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Algiers
Dated June 30, 1944
Rec'd 10:28 p.m.

Secretary of State,
Washington.

2214, June 30, midnight

FOR WAR REFUGEE BOARD FROM MURPHY AND SAXON.

Refer your 26, June 19.

Previous communications imply that formal notification of War Department approval Ackermann appointment would be forthcoming. Spofford advises such notification still awaited from Washington by AFHQ. Spofford states this is only difficulty involved. Confirmation of appointment of Ackermann is, therefore, mere formality which will be given here as soon as advice received from War Department Washington. Full facilities of AFHQ have been accorded him and absence of formal confirmation of appointment has not therefore hindered his work.

CHAPIN

JT

EM - 542
 Distribution of
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 special arrangement.
 (SECRET W)

Algiers

Dated June 30, 1944

Rec'd. 10:55 p.m.

Secretary of State

Washington

2217, June 30, Midnight.

FOR WAR REFUGEE BOARD FROM MURPHY AND SAXON.

One. Refer your 2011, June 26 (War Refugee cable 29) Murphy is preparing complete answer reference cable. However, please note text cable sent by SACMED to SOMTC June 14.

Accommodation and maintenance situation refugees now improved. Most 3313 in Italy 3 June can be evacuated so that another 10,000 can be accommodated. Within four weeks expect another 10,000 to Mid East Evacuation of 10,000 to FNA should commence some time in July.

"There is hereby removed restriction imposed by paragraph three our E-H 41657."

Two. In connection with paragraph one, section one above, Spefford and others here stress great urgency of assumption by UNRRA of responsibility for refugee camps and hospitals in French North Africa (Phillipville) and Italy.

Three. It is assumed you have seen MAT 222, June 14 to AGWAR for CGS from Wilson.

CHAPIN

WTD
 LMS

CABLE TO AMERICAN EMBASSY, QUITO, ECUADOR

Reference is made to your A-245 of May 6. By communication dated June 13, Swiss government has informed Minister Harrison that it has received no request from Ecuador to safeguard persons holding passports issued in the name of Ecuador from enemy persecution.

Please urgently ascertain actual situation and endeavor to cable us date and text of Ecuadorean telegram referred to in section 2 of your A-245.

3:00 p.m.
June 30, 1944

BAksin:ar 6/24/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: June 30, 1944
NUMBER: 5171

CONFIDENTIAL

Personal to the Ambassador from Peck: Referring to our conversation in Washington, I would appreciate knowing whether you have had an opportunity to discuss with Arthur Goodhart the possibility of his undertaking to represent the Board in London.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: June 30, 1944
NUMBER: 5194

CONFIDENTIAL

In accordance with directions contained in Department's message of June 19, Number 4829, the EWD agent visited Vicomte Obert of the Foreign Office of Belgium on June 21 and voiced to him our wish that arrangements be made to dispose of the CHRISTINA's cargo at once. It was stated by Obert that this matter was under consideration by the departments concerned, including Belgian Foreign Office and War Office, at that time.

The Foreign Office of Belgium advised EWD orally on June 29 that they desired that part of their supplies which could still be forwarded to Geneva for ultimate allocation to Belgian war prisoners to be shipped as originally planned, but that, although they felt they were unable to give the materials, they were willing to sell the balance to the International Red Cross. The question of what definite monetary settlement the Belgians had in mind was not followed up by EWD, in view of your instructions. The Government of Belgium has now instructed du Parc on this issue, according to our understanding.

WINANT

DCR/GPW
7/3/44

CABLE TO AMERICAN EMBASSY, MANAGUA, NICARAGUA

Reference is made to Department's A-204 of June 10. A communication from Bern has been received by the Department informing us that no request has as yet been received by Switzerland from Nicaragua to safeguard persons in enemy territory holding documents issued in the name of Nicaragua from enemy persecution.

Please represent to Nicaraguan authorities the special importance attached by this government to the humanitarian task of saving the people concerned and press for an immediate despatch of the suggested request.

3:00 p.m.
June 30, 1944

BAksin:ar 6/24/44

CABLE TO AMERICAN CONSULATE GENERAL, JERUSALEM.

Please deliver the following message from the War Refugee Board
to Chaim Schein, 31 Masentr, Tel-Aviv:

QUOTE Every effort being made to safeguard victims of enemy
persecution and special program has been evolved for those holding
passports issued in names of American republics. I am referring your
message to Department of State which is charged with making the
necessary arrangements to effectuate such program. Pehle . UNQUOTE

June 30, 1944
1140 p.m.

CABLE TO AMERICAN CONSULATE GENERAL, JERUSALEM.

Please deliver the following message from the War Refugee Board
to Chaim Schein, El Masentr, Tel-Aviv:

QUOTE Every effort being made to safeguard victims of enemy
persecution and special program has been evolved for those holding
passports issued in names of American republics. I am referring your
message to Department of State which is charged with making the
necessary arrangements to effectuate such program. Pehle . UNQUOTE

June 20, 1944
1:40 p.m.

CABLE TO NORWEB, LISBON

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

Joint Distribution Committee	- W-2154
Jewish Labor Committee	- W-2177
W World Jewish Congress	- pursuant to authorization of Dexter, WRB representative Lisbon
Unitarian Service Committee	- W-2167

THIS IS WRB CABLE TO LISBON NO. 44

4:00 p.m.

June 30, 1944

FH:db 6/29/44

CABLE TO LISBON

From War Refugee Board to Norweb for Dexter

Please deliver the following message to Elisabeth Dexter, 111 rua Marquez de Fronteira, Lisbon, from Edward Cahill of the Unitarian Service Committee:

"204 Committee consider important that we make token payment current Spanish budget through Blickenstaff five to ten thousand . Stop Pending possibility own representative committee desires participate Blickenstaff setup and urges Quakers Philadelphia we pay part overhead please comment cable immediately."

This is WRB Cable to Lisbon No. 45

4:00 p.m.
June 30, 1944

FH:db 6/30/44

CABLE TO JOHNSON FOR OLSEN, STOCKHOLM

Department, War Refugee Board and Treasury request that you obtain as soon as possible from Evensen and Traunsel report giving the total in dollar equivalent of the amount of free currency, if any, sent into enemy territory during the period ending June first pursuant to section 1 (c) of Treasury license W-2152. Estimates may, of course, be given where exact figures are not available.

THIS IS WEB CABLE TO STOCKHOLM NO. 40.

June 30, 1944
4:00 p.m.

FR:db 6/29/44

CABLE TO MINISTER JOHNSON AT STOCKHOLM AND OLSEN

Reference your 2224 to Department, 35 to WRB, of June 20. Board deeply appreciates your efforts in organizing committee. In order to facilitate procurement of funds please advise with respect to former nationalities of stateless refugees in question and the extent to which group includes Jews. Please also advise to what extent persons in this group are or have been receiving aid from Mosaiska Forsamlingen or other organizations receiving support from American voluntary agencies. If any persons in group receive or have received such aid, please advise why aid is inadequate or has been terminated.

THIS IS WRB CABLE TO STOCKHOLM NO. 39

3:00 p.m.
June 30, 1944

LSLesser:ml 6/29/44

MJB
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June 30, 1944

Midnight

246

ALLEGATION

STOCKHOLM,
1299

The following refers to your 2069 of June 9, is WRB
cable 34 and is for Johnson and Olsen.

1. Swedish cooperation along lines suggested in
Department's 1010 of May 25 appreciated by Department
and Board. Assume every effort to expedite receipt by
you and transmission here of report mentioned being made.

2. Discussions are proceeding between the United
States and British Governments looking to program of
transmission of food parcels through the blockade to
persons in concentration camps through Intercross channels
from Switzerland if adequate supervision and guarantees
can be provided. Such program already has the approval
of Department, Foreign Economic Administration and War
Refugee Board which will give consideration to a similar
program from Sweden upon receipt of a Swedish proposal.

HULL
(GLW)

WRB:MMV:KG
6/29/44

NOE

SWP S/CR

FROM: Secretary of State, Washington
TO: American Legation, Stockholm
DATED: June 30, 1944
NUMBER: 1301

SECRET

Reference is made herewith to your telegram of June 29, 1944, No. 2371.

1. Approval is given to your proposed course of action and it is requested that you proceed expeditiously.
2. Information has been received by the Department that Canadian, Belgian, British, and Italian Governments have accepted the repatriation of their nationals and have instructed the appropriate missions at Stockholm to communicate with the Government of Sweden. You are requested to correlate your action with them and urge them to take any necessary action to the extent that they have not done so already.
3. The expenses in connection with the evacuation of any refugees included in the movement and in connection with their maintenance while in Sweden are guaranteed by the War Refugee Board. The War Refugee Board also guarantees to arrange, when circumstances permit, for their onward transportation from Sweden (Department's telegram of April 29, 1944, No. 749).
4. It is hoped that arrangements can be made by the Government of Sweden to transport Swedish or other nationals on the return voyage of the vessel and to diminish proportionately any charges against this Government for the operation of the vessel if it is impossible actually to evacuate any Americans and associated nationals from Helsinki owing to force majeure.

HULL

DMH-343
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arrangement. (SECRET W)

Stockholm

Dated June 30, 1944

Rec'd 1:35 p.m.

Secretary of State

Washington

2381, June 30, 2 p.m.

THIS IS OUR NO. 42 FOR WAR REFUGEE BOARD

Chief Rabbi Ehrenpreis has been informed from what he considers absolutely reliable sources that Germans have ordered the deportation of all Hungarian Jews to Germany by not later than July 15. Jewish Communities here have addressed petition to King asking him to appeal to Hungarian Government. We are informed by the Jews who drafted the document that this petition is being forwarded to King by Swedish Foreign Office with recommendation that King intervene with Hungarian authorities in this matter.

JOHNSON

FS
EJH

DMH-328
Distribution of true
reading only by special
arrangement. (SECRET W)

Stockholm

Dated June 30, 1944

Rec'd 12:51 p.m.

Secretary of State

Washington

2382, June 30, 3 p.m.

FOR WAR REFUGEE BOARD

Barlas of Jewish Agency in Istanbul has sent an urgent cable to Chief Rabbi Ehrenpreis requesting that 5,000 pounds sterling be sent to British passport office at British Embassy, Istanbul. These funds are to be placed at disposal of Barlas for transportation fees covering a group of refugees expected to arrive in Turkey next week. Since the Ehrenpreis Committee does not have funds, the matter is referred to you for any action that is possible. This is our No. 43.

JOHNSON

FS
EJH

GAR - 383
Distribution of true
reading only by special
arrangement (SECRET W)

Stockholm

Dated June 30, 1944

Rec'd: 4:38 p.m.

Secretary of State

Washington

US URGENT

2388, June 30, 5 p.m.

SECRET

Swedish Foreign Office has agreed to issue visas to approximate 60 remaining Central European Jews in Finland, provided American assurances can be supplied as to maintenance of this group in Sweden. This is our No. 44 for War Refugee Board and supplements our No. 34 (Legation's No. 2100 of June 12, 1 p.m.). If these assurances can be provided, it is of the greatest urgency that we be advised immediately since it is possible that this group can be brought to Sweden on some vessel which will shortly evacuate American and Allied groups from Finland. (Legation's 2371, June 29, 5 p.m.). If group is not evacuated at this time possibility of their getting out later will become extremely problematical. Consequently, we wish again to emphasize urgency of immediate decision as well as the high considerations of secrecy involved in the entire operations.

JOHNSON

EB MJH

PARAPHRASE OF TELEGRAM RECEIVED

251

FROM: American Legation, Stockholm
TO: Secretary of State, Washington
DATED: June 30, 1944
NUMBER: 2396

CONFIDENTIAL

Substance of following message has been sent to Lisbon as no. 12, dated June 30.

An open telegram from Lisbon has now been received by Hungarian industrialist named Wehl (of famous Manfred Weiss Company) who chanced to reach Sweden just at the time of the German invasion of Hungary. The message informed him that his relatives Baroness Kornfeld, Mr. Ferenc Chorin, Baroness Jenoe Weiss and Mrs. Edit Weiss are in Lisbon and well.

While these ladies, who are wives of some of Hungary's leading Jews, already may have come in contact with our Embassy in Lisbon, it is possible that they have avoided calling on Allied or dissident Hungarian diplomats in Lisbon through fear for their relatives in Hungary.

It interests Iver Olsen, Treasury Attache, who is War Refugee Board representative here and is working on plans for relief of persecuted minorities in Hungary, to know how these four refugees managed to escape to Lisbon from Hungary. It is believed by Mr. Collett of the Hungarian Legation here that Baroness Kornfeld could shed light on the present fate of her husband and other leading Hungarian Jews.

In order for Baroness Kornfeld and the other three ladies to contact our officers in Lisbon without arousing the suspicions of the Germans, the Hungarians here are advising Wehl to send clear telegram urging them to call at the American consulate and try to get visas. This Legation has no information as to whether the four ladies wish American visas but believed that the War Refugee Board would be interested in method of their escape (probably involving bribery and complicity of Hungarian officials). The Lisbon Consulate may say that Mr. Haglert urges her to make full statement, to convince Baroness Kornfeld that she can talk in confidence without danger to her husband and relatives in Hungary.

JOHNSON

June 30, 1944

MEMORANDUM

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

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

- (1) The participation of the Intergovernmental Committee on Refugees in the rescue and relief of victims of enemy oppression through the establishment of a guarantee fund such as that referred to in the Aide Memoire.
- (2) The policies to be followed by the two Governments in permitting private organizations in their respective countries to finance operations in and communicate with enemy territory in an effort to save the lives of oppressed peoples in enemy territory.

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

There also follows a discussion of the second question raised in the Aide Memoire, namely, the policies to be followed by the two Governments with respect to the activities of private organizations. It should be emphasized that it was fully understood by the Intergovernmental Committee that this second question was one which should be discussed between the two Governments independently of the Intergovernmental Committee.

I. The credit scheme submitted by the Intergovernmental Committee to the United Kingdom and the United States.

The Aide Memoire stated that the British Government proposed to ask Parliament to vote whatever sums might be necessary, up to \$1,500,000, to implement the credit scheme of the Intergovernmental Committee, provided that the Government of the United States was prepared to provide the same amount. In discussions with representatives of the Intergovernmental Committee it developed that in terms of the immediate proportions of the proposed

-2-

proposed operations the sum still owing to the Intergovernmental Committee by the two Governments in fulfillment of commitments for 1944, namely £900,000 (\$3,600,000) would be adequate for the time being. Accordingly, the Intergovernmental Committee submitted the following basic proposal to the United States Government:

"The IGC has provided in its estimate of operational expenditure for 1944 the sum of one million pounds, of which one half will be furnished by the American government and one half by the British government. It has been agreed by the two governments that if this expenditure is exceeded, the IGC, under the agreed procedure, may submit proposals for supplementary grants. At present the IGC has not in prospect operational expenditure of any considerable amount. It could therefore allocate £900,000, namely \$3,600,000 for the purpose of credit operations provided it is clearly understood that if and when the necessity of undertaking other projects arises it will be free, in accordance with the approved procedure, to submit applications to the two governments for further grants. Such applications might include requests for further grants towards credit operations if they exceeded £900,000 from the budget grant and could be usefully extended beyond this figure.

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

The United States has now paid to the Intergovernmental Committee the sum of \$1,800,000 and if the needs of the Committee require further sums in the future sympathetic consideration will be given at that time to making the necessary additional funds available.

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

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

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

The United States Government also regards the arrangement with the Intergovernmental Committee as completely independent of the question of the policies

-3-

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

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

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

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

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

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

Department of State,

Washington.

CABLE TO HARRISON FOR MCCLELLAND, BERN

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

- Joint Distribution Committee - W-2106
- World Jewish Congress - W-2115
- Union of Orthodox Rabbis - W-2117
- Jewish Labor Committee - W-2126
- International Rescue and Relief Committee - W-2138
- American Committee for Christian Refugees - W-2150

THIS IS WRB CABLE TO BERN NO. 65

4:00 p.m.
June 30, 1944
FH:db 6/26/44

CABLE TO MINISTER HARRISON AND McCLELLAND, BERN, SWITZERLAND

Reference is made to your 3871 of June 17. Please express Board's sincere appreciation to Foreign Office for its cooperation. The Board recognizes Switzerland's deep concern for the fate of victims of Nazi persecution and is confident that continued efforts of Swiss and American governments must result in some degree of success.

1. In regard to renewal of passports held by persons in enemy territory, United States practice, as you are aware, is not to authorize their extension beyond their two-year period of validity. Nevertheless, Swiss authorities issue Swiss certificates of identity to holders of such passports. It is suggested that a similar practice, if necessary, be adopted in the case of passports issued in the names of other American republics whose interests are protected in enemy territory by Switzerland. The suggestion is based on the premise that while a passport's duration as a travel document is limited to the period of its validity, its value as prima facie evidence of nationality continues. Accordingly, it is our understanding that the request to Switzerland to extend protective action to all persons threatened with enemy persecution who hold passports and other documents issued in the name of the American republics until affirmatively advised to the contrary by the government concerned applies without regard to the time-limit indicated in any such passport. To hold otherwise, would be to attach more value to a simple consular letter certifying national status than to a passport.

Please discuss this matter with appropriate Swiss authorities and endeavor to secure their cooperation in developing some procedure that will assure the continued protection of holders of expired Latin-American passports regardless of their extension.

2. It is understood that Paraguay requested Spain in May to extend protection to all holders of Paraguayan documents. Spanish assistance in bringing about the return of deportees from Vittel was requested by United States and certain other American republics. On April 19 Spanish government assured us that it would attempt to learn the facts as soon as possible with a view toward endeavoring to arrange for the return of these refugees. Early in June, Spanish Foreign Minister, in reply to request by Nicaragua, offered to use his good offices to secure the return to Vittel of any bearers of Nicaraguan passports who might have been removed therefrom.

3. Please request assistance of Swiss authorities in ascertaining identity and whereabouts of all persons removed from Compiègne and Vittel and other civilian internment camps who hold passports or other documents issued in the name of any American republic, and their best efforts to secure the return of such persons to such camps.

4. Note is taken of German readiness to consider as eligible for exchange against Germans desiring to be repatriated all Jews interned in

1:40

June 30, 1944

- 2 -

these camps who bear Latin American identity documents as well as those elsewhere known to the German Foreign Office, and of German readiness to accept the recognition by the United States of the status of such persons as a basis for their treatment and eligibility for exchange. It is consequently assumed that German authorities will henceforth refrain from passing on the validity of Latin American documents. Please confirm. It would also appear that United States recognition of status will alone suffice, and affirmative approaches by individual Latin American countries are not considered essential by Germans. On the assumption that we properly state German attitude, please explore with Swiss authorities the possibility of proceeding on this basis. We assume Swiss are fully aware of circumstances making action on this basis desirable in speedily achieving humanitarian results.

5. Honduras and Costa Rica have authorized this government to transmit to Switzerland their demands that persons holding passports issued in their names be protected. Refer to Department's 129 of April 26 concerning Honduras, and 1993 of June 10 concerning Costa Rica, which we assume you have transmitted to appropriate Swiss authorities. A similar communication from Guatemala is on its way to you.

This government has been informed that a telegram was sent by Ecuador to Swiss government early in May requesting safeguarding of persons claiming Ecuadorean nationality. It is also understood that similar instructions, with regard to persons holding Uruguayan documents, were cabled from Montevideo to Uruguayan Minister at Bern on June 15.

6. In connection with persons eligible for exchange, your attention is drawn to the problem of persons in enemy-controlled areas in whose names Latin American documents have been issued, but who are not in physical possession of these documents because delivery has been impossible. In order that such persons may not be placed at any disadvantage because of this circumstance beyond their control, please secure from available sources names, ages and last known addresses of such persons. On this subject please consult Sternbuch, Riegner, Saly Meyer, and other representatives of rescue organizations. Please notify Board when such list is secured, giving your views and informal opinion of Swiss authorities as to the advisability of making the same available to the Germans in an effort to protect such persons.

7. Please note that the term QUOTE German-controlled UNQUOTE territory or areas as used in this message and in all other communications dealing with protection of persons holding documents issued in the names of American republics includes Hungary. Should there be any possibility of doubt on this score, the Swiss authorities should be informed accordingly and requested to transmit said information to German and Hungarian authorities.

THIS IS WRB CABLE TO BERN NO. 64

BAKzin:LSLesser:ar 6/29/44

Regraded Unclassified

CABLE TO BERN**From War Refugee Board to Harrison**

Please deliver the following message to Adolph Freudenberg,
41 Avenue de Champel, Geneva, from Leland Rex Robinson of The
American Committee for Christian Refugees:

"License W-2150 amended permitting operations
any enemy territory therefore use own judgment support
Hungarian reformed church committee per your cabled
request June eighth".

THIS IS WEB BERN CABLE NO. 63

June 30, 1944
12:05 p.m.

FR:db 6/29/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMLEGATION, BERN
DATED: June 30, 1944
NUMBER: 2221

CONFIDENTIAL

For attention of Ambassador Harrison and McClelland.

Following discussions with Minister Bruggmann in Washington Pehle, Executive Director of War Refugee Board, suggests that refugee problem be discussed informally and in confidence with the Swiss Foreign Office emphasizing in particular the following points:

1. The Contribution which Switzerland has made and is making to the refugee problem is appreciated here both in government circles and by the American public.
2. We would appreciate receiving from the Swiss Government informally and confidentially any and all suggestions on what can be done on the problem.
3. We appreciate that certain phases of the matter can best be handled by informal arrangement with the Swiss Government rather than by formal requests to make demands on the German Government. Generally, where such action would be helpful we are willing that you discuss particular problems with the Swiss Government informally and confidentially before making formal requests.

It is the view of Bruggmann that the cooperation of this Government and the Swiss Government on refugee matters could be facilitated by following these suggestions.

The Department is in accord.

THIS IS WEB BERN CABLE NO. 62.

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: Amlegation, Bern
 DATED: June 30, 1944
 NUMBER: 2288

CONFIDENTIAL

CABLE TO AMBASSADOR WINANT, LONDON, AMBASSADOR HAYES, MADRID, AMBASSADOR HERRING, LISBON, MINISTER JOHNSON, STOCKHOLM AND MINISTER HARRISON, BERN.

There is repeated to you herewith for your information only, the text of a cable sent today to Ambassador Steinhardt in Ankara:

"The following is the text of a resolution which has been introduced in the House of Representatives by Congressman Bloom, Chairman of the House Committee on Foreign Affairs:

QUOTE Whereas the Government of the United States has made clear by its actions its determination to take all measures within its power to rescue the Jews and other victims of enemy oppression who are in imminent danger of death at the hands of the Nazis; and

Whereas there are great opportunities for the evacuation of refugees from the Balkan countries through Turkey of which full advantage has not been taken; Therefore be it

Resolved, That the House of Representatives of the United States of America requests the Secretary of State to urge that the Government of Turkey in the interests of humanity facilitate the entry into Turkey of refugees who can escape from Nazis, and establish in Turkey a refugee camp in which such persons can be temporarily sheltered. UNQUOTE.

"In your discretion this pending resolution should be given local publicity and may be used by you in bringing further pressure on the Turkish Government."

The foregoing repeated to Madrid, Stockholm and Lisbon; sent to London.

HULL
 (GLW)

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: June 30, 1944
NUMBER: 4170

CONFIDENTIAL

MCCLELLAND SENDS THE FOLLOWING FOR WRB.

Reference is made herein to the Legation's cable of June 24, no. 4041.

The Jews of Budapest have no illusion as to the fact that deportation is probably in store for the majority of 300,000 Jews concentrated in houses and restricted blocks all over that city, according to information dated June 18 and received from responsible Jewish circles in Budapest. It is openly admitted by the Germans that selection of those to be deported will be made on a basis as follows: (A) men who are able-bodied, (B) children, women and girls who are able-bodied, (C) all persons unsuited for work and children. No doubt the last mentioned category will be sent to Auschwitz for extermination while the first two groups will be used as forced labor in occupied territories and Germany.

There seems to be some possibility, as result of recent discussions in Budapest between responsible Jews and Germans, of the following: (1) rescue of a small number of children and prominent persons who will be allowed to leave Hungary in an initial convey of 1000 persons; and (2) rather than being immediately exterminated, the lean remnant of 30,000 Hungarian Jews unsuited for work will be maintained in three camps in Germany. The success of these two proposals depends in turn on two conditions: (1) That there can be secured for the initial group of 1,000 and for others to follow emigration possibilities via Spain; and (2) that the three camps of 10,000 persons each in Germany can be supported by the supply of funds from Jewish organizations. To do this it is estimated that at least 500,000 Swiss francs monthly would be necessary. It was intimated by the Germans that further contingents would be allowed to leave Germany from these camps as Spanish transit and overseas (Palestine, North Africa or elsewhere) emigration visas became available.

These propositions have been discussed with Salymeyer of joint to whom appeal has been addressed, to find funds required for the support of such camps in Germany. We both feel that a serious attempt should be made to secure initial block of 1,000 or more Spanish transit visas at

least for

-2-

least for the children, even though we both consider them highly improbably and incomprehensible from many angles. To care for such transit groups arrangements should be made in Spain and for further destinations also. A great many have Palestine certificates, according to information we have received from Budapest. We recommend that approach be made to the Spanish Government.

In at least trying to comply with requests of persons sur(*) place in Hungary there is nothing to lose and possibly something to gain, even though these propositions may seem to be far fetched. Even though remote, every channel of aid must be explored in view of the desperateness of the situation of Jews there. Over 400,000 have already been deported, according to reports.

HARRISON

(*) Apparent omission

DCR:MAS:EA

7-3-44

CABLE TO STEINHARDT, ANKARA

Department, War Refugee Board and Treasury request that you obtain as soon as possible from Jacob Griffel, a report giving the total in dollar equivalent of the amount of free currency, if any, sent into enemy territory during the period ending June first pursuant to section 1(c) of Treasury license W-2166.

THIS IS WRB ANKARACABLE NO. 71

4:00 p.m.
June 30, 1944

FH:db 6/29/44

CABLE TO STRINHANDT AND HIRSCHMANN FROM PERLE

The following is text of message just received by JDC from Schwartz who we understand is en route Ankara from Jerusalem:

QUOTE Discussions here indicate possibility rescue additional 8,000 from Balkans at approximate cost two to two and half million dollars. Obligations incurred connection approximately sixteen hundred who already came out approximate \$600,000. View urgency situation commitment will have to be made very fast therefore important you indicate immediately whether you willing underwrite up to three million dollars for rescue program which otherwise cannot be undertaken. View present emergency situation recommend you send blanket authorization with understanding we naturally shall make every effort keep costs to minimum. Meanwhile you may wish your end enlist aid War Refugee Board other American bodies.

Advise urgently. UNQUOTE

Board extremely interested in above proposal and would appreciate immediate report and recommendations from you. If available, please include a breakdown by purpose and amount of contemplated expenditure of large sum being requested for the program.

THIS IS WEB ANKARA CABLE NO. 68.

10:45 a.m.
June 30, 1944

FH:db 6/29/44

CABLE TO AMBASSADOR STEINHARDT AND IRA HIRSCHMANN, ANKARA, FROM WAR REFUGEE BOARD

For your information the following cable has been received from
Lisbon:

QUOTE For your information, British Embassy, Lisbon, in receipt
telegram from British Legation, Ankara, stating number Jewish refugees
Constanza 1,300 not 5,000 as claimed by Joint here. British representatives
Ankara also question suggested transshipment from Istanbul by rail. British
claim railway facilities inadequate even for this smaller number UNQUOTE

In view of your talk with the Secretary General of the Foreign Office
referred to in your 1066 of June 14, it is assumed that a plan can be worked
out for th transshipment by rail to Palestine of refugees arriving in Istanbul
on Turkish ships.

This is WRB Cable to Ankara No. 61

11:00 a.m.
June 30, 1944

FH:MJM:bbk - 6/27/44

CABLE TO AMBASSADOR STEINHARDT AND HIRSCHMANN, ANKARA, TURKEY

Reference is made to your 1104 of June 19 and 77 for War Refugee Board.

Board gratified to learn that Turkish border guards have been instructed not to turn back Jewish refugees at Bulgarian border notwithstanding lack of Turkish visas. This is first intimation Board has received regarding such instructions and we must assume reports received here regarding non-admission are of incidents occurring prior to issuance thereof. It is noted, however, that your cable mentions arrivals by rail only. This raises a question as to the applicability of such instructions to Jews and other persecuted people attempting to cross Bulgarian border clandestinely on foot or otherwise. Please ascertain whether instructions to border guards extend to all such clandestine refugees. Please use your own best judgment as to the means by which instructions to border guards can be continued in effect, and extended to those arriving at border by means other than rail if they do not now extend to such cases.

Would appreciate information as to number of refugees coming over Bulgarian frontier without Turkish visas during past month.

THIS IS WRB CABLE TO ANKARA NO. 69

10:45 a.m.
June 30, 1944

BAkin:LSLesser:ar

6/29/44

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

June 30, 1944

4 p.m.

SECRET

War Refugee Board

AMBASSY,

ANKARA

587

The following WEB cable 65 is for Hirschmann.

Information just received by Board is that cable below has been sent through regular channels to World Jewish Congress by Barlas.

QUOTE For your information and through you of Board proposal increase individual transit allowing twenty visas Budapest, Sofia, Bucharest, respectively, approved Turkish Foroffice. Abolition list system instructing consuls issue visas on recommendation local representatives also agreed **UNQUOTE**.

The Turks agreed, according to report of March 6 from Hirschmann, to grant transit visas to 27 families weekly from Bulgaria, Hungary and Romania combined, constituting weekly about sixty persons. Report also states that Turks had agreed to grant every ten days transit visas to ten adults and 140 children.

Board would appreciate comments on quoted cable in light of above. Current statistics on entries into Turkey by land routes would also be appreciated.

HULL
 (GLW)

S/CR

HULL
SB

WEB:MMV:KG
6/29/44

GPM

NE

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMEMBASSY, ANKARA
DATED: June 30, 1944
NUMBER: 588

CONFIDENTIAL

TO STEINHARDT AND HIRSCHMANN FROM PERLE

The following is text of message just received by JDC from Schwartz who we understand is en route Ankara from Jerusalem:

QUOTE Discussions here indicate possibility rescue additional 8,000 from Balkans at approximate cost two to two and half million dollars. Obligations incurred connection approximately sixteen hundred who already came out approximate \$600,000. View urgency situation commitment will have to be made very fast therefore important you indicate immediately whether you willing underwrite up to three million dollars for rescue program which otherwise cannot be undertaken. View present emergency situation recommend you send blanket authorization with understanding we naturally shall make every effort keep costs to minimum. Meanwhile you may wish your end enlist aid War Refugee Board other American bodies.

Advise urgently. UNQUOTE.

Board extremely interested in above proposal and would appreciate immediate report and recommendations from you. If available, please include a breakdown by purpose and amount of contemplated expenditure of large sum being requested for the program.

THIS IS WRB ANKARA CABLE NO. 68.

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

June 30, 1944

9 p.m.

AMBASSY,

ANKARA.

589

The War Refugee Board cable 67 below is for
Hirschmann.

Indicated by Sofia report received here that a
thousand Turkish pounds are demanded there for each
Turkish visa. Inquiry as to correctness of report
would be appreciated, also if correct your efforts
to reduce required amount materially.

HULL
(GEN)

WEB:MMV:EG
6/30/44

HE

S/CR

Dmh-451

Ankara

Dated June 30, 1944

Rec'd 8:27 p.m.

Secretary of State

Washington

1187, 30th

War Refugee Board No. 82.

Fatzki arrived Ankara yesterday. Please inform family.

STEINHARDT

MRM
EJH

RA-292

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

Chungking
Dated June 30, 1944
Rec'd 9:56 a.m.

Secretary of State
Washington.

1145, June 30, 1 p.m.

FOR JAMES MACKAY NATIONAL CITY BANK, 55 WALL STREET, NEW YORK FROM
ARNOLD.

British in China acting through a central organization not Bank, will shortly commence sales open market telegraphic basis sterling and rupees. Clearing board can get better rate for rupees if Treasury will permit sales United States dollars through Bombay branch otherwise British in more favorable situation as big speculators in Kunming are buyers rupees. Chungking sales to date about United States dollars one million. Rate now 110.

GAUSS

FS:RR

ef:copy
7-4-44

NOT TO BE RE-TRANSMITTED

SECRET

OPTEL No. 213

Information received up to 10 A.M. 30th June 1944

1. NAVAL

Home Waters CHERBOURG. Minesweeping has started in the channels. Docks seriously damaged and whole anchorage heavily mined. Some beaches and hard's can be used for unloading landing craft. One of H.M. Headquarters ships damaged by shell fire on 28th and one small minesweeper damaged by mine. One of H.M. Submarines sank a U-Boat, a lighter and Siebel Ferry off GREECE on 21st.

2. MILITARY

N.W. France To 12 noon 29th. CHERBOURG PENINSULA clear except for CAP DE LA HAGUE where enemy coast batteries are still in action. British troops extended their hold on north bank of RIVER ODON which they hold from North of GAVRUS to S.E. of MOUEN. South of RIVER ODON enemy hold ESQUAY (two miles NE of EVRECY).

Italy Troops of 8th Army have made slight progress East of LAKE TRASIMENO. French troops are now within 8 miles of SIENA. U.S. troops have advanced in coast sector and are also within two miles of CECINA.

Burma In UKHRUL area British troops are now concentrated about 8 miles west of UKRUL. In MOGAUNG fighting continued to clear enemy parties astride the KAMAING-MOGAUNG road. In MYITKYINA several enemy strong points destroyed.

Russia No information beyond communique.

3. AIR OPERATIONS

Western Front 28th/29th. 344 tons on BLAINVILLE railway centre and 330 tons on METZ railway centre. 29th. In LEIPZIG and MAGDEBURG areas 1065 tons on nine factories 158 tons on synthetic oil plant 224 tons on five airfields and 129 tons on railway and other targets. 570 tons dropped in attack on large F.B. site in PAS DE CALAIS and 1081 tons against two supply sites in AMIENS-ABBEVILLE area. In battle area 183 tons on gun batteries near CAP DE LA HAGUE; 878 fighters attacked military targets and 507 patrolled beachhead. Enemy casualties reported 67:0:30 for loss of 31 aircraft. German Activity. During 24 hours ending 6 A.M. 29th, of 151 flying bombs launched, 52 were destroyed by fighters and 15 by A/A during 24 hours ending 6 A.M. 30th, 120 flying bombs launched of which 94 crossed coast and 38 reached LONDON area.

4. HOME SECURITY

29th. 6 AM to 6 PM principal incidents, ISLINGTON severe damage to property. Local railway lines were blocked. Casualties so far reported - killed 25; serious 143. Outside LONDON an incident at MERSTHAM dislocated railway traffic.

6 PM 28th to 6 AM 29th LONDON. All incidents south of river. Casualties so far reported: killed 8, serious 63. Outside LONDON most serious incident damage to evacuation home for children where 27 children and 11 staff believed trapped.