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	<u>3rd Protocol Soviet Request</u>	<u>3rd Prot. Prog. Offered by U.S.</u>	<u>3rd Protocol Deliveries</u>
	(Thousands of Short Tons)		
Non-ferrous metals	237	187	310 a/
Ferro-Alloys	22	15	3
Cable	138	111	85 b/
Steel	850	710	603 a/
Chemicals	204	202	229
"Other materials"	44	43	78
Total	1,495	1,268	1,308

a/ Includes 18,000 S.T. aluminum, 3,500 S.T. electrolytic nickel and 12,000 S.T. electrolytic copper made available in Canada and/or the U.S. and not shown in accompanying tabulation.

b/ The figure given for 3rd Protocol deliveries represents gross weight of cable. In the accompanying tabulation, the weight of contained copper is given.

a/ Includes 40,000 S.T. of rails produced in Canada and not shown in accompanying tabulation.

Production at the above rate was achieved not only without an increase in stockpiles, but with a sizeable decrease, stocks of materials having fallen during the Protocol year from some 750,000 S.T. to less than 400,000 S.T.

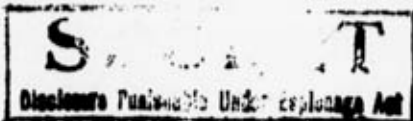
Steel represented the most important item in the materials program. While the total made available was less than requested by the USSR, the amount of new production, when taken together with the amount already produced and held in storage, was ample to meet all shipping requirements.

For the most part, the steel schedule presented few problems despite continued tightness of steel domestically. The one notable exception was rails and accessories. Mounting domestic requirements, together with a curtailment in production facilities arising from demands of the expanded shell steel program, made extremely difficult shipment of rails and accessories at the rate desired by the USSR.

With the exception of nickel, non-ferrous metals were supplied in accordance with stated Soviet requirements. The general easing of the U.S. aluminum situation made possible delivery of more than 127,000 tons during the Protocol year from the U.S. and Canada jointly. This compared with an original commitment to deliver 53,760 S.T.

Shipment of copper base alloys (cartridge brass strip, brass rod and brass tubing) totaled approximately 124,000 S.T. as against a commitment for 108,000 S.T. In addition, the U.S. and U.K. jointly furnished 28,000 S.T. of electrolytic copper to meet a spot requirement presented in January 1944.

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Because of continued uncertainties in the supply situation of the United Nations, it was not possible to supply all of the pig nickel desired by Russian representatives. However, a total of 8,220 S.T. were shipped from the U.S., the U.K. and Canada combined as compared with a promise to furnish 5,400 S.T.

With respect to chemicals, Third Protocol deliveries represented a considerable increase over the Second Protocol program. Exact figures were 229,000 S.T. against approximately 137,000 S.T.

Of the various chemical requirements presented by the USSR during the Third Protocol year, all except a few special purpose items, such as butyl alcohol, butyl acetate and acetone, were met 100%.

The most important single chemical supplied was ethyl alcohol. The original requirement presented by the USSR was relatively very large, i.e. 107,000 S.T. To meet urgent military needs, however, the USSR asked that this be increased to 168,000 tons. As U.S. alcohol requirements were rapidly increasing during the year because of the demands of the synthetic rubber program, fulfillment of the augmented program posed serious problems, particularly since the USSR asked that a large part of its allotment be made available at west coast ports. Despite difficulties, however, the full amount was supplied, all available tankers being loaded on schedule.

Of the various other items included in the materials program, only tires and tubes seem to call for comment.

While the Third Protocol contained no specific commitment for tires and tubes, Soviet representatives strongly pressed for supply of 2,100,000 units each. During the first part of the Protocol period the U.S. attempted to furnish the number desired. A rapid deterioration in the domestic situation, however, made it necessary to reduce the schedule to 100,000 units per month. For the year as a whole, therefore, deliveries of only 1,313,848 tires and 1,309,798 tubes were effected.

II. INDUSTRIAL EQUIPMENT

During the Third Protocol year, U.S. industry carried Soviet industrial equipment orders totaling approximately \$530,000,000, exclusive of orders accepted as an advance against the Fourth Protocol. Against the \$530,000,000 of "Third Protocol orders" delivery of about \$386,000,000 were effected. This meant that there was left as of June 30, 1944 a "carryover" of about \$144,000,000.

The greater part of this carryover (\$103,000,000) was made up of power equipment (\$25,000,000), rolling mills and auxiliary equipment (\$15,000,000), bearings (\$9,000,000), cranes and hoists (\$8,000,000), electric furnaces (\$7,000,000), block signal equipment (\$5,000,000), excavating equipment (\$5,000,000), small cutting tools (\$4,000,000), power boilers (\$8,000,000), electric motors (\$4,000,000), pumps (\$4,000,000), machine tools (\$5,000,000) and oxygen plants (\$4,000,000).

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To an extent, carryovers resulted from failures to meet production goals. Because of a number of factors, notably demand for machinery needed for the recently expanded domestic shell programs, labor shortages, and difficulties incident to procurement of critical components, plant shipments of equipment during the last quarter of the Third Protocol period were not up to expectations. Numerous remedial steps were taken, but it was impossible for these to produce desired effects before June 30.

Primarily, however, carryovers were due to the U.S. undertaking orders which, because of lead factors, would not be completed, even under the most favorable conditions, prior to June 30. Thus, during the latter part of the Protocol year there were accepted orders for rolling mills and auxiliary equipment, electric motors, a Donets mining program, excavating equipment, and a number of similar items which physically could not be completed by the end of June. At the same time, earlier in the Third Protocol period certain programs, notably the power program, power boiler program, a tractor bearing program, and an electric furnace program, were placed in the schedule for Third Protocol delivery, but these, because of the large amount of critical equipment required, were actually not expected to be completed until the first months of the Fourth Protocol period. In the case of both these groups of orders, it was made clear to all parties concerned that no commitment could be made to the effect that the equipment involved could be delivered before the June 30 deadline.

Despite the fact that there is thus justification for the U.S. not having delivered as much industrial equipment as originally planned, the short fall has had a somewhat unfortunate effect. During recent months, the USSR greatly increased its overseas shipment of industrial items. Stocks, which were at a very high level as late as April 30, were rapidly depleted during May and June. At the present time, there is not as a result sufficient quantities of certain types of items to meet loading schedules.

Of the industrial equipment made available for the USSR, the most important particular items were machine tools, power plants, petroleum refinery equipment, forging presses and hammers (secondary forming and cutting machinery), bearings, small cutting tools, and cranes and hoists. These items together accounted for approximately \$250,000,000 of the total of \$386,000,000 delivered.

Shipment of machine tools amounted to approximately \$109,000,000. This brought the total of machine tools made available since the beginning of the Soviet lend-lease program in October 1941 to about \$260,000,000, or more than 10% of total U.S. production for the period in question. During the Third Protocol period itself, Russian shipments averaged more than 15% of total U.S. production.

Although deliveries of power equipment fell appreciably under the amount originally promised for the Protocol period, the program developed more or less in accordance with plans, once these plans were finalized. When the Third Protocol offer of \$75,000,000 of power generating equipment was formulated in April 1943, it was expected that most of this amount would consist of large steam and hydro stations for which ample open capacity was available. However, it was subsequently decided by the Protocol Committee

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that greater benefit would accrue to the Soviet war effort if mobile or semi-mobile plants were furnished in place of large stations. The Committee felt that small units could be put into operation in the USSR several months earlier than heavy units. At the same time, small units could be more easily transported both overseas and overland in Russia and their usefulness would be much greater than that of heavy units in view of the fluidity of the military front in the USSR.

As small units conflicted with generating equipment, and other items, needed for navy and maritime programs, and as they required a greater number of critical components, this decision necessarily meant that production, in terms of dollar value, would be considerably less than would have been the case if a substantial quantity of large equipment had been included in the schedule.

In view of the above, it is felt that performance in connection with the power program was generally successful. Deliveries which were effected brought the total of power plants made available to the USSR since the beginning of the Second Protocol period to 442,000 KW steamplants, 266,000 KW Diesel plants, and 75,000 KW hydro plants, or to a total of 783,000 KW. While this amount of equipment is obviously only a fraction of the amount needed by the USSR for reestablishment of its power production, it nevertheless had undoubtedly played a great part in making possible the effective prosecution of the war by the USSR. Its importance has been particularly great because, as indicated above, most of the equipment has been of such nature that it could be easily moved from place to place and quickly put into operation.

In addition to completion of the items referred to above, basic engineering and fabrication was carried out in the case of some \$27,000,000 of other power equipment. At the same time, work was begun on a \$50,000,000 "advance Fourth Protocol" program. The progress which has been made in the case of these two groups of orders has put the U.S. in a position to undertake an overall Fourth Protocol program of more than \$100,000,000, or approximately 700,000 KW.

Petroleum refinery equipment delivered during the Third Protocol period totaled \$39,000,000. Included were four complete refinery plants and two desalting and dehydrating plants. The four refinery plants were capable of processing approximately 40,000 barrels of crude and gas oil per day. Worked at capacity, they would yield daily 5,900 barrels of 100 octane aviation gasoline, 750 barrels of aviation lube oil, 16,500 barrels of motor gasoline, 12,500 barrels of bunker fuel and ten tens of oil free wax. The two desalting and dehydrating plants also were capable of handling 40,000 barrels of crude per day.

Except for a few minor items, work on these refineries was finished early in the Third Protocol period and overseas shipment was effected a short time thereafter. During the latter stages of the production cycle, the equipment was allowed an over-riding priority which placed it ahead of all competing domestic programs.

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Along with completion of the above program, there was placed under production during the year additional refinery equipment totaling approximately \$28,000,000 in value. Before the end of June, substantial progress in the way of engineering and basic fabrication was made on this equipment.

Other important equipment projects completed, or largely completed, during the Third Protocol period were the Ford tire plant project, the black signal system project, a cartridge manufacturing line program, an oxygen plant program, an oil well drilling program, and a power boiler program. These several programs, deliveries under which amounted to about \$50,000,000, are expected to fill important gaps in the Soviet economy.

Of more importance than complete projects was the shipment of approximately \$150,000,000 of bearings, fans, compressors, pumps, miscellaneous mining equipment, cranes, forging press equipment, valves, electrical equipment electric furnaces, miscellaneous metallurgical equipment, welding machinery, various precision instruments and measuring tools, and small cutting tools. The significance of these items is that they went into maintenance and repair of existing establishments and production facilities in the USSR. It is estimated that each dollar of equipment of this type furnished by the U.S. contributed to keeping in production, or restoring to production, hundreds of dollars of machinery already possessed by the Soviets.

Besides effecting deliveries of the items discussed above, as well as largely completing some \$150,000,000 of Third Protocol "carryover" orders, the U.S. placed under procurement approximately \$232,000,000 of "advance Fourth Protocol orders", i.e. orders for delivery after June 30, 1944.

As pointed out previously, placement of these orders during the Third Protocol period was designed to insure that there would be no interruption in the flow of equipment items to the USSR. Included among the orders was practically every type of equipment normally required by the USSR for the maintenance of its industrial system. For most of the orders, substantial progress was made toward the completion of fabrication before the end of June. In consequence, the U.S. was in a position to undertake a much larger Fourth Protocol program than otherwise would have been possible.

STATUS OF MATERIALS AND EQUIPMENT PRODUCTION PROGRAM UNDER THE THIRD RUSSIAN PROTOCOL AS OF JULY 1, 1944
(JUNE DELIVERY DATA SUBJECT TO REVISION)



Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. June 1, 1944 - June 30, 1944	Made Available at Mill in U.S.A. July 1, 1943 - June 30, 1944	Percent of 3rd Protocol Program Completed as of July 1, 1944	Balance Against Prot. Commitment as of July 1, 1944	Comments
NON-FERROUS METALS								
3	Aluminum (Ingot and Fabricated)	S.T.	35,760	6,021	107,586	301	(71,826 Excess)	Aluminum shipments to date consist of 10,216 S.T. rod and tubing; 24,066 S.T. sheet; and 73,304 S.T. ingot including secondary.
4	Nickel							
A	Pig Nickel	S.T.	3,500	392	5,075	141	(1,475 Excess)	Includes shipment on U.S. account of 800 S.T. from U.K. stocks.
B	Nickel in Monel Scrap	S.T.	274	0	274	100	0	
C	Nickel in Steel and Other Non-Ferrous Products	S.T.	2,400	163	2,114	88	286	The 274 S.T. shown as the Third Protocol production program is the quantity selected by the USSR out of a total of 600 S.T. originally offered.
								Contained nickel deliveries to date consist of 1,042 S.T. in steel; 610 S.T. in nichrome products; 304 S.T. in cupro-nickel strip; and 158 S.T. in various other products including pure nickel products.
5	Molybdenum	S.T.	4,000	0	4,354	109	(354 Excess)	
6	Copper, Electrolytic	S.T.	(121,400)	(12,633)	(126,969)	(105)	(5,569 Excess)	Electrolytic copper figures refer to copper contained in various materials requiring copper which are being supplied the U.S.S.R. Deliveries to date include 85,168 S.T. contained in copper base alloys; 12,633 S.T. contained in copper goods and tubes; 1451 S.T. contained in binmetal; 17,584 S.T. contained in wire mill products; and 9,113 S.T. in refinery shapes. In addition to the copper program shown, the WPB has made arrangements for the supply of 16,800 S.T. of copper wire bars.
7	Copper Base Alloys	S.T.	107,520	4,939	123,849	115	(16,329 Excess)	



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NON-FERROUS METALS (Continued)								
8	Magnesium	S.T.	4,032	224	4,256	106	(224 Excess)	
9	Zinc	S.T.	13,440	1,120	13,440	100	0	
11	Copper Goods and Tubes	S.T.	15,000	601	12,903	86	2,097	
29	Special Non-Ferrous Alloy Wires	S.T.	100	3	119	119	(19 Excess)	Deliveries to date include .4 S.T. of tungsten alloy wire; 3.2 S.T. of constantan wire; .6 S.T. of tantalum wire; 36.2 S.T. of alumin and chromal wire; 15.9 S.T. of monel, everdur and beryllium bronze wire; 5.7 S.T. of enameled manganese wire; 27.2 S.T. of molybdenum wire; .7 S.T. of manganese wire; 6.4 S.T. of round manganese wire; 5.3 S.T. of bare thermocouple wire; 1.6 S.T. of Konet molybdenum wire; and 15.6 S.T. of copper magnet wire.
30	Nichrome Wire	S.T.	538	10	620	115	(82 Excess)	On urgent request of the USSR, the U.S. agreed to undertake supply of 134 S.T. in addition to the amount originally offered in the Protocol. However, due to an acute shortage of chromium metal, difficulty is being encountered in scheduling this added quantity. In consequence, it will probably be necessary to carry a large part of it over into the Fourth Protocol period.
93	Cadmium	S.T.	112	0	112	100	0	The Third Protocol cadmium commitment was originally included in the Canadian schedule, but due to a difficult supply situation in Canada, the U.S. agreed to take this over as the 112 S.T. due in the second half of the Protocol period.
94	Cobalt	S.T.	80.5	45	166.5	207	(86 Excess)	The production program shown is for the first half of the Third Protocol period. The October shipment completed the full original Protocol offer. The USSR recently requested the increase of the Protocol offering by 78 S.T. The U.K. has agreed to supply one-half of this along with the 80 S.T. included in its Protocol schedule. The U.S. will supply the remainder.

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NON-FERROUS METALS (Continued)								
	Total Non-Ferrous Metals (Excluding Item 6 - Copper Electrolytic)	S.T.	186,856.5	13,518	274,868.5	147	(88,012 Excess)	
FERRO-ALLOYS								
12	Ferrosilicon	S.T.	-	0	57	-	-	Because of the stocks situation, Third Protocol offers to supply up to 784 S.T. of ferrosilicon and 448 S.T. of ferrochrome per month are considered inoperative.
13	Ferrochrome	S.T.	-	0	0	-	-	
85A	Ferromolybdenum	S.T.	1,456	560	1,480	102	(24 Excess)	
86	Ferrovandium	S.T.	358	138	362	101	(4 Excess)	Ferromolybdenum, ferrovandium and ferrotungsten have been scheduled in the quantities shown under the Third Protocol production program as substitute for an equivalent tonnage of ferrosilicon and/or ferrochrome. Included in these quantities are 336 S.T. ferro- molybdenum, 134 S.T. ferrovandium, and 224 S.T. ferrotungsten which were approved for delivery in the second quarter, 1944.
87	Ferrotungsten	S.T.	1,064	217	902	85	162	
	Total Ferro-Alloys	S.T.	-	715	2,801	-	134	
ALLOY STEEL								
16	Polished Drill Rods							
B	High Speed	S.T.	96	3	98	102	(2 Excess)	
C	Other Alloy	S.T.	45	0	45	100	0	
17	High Speed Tool Steel	S.T.	4,480	6	4,705	105	(225 Excess)	
18	Tool Steel							
B	Alloy K12	S.T.	672	1	706	105	(34 Excess)	
C	Alloy K12M	S.T.	672	0	675	100	(3 Excess)	
D	Other Alloys	S.T.	4,850	172	5,757	119	(907 Excess)	
19	Cold Finished Bars	S.T.	11,200	773	12,657	113	(1,457 Excess)	

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<u>ALLOY STEEL (Continued)</u>								
20	H.R. Alloy Bars and Billets	S.T.	67,267	1,964	70,921	105	(3,654 Excess)	
23	Stainless Steel Sheets and Strip Bars	A-B	3,007	45	3,677	122	(670 Excess)	
		C	756	0	614	81	142	
25	Steel Wire	A	1,344	110	1,468	109	(124 Excess)	
		B	1,344	112	1,439	107	(95 Excess)	
		C	0	0	191	-	(191 Excess)	
27	Steel Alloy Tubes	A	994	127	1,447	146	(453 Excess)	
		B	8,625	685	10,072	117	(1,447 Excess)	
		C-E	0	318	327	-	(327 Excess)	
		F	5,376	953	7,915	147	(2,539 Excess)	
28	Stainless Steel Wire	S.T.	1,747	31	1,882	108	(135 Excess)	
29	Special Alloy Wire	S.T.	784	0	951	121	(167 Excess)	
	Total Alloy Steel	S.T.	113,259	5,300	*125,547	111	(12,288 Excess)	
<u>CARBON STEEL</u>								
101-5	Rails, Accessories and Other Railway Material	S.T.	-	16,885	238,989	-	-	Approximately 110,000 S.T. of carbon steel have been scheduled for delivery prior to June 30, 1944 in addition to the 345,397 S.T. originally included in the Third Protocol program.
10	Copper Clad Strip (Bimetal)	S.T.	-	1,035	11,913	-	-	
16A & 16A	Plain Carbon Tool Steel and Drill Rod	S.T.	-	297	7,884	-	-	
19D	Plain Carbon Bullet Core	S.T.	-	0	11,736	-	-	
24	Timplate	S.T.	-	688	47,019	-	-	
-	Other Carbon Steel	S.T.	-	19,164	120,320	-	-	
	Total Carbon Steel	S.T.	345,397	38,069	437,861	127	(92,464 Excess)	

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CHEMICALS								
36	Phenol	S.T.	-	132	10,350	-	-	
38	Ethylene Glycol	S.T.	-	0	650	-	-	
45	Methanol	S.T.	-	0	3,395	-	-	
46	Urotropine	S.T.	-	75	6,374	-	-	
61A1	Glycerine	S.T.	6,720	0	7,707	115	(987 Excess)	
61A3	Caustic Soda	S.T.	40,320	0	29,391	73	10,929	
36A	Ethyl Alcohol	S.T.	107,520	0	146,996	137	(39,476 Excess)	61,600 S.T. of ethyl alcohol have been scheduled for delivery during the Third Protocol period in addition to the 107,520 S.T. originally included in the Third Protocol program.
61A5	Acetone	S.T.	5,137	150	5,834	114	(697 Excess)	
61A	Other Chemicals	S.T.	12,096	3,913	18,148	150	(6,052 Excess)	
	Total Chemicals	S.T.	-	4,270	228,845	-	-	
MARINE AND SUBMARINE CABLE								
1	Marine Cable	KM.	784	41	650	83	134	
2	Submarine Cable	KM.	319	0	181	57	138	
	Total Marine and Submarine Cable	KM.	1,103	41	831	75	272	
POWER AND RELATED CABLE								
74	Insulated Cable and Wire (Copper Content)	S.T.	-	466	13,994	-	-	
74A	Bare Cable and Wire (Copper Content)	S.T.	-	323	2,751	-	-	
	Total Power and Related Cable	S.T.	21,000	789	16,745	80	4,255	



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MISCELLANEOUS MATERIALS ITEMS								
80	Sheet Fibre	S.T.	1,000	0	1,467	147	(467 Excess)	
83	Parchment Paper	S.T.	-	0	67	-	-	
83A1	Lithograph Map Paper	S.T.	-	680	3,365	-	-	
83A	Condenser Paper	S.T.	73	13	109	149	(36 Excess)	
83B	Cigarette Paper	S.T.	-	-	-	-	-	To date no requisitions have been submitted against the 336 S.T. originally offered in the Protocol.
INDUSTRIAL AND RELATED EQUIPMENT								
V-1	Engines and Turbines, General Purpose	\$	5,603,412	183,187	3,929,827	70	1,713,585	See attached text for comments.
V-2	Compressors (Air & Gas)	\$	7,358,034	437,019	4,355,045	56	3,202,989	
V-3	Pumps (Liquids)	\$	8,544,835	331,625	4,859,421	57	3,685,414	
V-4	Crushing, Pulverizing, Screening & Mixing Machinery & Equipment	\$	4,346,498	1,475	3,886,346	89	460,152	
V-5	Conveyors & Conveying Systems	\$	1,100,463	521,816	993,299	90	107,164	
V-6	Cranes, Derricks, Hoists and Winches	\$	18,619,905	1,370,415	11,092,881	60	7,527,024	
V-7	Industrial Trucks, Tractors, Trailers, Stackers & Access.	\$	507,372	306,895	776,097	153	(268,725 Excess)	
V-8	Fan & Blower Equipment Industrial	\$	3,123,166	0	495,211	16	2,627,955	
V-9	Mechanical Power Transmission Equipment	\$	7,300	0	7,300	100	0	
V-10	Bearings	\$	19,730,603	721,703	10,840,615	55	8,889,988	
V-11	Valves & Steam Specialties	\$	3,953,601	48,530	2,332,037	59	1,621,564	
V-12	Misc. General Purpose Industrial Machinery & Equipment	\$	3,424,434	37,749	2,805,158	82	619,276	

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INDUSTRIAL AND RELATED EQUIPMENT (Continued)								
V-13A	Electrical Rotating Equipment Excluding Generator Sets Including Motor Generator Sets	\$	8,283,153	9,846	4,647,525	56	3,635,628	
V-13B	Generator Sets & Plants	\$	70,068,658	3,347,068	44,819,753	64	25,248,905	
V-14	Primary Electric Power Transmission & Distribution Equipment	\$	2,784,346	365,299	1,575,253	57	1,209,093	
V-15	Power Conversion Equipment (Non-Rotating Rectifiers)	\$	6,680,344	0	4,079,738	61	2,600,606	
V-16	Secondary Distribution Equipment & Wiring Devices	\$	581,404	0	343,032	59	238,372	
V-17	Motor Starters & Controllers	\$	109,752	0	89,950	82	19,802	
V-18	Electric Lamps	\$	14,99	0	14,992	100	0	
V-19	Misc. Electrical Equipment	\$	867,853	11,525	580,986	67	286,867	
V-20	Food Products Machinery	\$	805,972	35,150	582,209	72	223,763	
V-21	Textile Industries Machinery	\$	234,217	0	219,216	94	15,001	
V-22	Pulp & Paper Industry Machinery	\$	69,362	0	63,862	92	5,500	
V-23	Printing Trade Machinery & Equipment	\$	6,570	0	0	0	6,570	
V-24A	Tire Plant	\$	9,524,519	66,080	9,526,166	100	(1,647 excess)	
V-24B	Rubber Working Machinery	\$						
V-25	Woodworking Machinery	\$	641,809	37,501	552,640	86	89,169	
V-26	Metal Melting & Heating Furnaces	\$	15,748,912	519,630	8,850,083	56	6,898,829	
V-27	Roasting, Sintering, Blast & Reverberatory Furnaces	\$	3,578,204	75,691	2,406,198	67	1,172,006	

Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. June 1, 1944 - June 30, 1944	Made Available at Mill in U.S.A. July 1, 1943 - June 30, 1944	Percent of 3rd Protocol Program Completed as of July 1, 1944	Balance Against Prot. Commitment as of July 1, 1944	Comments
<u>INDUSTRIAL AND RELATED EQUIPMENT (Continued)</u>								
V-28	Foundry Equipment	\$	888,286	99,173	357,265	40	531,021	
V-29	Special Industry Furnaces Kilns and Ovens	\$	2,676,900	52,590	90,998	3	2,585,902	
V-30A	Petroleum Refinery Plants	\$	38,248,460	363,383	38,611,843	101	(363,383 Excess)	
V-30B	Petroleum Refinery Machinery & Equipment	\$	218,238	0	185,792	85	32,446	
V-31	Special Machinery for the Glass Industry	\$	1,536,315	0	211,517	14	1,324,798	
V-32	Special Machinery for Chemical Industry	\$	1,527,129	1,219	506,494	33	1,020,635	
V-33	Gas Generating Conditioning & Other Gas Producing Apparatus	\$	11,287,596	1,894,254	7,019,211	62	4,268,385	
V-34A	Misc. Special Industry Machines	\$	5,683,376	184,070	4,165,812	73	1,517,564	
V-34B	Cartridge Manufacturing Lines	\$	9,784,071	0	9,737,904	100	46,167	
V-35	Machine Tools	\$	114,000,000	4,127,000	108,579,606	95	5,420,394	
V-36	Rolling Mills & Auxiliary Equipment	\$	22,939,703	511,404	7,844,126	34	15,095,577	
V-37	Drawing Machines	\$	2,291,118	54,019	1,116,955	49	1,174,163	
V-38	Other Primary Metal Forging Machinery & Equipment	\$	242,808	0	242,808	100	0	
V-39	Secondary Metal Forging & Cutting Machinery & Equipment	\$	24,000,000	1,500,000	22,927,895	96	1,072,105	
V-40	Welding Machinery	\$	5,728,753	139,873	3,490,546	61	2,238,207	
V-41	Testing & Measuring Machines (Metal working)	\$	2,692,196	229,007	1,212,675	45	1,479,521	
V-42	Misc. Metal-working Equipment	\$	0	0	0	0	0	
V-43	Portable Metal-working Machines and Tools Power Driven	\$	1,682,131	19,433	1,214,873	72	467,258	
V-44A	Cemented Carbide Cutting Tools for Machine Tools	\$	2,835,134	430,362	2,632,555	93	202,579	

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INDUSTRIAL AND RELATED EQUIPMENT (Continued)								
V-44B	Cutting Tools for Machine Tools Except Cemented Carbide	\$	14,441,964	436,634	10,740,019	74	3,701,945	
V-45	Cutting & Forging Tools for Metal Forging Machines	\$	12,254	0	0	0	12,254	
V-46	Attachments and Accessories for Machine Tools	\$	2,385,175	105,175	1,633,109	68	752,066	
V-47	Tool Room Specialties and Other Attachments and Accessories for Metal-working Tools	\$	26,163	22,600	22,600	86	3,563	
V-48	Agricultural Machinery & Implements Except Tractors	\$	715,835	81,237	574,178	80	141,657	
V-49	Mining & Quarrying Machinery	\$	633,495	0	379,440	60	254,055	
V-50	Earth & Rock Boring & Drilling Machinery & Accessories	\$	4,614,826	799,697	3,134,040	68	1,480,786	
V-51	Well and Blast Hole Drilling Machines	\$	2,556,870	30,615	1,879,657	74	677,213	
V-52	Excavating & Dredging Machines	\$	7,854,126	146,537	2,726,806	35	5,127,320	
V-53	Miscellaneous Construction Equipment	\$	813,305	0	821,187	101	(7,882 Excess)	
V-54	Office Machines	\$	600	0	0	0	600	
V-55	Miscellaneous Machinery	\$	729,777	1,050	476,262	65	253,515	
V-56B	Teletype Apparatus	\$	1,139,605	64,748	699,698	58	479,907	
V-56C	Telephone & Telegraph Equipment	\$	11,706,729	271,507	8,718,006	74	2,988,723	
V-56D	Sound Equipment, Public Address & Recording & Reproducing	\$	249,690	8,220	195,099	78	54,591	
V-56E	Block Signal System	\$	10,958,761	231,966	6,039,111	55	4,919,650	
V-59A	Industrial Type Locomotives Cars & Parts	\$	1,641,086	0	263,534	16	1,377,552	
V-59B	Mine Type Locomotives Rail Cars & Parts	\$	120,969	0	98,899	82	22,070	

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Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. June 1, 1944 - June 30, 1944	Made Available at Mill in U. A. July 1, 1944 - June 30, 1944	Percent of 3rd Protocol Program Completed as of July 1, 1944	Balance Against Prot. Commitment as of July 1, 1944	Comments
INDUSTRIAL AND RELATED EQUIPMENT (Continued)								
Y-60	Passenger Vehicles and Parts	\$	95,130	4,510	27,716	29	67,414	
Y-61	Air Conditioning & Refrigeration Equipment	\$	39,565	0	27,563	70	12,002	
Y-62	Lighting Fixtures	\$	146,182	696	16,459	11	129,723	
Y-63	Photographic Equipment	\$	361,458	8,545	310,867	86	50,591	
Y-64	Optical, Indicating, Recording & Controlling Instruments	\$	2,822,447	154,081	1,749,489	62	1,072,958	
Y-65	Professional & Scientific Instruments	\$	804,211	62,108	423,703	53	380,508	
Y-66	Miscellaneous Equipment	\$	115,560	3,380	123,604	107	(8,044 Excess)	
Y-67	Hand Tools, Non-Powered	\$	728,814	33,054	378,831	52	349,983	
Y-68	Mechanics Measuring Tools	\$	2,864,440	63,828	1,548,102	54	1,316,338	
Y-69	Power Boilers	\$	16,570,506	52,582	8,130,055	49	8,440,451	
	Total Industrial and Related Equipment Including Equipment Not Committed for Delivery during the Third Protocol period.	\$	529,771,447	20,586,772	389,772,149	73	143,999,298	
	Total Industrial and Related Equipment Committed for Delivery during the Third Protocol Period.	\$	432,000,000	20,586,772	389,772,149	89	46,227,851	

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Pro- tocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. June 1, 1944 - June 30, 1944	Made Available at Mill in U.S.A. July 1, 1943 - June 30, 1944	Percent of 3rd Protocol Program Completed as of July 1, 1944	Balance Against Prot. Commitment as of July 1, 1944	Comments
<u>MISCELLANEOUS EQUIPMENT ITEMS</u>								
67A	Abrasive Grain	S.T.	4,000	272	7,975	199	(3,975 Excess)	
67B	Abrasive Products	\$	4,000,000	147,986	3,916,745	98	83,255	
68A	Graphite Electrodes	S.T.	5,757	459	6,426	112	(669 Excess)	
68B	Other Graphite Goods	S.T.	1,691	19	778	46	913	
68C	Graphite Powder	S.T.	1,120	0	1,913	171	(793 Excess)	
78	Tires, Tubes, Other Rubber Products (Rubber Content)	S.T.	40,320	1,097	30,580	76	9,740	
82	Metallic Cloth and Screen	\$	1,000,000	54,550	774,002	77	225,998	

War Production Board
Foreign Division
Program Review Branch
July 21, 1944

SECRET
Prohibited Under Espionage Act

August 25, 1944

MEMORANDUM FOR THE SECRETARYFOR YOUR INFORMATIONRe: Fritz Mandl

You will be interested to know that as a result of strong recommendations on our part, the Interdepartmental Proclaimed List Committee yesterday agreed to include Fritz Mandl, former Austrian munitions magnate and primary figure in Argentina's newly established armaments program, in the next supplement to the Proclaimed List to be issued today.

You will recall that Fritz Mandl, former owner of the Austrian munitions works, Hirtenberger Patronenfabrik, one of the most important Austrian industrial empires, left Europe and came to Argentina in 1939 with a substantial fortune which he was reportedly enabled to retain as a result of a compromise settlement with the Nazis for the seizure of his Austrian properties. Mandl soon became closely associated with the principal pro-Nazi elements in Argentina, such as General Basilio Pertine and General Juan Bautista Molina and, more recently, with General Perlinger and Colonel Peron, to whom he is now an adviser.

The following are the more important factors upon which we based our recommendation for Mandl's inclusion in the Proclaimed List:

1. Immediately after Dunkirk, Mandl communicated with the Herman Goering Werke in Germany, offering to collaborate with it in the development of a steel works in Argentina.
2. The German Embassy at Buenos Aires reportedly requested General Pertine, former Argentine Military Attache to Germany and now Mayor of Buenos Aires, to extend all possible assistance to Mandl.
3. In 1939 Mandl brought from Germany a metallurgical

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expert who was a self-admitted S. S. official and who worked closely with Mandl until the end of 1941.

4. In 1943 Mandl claimed to be able to secure industrial plans from Germany, using diplomatic pouch facilities, and in January 1944 was reported to have received drawings of the machinery from Hirtenberger Patronenfabrik through unknown channels.
5. In January 1944 Mandl stated that he was in close touch with the Mannesmann organization in Dusseldorf, the Argentine branches of which are on the Proclaimed List.
6. Through his association with leading Argentine nationals, Mandl has in the past year become the central figure in Argentina's ambitious armaments program. He is making every effort to foster the idea of a potential war between Argentina and Brazil and is formulating plans for establishing armaments programs in Chile, Bolivia, Peru, and Paraguay. He has reportedly advised Argentine officials that "after every war there comes a peace; after the peace there arise two opposite camps; Argentina will be in the camp against the democracies, and this is where Germany and I can help you."

It is my understanding that this case was brought to the personal attention of Secretary Hull.



AUG 25 1944

REFUGEES AMAZED BY AMERICAN LIFE

Many at Fort Ontario Have a
Private Room for the First
Time in 10 or 12 Years

KINDERGARTEN IS SET UP

Staffed by the Exiles Who Also
Have Formed Squads to Work
in Kitchens and Hospital

For the 982 European refugees now settled in their temporary home at Fort Ontario, Oswego, N. Y., America has offered a series of surprises. Miss Anna Kaufman and Mrs. Esther Beckwith Kaunitz of the National Council of Jewish Women who have just returned from the eighty-four-acre shelter, told yesterday of the people's joy at sleeping on mattresses instead of boards, and their wonder at the abundance of food.

"Many of them were amazed to have private rooms—they had not enjoyed such comfort for ten or twelve years," Miss Kaufman said. She told of one man's astonishment at seeing eggs ordered by the dozen and of the women in the kitchens cleaning herring for dinner and holding the fish as if they were priceless.

Miss Kaufman, who is chief of the National Council's Bureau of Ports and Docks, was with the group from the day of their arrival at Fort Ontario on Aug. 5. Since then, she said, the people have established a kindergarten staffed by their own members, and have formed squads to work in the camp's hospital and kitchens.

Shoes Their Chief Need

A store was also set up to fill the most acute clothing need—shoes. "Many of the children," Miss Kaufman said, "had worn their shoes through and only the uppers remained."

According to Mrs. Kaunitz, who directs the National Council's Service to the Foreign Born, the people have many ways of showing their gratitude.

"One old woman," she said, "kissed the walls of the barracks in which the people live and then told us she wanted us to tell others on the outside that is how happy they feel to be here."

For others the joy of coming to America was clouded by fear for relatives and friends who remained behind, Miss Kaufman said, adding that one of the National Council's major tasks would be to help locate relatives in this country. The council is working in part from a list of several hundred names sent in by servicemen trying to locate missing relatives who have managed to leave Europe.

Part of the National Council's work at Fort Ontario consisted of interviewing and placing the group members in suitable jobs around the grounds of the shelter. The group includes a number of doctors and teachers.

Stage Folk Among Them

Also included are a great number of men and women with theatrical experience, and one of the first community undertakings has been an entertainment program with songs in German, Hungarian and the Slavic languages.

No attempt is being made, Miss Kaunitz said, to force any American ideas upon the people—particularly since everyone realizes they are here for the duration only. "The whole emphasis is being placed upon the maintenance of the people's own way of living," she said pointing out that the people have arranged their own recreational activities and are conducting their own religious services. "With pepper and other spices," she added, "they even manage to make the American food taste more like their old familiar dishes."

The shelter will be open to visitors on Sept. 1.

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



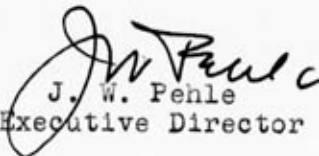
OFFICE OF THE
EXECUTIVE DIRECTOR

AUG 23 1944

My dear Mr. Secretary:

I am enclosing herewith a copy of the report of the War Refugee Board for the week of August 7, to 12, 1944.

Sincerely yours,


J. W. Penle
Executive Director

The Honorable,
The Secretary of the Treasury.

Enclosure.

Report of the War Refugee Board
for the Week of August 7, to 12, 1944

SITUATION IN HUNGARY

Summary of U. S. Government's Action with Respect to
The Horthy Proposal

Under date of July 19 the Board was advised by the American Legation at Bern that the Swiss Foreign Office had received word from the Swiss Legation at Budapest that the Hungarian Government had authorized the departure of all Jews holding entry permits for other countries, including Palestine, and that transit for such persons through occupied areas would be permitted by the German Government. The same message stated that the Swiss Legation at Budapest and the Palestinian Bureau would take the necessary measures for evacuation. In order that the fullest advantage might be taken of this new turn in the Hungarian situation, the Board cabled the American missions in Switzerland, Sweden, Portugal, Spain, and Turkey under date of July 28 instructing them (1)--except in the case of the Legation at Bern--to advise the governments to which they are accredited of the foregoing; (2) to request such governments to inform the Hungarian Government that they were prepared to receive Jews permitted to leave Hungary, upon the assurance of this Government that arrangements would be made for the maintenance and prompt evacuation of all Jews received on this basis; and (3) to advise such governments that American consular officers in their countries were authorized to issue new immigration visas to all persons in enemy held areas to whom American immigration visas had been issued, for whom such visas had been authorized on or after July 1, 1941, provided such persons arrived in any of such countries and were found not to have become disqualified for the issuance of visas. The missions were further instructed to request such countries to advise enemy governments that they were prepared to receive all persons to whom American visas had been issued, or for whom they had been authorized on or after July 1, 1941, upon the assurance of this Government that arrangements would be made for the maintenance of such persons and the prompt evacuation of any of them who proved not to be qualified for the issuance of new visas. The American Embassy at Ankara was also instructed to request the Turkish Government to advise enemy governments of its willingness to receive holders of Palestine certificates without limitation.

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At the same time, these instructions were repeated to Ambassador Winant, London, and he was requested to take up with the British Foreign Office the possibility of British association with our request to the five neutral countries that, on the basis of assurances as to maintenance and evacuation, they advise Hungary that they were prepared to admit Jews permitted to leave Hungary. Since time was considered to be of the essence, we requested that the Foreign Office cable its missions its attitude promptly. We advised the American missions of the foregoing and instructed them to consult their British colleagues before making their demarches, which they were requested to make either in collaboration with the British or alone, as the circumstances might develop. The British Government did not associate itself with these demarches. It did, however, instruct its missions in the five neutral countries to advise such governments that if they received Jewish children permitted to leave Hungary, it would permit the importation of additional foodstuffs through the blockade.

In the meantime, the Board received a communication from the International Red Cross to the effect that it had been advised by the Hungarian Government of the latter's willingness to make possible the emigration of certain--but unspecified--categories of Jews. The Red Cross requested that this Government advise it of the number of immigrant Jews which this country would be willing to admit, and the advisability of issuing a public statement on this score. In the same message, the Red Cross stated that an identical proposal had been submitted simultaneously to the British Government.

On July 31, this Government advised the British Embassy at Washington that it was prepared to advise the Hungarian Government through the Red Cross that it would arrange for havens of refuge for all Jews permitted to leave Hungary and who reached neutral or United Nations territory. This Government stressed the importance of joint action by the American and British Governments, but nevertheless informed the British Government that our response would be delivered to the International Red Cross on August 7 whether or not the British Government associated itself therewith. Our reply to the Red Cross was cabled to the American Minister at Bern for his information, and he was requested to withhold delivery pending the receipt by us of a response from the British Embassy.

The British Government requested that we withhold our reply to the Red Cross for an additional three or four days in order to enable the War Cabinet to consider the larger issues involved, especially the problem of accommodation.

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To this request we acceded, and instructed the Minister at Bern to withhold delivery of our reply until August 11, but to advise the Red Cross that our response would be delivered on that date. After a series of proposals and counter-proposals, the British Government advised us that it was prepared to join in a public statement announcing the Red Cross proposal to the United States, the terms of the acceptance thereof by the United States, and of the British Government's readiness to cooperate, to the extent of British resources, with the United States, in the fulfillment of the American commitment. This proposal was not acceptable to the United States and on August 11 our reply was delivered to the Red Cross without British support. No public statement concerning our action was made at that time pending further discussion with the British on the proposed joint declaration.

Hungarian Government's Reply to this Government's Note

Minister Harrison has forwarded to us the Hungarian Government's reply to our note of June 26th transmitted through the Swiss Foreign Office, with respect to the treatment of Jews in Hungary. In its reply the Hungarian Government defends its position with the statement that the Jewish question had in recent decades become one of the greatest economic, social, and political problems in Hungary, where Jews had secured prominent positions, and that "various governments of Hungary were obliged to strive against excessive influence of this foreign race as Hungarian Jewry constitutes far greater danger for Hungary than for instance Negroes or Japanese for white population of United States." It alleged that defeatist propaganda and agitation of the Jews made it a military necessity to separate them from the rest of the population and put them "to more useful work--either in the country itself or abroad." It also stated that the treatment of Jews working in Hungary is similar to that of other workers in work camps, and that if individual cases of injustice occurred, they were due to subordinate organs and do not reflect the attitude of the Hungarian Government. With respect to food rations, non-working Jews do not receive certain more or less luxury articles, such as rice, fowl, butter, etc., but do receive the same basic necessities as the rest of the population.

The reply then lists certain concessions which have been granted to Jews in the last few weeks at the instance of foreign organizations (International Red Cross and the War Refugee Board). These concessions include the temporary suspension of deportation of Jews for work abroad, and the authorization for emigration of Jews to Sweden, Switzerland,

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Palestine, and other countries. On the basis of proposals submitted by the War Refugee Board, the Hungarian Government authorized the International Red Cross to arrange for the transport of Jewish children under 10 years of age to Palestine.

In addition to these concessions, the deportation of baptized Jews for work abroad was stopped. Jews baptized prior to August 1, 1941, are to remain in the country but will be segregated from non-Jewish persons, and "revision" of the situation of baptized Jews sent to work in Germany is "foreseen." Ministers of the Christian religion, their families, and the holders of certain religious and military decorations are to be exempted from wearing the Jewish star. The Hungarian Red Cross will have the supervision of Jews deported for work abroad, and their departure will be made under humanitarian conditions. Food parcels may be sent to persons in concentration camps through the Red Cross.

Reports from Switzerland

In reply to our recent inquiry regarding Jews of non-Hungarian citizenship, Board Representative McClelland advised us that, according to his information, the suspension of deportation measures applies to all Jews in Hungary, regardless of nationality.

Concerning the suggested program for facilitating entry permission for Jews from Hungary into countries of refuge or immigration, McClelland considered the practical use of transport and obtaining necessary transit facilities, especially through German or German-controlled territory, to be the most serious difficulty to be anticipated in carrying out the evacuation. Exit from Hungary by Rumania by sea (or overland through Bulgaria) to Turkey en route to Palestine or other havens appeared to him to be the most practical direction in which to guide evacuation. He indicated some hesitancy about relying on continued German acquiescence in the Hungarian Government's mitigated policy toward Jews.

McClelland reported that, as a result of negotiations between the Governments of Hungary, Switzerland, and Great Britain concerning the procedure for transmitting to Jews in Hungary official confirmation that they are holders of Palestine immigration certificates, the Swiss Legation in Budapest has been instructed to issue an appropriate declaration to properly identified holders. In this task the Swiss Legation will have the assistance of the Director of the Jewish Agency Office in Budapest, who is presently preparing a list of 2,000 people to leave in an initial transport.

Request for Further Information on Hungarian Situation

In view of the widely differing versions received from various sources regarding the changed attitude of the Hungarian Government, we have requested Minister Johnson and Board Representative Olsen in Stockholm to obtain for us clarification of a number of questions through the Swedish Legation in Budapest. We wish to ascertain whether deportations have been definitely stopped for all categories or only suspended; to what extent Jews in Hungary will be permitted and in fact enabled to procure food and other necessities through ordinary commercial channels and aside from Intercross action; to what extent it is possible to expect that stoppage of deportations and other forms of actual danger to life would continue even in the absence of actual sizeable emigration of Jews from Hungary during hostilities; to what extent emigration to countries other than Palestine is permitted to Jews over ten years of age; whether it will be possible to conduct emigration in such a way as to prevent breaking up of families, with children under ten separated from parents; and to what extent, in view of the internal situation in Hungary, it is possible to count on Hungarian promises being made effective and continuing up to the termination of hostilities.

International Red Cross Activities

In connection with the relief and evacuation program which the Hungarian Government has indicated it will permit the International Red Cross to carry out, McClelland, our representative in Switzerland, has forwarded to us information communicated to him by Burckhardt, of Intercross, concerning the present situation of Jews in Hungary. It is indicated that sufficient quantities of food and clothing are available in Hungary, although funds will be needed to purchase foodstuffs for relief to recently dispossessed Jews in Budapest and, more particularly, to those remaining in provinces in camps. Jews in Budapest are now allowed to leave their houses between ten in the morning and five in the afternoon to make purchases, instead of between two and five in the afternoon as was formerly the case. Those with adequate means can purchase sufficient food for their needs. New legitimization cards will be granted to Jews in Budapest to replace those expiring on August 1, and recent decrees allow a certain number of special work permits to be issued to Jews "whose intellectual or physical labor is considered to be of public utility." All internment and concentration camps and consigned Jewish houses in Budapest will be accessible to Intercross delegates. Representatives of Intercross have visited twenty-five such houses, as well as hospitals

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and baths, and found satisfactory conditions prevailing in the latter. They have also visited two camps. Intercross in Geneva will be notified by telegram what relief supplies, if any, are needed for these camps. Transportation facilities will be granted in Hungary, and goods will be consigned to the Hungarian Red Cross for distribution by the International Red Cross, which may choose "Jewish men of confidence" in camps. While the Hungarian Red Cross and official "Judenrat" in Budapest will collaborate in any relief undertaken by Intercross, final control of all distributions will be in the hands of the latter. Auxiliary relief personnel can be supplied by Jews themselves, and such personnel will be exempted from wearing the yellow Jewish star. Space for officers and storerooms will be made available for the program. We have suggested to McClelland that he discuss these matters with the Joint Distribution Committee representative in Bern and obtain his views and comments.

McClelland was also advised by Burckhardt that 8,700 Jewish families totaling 40,000 persons plus 1,000 orphaned children will be allowed to emigrate from Hungary to Palestine via Rumania and Turkey. An initial transport of about 2,000 persons was expected to leave Budapest within the next few days, with Intercross in charge of departure transportation and care en route to Constanza, where boats were reported to be available. We have forwarded this report to Board Representative Hirschmann in Ankara for his information and guidance.

McClelland later reported that the International Red Cross has received repeated assurances indirectly from the Rumanian Government that necessary transit facilities from Hungary will be granted for Jewish refugees, and that the Rumanians will give further assistance in any way possible to secure suitable steamers. The Swiss Legation in Sofia has informed the International Red Cross that the Government of Bulgaria is willing to grant necessary overland transit facilities for refugees.

Burckhardt feels strongly that the prompt removal of these 8,700 families from Rumanian territory is essential in order to insure the Rumanian Government's continued cooperation in evacuation of Hungarian Jewish refugees, and he has sent a personal appeal that our Ambassador in London take any steps possible with the British Government to expedite their admission into Palestine.

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Report from Sweden

Minister Johnson has forwarded to us the substance of a note delivered to the Swedish Foreign Office by the Hungarian Legation in Stockholm setting forth what is represented to be the new basis for the treatment of Jews by the Hungarian Government. The changes mentioned are substantially the same as were indicated in the Hungarian Government's reply to our note (reported above). The Swedish Foreign Office also advised Minister Johnson that the program for interning and/or deporting alien Jews scheduled for August 1 has been canceled after strong approaches by the Swedish and Swiss Legations in Budapest.

In another report, Minister Johnson advised us of information given to the dissident Hungarian Legation in Stockholm by a traveler who left Budapest on July 5. The Germans are said to have given 46 persons of a prominent Jewish family permission to leave Hungary for a neutral destination with all of their valuables except jewelry. In return, the family handed over all of their factories to a German firm and paid the Germans one and one-half million Swiss francs. It was indicated that the transaction took place without the knowledge of the Hungarian authorities, who therefore resented it, and that Hungarian Jews also are embittered by the case.

This information apparently refers to Minister Norweb's recent report of the arrival in Lisbon of 32 Hungarian Jews, including prominent capitalists and industrialists.

American Visas

In connection with the instructions which have been sent to American consular officers in neutral countries authorizing them to issue immigration visas to persons in enemy-controlled areas for whom visas were issued or authorized on or after July 1, 1941, lists of the names of persons in enemy territory who may be affected by these new instructions have been submitted to the State Department for confirmation of the actual issuance of such visas in each instance.

In response to the Board's proposal to expand this newly formulated program of assistance to persons in enemy territory, we were advised by the Department of State that it is prepared to inform consular officers that immigration visas may be issued to any alien who is the husband, wife, parent, or unmarried minor child of an American citizen and on whose behalf nonquota or first preference status has been established, or who is the wife or unmarried minor child of an alien lawfully admitted into the United States for permanent residence

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and as such is entitled to second preference immigration status. The issuance of visas is subject to the provision that (a) such person other than a child under 16 years of age is found not to be the subject of an adverse report or to be open to reasonable suspicion because of circumstances such as those attending the release of a male applicant of military age, (b) such person is not affirmatively found by the consul to be inadmissible into the United States under the law, or (c) the consul does not consider that the case is one which should be recommended for consideration under the Interdepartmental Visa Review procedure. The Department of State is further prepared to have the German Government informed through appropriate channels that consular officers have been authorized to issue immigration visas to persons in the categories indicated provided that such person presents himself to an American consular officer and is found not to be disqualified for a visa.

Other Visas

In connection with the plan under consideration to make available to certain categories of persons in enemy territory United States immigration visas along with a comparable number of visas of other American republics, British dominions, and neutral countries, our Missions in Costa Rica, Australia, Canada, the Dominican Republic, Eire, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, and Peru have been asked to request the governments to which they are accredited to extend to children from Hungary as well as from France their acceptance in principle of our proposal. Our Missions in these countries have been authorized to assure appropriate officials of such governments that no detailed plans have as yet been developed for actual immigration of refugee children and that, should such plans become necessary at a later date, they will not be developed without prior consultation with the governments concerned.

FOOD PARCELS FOR REFUGEES IN CONCENTRATION CAMPS

The British Blockade authorities have agreed to the proposal of this Government to permit the shipment of 300,000 food parcels for persons in concentration camps under the terms recently proposed by the International Red Cross. Agreement was also reached between the two governments to permit the use of the salvaged "Christina" foodstuffs for a similar feeding program.

Minister Harrison and McClelland were advised of this decision and were requested to report all developments to the Board. We are now working out the necessary details in cooperation with the American Red Cross in order to get the 300,000 parcel program under way as soon as possible.

EVACUATIONS TO AND THROUGH TURKEY

In response to our request that the Turkish Government permit the entry of persons for whom American immigration visas were issued or authorized on or after July 1, 1941, and issue Turkish transit visas to persons holding Palestine certificates, and that it advise enemy governments of its readiness to do so, the Secretary General of the Ministry of Foreign Affairs advised our Embassy in Ankara that he was sure his Government would be willing to take these measures immediately. With respect to our assurance that the United States Government would be willing to arrange for the support and maintenance of refugees while in Turkey, the Secretary General requested that the United States make available to the Turkish Government a few railroad passenger cars from one of the Near Eastern nations in order to accelerate the transportation of the refugees. Our Embassy regarded this request as reasonable and strongly recommended that every effort be made to comply with it.

In view of Cretzianu's apparent willingness to assist in the rescue and transportation of refugees, Hirschmann has urged him to persuade his Government to issue, without limit, Rumanian transit visas for Jewish refugees departing for Palestine from Hungary via Rumania.

Shipping on the Black Sea--"Mafkura" Sinks

Hirschmann reported that the Turkish boat "Mafkura," carrying approximately 295 refugees from Constanza to Istanbul, was torpedoed and sunk near Igneada. Only five of the passengers and six of the crew of eight were saved. The "Bulbul" was attacked at the same time, but it was not damaged and none of its 405 passengers was injured. Permission to land these passengers and transport them by automobile and train to Istanbul was requested of the Turkish Foreign Office by our Embassy. The latter was informed that all possible aid in the emergency would be given by the Turkish Red Crescent, and Hirschmann promised that we would pay the expenses. We have asked Hirschmann to send us such further information concerning the sinking of the "Mafkura" as can be furnished consistently with security requirements.

The "Marina" arrived safely in Istanbul with approximately 340 refugees, including 190 children from Transnistria. Its passengers were to proceed by rail from Istanbul to Syria on August 8.

In response to Hirschmann's request for the Board's views regarding the use of the two Bulgarian boats "Vita" and "Pirine," we have advised him that the Board will fully support a decision by him after consultation with the Embassy and the private organizations concerned, taking into account

- 10 -

the risks involved for the refugees in voyages without safe-conducts.

EVACUATIONS FROM HUNGARY TO RUMANIA

At a meeting arranged by International Red Cross Representative Simond, Cretzianu informed Hirschmann that the Rumanian Government has agreed in principle to grant transit visas to Jews arriving from Hungary into Rumania if the Turkish Government will grant transit visas to the same refugees. Hirschmann urged Cretzianu to request his Government to permit the entrance without delay of Hungarian Jewish refugees and to allow them to remain temporarily in Rumania until arrangements could be made for their evacuation.

In view of the success of our Embassy in securing the authorization of the Turkish Foreign Office for the issuance of Turkish visas to refugees holding Palestinian passports, it would seem that the way is now clear for a large movement of Hungarian refugees through Rumania or into Rumania as a temporary haven.

The Board has advised Minister Johnson in Stockholm of the apparently satisfactory contact with the Rumanian Government through Cretzianu in Turkey, and that it is felt that confusion might result if an independent approach were now made to the Rumanian Minister to Stockholm.

EVACUATIONS TO SWEDEN

Information received from Sweden indicates that approximately 400 Latvians have escaped with the assistance of Latvian civilian authorities and the German Military to Sweden. These refugees reported that great confusion exists in Latvia and that the Germans themselves are panic stricken. The German Military have left Riga, but the Gestapo and S. S. remained and all Jews in ghettos there as well as about 1,000 in a concentration camp in Dundaga were shot by Security Police.

From a few Lithuanians brought to Sweden through Board Representative Olsen's operations, it was learned that the German civilian administrative staff left Lithuania early in July and that all Jews in Vilna and Kaunas have been shot. Olsen's keyman in the Lithuanian operation who personally went to Lithuania to work out the rescue program was captured and executed by the Germans.

RECOGNITION OF LATIN AMERICAN PASSPORTS

The Board has advised Minister Harrison and Board Representative McClelland in Bern of a report received from Lisbon indicating that, despite German assurances to the Swiss Government that


no further deportations of holders of Latin American passports would take place after May 11, such deportations did occur in Vittel subsequent to that date, and that the deportees are now held in Birkenau, Oswiecim, Sosnowitz, Kattowitz, Frodorf, Innsbruck, and elsewhere. We asked that the Swiss Government be requested to inquire into the truth of the information and to demand facilities for the return of these deportees to civilian internment camps under Swiss or International Red Cross supervision, and to demand access by Swiss or International Red Cross representatives to places where such deportees are now held.

Clarification of Nicaraguan Action

Our Embassy in Managua reported that the Nicaraguan Foreign Office had been informed that its telegram to the Swiss Foreign Office dated April 22, 1944, was delivered in Bern on April 23. It therefore appears that the Swiss Foreign Office was in error when it informed Minister Harrison that no request had been received from Nicaragua to safeguard from enemy persecution persons bearing Nicaraguan passports. The Nicaraguan Foreign Office repeated its request to the Swiss Foreign Office in a telegram on July 19. Minister Harrison has been requested to obtain confirmation of the receipt of this request by the Swiss authorities and to advise us of the resulting action.

TEMPORARY HAVENS--MEXICO

We requested Ambassador Messersmith if he deemed it appropriate, to convey to the Mexican authorities a message from the Board to the effect that it has been informed of the recent generous offer by the Mexican Government to permit the establishment in Mexico of a colony of European Jewish refugees for the duration of the war, that the Board deeply appreciates this humanitarian action by the Mexican Government, and that it wishes to give assurance that, should refugees be so admitted to Mexico at the request of the Board, the latter will make necessary financial arrangements for the maintenance and care of such refugees in Mexico.


J. W. Pehle
Executive Director

AUG 25 1944

Gentlemen:

I have received your telegram of August 20th concerning the continuation by the Hungarian Government of the deportation of small groups of Jews.

I have discussed your telegram with Mr. John W. Pehle, Executive Director of the War Refugee Board, who advises me that this Government has not yet received confirmation of the report referred to in your telegram. Further information concerning the matter, however, is being sought by the Board and, in the meantime, all practicable measures to protect the lives of the Jews in Hungary are being continued.

Unfortunately, despite the efforts which have been made and are being made by this and other governments to impress upon the German and Hungarian authorities our willingness to receive and care for all Jews permitted to leave Hungary, it now appears probable that the Germans will actively prevent such emigration except as part of a ransom arrangement involving the delivery of materials and supplies which would directly aid the German war effort. Recent reports indicating that this is the German attitude are being checked by the representatives of the War Refugee Board in Switzerland, Sweden and Turkey. Whatever may be the attitude of the Germans, I assure you that this Government will continue, consistently with the successful prosecution of the war, its unremitting efforts to save the Jews of Hungary.

Sincerely yours,

(Signed) Henry Morgenthau, Jr.

Union of Orthodox Rabbis of U. S.
and Vaad Hahatzala Emergency Committee,
132 Nassau Street,
New York, New York.

JH:JWP:dg 8/24/44

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HON HENRY MORGENTHAU JR

SECRETARY OF THE TREASURY

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WE HAVE JUST RECEIVED ALARMING REPORT THAT REGARDLESS OF
 STATEMENT OF HUNGARIAN GOVERNMENT DEPORTATION OF SMALL GROUPS
 OF JEWS STILL CONTINUING UNDER FALSE PRETENSE OF EXCHANGE
 STOP IT IS VITAL THAT WARNINGS THRU RADIO, PRESS LEAFLETS
 AND EVERY OTHER MEANS BE CONTINUED ESPECIALLY THRU THE
 EMBASSIES OF SWITZERLAND SWEDEN SPAIN AND PORTUGAL IN
 BUDAPEST STOP WE PLEASE THAT ON THIS FINAL HOUR IT IS ESSENTIAL
 TO CARRY OUT EXTRAORDINARY AND ENERGETIC METHODS OF RESCUE
 UNION OF ORTHODOX RABBI'S OF U.S. RABBI ISRAEL ROSENBERG
 RABBI EL SILVER VAAD HOTZALA EMERGENCY COMMITTEE RABBI ARON
 KOTLER RABBI ABRAHAM KALMANOWITZ 132 NASSAU ST NEW YORK CITY
 817A AUG 21

CABLE TO AMEMBASSY, LONDON

Please transmit following message to Mr. Romy Goldmuntz, c/o COFDI, 18 Holborn Viaduct, London E. 1, England:

QUOTE Received your request for funds to rescue Belgian Jews. Kindly send through American Embassy and War Refugee Board latest report on Jewish situation in Belgium, as well as list of Jews detained in Belgium concentration camps and prisons. Make also available to us all information you have on present whereabouts of deported Belgian Jews. A. Leon Kubowitzki, World Jewish Congress. UNQUOTE

10:20 a.m.
August 25, 1944

BAksin:tah 8/24/44

CABLE TO AMBASSADOR WINANT, FROM WAR REFUGEE BOARD.

Please deliver the following message to Sir Herbert Emerson of the Inter-Governmental Committee from Paul Baerwald of the American Jewish Joint Distribution Committee:

QUOTE REPORTS HAVE COME TO US THAT CREDIT OPERATIONS IN HUNGARY NOT POSSIBLE DUE APPARENTLY COMPLETE EXPROPRIATION PROPERTY OF JEWS. SALY MAYER ABLE PURCHASE PENGOES IN SWITZERLAND WHICH HE SENDS INTO HUNGARY. VIEW GREAT NEED BRING RELIEF MANY THOUSANDS JEWS CONCENTRATION CAMPS, GHETTOS, WE URGENTLY SUGGEST YOU CONSIDER FAVORABLY OUR AUTHORIZING SALY MAYER PURCHASE PENGOES SWITZERLAND UP TO 300,000 DOLLARS FOR AID IN HUNGARY FOR ACCOUNT INTER-GOVERNMENTAL COMMITTEE. HOPE YOU WILL DISCUSS THIS SUGGESTION WITH JOSEPH SCHWARTZ UNQUOTE

Following for Sir Herbert Emerson from War Refugee Board:

QUOTE WAR REFUGEE BOARD STRONGLY SUPPORTS FOREGOING REQUEST OF JDC UNQUOTE

12:10 p.m.
August 25, 1944

RDrury 8/24/44

6808
8/25/44 138

CABLE TO AMBASSADOR WINANT, LONDON, FROM WAR REFUGEE BOARD.

Please refer to your No. 6784 concerning the conference on August 21st regarding the implementation of the acceptance of the Hungarian offer.

Recent events suggest to us quite forcefully that in reality there will neither be time nor opportunity for any large scale rescue operations from Hungary. This seems particularly true in view of recent indications we have received that the Germans actually will not (repeat not) permit emigration of Jews from Hungary except as part of an unacceptable ransom scheme.

Notwithstanding the foregoing, this Government is anxious to continue doing everything possible to relieve the precarious situation of the Jews in Hungary. Accordingly, suggestions of the IGC and the other groups present at the above-mentioned conference have been examined with a great deal of interest. You are authorized to indicate to the various groups represented that the War Refugee Board and the Department are in general agreement with the suggestion that the IGC assume active responsibility and leadership in this matter.

As has already been indicated in the various cables which have been sent or repeated to you, this Government has taken unilaterally many, if not all, of the steps suggested in the memorandum submitted by the IGC, both as regards Intercross and neutral governments. We have already received confirmation from Intercross that it is actively pursuing many of the lines of activity, both as to relief and rescue, now suggested by IGC. Moreover, all of the neutrals have been requested by this Government to communicate to the Hungarian authorities their willingness to receive refugees from Hungary, and the neutrals have been given guarantees of financial aid and prompt evacuation. Nearly all of the neutrals have indicated to the Hungarians their willingness to receive refugees. In addition to making 5,000 children's visas available for children from Hungary or other European countries, other action concerning the granting of American visas to Jews in Hungary has been or is being taken, and the neutral governments as well as the Hungarians have been so advised. Mexico has already indicated to us its willingness to receive refugees for the duration of the war.

You should indicate to the British Government and the IGC that while the foregoing action has already been taken by this Government, we are anxious to cooperate in working out such further measures as may be deemed necessary or advisable, and are in general agreement that such steps be taken under the leadership of the IGC. However, in order to avoid confusion in making plans for further action to be taken and in order to keep abreast of the rapidly changing military and political situation, the War Refugee Board desires to take advantage of the forthcoming visit of Mr. Goodhart to Washington to effect an exchange of views. In addition, the Board is sending to London at once, Mr. James H. Mann, Assistant Executive Director, who will be able to give IGC and interested agencies of the British Government complete information concerning the action already taken by this Government to implement the acceptance of the Hungarian offer.

JFriedman:ro 8/24/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 25, 1944
NUMBER: 6809

SECRET

FROM JOHN W. PEHLE TO AMBASSADOR WINANT, LONDON.

Josiah E. DuBois has just returned and reported to me in detail concerning his trip to England. I wish to extend to you the Board's deepest appreciation for your efforts in furtherance of the Board's program.

DuBois is strongly of the opinion that the Board should have a full time representative in London. Accordingly it is expected that James H. Mann, an Assistant Executive Director of the War Refugee Board will be leaving within the next few days for London to confer with you, members of your staff; and the Intergovernmental Committee. I am informed that Mr. Goodhart will arrive in Washington within the next few days at which time I shall talk with him and then communicate further with you concerning Mann's status.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 25, 1944
NUMBER: 6808

SECRET

FOR AMBASSADOR FROM WAR REFUGEE BOARD

Please refer to your No. 6784 concerning the conference on August 21st regarding the implementation of the acceptance of the Hungarian offer.

Recent events suggest to us quite forcefully that in reality there will neither be time nor opportunity for any large scale rescue operations from Hungary. This seems particularly true in view of recent indications we have received that the Germans actually will not (repeat not) permit emigration of Jews from Hungary except as part of an unacceptable ransom scheme.

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As has already been indicated in the various cables which have been sent or repeated to you, this Government has taken unilaterally many, if not all, of the steps suggested in the memorandum submitted by the IGC, both as regards Intercross and neutral governments. We have already received confirmation from Intercross that it is actively pursuing many of the lines of activity, both as to relief and rescue, now suggested by IGC. Moreover, all of the neutrals have been requested by this Government to communicate to the Hungarian authorities their willingness to receive refugees from Hungary, and the neutrals have been given guarantees of financial aid and prompt evacuation. Nearly all of the neutrals have indicated to the Hungarians their willingness to receive refugees. In addition to making 5,000 children's visas available for children from Hungary or other European countries, other action concerning the granting of American visas to Jews in Hungary has been or is being taken, and the neutral governments as well as the Hungarians have been so advised. Mexico has already indicated to us its willingness to receive refugees for the duration of the war.

You should indicate to the British Government and the IGC that while the foregoing action has already been taken by this Government, we are anxious to cooperate in working out such further measures as may be deemed necessary or advisable, and are in

-2- #6808, to Amembassy, London. Dated, August 25, 1944

general agreement that such steps be taken under the leadership of the IGC. However, in order to avoid confusion in making plans for further action to be taken and in order to keep abreast of the rapidly changing military and political situation, the War Refugee Board desires to take advantage of the forthcoming visit of Mr. Goodhart to Washington to effect an exchange of views. In addition, the Board is sending to London at once, Mr. James H. Mann, Assistant Executive Director, who will be able to give IGC and interested agencies of the British Government complete information concerning the action already taken by this Government to implement the acceptance of the Hungarian offer.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: August 25, 1944
NUMBER: 6810

SECRET

From War Refugee Board

With reference to your 17252 of August 2 please inform IGC that American Minister at Bern was instructed on April 10 to request Swiss to inform Germans that all Jews holding Latin American documents are eligible for exchange against Germans in Western hemisphere. Germans have already included some such persons in exchange groups and probably will continue to do so. All such persons are accepted by this Government in actual exchange. Inclusion of specific names in American exchange proposals has been deemed pointless by American authorities in charge of exchange arrangements since neither party selects exchange groups in accordance with other party's suggestions, but makes its own selections among all eligibles. Furthermore, in view of manner in which such documents were issued, information as to identity of persons holding them and names in which they have been issued is fragmentary.

While eligibility of these persons for exchange is thus known to Germany, your and IGC's attention is drawn to passage in IGC's communication regarding acceptance by Berlin of list for repatriation of group to Palestine and regarding lack of confirmation thereof by London. It is hoped that such confirmation has since been obtained.

For your information, Amlegation Bern is being instructed to protest sharply against the deportations reported by IGC. A special ground for protest is present by reason of formal assurances given by German Foreign Office to Swiss Legation Bern on May 11 to the effect that beginning that date all persons holding Latin-American passports in civilian internment camps reserved for nationals of American continent would be treated as American nationals notwithstanding any doubt as to the validity of their documents. Copy of instruction to Bern is being repeated to you, for your and IGC's information. Parallel protests and public statements by British officials would be appreciated.

HULL

137
2/25/4

DRAFT OF CABLE TO AMERICAN CONSULATE GENERAL,
JERUSALEM, PALESTINE

Please transmit promptly to Mr. Melech Neustadt, Yehuda Halevi 40,
Tel Aviv, the following which is text of license No. W-2276 issued jointly to
Poale Zion Organization and Jewish National Workers Alliance by the Treasury
Department. (Text of license begins):

1. In order to provide relief to persons in enemy or enemy-occupied
territory, and in order to arrange for the evacuation to places of safety or
relative safety, as shall be selected by Mr. Melech Neustadt, Tel Aviv, Palestine,
the disbursing trustee for the licensee, (hereinafter referred to as the trustee),
of persons in enemy or enemy-occupied territory whose lives are in imminent
danger and, pending possible evacuation, to sustain and safeguard the lives of
such persons, the trustee (including such agents as he may appoint) is hereby
licensed, notwithstanding the provisions of General Ruling No. 11, to communicate
with persons in enemy or enemy-occupied territory in any manner he deems necessary
or expedient and to take all other appropriate action, including the acquisition
of necessary funds, goods, or services from persons in enemy or enemy-occupied
territory against payment in accordance with the terms of this license. The
necessary funds to finance such operations may be obtained by any of the following
methods:

- (a) The first method is the purchase of currency or exchange of
the country in which the operations are to be effected from
persons in Palestine who the trustee, after consulting with
the American Consulate General in Jerusalem when feasible,
is reasonably certain have held such currency or exchange
since prior to the freezing of such country by the United
States, or have since acquired such currency or exchange in
such manner as has not benefited the enemy. The sellers of
such currency may be reimbursed therefor in Palestinian pounds
at the prevailing unofficial rates of exchange in Palestine.
- (b) The second method is the acquisition of local currencies or
exchange from persons in enemy or enemy-occupied territory
for which reimbursement will not be made until after the war.
In order to insure reimbursement after the war to the persons
supplying such currencies or exchange, blocked accounts may
be established on your books in the United States, or in a
bank in the United States or a bank in Palestine. No payments
may be made from any such blocked account without the specific
approval of the Treasury Department and no assignments may be
made of any interest in such blocked account without such
approval.
- (c) The third method should not be used if it is feasible to
obtain the local funds by either of the first two methods.
The third method is the acquisition of the necessary local
funds, goods or services from persons in enemy or enemy-

-2-

occupied territory against payment in free exchange or free currency notes. The trustee should take reasonable steps to avoid such foreign exchange or free currency notes being paid to persons who will make it available to the enemy.

2. The total amount of funds paid out or set up in blocked accounts or otherwise obligated under the terms of this license shall not exceed the amounts of dollars (or the foreign currency equivalent thereof) authorized by specific Treasury licenses to be used under this license.

3. The trustee should keep the American Consulate General at Jerusalem fully informed with respect to the financial transactions effected under this license. Insofar as feasible the trustee should make certain that the persons from whom the local currency or exchange is purchased are acceptable to the Consulate General. The trustee should satisfy himself that payments to such persons will not benefit the enemy.

4. Periodic reports with regard to any operations engaged in under this license should be filed with the Treasury Department by the trustee through the American Consulate General at Jerusalem, Palestine.

(End of text of license)

Please advise Mr. Neustadt that under specific Treasury license Poale Zion Organization and Jewish National Workers Alliance are remitting immediately \$8,000 and in near future additional \$25,000 to finance operations contemplated. The operations permitted by this license have the approval of the Department, The War Refugee Board, and the Treasury. The Consulate General is requested to take all reasonable steps to facilitate these operations and promptly report to the Department the progress being made and any difficulties encountered, particularly in connection with the financial operations involved. In order to avoid delays in these matters, the Consulate General is requested to make liberal interpretations of the terms of this license, bearing in mind that time is of the essence. The Department and the Treasury should be kept advised of any such interpretations.

RBPark: jfh 8/22/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Consulate General, Jerusalem
DATED: August 25, 1944
NUMBER: 137

CONFIDENTIAL

Please transmit promptly to Mr. Melech Neustadt, Yehuda Halevi 40, Tel Aviv, the following which is text of license No. W-2276 issued jointly to Poale Zion Organization and Jewish National Workers Alliance by the Treasury Department. (Text of license begins):

1. In order to provide relief to person in enemy or enemy-occupied territory, and in order to arrange for the evacuation to places of safety or relative safety, as shall be selected by Mr. Melech Neustadt, Tel Aviv, Palestine, the disbursing trustee for the licensee, (hereinafter referred to as the trustee), of persons in enemy or enemy-occupied territory whose lives are in imminent danger and, pending possible evacuation, to sustain and safeguard the lives of such persons, the trustee (including such agents as he may appoint) is hereby licensed, notwithstanding the provisions of General Ruling No. 11, to communicate with persons in enemy or enemy-occupied territory in any manner he deems necessary or expedient and to take all other appropriate action, including the acquisition of necessary funds, goods, or services from persons in enemy or enemy-occupied territory against payment in accordance with the terms of this license. The necessary funds to finance such operations may be obtained by any of the following methods:

- (a) The first method is the purchase of currency or exchange of the country in which the operations are to be effected from persons in Palestine who the trustee, after consulting with the American Consulate General in Jerusalem when feasible, is reasonably certain have held such currency or exchange since prior to the freezing of such country by the United States, or have since acquired such currency or exchange in such manner as has not benefited the enemy. The sellers of such currency may be reimbursed therefor in Palestinian pounds at the prevailing unofficial rates of exchange in Palestine.
- (b) The second method is the acquisition of local currencies or exchange from persons in enemy or enemy-occupied territory for which reimbursement will not

be made

- 2 -

be made until after the war. In order to insure reimbursement after the war to the persons supplying such currencies or exchange, blocked accounts may be established on your books in the United States, or in a bank in the United States or a bank in Palestine. No payments may be made from any such blocked account without the specific approval of the Treasury Department and no assignments may be made of any interest in such blocked account without such approval.

(d) The third method should not be used if it is feasible to obtain the local funds by either of the first two methods. The third method is the acquisition of the necessary local funds, goods or services from persons in enemy or enemy-occupied territory against payment in free exchange or free currency notes. The trustee should take reasonable steps to avoid such foreign exchange or free currency notes being paid to persons who will make it available to the enemy.

2. The total amount of funds paid out or set up in blocked accounts or otherwise obligated under the terms of this license shall not exceed the amounts of dollars (or the foreign currency equivalent thereof) authorized by specific Treasury licenses to be used under this license.

3. The trustee should keep the American Consulate General at Jerusalem fully informed with respect to the financial transactions effected under this license. Insofar as feasible the trustee should make certain that the persons from whom the local currency or exchange is purchased are acceptable to the Consulate General. The trustee should satisfy himself that payments to such persons will not benefit the enemy.

4. Periodic reports with regard to any operations engaged in under this license should be filed with the Treasury Department by the trustee through the American Consulate General at Jerusalem, Palestine.

(End of text of license)

- 3 -

Please advise Mr. Neustadt that under specific Treasury license Poale Zion Organization and Jewish National Workers Alliance are remitting immediately \$8,000 and in near future additional \$25,000 to finance operations contemplated. The operations permitted by this license have the approval of the Department, the War Refugee Board, and the Treasury. The Consulate General is requested to take all reasonable steps to facilitate these operations and promptly report to the Department the progress being made and any difficulties encountered, particularly in connection with the financial operations involved. In order to avoid delays in these matters, the Consulate General is requested to make liberal interpretations of the terms of this license, bearing in mind that time is of the essence. The Department and the Treasury should be kept advised of any such interpretations.

HULL

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

August 25, 1944

5 p.m.

AMEMBASSY,

LISBON.

2336

Please deliver paraphrase of the following message,
which is WRB 80, to Dr. Joseph Schwartz, 242 Rua Aurea,
Lisbon, from M. A. Leavitt of the American Jewish
Joint Distribution Committee:

QUOTE YOUR 31 CONTACTED CHARLES GUGGENHEIM WHO
HAS NO KNOWLEDGE AVAILABLE CASH STOP HIS ASSETS
CONSISTED MAINLY STOCK SHARES. UNQUOTE

HULL

(GLW)

WRB:MMV:KG
8/25/44

WE

CABLE TO NORWEB FROM WAR REFUGEE BOARD.

Please deliver the following message to Dr. Joseph Schwartz,
242 Rua Aurea, Lisbon, from M. A. Leavitt of the American Jewish
Joint Distribution Committee:

QUOTE PLEASE REPEAT LAST PARAGRAPH YOUR 42 AUGUST 3.

1944, REFERENCE SHANGHAI RELIEF UNQUOTE

THIS IS WRB CABLE TO BISBON NO. 84

10:20 a.m.
August 25, 1944

RDrury 8/23/44

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

August 25, 1944

6 p.m.

AMEMBASSY,

MADRID.

2370

The following is for Ambassador from Pehle.

Recent military developments lead me to believe that at this time there are no longer the possibilities of doing important rescue work from Spain which formerly existed. In view of such developments the War Refugee Board has decided that James H. Mann would be able to do more effective work from London for the rescue of persons in imminent danger of death. Accordingly Mann will be presently situated at the American Embassy in London and will not come to the American Embassy in Madrid as Special Attache on refugee matters. However, it is possible that if in the future important problems arise in that area he may if you perceive no objection come to Madrid from London in the same capacity as on his previous trip there. I extend to you my appreciation for your having consented to receive Mann as an Attache to the Embassy.

HULL
(GHW)
BC

WRB:MMV:KQ WRE
8/25/44

**EMBASSY OF THE
UNITED STATES OF AMERICA**

UNRESTRICTED

No. 2952

Madrid, Spain, August 25, 1944.

**Subject: Transmitting Copy of Embassy's Note Verbale to
Ministry of Foreign Affairs Requesting Protection
for Allied and Stateless Refugees in Concentration
Camp of Miranda de Ebro**

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

Sir:

1/ I have the honor to enclose a copy of the Embassy's Note Verbale No. 2977 of this date to the Ministry of Foreign Affairs expressing the hope that the competent Spanish authorities will take adequate steps to ensure the protection of Allied and stateless refugees now detained in the Concentration Camp of Miranda de Ebro from possible molestation at the hands of German military refugees, large numbers of whom, according to information reaching the Embassy, are being sent to that Camp for internment.

Respectfully yours,

For the Ambassador:

W. Walton Butterworth
Counselor of Embassy

Enclosure

To Foreign Ministry,
No. 2977, August 25, 1944.

File No. 320

NWB/jf

Original to Department

{for Osalid machine}

Copy to Barcelona

Copy to Bilbao

cc: Miss Chauncey (For the Sec'y.), Abrahamson, Akain, Cohn, Drury,
DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Mannon, Marks,
McCormack, Pehls, Sargoy, Standish, Weinstein

Enclosure to despatch No. 2952 dated August 25, 1944 from
Carlton J. H. Hayes, American Ambassador, at Madrid, Spain
on subject of Protection for Allied and Stateless Refugees
in Concentration Camp of Miranda de Ebro.

附錄表二

No. 2977

NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to reports which have come to its attention to the effect that large numbers of members of the German Armed Forces who have sought refuge in Spain are being placed in the Concentration Camp of Miranda de Ebro. In the light of this information, and in view of the presence in that Camp also of a number of Allied and stateless refugees, the Embassy trusts that adequate steps will be taken by the competent Spanish authorities to ensure the protection of the latter group from possible molestation at the hands of the newly-arrived and considerably more numerous German military refugees. It would appear to the Embassy that the most efficacious form of protection would, in fact, be the transfer of these Allied and stateless refugees from the Camp in which they now find themselves to such other places of temporary sojourn as may be arranged by the Spanish authorities in collaboration with the organizations and agencies respectively responsible for their welfare.

Madrid, August

HMB:jr

EMBASSY OF THE
UNITED STATES OF AMERICA

CONFIDENTIAL

No. 2963

Madrid, Spain, August 25, 1944.

Subject: Transmitting Copy of Embassy's Note Verbale to Ministry of Foreign Affairs enclosing text of Anglo-American Declaration concerning Emigration of Jews from Hungary

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Embassy's despatch No. 2905 of August 14, 1944 transmitting to the Department copies of its Notes Verbales No. 2907 and No. 2908 of August 11, 1944 to the Ministry of Foreign Affairs requesting facilities for the entry into Spain of Jewish refugees proceeding from Hungary, I have the honor to enclose a copy of the Embassy's Note Verbale No. 2972 of August 24, 1944 transmitting to the Ministry a copy of the text of the joint declaration issued on August 17, 1944 by the Governments of the United States and Great Britain in response to the offer of the Hungarian Government to permit the emigration of certain categories of Jews from Hungary.

Pursuant to the Department's circular telegram of August 18, 1944 requesting that publicity be given to this declaration, the translated text thereof has been published and widely distributed in the Embassy's Spanish-language news bulletin.

Respectfully yours,

For the Ambassador:

W. Walton Butterworth
Counselor of Embassy

Enclosure:

To Foreign Ministry,
No. 2972, August 24, 1944

File No. 800

NWB/jf

Original to Department (for Ozalid machine)
Copy to Lisbon

Enclosure to despatch No. 2963 dated August 25, 1944 from Carlton J. H. Hayes, American Ambassador, at Madrid, Spain on subject of Emigration of Jews from Hungary.

No. 2972

NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and, supplementing its Note Verbale No. 2907 of August 11, 1944, has the honor to transmit herewith for the Ministry's information a copy of the text of a joint declaration issued on August 17, 1944 by the Governments of the United States and Great Britain in response to the offer of the Hungarian Government to permit the emigration of certain categories of Jews from Hungary.

Madrid, August 24, 1944.

Enclosure:

Text of joint declaration,
as stated

NWB/jf

Enclosure of Note Verbale No. 2972 dated August 24, 1944 from American Embassy, Madrid, Spain to Ministry of Foreign Affairs
Madrid

The International Red Cross has communicated to the Governments of the United States and the United Kingdom an offer made by the Hungarian Government with regard to the emigration and treatment of Jews. Because of the desperate plight of Jews in Hungary and the overwhelming humanitarian considerations involved, the two Governments are informing the Hungarian Government through the International Red Cross that, despite the heavy difficulties and responsibilities involved, they have accepted the offer of the Hungarian Government for the release of Jews and will make arrangements for the care of such Jews leaving Hungary who reach neutral or United Nations territory and also that they will find temporary havens of refuge where such people may live in safety. Notification of these assurances is being given to the Governments of neutral countries who are being requested to permit the entry of Jews who reach their frontiers from Hungary. The Governments of the United States and the United Kingdom emphasize that, in accepting the offer which has been made, they do not in any way condone the action of the Hungarian Government in forcing the emigration of Jews as an alternative to persecution and death.

CABLE TO MINISTER JOHNSON AND OLSEN, STOCKHOLM, SWEDEN.

1. Please convey to Government of Sweden Department's and Board's utmost appreciation of their invaluable humanitarian services rendered in connection with Hungarian situation.

At present juncture, to forestall any last-minute renewal of deportations on the excuse that no sufficient arrangements have been made for evacuation of Jews from Hungary, please suggest to the Swedish Government that it might advise German and Hungarian authorities that Sweden is willing to have a Swedish boat call at any German port chosen by these authorities for purpose of transporting to Sweden Jewish children from Hungary, and that such sailings will be repeated as long as necessary.

The foregoing suggestion specifies children since Swedish Minister, Ankara, advised Amembassy there that Swedish Government has announced that it was prepared to receive in Sweden Jewish children from Hungary. Even if this information inexact, it is hoped that you will persuade Swedish authorities to undertake this step. In view of circumstances, it is not anticipated that the number of children actually evacuated in this manner would be large. At any rate, this Government, singly or in cooperation with British, will guarantee costs of maintenance of such children in, and their earliest possible evacuation from, Sweden.

It is thought that obstacles to making a Swedish boat available for sailings to Haifa, referred to in your 3091 of August 14, might not (repeat not) apply to the short route between Germany and Sweden.

Should the project materialize, it is hoped that evacuation from Hungary could be supervised by representatives of Intercross, Swedish Red Cross, or Swedish Government, to prevent abuse and death en route.

2. With respect to statement in your 3074 of August 12 regarding authorization of Swedish visas to QUOTE Jews holding American immigration visas issued on or after July 1, 1941 UNQUOTE, please note that persons intended as beneficiaries of procedure developed in paragraph numbered two of Department's 1501 of July 28 are those whose American visas were authorized subsequent to July 1, 1941, as well as those to whom such visas were actually issued. Please explain this point to Swedish authorities and request that they instruct their consuls in Hungary and elsewhere in enemy-held territory to issue visas to persons to whom American visas were authorized as well as to those to whom American visas were actually issued. In cases where applicants will not be able to furnish evidence of authorization, such evidence will presumably be available at local Swiss Legation or consulate. In addition, efforts will be made to send a list of visa authorizations to you for transmission to Swedish Foreign Office which, it is hoped, will forward it to various Swedish consulates in enemy-held territory.

THIS IS WRB STOCKHOLM CABLE NO. 79.

3:50 p.m.
August 25, 1944

BAkzin:JWP:dg 8/25/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 25, 1944
NUMBER: 2933

SECRET

This is the substance of information received by this Government from a thoroughly reliable eye-witness:

QUOTE Approximately 20,000 Hungarian Jews, children, men and women, had been concentrated in the open air for 4 or 5 days with nothing even to sit on except the ground. They they had been herded into boxcars 80 persons per car, the car then nailed up and sent off to foreign destinations. The people are packed in the cars like sardines with no possibility of sitting or even moving. Many must have been dead on arrival. The people handling this affair were not Germans but Hungarian Gendarmes.
UNQUOTE

This report bears out others coming to this Government from different sources that in the main the Hungarian Police have themselves been the instrument for arresting and deporting Jews from Hungary under conditions which are tragically cruel.

Please convey this information to Swiss Government for transmission to Hungarian authorities. These authorities are to be informed that their comment regarding these reports, which this Government regards as authentic, is awaited with interest.

For your confidential information, above reports reached Department from Amlegation Stockholm.

THIS IS WRB BERN CABLE NO. 142.

HULL

CABLE TO MINISTER HARRISON AND MCELELLAND, BERN, SWITZERLAND

The War Refugee Board requests that the following message be delivered to Jarblum Riegner, 37 Quai Wilson, Geneva, Switzerland:

QUOTE Number 122 View persisting rumors continuation deportation Hungarian Jews consider essential substantial increase Interredcross delegates to Hungary. Concerning already deported since Hungary asserts having only delivered Jewish manpower for German factories have requested Interredcross inquire care taken by Hungarian representatives in Germany of said manpower as customary for non-Jewish workers. Kindly support urgently. Convey all concerned appreciation gratitude Executive for decisive demarches Interredcross.

LEON KUBOWITZKI
WORLD JEWISH CONGRESS UNQUOTE

THIS IS WRB CABLE TO BERN NO. 143

10:20 a.m.
August 25, 1944

BAkzin:ar 8/24/44

CABLE TO MINISTER HARRISON AND McCLELLAND, BERN, SWITZERLAND

Please transmit following message to Messrs. Jarblum and Riegner, 37 Quai Wilson, Geneva:

QUOTE Barlas cables that Turkish consulates
Budapest Bucarest Sofia instructed grant transit
visas for refugees in groups of fifty enroute
Palestine. A. Leon Kubowitzki, World Jewish Congress.
UNQUOTE

THIS IS WRB CABLE TO BERN NO. 144

10:20 a.m.
August 25, 1944

BAkzin:tmh 8/24/44

CABLE TO MINISTER HARRISON AND McCLELLAND, BERN, SWITZERLAND.

Reference is made to Department's 2046 of June 14 and 2490 of July 21 paragraph numbered 1, and to your 4223 of July 3, section 1 paragraph 4 and section 3 paragraphs 2, 3, and 4.

While continuing to urge Swiss intervention on behalf of Anna and Rose ~~Franklin~~, entitled to treatment as Chilean nationals and eligible for exchange on this score, please also make full use of authority now vested in U. S. consul by Department's _____ of _____, WRB's 133, to notify Swiss authorities for transmission to Germany that American immigration visa may be issued to them as wife and daughter respectively of American citizen, upon presenting themselves at American consulate. The use of both lines of argument may possibly be effective in obtaining the release of the persons concerned from the Germans.

THIS IS WRB BERN CABLE NO. 145.

3:50 p.m.
August 25, 1944

BAksin:JBFriedman:ro
8/25/44

CABLE TO MINISTER HARRISON, BERN, FOR McCLELLAND FROM WAR REFUGEE BOARD

Please deliver the following message to Rene Bertholet,
Wasserstrasse 14, Zurich, from the International Rescue and
Relief Committee:

QUOTE APPROVE TEN THOUSAND DOLLARS FOR RESCUE
ACTION FRANCE AND HUNGARY WITH DOCTOR TEHLENOFF OSE
STOP ALSO CONTACT LEON DENENBERG AMERICAN CONSULATE
ISTANBUL ABOUT RESCUE HUNGARY STOP NO CABLES FROM
YOU SINCE END JUNE UNQUOTE

THIS IS WRB CABLE TO BERN NO. 146

5:00 p.m.
August 25, 1944

RDrury 8/25/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 25, 1944
NUMBER: 2929

SECRET

Please advise Isaac Sternbuch, St. Gall, representative in Switzerland of the Union of Orthodox Rabbis, New York City, that the Treasury Department has issued a specific license to the Vaad Hahatzala, the Emergency Committee for the Union of Orthodox Rabbis, to remit to Mr. Sternbuch the Swiss franc equivalent to \$100,000 to be used under license No. W-2117, as amended, in addition to remittances previously licensed.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 25, 1944
NUMBER: 2930

SECRET

Please notify Mr. Marc Jarblum and Dr. A. Silberschein, 37 Quai Wilson, Geneva, Switzerland, that Treasury Department has issued license No. W-2275 to Poale Zion Organization and the Jewish National Workers Alliance, New York City, permitting them, as disbursing trustees, to arrange for relief and rescue operations in enemy and enemy-occupied territories. The terms of this license are identical to license No. W-2229, issued to the Queen Wilhelmina Fund, Inc., New York City, which was the subject of the Department's telegram No. 2438 of July 17, 1944. Under specific Treasury license Poale Zion Organization and the Jewish National Workers Alliance will remit immediately the Swiss Franc equivalent of \$8,000, and in near future additional Swiss franc equivalent of \$10,000 to finance operations contemplated in such license. The operations covered by this license are approved by the Department, the War Refugee Board, and the Treasury.

HULL

CABLE TO AMERICAN CONSULATE GENERAL, ISTANBUL, TURKEY, FROM WAR
REFUGEE BOARD

Please deliver the following message to Leon P. Denenberg from
International Rescue and Relief Committee:

QUOTE BERTHOLET WORKING WITH OSE ON SPECIAL ACTION HUNGARY
CONTACT HIM 14 WASERSTRASSE ZURICH STOP NOTE OUR NEW
ADDRESS 103 PARK AVENUE UNQUOTE

5:00 p.m.
August 25, 1944

RDrury 8/25/44

OPTTEL No. 277

Information received up to 10 a.m., 25th August, 1944.

1. NAVAL

A Russian Battleship, ex R.N., and 8 destroyers, ex R.N., have arrived at KOLA INLET. One of H.M. Submarines torpedoed a 3,500 ton ship off SKUDENESS on 20th and obtained 5 probable hits on 5-ship convoy on 22nd. Discharge of petrol by pipe line from U.K. to NORMANDY has begun.

One of H.M. Destroyers engaged E-boats this morning off FECAMP. 1 was abandoned and 2 damaged.

Allied heavy warships successfully bombarded positions TOULON area 21st and 22nd, and also positions Gulf of NAPOULE 22nd.

Carrier-based aircraft have continued to attack communications. Minesweepers have started to clear approach channel to PORT DE BOUC, west of MARSELLES.

The garrison of PORQUEROLLES Island surrendered to a U.S. Cruiser on 22nd after bombardment.

E-boats unsuccessfully attacked ANCONA Harbour on 22nd/23rd.

2. MILITARY

FRANCE. British left flank reported on line of River RISLE. U.S. troops have advanced to ELBEUF, where heavy fighting is in progress. A U.S. armoured column is 20 miles west of TROYES.

SOUTHERN FRANCE. French forces occupied MARSELLES on 23rd. U.S. troops have entered SALON and LAURIS and further north are pushing westwards towards DIE and CREST. On the east flank they are advancing to ST. VALLIER, north of CANNES.

ITALY. Polish and Italian troops are now firmly established on south bank of METAURO and in contact with strong German positions north of the river to a distance of 12 miles from the coast. In the Upper ARNO Valley British and Indian troops have made considerable advances on both sides of the river, capturing a number of important features.

RUSSIA. On 2nd Ukrainian front Russians have advanced up to 30 miles on 100-mile front and captured ROMAN, BARLAD and HUSI. On the 3rd Ukrainian Front they have captured KISHINEV and advanced 40 miles S.W. of the city to link up with the armies of the 2nd Ukrainian front.

3. AIR OPERATIONS

WESTERN FRONT. 24th. 1,213 escorted U.S. heavy bombers attacked objectives in Northern and Central Germany and Czechoslovakia; dropping 1,170 tons on 6 armament and aircraft factories, 1,268 on 5 synthetic oil plants and refineries and 223 on other targets. 49 Halifaxes dropped 224 tons on blockships and shipping BREST and 22 Lancasters dropped 119 on E-boat pens and moorings IJMUDEN. 413 fighters flew reconnaissances and patrols over French operational area. German casualties 34, 3, 5. Ours - 23 heavy bombers, 5 fighters.

ITALY AND SOUTHERN FRANCE. 23rd. 699 Allied aircraft including 196 medium bombers, attacked communications Northern Italy and Southern France, and objectives in French and Italian battle areas. 24th. 68 Liberators (2 missing) dropped 133 tons on FERRARA Railway bridge.

YUGOSLAVIA, HUNGARY AND CZECHOSLOVAKIA. 24th. 507 U.S. heavy bombers from Mediterranean dropped 111 tons on VINKOVOI railway centre, 118 on SZEGED railway bridge, 574 on airfield and oil refinery PARDUBICE and 213 on KOLIN Oil refinery. Enemy casualties - 50, 10, 7. Ours - 6 bombers.

4. HOME SECURITY

During 24 hours ending 6 a.m., 25th, 136 flying bombs plotted.

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Copies to Mr. Bell and Dr. White 9/19/44.

○ Secretary took original to Chicago 9/20/44

C.
O.
P.

*Copies - Bell
White*

August 26, 1944.

MEMORANDUM FOR

THE SECRETARY OF WAR

This so-called "Handbook" is pretty bad. I should like to know how it came to be written and who approved it down the line. If it has not been sent out as approved, all copies should be withdrawn and held until you get a chance to go over it.

It gives me the impression that Germany is to be restored just as much as The Netherlands or Belgium, and the people of Germany brought back as quickly as possible to their pre-war estate.

It is of the utmost importance that every person in Germany should realize that this time Germany is a defeated nation. I do not want them to starve to death but, as an example, if they need food to keep body and soul together beyond what they have, they should be fed three times a day with soup from Army soup kitchens. That will keep them perfectly healthy and they will remember that experience all their lives. The fact that they are a defeated nation, collectively and individually, must be so impressed upon them that they will hesitate to start any new war.

The following are a few extracts of things which have caught my eye in a very hurried reading of this "Handbook". There are doubtless many others.

"Your main and immediate task, to accomplish your mission, is to get things running, to pick up the pieces, to restore as quickly as possible the official functioning of the German civil government in the area for which you are responsible The first concern of military government will be to see that the machine works and works efficiently."

"The principles with which Officers in Military Government Staffs and Detachments will be concerned include: the reorganization of the

-2-

German police and the maintenance of Law and Order; the supervision of the German Judiciary and the establishment of Allied Military Courts; the control of the German Finances; the protection of property; the establishment and maintenance of an adequate standard of public health; the promotion of agriculture; the control, supply and distribution of food and essential supplies of every kind; the restoration and maintenance of public utilities; the provision for the gradual rehabilitation of peace-time industry and a regulated economy; the employment of Labour and the prevention of industrial unrest ..."

"Military Government Officers will, in conjunction with other interested and affected agencies and authorities, ensure that steps are taken to:

- (1) Import needed commodities and stores.
- (2) Convert industrial plants from war to consumer goods production.
- (3) Subsidize essential economic activities where necessary.
- (4) Reconstruct German foreign trade with priority for the needs of the United Nations.
- (5) Modify existing German regulations controlling industrial and raw material production".

"The highly centralized German administrative system is to be retained unless otherwise directed by higher authority".

"All existing German regulations and ordinances relating to production, supply or distribution will remain in force until specifically amended or abrogated. Except as otherwise indicated by circumstances or directed by higher authority, present German production and primary processing of fuels, ores and other raw materials will be maintained at present levels".

"The food supply will be administered so as to provide, if possible, a diet on the basis of an overall average of 2000 calories per day. Members of the German forces will be rated as normal consumers. The control of retail prices will be continued. The existing rationing system and classification of consumer groups will be maintained subject to modifications required by circumstances Should the indigenous products of Germany be insufficient to provide such a basic ration, the balance will be made up by imports".

"All possible steps will be taken to ensure the utilization of German economic, material and industrial facilities to an extent necessary to provide such raw materials, goods, supplies or services as are required for military and essential civilian needs, and to any additional extent -- as approved by higher authority -- necessary to provide surpluses for international transfer, supplies for reparational requisition, and legitimate industrial stock-piling".

"The fishing industry has long been important in German economy, but owing to the requisitioning of trawlers for naval operations, the most important North Sea fish catch has been seriously curtailed. Before extensive commercial fishing can be resumed, a considerable amount of fishing gear will be required as well as stores and material for the repair and reconditioning of fishing vessels. There will possibly also be an immediate shortage of fuel and lubricants".

"The Agricultural economy will be freed of Nazi discrimination; it will not otherwise be changed except where direct advantages are to be gained. Agricultural production control, and grain and other agricultural products collection agencies existing prior to occupation will be maintained or re-established. Equitable prices co-ordinated at Reich level will be fixed for farm products. Violations of farm price control, wages or rationing regulations will be severely punished".

-4-

"The main objective of Allied Military Government in the financial field is to take such temporary measures as will attempt to minimize the potential financial disorder and chaos that is likely to occur and thus assist the military forces in their operations and ease the burdens that will face the more permanent Allied control organization that will later deal with the problems of Germany".

"Wherever possible, removals and appointments (of civil servants) will be made by Military Government officers acting through German officials who are vested with this authority under German law; nothing will be done which would unnecessarily disturb the regular German civil service procedure or deprive the official or employee to be removed of any ultimate rights to which he may be justifiably entitled under German law, after cessation of military government".

"International boundaries will be deemed to be as they were on 31 December 1937".

There exists a school of thought both in London and here which would, in effect, do for Germany what this Government did for its own citizens in 1933 when they were flat on their backs. I see no reason for starting a WPA, PWA or a CCC for Germany when we go in with our Army of Occupation.

Too many people here and in England hold to the view that the German people as a whole are not responsible for what has taken place -- that only a few Nazi leaders are responsible. That unfortunately is not based on fact. The German people as a whole must have it driven home to them that the whole nation has been engaged in a lawless conspiracy against the decencies of modern civilization.

Please let me see the revision of this and also let me have this original copy back.

F.D.P.

Aug. 26, 1944

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Mrs. Klotz:

The attached is forwarded in accordance
with my conversation this morning.

E. L. Olrich

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Washington MEMO

Inside Information and Gossip From
The Morning Tribune's Washington Staff:

*Richard Wilson, W. H. Mylander, Nat Finney,
Jack Wilson, Marr McGaffin*

★ ★ ★ ★
WATCH WHITE: A new personality is about to blossom on the Washington stage. He is Harry White, director of monetary research at the treasury department. White, who carried the ball for the U. S. at the Bretton Woods conference, will have to carry it on Capitol Hill when Morgenthau or Roosevelt send international monetary fund and bank agreements there for approval. More the salesman than the banker type, White is reputed to have never lost an argument. "If he can't win it, he wears them down," says an associate. Morgenthau, who doesn't go well before congressional committees, is counting on White to pitch effective woo this fall.

★ ★ ★ ★

LYNDON B. JOHNSON
10TH TEXAS DISTRICT

COMMITTEE ON
NAVAL AFFAIRS

Congress of the United States
House of Representatives
Washington, D. C.

August 26, 1944

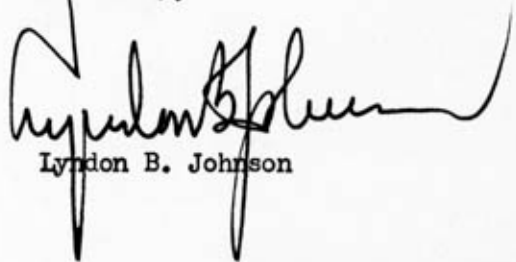
Honorable Henry Morgenthau, Jr.
Secretary of the Treasury
Washington, 25, D. C.

My dear Mr. Secretary:

When I returned to my office your congratulatory note was awaiting me.

I appreciate very much your thinking of me and the generous expressions contained in your letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Lyndon B. Johnson". The signature is fluid and cursive, with a large initial "L" and "B".

Lyndon B. Johnson

THE WHITE HOUSE
Washington

August 26, 1944

My dear Mr. Smith:

The recent favorable development of the military situation on the world's battlefronts has emphasized the need to speed up preparations for the eventual reconversion of the nation's productive energies to peaceful pursuits. This will be a huge and intricate task, requiring careful preparations. In addition to legislative action already under consideration it will call for a great deal of accurate and comprehensive information concerning industrial production, the status of industry and the well being of the nation's workers. Such information should be currently maintained as we move from war to peace.

In particular I believe that the statistical record should include an account of our industrial system while it is geared up for maximum production during 1944. This may well be the peak year of production for many years to come. An intimate knowledge of the main characteristics of the economy during this war year will be important not only as a guide to our steps toward reconversion but as a part of the record which is essential for military preparedness in the future. I should think it would be possible, if production data were obtained for 1944, to avoid the necessity of appropriations for the regular biennial census of manufactures pertaining to 1945.

Again, it is important that we should have a running account of the status of employment, unemployment and wages in the nation as a whole and in the principal industrial areas. With this we should know more about the effects of the war on the incomes, expenditures and savings of the great masses of our people whose work in the factories and mines, in transportation and on the farms, has equipped our armies in the field.

I believe that the costs of obtaining such information for the use of business, large and small, labor, agriculture, the general public and governmental agencies themselves may properly be regarded as an essential part of the costs of the war emergency. In conjunction with the agencies concerned will you please undertake the preparation of plans for providing these types of information, and report to me at your early convenience upon the ways and means by which these plans can most appropriately be effectuated.

Sincerely yours,

(Signed) Franklin D. Roosevelt

Honorable Harold D. Smith
Director, Bureau of the Budget
Washington, D. C.

Program of Statistical Information
Needed for Reconversion

From now on the Government and the public will require a great deal of up-to-date information to guide the Nation's return to a peacetime economy. Demand for such information has already been expressed by representatives of business and labor and by Federal agencies which will have responsibilities in the reconversion process. It will be especially important to obtain a clear picture of production during 1944, which in all probability will be the peak for some years to come.

There has been no general census of manufactures since 1940, covering 1939 production. The censuses of 1941 and 1943 were laid aside as a part of the wartime curtailment of peacetime activities. Under the law as it stands, a census of manufactures will again be required in 1946, covering the calendar year 1945. However, there is general agreement that 1945 figures will be of doubtful value at best. Industry will probably be in the midst of reconversion and the figures, like those of the census for 1919, will represent neither a war nor a peacetime economy. It is therefore desirable at once to close up the five-year gap in the data since 1939 with a census of manufactures for 1944.

The problems involved in demobilization of members of the armed services and the readjustment of the civilian labor force will be solved more readily if reliable information on employment and unemployment is available. An expansion of existing statistical activities

is needed in order to obtain employment and unemployment information periodically for the principal war production areas. We likewise need more data on wages and wage rates.

Further, to plan for full employment we need to gauge the backlog of purchasing power in the hands of the public. This requires information upon the incomes, expenditures and savings of consumers. The last full-scale study of these matters was completed in 1937.

Steps to secure the foregoing types of information have been urged by many officials and citizens. Representatives of the American Federation of Labor, the CIO and the Railroad Brotherhoods have given their endorsement. Members of business groups working with the Division of Statistical Standards of the Bureau of the Budget have expressed desire for them, as have also various research organizations.

Details of the required studies, the means of financing them and the allocations of work among the Federal organizations which will conduct them will need to be planned carefully. The Director of the Bureau of the Budget has been asked to prepare these plans in conjunction with the other agencies concerned. However, the present statistical machinery of the Federal Government will in all cases be utilized.

Information concerning details of the proposal may be obtained from Stuart Rice, Assistant Director of the Budget in Charge of Statistical Standards, Executive 3300, Extension 205.

(8-29-44)

AGENDA FOR CONFERENCE ON RECONVERSION STATISTICS PROGRAM
September 1, 3 P.M., Room 59, State Building

1. Letter from the President to the Director of the Budget, and statement read by the President at his press conference are attached.
2. The following distribution of responsibilities is proposed:
 - (a) Bureau of the Budget: overall planning and coordination.
 - (1) Decisions on scope and jurisdiction
 - (2) Arrangements for allocations of funds and/or requests for appropriations
 - (b) Bureau of the Census: operations.
 - (1) Census of Manufactures for 1944
 - (2) Consumers' income survey for 1944
 - (3) Area data on employment and unemployment
 - (4) Census of Agriculture for 1944
 - (c) Bureau of Labor Statistics: operations.
 - (1) Consumers' expenditures survey for 1944
 - (2) Consumers' savings survey for 1944
 - (3) Studies of wages and wage rates
 - (d) Bureau of Agricultural Economics and Bureau of Home Economics: Co-operation with Bureau of Labor Statistics in consumers' expenditures and savings studies in rural areas.

Question is on concurrence in above distribution of responsibilities.

3. Questions on 1944 Census of Manufactures:
 - (a) Is product detail in physical volume units required?
 - (1) For all industries?
 - (2) For all except metal working and perhaps chemical industries?
 - (3) For specially selected industries (which?)
 - (b) To obtain product detail, should the schedules of the 1939 census be used?
 - (1) With what degree of selection?
 - (2) With how much revision?
 - (c) What classifications should be recognized between products for military use exclusively (e.g., ordnance), products having both military and civilian use (e.g., vehicles), and products primarily for civilian use (agricultural machinery)?
4. Are data on mineral production needed beyond those obtained by the Bureau of Mines annual survey?

- 2 -

5. Questions on employment and unemployment data by principal war production areas:

(a) It is proposed:

(1) To obtain for each of the 50 largest production areas, (metropolitan districts or metropolitan counties?) quarterly reports on employment, unemployment and the size of the labor force, by 12 major occupational groupings.

(2) For this purpose:

- A. To expand the present samples for the Monthly Survey of the Labor Force in the 13 metropolitan areas included among the 50 production areas.
- B. To draw new samples for the remaining 37 production areas.

(b) Specific questions:

- (1) Number and identity of production areas
- (2) Occupational and other possible breakdowns

6. Questions on wage and wage rate data: Report by Bureau of Labor Statistics on questions involved.

7. Consumers' income survey:

(a) It is proposed to take a national sample of possibly 400,000 families, employing a simple schedule, and utilizing in part

- (1) the labor force sample and field staff, and/or
- (2) enumerators of the 1944 Census of Agriculture

(b) Questions:

(1) Size and character of sample to obtain necessary breakdowns:

- A. Geographic region and type of community
- B. Occupation and industry
- C. Size of family and number of family earners
- D. Age, sex, and color of individual earners.

(2) What type of schedule?

(3) Relation to:

- A. Monthly and quarterly surveys of the labor force?
- B. Census of Agriculture?
- C. Studies of consumers' expenditures and savings?

(4) What questions should now be considered in order to employ survey data in the estimates of national income?

8. Consumers' expenditures and savings survey:

(a) it is proposed to draw a sample of 20-30,000 families (later to be combined on the basis of the stratifications shown by the income study) for which data on expenditures and savings and the necessary income data will be procured.

- 3 -

(b) Questions:

- (1) How will this relate to the present program of the Bureau of Labor Statistics (\$105,000 - 1,500 urban families?)
 - (2) How will BAE and BHE cooperate with BLS?
 - (3) To what extent will survey include information needed for:
 - A. Evaluation of adequacy of present levels of living?
 - B. Analysis of accumulated savings?
9. Can the equivalent of a sample census of population be obtained from the foregoing inquiries without additional expense?
10. What assistance can be given by other agencies to the Bureau of the Census on its immediate and urgent personnel problem of preparing for the 1940 Manufactures Census?
- (a) BLS?
 - (b) SWPC?
 - (c) Mines?
 - (d) WPBY?
 - (e) FRB?
 - (f) BAE?
- Other?
11. What continuing participation by this Conference would be desirable?

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Quito
TO: Secretary of State, Washington
DATED: August 26, 1944
NUMBER: 841

CONFIDENTIAL

Reference is made herewith to Department's secret circular airgram of August 3.

A communication has just been received by the Embassy from the Foreign Office dated August 24 stating that the Government of Ecuador has instructed the Swiss Government along the lines indicated in the ante penultimate paragraph of the reference airgram. By air pouch we are forwarding the text of the Foreign Office communication.

SCOTTEN

EMBASSY OF THE
UNITED STATES OF AMERICA

SECRET

No. 2045

Quito, Ecuador, August 26, 1944

**Subject: Efforts to Safeguard the Lives of Persons in
Hungary Holding Passports Issued in the Name
of Ecuador**

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to this Embassy's telegram No. 841 of August 26, 11 a.m., I have the honor to transmit herewith a copy and translation of an aide memoire from the Ministry for Foreign Affairs regarding its instructions to the Swiss Government in connection with efforts to safeguard the lives of persecuted persons in Hungary who hold passports or other documents issued in the name of Ecuador.

Respectfully yours,

Enclosures:

1. Copy of Aide Memoire.
2. Translation of above.

721/840.1

CGR:mt

cc: Miss Chauncey (For the Sec'y.), Abrahamson, Akzin, Cohn, Drury, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Weinstein

Enclosure No. 2 to despatch No. 2045 of August 26, 1944,
from American Embassy, Quito, Ecuador.

COPY

Republic of Ecuador
Ministry for Foreign Affairs
Diplomatic Department

CONFIDENTIAL

AIDE MEMOIRE

The Ministry for Foreign Affairs, having been informed of the persecution which at present is taking place in Hungary against persons of a certain race, among whom are many who possess passports issued in the names of American Republics, has addressed its diplomatic representative in Switzerland to arrange for the Federal Government as representative of the interests of Ecuador in Axis nations or satellites thereof to notify the Government of Hungary that the Government of Ecuador recognizes the validity of documents or passports issued in its name and that accordingly it is expected that the bearers of such papers will be accorded the rights, privileges and immunities which Ecuadoran nationals enjoy. Likewise it has been requested to state that the United States is authorized to negotiate the exchange of such persons.

The Ecuadoran Ministry for Foreign Affairs, in replying to the aide memoire of the Embassy of the United States dated August 19, reiterates its intention of not declaring invalid passports granted illegally while they may serve to protect the life and property of their holders but (reiterates) that these persons are not thereby authorized to enter Ecuador.

Quito, August 24, 1944

TR:CCR:mt

cc: Miss Chauncey (For the Sec'y.), Abrahamson, Akzin, Cohn, Drury, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Weinstein

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: August 26, 1944
NUMBER: 6952

CONFIDENTIAL

Reference is made herein to your cable of August 23, No. 6722.

Attention of the War Refugee Board.

This morning discussed with refugee section of the Foreign Office the Papal intervention on behalf of refugees of northern Italy.

Sir Noel Charles' reply to inquiry as to accommodations was received this morning by the Foreign Office. According to Charles' report, an additional five thousand refugees may be accommodated in liberated Italy and use of North African camps was also suggested.

It is the understanding of the Foreign Office that there are far more than five thousand refugees north of the battle line, but since it believes the military situation is changing so rapidly that the problem of accommodating this five thousand additional will not arise, it feels that it will be safe to give assurances of accommodation without numerical limitation. The Foreign Office, however, does not know whether or not the Pope has already appealed to German authorities and presuming we will take parallel action, they will take the following steps:

Issue instructions to Charles to ascertain whether or not an appeal has been made by the Pope. Provided he has not, to request him to do so with assurance that the persons rescued will be cared for and received by Allied authorities. Provided he has made an appeal, to suggest that these assurances be repeated by him.

It is hoped by the Foreign Office that this action will meet with the approval of WRB and that appropriate instructions will be issued to our representative in Rome.

WINANT

DCR:MAS:FB 8/28/44

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

August 26, 1944

4 p.m.

AMEMBASSY,

LISBON.

2350

Please deliver paraphrase of the following message as
WRB 82 to Dr. Joseph Schwartz, 242 Rua Aurea, Lisbon,
from M. A. Leavitt of the American Jewish Joint Distribution
Committee:

QUOTE MARTKO MAIER CUKIER RUMANIAN NATIONAL NOW
PALESTINE CLAIMING \$35,000 ACCORDING ARRANGEMENTS SALY
MAYER STOP TREASURY DEPARTMENT ASKING SPECIFICALLY
WHERE AND WHEN FOREIGN EQUIVALENT MADE AVAILABLE ALSO
WHETHER SALY MAYER HAS ANY INFORMATION THAT CUKIER SOLE
BENEFICIAL OWNER OF FUNDS STOP VERIFY CLAIM. UNQUOTE

HULL
(GLW)

WRB:MMV:KG
8/26/44

WE

SWP

NE

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

August 26, 1944

AMEMBASSY,

LISBON.

2351

Please deliver paraphrase of the following message
as WRB 84 to Dr. Joseph Schwartz, 242 Rua Aurea, Lisbon,
from M. A. Leavitt of the American Jewish Joint Distribution
Committee:

QUOTE PLEASE REPEAT LAST PARAGRAPH YOUR 42 AUGUST 3,
1944, REFERENCE SHANGHAI RELIEF. UNQUOTE

HULL

(GLW)

WRB:MMV:KG
8/26/44

WE

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

August 26, 1944

6 p.m.

AMEMBASSY,

LISBON.

2352

Please deliver paraphrase of the following message
as WRB 83 to Robert Pilpel, c/o American Legation,
from M. A. Leavitt of the American Joint Distribu-
tion Committee:

QUOTE ON BASIS INFORMATION AVAILABLE TO US WE
BELIEVE UNNECESSARY CONTINUE EVACUATION OF CHILDREN
FROM FRANCE TO SPAIN STOP IF YOU AND STAFF SPAIN OF
CONTRARY OPINION PLEASE ADVISE. UNQUOTE

HULL
(GLW)

WRB:MMV:KG
8/26/44

WE

HM-154
Distribution of true
reading copy by special
arrangement. (SECRET W)

Stockholm

Dated August 26, 1944

Rec'd. 2:05 p.m.

Secretary of State,
Washington.

3313, August 26, 1pm.

THE FOLLOWING MESSAGE IS FOR VAADHAH AZALAH
EMERGENCY COMMITTEE FROM RABBI WOLBE.

This is our no. 76 for WRB.

Doing everything possible for group in Belsen Bergen.
Diplomatic intervention to Admiral Horthy not possible
besides unfeasible because the group is already
in Germany. We have consulted former Hungarian
Minister here and it appears that only possibility
is to bring the group here. Immigration visas
arrangeable. We are trying to obtain emigration
permits through unofficial channels which involves
considerable expense. This project still very problemati-
cal.

We have found no way to rescue the Lithuanian
group as communication with Lithuania is impossible,
although have tried repeatedly. We will report to
you immediately when we have any news.

I am prepared to visit Baltic countries myself,
provided you can arrange permit from the Russian
Government.

..... Rabbi Shmulewitz has received 214,239 Swiss francs
and all three remittances have been distributed exactly
as instructed. Funds have been pooled and distri-
buted on group basis, including Chabad group owing
to their critical situation. Suggest that in case of
further support you specify groups like last two re-
mittances.

JOHNSON

JT

CABLE TO HARRISON, BERN, FBR MCCLELLAND FROM WAR REFUGEE BOARD

Reference your No. 4904 of July 31, 1944 and Department's No.
of _____, (WRB No. 138).

Board assumes that any work you are doing for relief of families
of the Maquis is closely coordinated with OSS and that in areas where
Army takes over our activities will cease. Foregoing is our understanding
with War Department here.

THIS IS WRB BERN CABLE NO. 147

3:05 p.m.
August 26, 1944

FHodel:jth 8/26/44

CABLE TO HARRISON, BERN, FRO McCLELLAND FROM PEHLE

For your personal and confidential information.

Special fund of \$250,000 sent to you in two installments of \$125,000 each was made available by the JDC which has been kept advised of your reports on the use of such fund. JDC approves such expenditures and the continued use of the fund for the programs mentioned by you.

THIS IS WRB CABLE TO BERN NO. 148

3:05 p.m.
August 26, 1944

FH:lab 8/25/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 26, 1944
NUMBER: 2946

SECRET

For McClelland, Bern, Switzerland,

The War Refugee Board request that the following message be delivered to Jarblum Riegner, 37 Quai Wilson, Geneva, Switzerland from Leon Kubowitzki, World Jewish Congress:

QUOTE Number 122 View persisting rumors continuation deportation Hungarian Jews consider essential substantial increase Interredcross delegates to Hungary. Concerning already deported since Hungary asserts having only delivered Jewish manpower for German factories have requested Interredcross inquire care taken by Hungarian representatives in Germany of said manpower as customary for non Jewish workers. Kindly support urgently. Convey all concerned appreciation gratitude Executive for decisive demarches Interredcross. UNQUOTE

This is WRB cable to Bern No. 143.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATE: August 26, 1944
NUMBER: 2945

SECRET

Please advise Mrs. Fanny Schultheiss-Hirsch, Comite pour le Placement de Refugies Intellectuels, 7 Rue Gautier, Geneva, representative in Switzerland of the Selfhelp of Emigres from Central Europe, Inc., New York, New York, that the Treasury Department has amended section 2 of license No. W-2137, described in the Department's telegram No. 782, March 9, 1944, to read as follows:

"The total amount of funds paid out or set up in blocked accounts or otherwise obligated under the terms of this license shall not exceed the amount of dollars (or the foreign currency equivalent thereof) authorized by specific Treasury licenses to be used under this license."

This amendment is in connection with a specific Treasury license issued to the Selfhelp of Emigres from Central Europe, Inc. to remit to Mrs. Schultheiss-Hirsch the Swiss franc equivalent of \$17,000 to be used under W-2137, in addition to remittances previously licensed. It has the approval of the Department, the War Refugee Board and the Treasury.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: August 26, 1944
NUMBER: 2947

SECRET

Please transmit the following message to Messrs. Jarblum and Riegner, 37 Quai Wilson, Geneva, from A. Leon Kubowitzki, world Jewish Congress:

QUOTE Barlas cables that Turkish consulates Budapest Bucarest Sofia instructed grant transit visas for refugees in groups of fifty enroute Palestine. UNQUOTE

THIS IS WRB CABLE TO BERN NO. 144.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: August 26, 1944
NUMBER: 2944

SECRET

FOR MCCLELLAND, BERN , SWITZERLAND.

Reference is made to Department's 2046 of June 14 and 2490 of July 21 paragraph numbered 1, and to your 4223 of July 3, section 1 paragraph 4 and section 3 paragraphs 2, 3, and 4.

While continuing to urge Swiss intervention on behalf of Anna and Rose Frumkin, entitled to treatment as Chilean nationals and eligible for exchange on this score, please also make full use of authority now vested in U. S. consul by Department's 2918 of August 24, 1944, WRB's 133, to notify Swiss authorities for transmission to Germany that American immigration visa may be issued to them as wife and daughter respectively of American citizen, upon presenting themselves at American consulate. The use of both lines of argument may possibly be effective in obtaining the release of the persons concerned from the Germans.

THIS IS WRB BERN CABLE NO. 145.

HULL

CABLE TO MINISTER HARRISON FOR McCLELLAND, BERN, SWITZERLAND

Please transmit the following message to Sternbuch:

QUOTE please request Intercross to call attention its Delegation, Hungary, to 500 children beneficiaries of Tangier visas awaiting evacuation. Names and addresses known to Genne Reichman, Tangier, and presumably to Spanish Legation, Budapest. Vaad Hahatzala Emergency Committee. UNQUOTE

THIS IS WRB CABLE TO BERN NO. 149

3:05 p.m.
August 26, 1944

BAksin:tmh 8/25/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: August 26, 1944
NUMBER: 5578

SECRET

McClelland sends the following for the attention of War Refugee Board.

It is the desire of ICRC to express to WRB and other authorities concerned in Washington its sincere thanks for the dispatch with which permission to U. S. part of CRISTINA wargo was granted and for the sympathetic support given to the Committee's proposals.

For your information ICRC has begun immediately making up fifty tons into 2½ kilo parcels hand [and?] it plans to forward within a fortnight the first shipment of approximately eleven thousand parcels to similar number of political prisoners in camps of: Hamburg, Natzweiler, Ravensbrueck, Dachau, Sachsenhausen, Buchenwald, and the Mauthausen penitentiary. The first lot will be sent to Poles, Czechs, Dutch, Greeks, Norwegians, Belgians, and French.

A strict account will be kept by ICRC of the number of parcels shipped and delivered, location and nationalities of beneficiaries and at as regular intervals as possible it will submit a report to us. With reference to the shipment from the United States of 300,000 parcels, ICRC will instruct its delegation at Gothenburg or possibly at German port to which relief parcels will have to be shipped from Gothenburg to supervise their forwarding directly to concentration camps when labeling and addressing have been completed. Technical developments in the working out of this procedure will be reported by ICRC.

The foregoing is in reference to August 23 cable No. 2897 from the Department.

HARRISON

DCR:EBH:EFR 8/28/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington .
DATE: August 26, 1944
NUMBER: 5579

SECRET

McClelland sends the following for War Refugee Board.

It was recommended by ICRC, in the course of recent conversations, that our Government in concert with the British Government indicate to the Government of Hungary its willingness to transport a certain number of Hungarian Jews whose removal is not based on possession of Palestine certificates and who do not plan to go to Palestine to some specified haven of refuge in Allied territory. It is felt by ICRC that such an offer might have a greater chance of success than the present proposals of emigration for Hungarian Jews to Palestine as it would offset German disapproval of Palestine emigration based on the alleged German wish not to endanger their good relations with Arabian Mufti. It is ICRC's opinion that such evacuation could best be effected via Rumania as a more practical and safer route than transit German-controlled territory to come to Switzerland. I feel that the proposal is worth a trial since it has definite points in its favor and it would involve Hungarian Jews who would ultimately wish to return to their country. In this regard, the Board's attention is called to Tangier's offer of five hundred entry visas.

In line with Legation's cable of August 19, number 5397 we strongly recommend that propaganda pressure on the Government of Hungary be maintained. The Government of Hungary is showing a tendency to "relax on its laurels" following its "generous" offer to permit Jews to emigrate, meanwhile passively allowing the Germans to carry out a further deportation of people who after all are Hungarian nationals. Fact such acquiescence constitutes common guilt with Germans for which the Hungarians also will be held responsible after the war. This sort would also strengthen the hand of those Hungarians of good will in the country who from the start have opposed such Jewish persecution. Use of Hungarian language pamphlets as well as radio warnings are commended by competent Hungarian circles here.

HARRISON

Paraphrase: DCR:VAG:MEM 8/28/44

AMERICAN CONSULATE GENERAL
Istanbul, Turkey, August 26, 1944.

UNRESTRICTED

SUBJECT: Acknowledging Receipt of Eleven Lists
of Hungarian Citizens Recommended for
Palestine Certificates by Jewish Rescue
Organizations in the United States.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's instruction of July 25, 1944, and previous instructions, enclosing nine lists of Hungarian citizens recommended for Palestine certificates by the World Jewish Congress, 1834 Broadway, New York 23, N.Y.

As directed in the instructions under reference, the lists have been delivered to Mr. Chaim Barlas, representative of the Palestine Agency in Istanbul. Mr. Barlas has acknowledged receipt of the lists under reference, and has requested that confirmation of delivery be forwarded to Dr. Kubowitzki of the World Jewish Congress.

An additional list, transmitted to the Consulate General in the Department's airgram No. A-55, of June 24, 1944, 12 P.M., has also been delivered to Mr. Barlas. Acknowledgment of the receipt of this list should be made to Dr. Bernstein of the Zionist Organization of America, 41 East 42nd Street, New York 17, N.Y.

A further list of names and addresses, transmitted as an enclosure to the Department's instruction of July 19, 1944, has been delivered to Mr. Leon Denenberg, representative of the International Rescue and Relief Committee in Istanbul. Confirmation of delivery of this list should be made to the International Rescue and Relief Committee, New York.

Respectfully yours,

SJS
LAS:mv

Burton Y. Barry
American Consul General

To Department in original and hectograph.

cc: Miss Chauncey (for the Sec'y), Abrahamsen, Akzin, Cohn, Drury, DuBois, Friedman, Gaston, Hedel, Laughlin, Lesser, Mannen, Marks, McCermack, Pehle, Sargey, Standish, Weinstein

AIRGRAM

FROM

Santiago, Chile

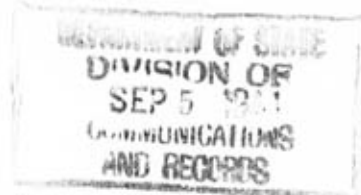
Dated August 26, 1944

Rec'd September 4, 1944

RESTRICTEDSecretary of State
Washington.

A-641, August 26

For Treasury.



Reference monetary stabilization agreement reached at Bretton Woods.

Dr. Herman Max, Technical Adviser of Chilean delegation, but who was unable to attend conference, would greatly appreciate clarification, as soon as possible, of the meaning of the underlined portion of Article XII, Section 5 (c) of Monetary agreement quoted below:

"For the purpose of all computations under this section, United States dollars shall be deemed to be of the weight and fineness in effect on July 1, 1944, adjusted for any uniform change under Article IV, Section 7, if a waiver is made under Section 8, d) of that Article."

The Embassy will be glad to pass on the reply to Dr. Max.

BOWERS

NSH:11

FMH-

AIRGRAM

London

Dated August 26, 1944

Rec'd 5 p.m., 31st

Secretary of State,
Washington.

A-1039, August 26, 1944

FOR THE SECRETARIES OF STATE AND TREASURY

The three articles in the Times on World Monetary Policies (forwarded with the Embassy's dispatch No. 17625 dated August 23) are criticised by Oscar Hobson in this morning's News Chronicle, and in today's issue of the Statist.

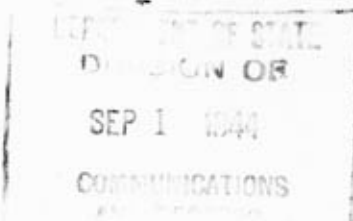
Hobson asserts that in these articles "we have almost every known economic malpractice recommended to us for adoption." He then takes Mr. Schumacher's points in turn, and concludes as follows:

"If we advertise that we are prepared to play the bad neighbour at any time that it suits us, we may be very sure that other countries will do the like. It is a pity that the 'Times' should thus darken counsel."

(Copies of this article are being transmitted by air mail).

The Statist article deals with the four points

listed



-2- #A-1039, August 26, 1944 from London

listed at the end of the first Article (Times August 21) pointing out:

1. That "domestic and international prosperity are indivisible as the experience of 1919-39 clearly demonstrated. The emphasis, if any, should -- with special reference to this country's past and future critical dependence on external trade -- be placed upon an expanding volume of international traffic of all kinds as an indispensable support of domestic prosperity."

2. The writer wonders what the Times correspondent thinks of the between the wars "free market prices" and commodity controls and their general effect.

3. The writer describes the "rigidity of modern industry" point "As an example of specious argument which it would be difficult to beat," though it is admitted "it may be doubted whether authority -- judged by the general incidence of taxation on industry -- appreciates the wastage of capital which the accelerating pace of modern technical progress imposes on manufacturing enterprise."

4. Regarding the "grouping of nations" point the Statist finds it difficult to understand just

what is

-3- #A-1039, August 26, 1944 from London

what is meant. If it means merely that "striving after universal agreement on all points should not be pressed too far and that regional or zone agreement should be welcomed faute de mieux."

The answer is "that the Bretton woods Agreement specifically provides for 'going to allotment' without one hundred per cent ratification of the Final Act."

The Statist then deals with the Balance of Trade point discussed in the second Times article. Admitting that provisions are inadequate to deal with Britain's passive balance of payments, it is pointed out that "one of the strong probabilities of the future is, surely, that we shall increase our exports of capital goods with the aid of long-term credit given by the Bank to undeveloped areas."

The third Times article is to be discussed in next week's issue of the Statist.

This week's Economist contains an article suggesting that there may be temporary usefulness in the intra-European clearing now centered in Berlin.

Tribune (the leftist weekly edited by Aneurin Bevan) reprints an article from the Nation by its

Washington

-4- #A-1039, August 26, 1944 from London

Washington correspondent, I. F. Stone, written during the Bretton Woods conference, headed by a note stating that it indicates the diversity of opinion in the U. S. on the subject.

WINANT

LCA:KAHE:1sw

BE-373

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

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

Stockholm

Dated August 26, 1944

Rec'd 3:15 a.m. 27th

Secretary of State

Washington

3326, August 25, 7 p.m.

FOR SECRETARY OF TREASURY FROM OLSEN

DEPARTMENT OF STATE

SEP 6 1944

DIVISION OF
COMMUNICATIONS & RECORDS

Had discussion today with Riksbank as to why escudo rate has been fluctuating so widely. During August the selling rate on escudos has declined progressively from 17.10 to 16.60 kroner per 100 escudos, and this week suddenly jumped back to 17 and then to 17.15. Buying rate has remained unchanged.

Riksbank stated that successive decreases in escudos selling rate were due to considerable liquidation of Swedish and Swiss escudo balances; particularly Swiss, since such balances were well above current requirements. This caused the Swiss selling rate on escudos to drop sharply, and the Swedish rate was adjusted to the Swiss rate. The sudden rise in rates this week, both in Sweden and Switzerland, was due to a series of factors.

It seems that Portugal recently has become

increasingly

-2- #3326, August 26, 7 p.m. from Stockholm
increasingly pressed for Swiss francs and Swedish kronor. Heretofore Portugal has been able to purchase Swiss francs against gold and dollars, but recently refused to continue such transactions. The Swedes have consistently refused to take either gold or dollars, as a result of which Portugal purchased kronor with Swiss francs. With its source of Swiss francs drying up, Portugal apparently tried to force the issue this week by issuing new foreign exchange regulations which in effect froze Swiss and Swedish escudo balances. This was responsible for the rise in Swiss and Swedish selling rates one escudos.

This presented two problems for the Swedes. They did not wish the Swedish banks to get stuck with their escudo balances and, further, it was definitely in Sweden's best interest to work out some basis whereby Portugal would have kronor to pay for Swedish goods and shipping services. Accordingly the Riksbank informs me that it is now negotiating with the Portuguese with a proposal of selling kronor against certain Canadian gold held by the Portuguese. This transaction is subject to the provisions that the kronor be used only for payment of Swedish goods and services and, further, that Swedish escudo balances
will be

-3- #3326, August 26, 7 p.m. from Stockholm

will be freed.

The Riksbank requests that the source of the foregoing information not be disclosed.

JOHNSON

NPL

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTEL No. 278

Information received up to 10 a.m., 26th August, 1944.

1. NAVAL

NORTHERN WATERS. Carrier-borne aircraft from the Home Fleet have attacked TIRPITZ in KAAFJORD. Battleship hit but not seriously damaged.

Convoy of 45 ships from U.K. yesterday reached North RUSSIA without loss.

HOME WATERS. On 24th/25th M.T.B.'s attacked convoy off HOOK consisting of 1 each: trawler, coaster, minesweeper and tank landing craft. 2 of the ships believed sunk and 1 damaged.

Early 26th One of H.M. Frigates and a French Destroyer and M.T.B.'s intercepted northbound convoy off CAP D'ARTIFER. 2 Coasters and 1 R-boat sunk, 2 coasters probably sunk and 2 others beached.

On 25th 1 of H.M. Minesweepers was damaged by mine off HAVRE and 1 tank landing craft damaged by mine off CHERBOURG.

BAY OF BISCAY. On 25th one of H.M. Battleships completed bombardment in support of an attack on BREST.

2. MILITARY

FRANCE. 2nd French Armoured Division reported in centre of PARIS. A U.S. Infantry Division is also just south of PARIS at CORBEIL. British and U.S. troops have made contact south of SEIN in area NEUBOURG. Further north Canadians have crossed River RISLE and troops of 6th Airborne Division have captured HONFLEUR.

SOUTHERN FRANCE. CANNES and GRASSE have been occupied. South of VALENCE U.S. forces are astride the RHONE Valley. French forces have tightened their grip on TOULON, but German resistance continues stubborn. Mopping up of MARSEILLES continues.

RUSSIA. In north Russians have captured TARTU. They have continued their southward advance towards the lower DANUBE and have surrounded not less than 12 German divisions in the area S.W. of KISHINEV.

3. AIR OPERATIONS

WESTERN FRONT. 25th. Escorted Fortresses and Liberators over GERMANY bombed 6 aircraft factories - 1270 tons; experimental stations - 715; and an oil plant at POLITZ - 345. Results everywhere good to very good, especially aircraft factories. They also bombed 5 chemical works in FRANCE and BELGIUM - 225 - with good results. Medium bombers dropped 345 tons on strong points at BREST and 100 on a fuel dump at BEAUVAIS. German casualties in action - 41, 6, 12, and 50, 0, 30 on the ground and water. Ours - 23 bombers, 16 fighters missing. Coastal Command aircraft sank a ship off BOULOGNE, destroyed an abandoned minesweeper in Bay of Biscay and set fire to 3 ships in convoy off Dutch Coast.

CZECHOSLOVAKIA. 25th. Escorted Fortresses and Liberators from Mediterranean dropped total 755 tons on four airfields and aircraft plants about 100 miles S.E. PRAGUE. Good results reported. Enemy casualties - 12, 1, 2. Ours - 4 aircraft missing.

4. HOME SECURITY

During 24 hours ending 6 a.m. 26th, 17 flying bombs plotted, all in one half hour early 25th.

SECRETOPTEL No. 279

Information received up to 10 a.m., 27th August, 1944.

1. NAVAL

This morning H.M. Destroyers and Coastal Forces attacked tank landing craft off CAP D'ANTIFER. Some enemy craft sunk. On 26th one of H.M. Destroyers captured two trawlers in Bay of BISCAY. 22 prisoners taken off and trawlers sunk.

2. MILITARY

FRANCE. An attack on BREST is meeting determined resistance. S.E. of PARIS, TROYES has been retaken and patrols are 40 miles further east. Bridgeheads have been established across SEINE at MELUN and MONTEREAU has been occupied. All resistance PARIS now ceased. ST. DENIS cleared and our patrols in contact with Germans at LEBOURGET Aerodrome. German counter attacks against U.S. bridgehead MANTES repulsed. On 2nd Army front VERNON occupied and bridgehead across SEINE firmly established. One bridge completed. On Canadian Army front SEINE has been forced east of ELBEUF where German Ferry captured intact. Below ELBEUF Germans still hold the west bank of SEINE. We have reached general line River RISLE and PONT AUDEMER has been occupied.

SOUTHERN FRANCE. Our advance continues eastwards in area CANNES and GRASSE. In RHONE Valley north of MONTE LIMAR U.S. Division was attacked by German force estimated 1½ divisions with some armour. U.S. troops moving against this force have reached CAVAILLON, CARPENTRAS and AVIGNON. Clearance in MARSEILLE and TULON reported progressing slowly but surely. Advanced French elements have entered TARASCON and ARLES.

RUSSIA. Russians have made further progress north and west of TARTU and repulsed attacks N.E. of WARSAW. They have captured ADJUD and are established along DANUBE from PRUTH confluence to the sea.

3. AIR OPERATIONS

WESTERN FRONT. 25th/26th. Bomber Command sent out 1,269 aircraft (26 missing) - 413 Russelsheim armoured vehicle and M.T. works - 1475 tons. Target area well marked and attack well concentrated. 3 enemy aircraft claimed destroyed. 334 BREST, batteries and strong points 1133 tons; 197 DARMSTADT 556 tons. 168 Diversionary sweep. Other tasks 157. In addition, 98 A.E.A.F. Bombers attacked enemy movement and railways N.E. France.

26th. 974 escorted U.S. heavy bombers sent out (10 missing) - 588 oil plants and storage and nitrogen plant Germany 801 tons; 158 batteries BREST 316 tons; 123 other targets 289 tons; remainder made no attacks. Escorting and other U.S. fighters (10 missing) destroyed 51 locomotives and 223 rolling stock units. 1258 A.E.A.F. aircraft (9 missing) dropped 683 tons on motor transport concentrations ROUEN area, fuel dumps and oil storage, destroyed 94 motor vehicles and set on fire a 5,000 ton ship near ROUEN. 26th/27th. Bomber Command sent out 821 aircraft (26 missing) KIEL 382, KOENIGSBERG 174, Diversionary sweep 105, other tasks 170.

ITALY & SOUTHERN FRANCE. 24th/25th. Bombers dropped 169 tons on BOLOGNA Railway centre. 25th. 1196 aircraft attacked communications, etc. 26th. 170 heavy bombers dropped 422 tons on communications ITALY.

YUGOSLAVIA. Heavy bombers dropped 143 tons on railway viaduct BOROVNICA.

RUMANIA. 26th. 293 heavy bombers dropped 482 tons on troop concentrations, an airfield and a train ferry BUCHAREST area.

4. HOME SECURITY

During 24 hours ending 6 a.m. 27th 4 flying bombs plotted. None reached London.