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March 3, 1944
11:15 a.m.

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HMJr: Hello.

Harold
Steele: Good morning, sir.

HMJr: Hello.

S: How are you this morning?

HMJr: I'm fine.

S: You did very well last night.

HMJr: I missed you. I inquired for you in the afternoon and in the evening, because I wanted to tell you how much I appreciated your getting me the time.

S: Well, I'll tell you, Mr. Secretary, I'll do better than that next time. I ran into some snags which I've gotten settled with management. I -- I finally got Miller McClintock of Mutual down in Mexico....

HMJr: Yes.

S:on the phone and his Sophomore Team up here -- after he gave instructions to carry us, they trumped up a lot of reasons why we shouldn't -- why they shouldn't join the Blue.

HMJr: Yes.

S: And my feeling was that in view of the fact that -- of the job we've got to do on the next loan coming up with radio, I didn't want to make any issues at this time.

HMJr: Yes.

S: And, of course, what we did last night -- I don't know whether Paul told you, but we put quite a lot of other stations on Blue Network last night....

HMJr: No, I didn't know that.

S:in various parts of the country. So we....

HMJr: Yeah.

S: I was sure that we were going to have good coverage and I had to let it go at that. I wanted to get over there very badly and I did listen to the show.

HMJr: Yeah.

S: And I think you did a wonderful job. I really was really proud of it.

HMJr: I'll be curious to know how the Coca Cola people liked it.

S: Well, I'll tell you, I'm -- I don't know whether Mr. Woodruff heard it or not.

HMJr: Yes.

S: He may have been on the train. As a matter of fact, I'm going to talk to him, but I'm -- at noon -- and I'll find out.

HMJr: You find out.

S: You can depend on this, that if he was home or where he could listen, he would have.

HMJr: Well, I'm writing him a letter today thanking him.

S: Well, that's fine.

HMJr: And we gave him a little boost there in "the pause that refreshes".

S: I thought that was very nice. (Laughs)

HMJr: But I -- I know that if it hadn't been for you I wouldn't have had any time.

S: Well, look, I'm going to get it straightened out. I -- I'm -- one of the reasons that I didn't press it any harder, to tell you the truth, because -- on this other network thing -- was because I....

HMJr: Oh.

S: I was so mad about it, I felt that if I went and talked to some of these people the way I might have been inclined to under the circumstances, that it

S:
Cont'd. might have hurt our position instead of help it
for future things.

HMJr: Yeah.

S: So, I stayed away from them.

HMJr: Okay. Who was at fault that none of the newspapers
carried it at all? Whose fault was that?

S: Well....

HMJr: Is that....

S:I don't know. I thought that that -- Blue, you
see, in a lot of towns around the country -- they
got the listing in.

HMJr: Yeah.

S: That I know. Their publicity department worked
on it.

HMJr: But take it like....

S: It was just one of those things -- the next time
we have one of these, I've got -- got it all set
with Steve Hannegan to help us on that and send
releases out just like we do on our regular radio
shows.

HMJr: Yes, but was it -- is that here in the War Bonds --
War Finance in Washington?

S: Sir?

HMJr: Should they have done that job?

S: Yes, I think they should have.

HMJr: Yeah. Well, I was just curious. Well, anyway,
many thanks for what you did and I -- when you
come to Washington, be sure and let me know. I
want to see you.

S: I will. I want to have an opportunity to sit down
and talk to you about our next plans....

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HMJr: Yeah.

S:and see if we can't get some of these networks straightened out on what our position is. See?

HMJr: Good.

S: And I'm sure we can. I'm sure that it will all be all right. And I'm sure that they'll continue to do an excellent job for us, but I want them to do a little bit better.

HMJr: Yes. Well, I got another idea last night and I've talked to some of the boys. I'd like to do a show and tell the people -- make a report to 136 million stockholders where their money goes.

S: Wonderful.

HMJr: See?

S: Wonderful.

HMJr: And do a dramatic show and tell them -- report to the stockholders where their money goes.

S: Uh huh.

HMJr: And I -- I'd like your help on that.

S: Fine.

HMJr: What do you think of it?

S: I think that's an excellent idea.

HMJr: It's never been done and I think it should be done.

S: That's right.

HMJr: And....

S: I think that's an excellent approach to it.

HMJr: Well, would you....

S: And when we do that one, I -- I want to see that you get four networks on that, or at least three.

HMJr: Well, you think about it. I'll be ready in a couple of weeks.

S: Okay. Fine.

HMJr: All right.

S: Well, it's nice to talk to you and I want you to know again you did a marvelous job.

HMJr: Right.

S: I'm star -- I'm proud of our star actor, you know.

HMJr: All right.

S: (Laughs)

HMJr: Thank you.

S: All right.

HMJr: Good bye.

S: Good bye.

March 3, 1944
12:30 p.m.

GROUP

Present: Mr. Bell
Mr. Haas
Mr. Sullivan
Mr. Gaston
Mr. Thompson
Mr. Blough
Mr. Paul
Mr. Smith
Mr. Gamble
Mrs. Klotz
Mr. White

H.M.JR: I will allow fifteen minutes.

I went up on the Hill and saw Doughton.

MR. PAUL: Are we going to talk much about taxes on this?

H.M.JR: Excuse me?

MR. PAUL: If this is on taxes, we ought to get Stanley, too.

H.M.JR: You will have to refer it to him. I haven't allowed enough time. There is nothing, anyway, but what you can refer it.

Well, in the first place he was very cordial. That is important. He doesn't know whether they are going to do anything on administrative changes, or not, other than just simplification, and so forth and so on.

MR. BLOUGH: This is Mr. Doughton?

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H.M.JR: Yes. So I don't know - then of course he said - the trouble was, he asked me whether the President was going to do anything about additional revenue, and I said, "Well, I think he kind of had it in mind."

(Mr. White enters the conference)

H.M.JR: This report, Harry, is on my trip up on the Hill.

And he said, "Well, the trouble is, we can't get any additional revenue because the Treasury has shut us off from all avenues to get additional revenue."

I said, "What do you mean?"

He said, "The sales tax."

I said, "That isn't exactly true, Mr. Doughton; after all, if you want to attempt to set a sales tax - food, clothing, doctor bills, and this and that, you will get about eight hundred million dollars."

Isn't that about right?

MR. PAUL: That is right.

H.M.JR: So I said, "There are other things, if you would be interested in discussing them - if we could discuss them with the Democratic Members - such as the spendings tax, but I don't want to start talking about it except among the Democratic Members, and if we can do the thing without its getting in the papers."

He said, "Why doesn't the Administration have a bill prepared and send it up here, and let some friend of the Administration introduce it, and we will vote on it yes or no. If the Committee doesn't want to vote on it, you couldn't have it reported out."

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So I said, "Well, Mr. Doughton, as long as I am in the Treasury I am going to work through the Chairman of the Ways and Means, and nobody else."

"Well, if that is the way you want it, all right." He was grinning all over. It was sort of a trap for me.

Then I don't know how we got into it, but I said that we might get together - George and he - to talk things over and see what we are going to do.

He liked it, and would I take it up with George. If he would come, he would bring Cooper and Disney. He suggested George. I went in to see George. Everything was very pleasant.

George said, "You don't look as though you have had a heart attack."

I said, "I don't believe everything that Pearson says." (Laughter)

So he said, "No, you can't believe him."

I said, "I don't."

This kind of stiffness which he has had with me for the last two or three months is gone. He wasn't the school teacher with me, and he had nothing in mind. He didn't know what was going on, so I broached this idea of having a meeting to see where we were going to go.

I said, "I am a Democrat and I, for one, am not going to be part or parcel of any tax measure at this time that isn't a Democratic measure and hasn't the approval of both the Congress and the President. If not, I don't want anything to do with it."

He said, "That is right. In election year we can't take anything more."

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I said, "Can't we talk it over and see where we can get?" And he said, "Well, we would like to do it."

Then, to my surprise, he said, "I would kind of like to bring Bob LaFollette, Barkley, and Walsh."

I said, "This is going to be Democratic."

He said, "That is all right; I think LaFollette will be all right, but I think it would be important to get Barkley."

Well, to show you the importance he attached to it, he said, "I will ask Barkley to adjourn the Senate for two days so we can have this meeting. He can adjourn it on Tuesday, over until Thursday, if necessary."

So I said, "I thought we would do this thing quietly."

MR. GASTON: Well, the point is, there are not enough Senators here to do any business at all, and won't be for sometime to come.

H.M. JR: Anyway, I said, "Where would you like to have it?"

He said, "I would like to have it in your office."

Then I brought up the question of discussing revenue and he said he would be glad to.

It is tentatively set for three o'clock Tuesday. Would you (Mrs. Klotz) make a note of that?

I don't think he is pulling the wool over my eyes - maybe he is. But I know he hasn't been very friendly, but he was this morning.

The talk I had with you (Paul) was useful because, for instance, he said, "I hear you are going to have another War Loan."

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I said, "Yes, and it is difficult finding the date."

He said, "That is right - these two party conventions coming along make it sort of difficult."

"Well," I said, "do you think it makes any difference, Senator?"

He said, "Certainly the Democrats won't last more than two or three days in Chicago. The Republicans might, but the longest they could stay at convention would be for ten days."

So I thought it was a very good trip on the Hill.

I met Pepper in the hall. He was most affable. All he is thinking about is politics. He hopes that Hannegan will take a part on the Hill.

He said when they went to debating this question of subsidies the other day in the Senate that there was no organization. He said George made this attack and nobody was ready. Nobody gets around; nobody organizes the Democrats; nobody says who should say what. He said it was complete chaos.

He said, "It is to be hoped that Hannegan would take some part." He said that nobody ever calls you up on the telephone and asks you to vote this way. They don't do anything, which is true.

He said, "Walker is a lovely fellow, but never works at the job. It is about time somebody pulled us together."

I said I thought that Hannegan had something like that in mind, and I hoped he did; if not, that Sullivan might.

MR. SULLIVAN: I will talk to Bob when he gets back.

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H.M. JR: He (Sullivan) doesn't even bat an eye!

MR. BELL: Taking it for granted.

H.M. JR: Don't you worry. That isn't the way we treat Senators around here.

Well, very briefly - I said, "Am I to do anything?"

He said, "No, I will see Barkley and talk with Doughton, and give you a telephone call."

MR. PAUL: Is it possible to make that any day but Tuesday?

H.M. JR: He was very insistent. No, I told him he could make it any time - any day next week. That is the way I left it.

MR. PAUL: It was fixed for Tuesday, tentatively, wasn't it?

H.M. JR: Yes. Have you got a dentist appointment, or something?

MR. PAUL: Yes, I have a dentist appointment, and I have a lecture at the Law Institute Tuesday night.

H.M. JR: I think it would be a mistake, because I made this big broad gesture. Don't you think so, Herbert? I said, "You fix the time and I will be there."

MR. GASTON: Yes.

H.M. JR: I don't see how--

MR. WHITE: Is it your thought you will have something positive in the way of suggestions at that time, or merely have a meeting without--

H.M. JR: No, particularly on the spendings tax I want something.

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MR. WHITE: Did you mention the spendings tax to George as well as Doughton?

H.M.JR: Yes.

MRS. KLOTZ: Was that three o'clock?

H.M.JR: Yes. I made it two or three times. He had a meeting - a luncheon with Bowles.

MR. PAUL: Maybe I could get a plane at five-thirty or six.

H.M.JR: It can be arranged - ask Fitz.

Bowles is having him for lunch Wednesday, and everything has to revolve around that.

Well, that is that. I just wanted to tell you.

MR. WHITE: Do you think in this "new chapter" that you want to start out with the kind of tax that you think is most hopeful - I mean, it would be fortunate if something could emerge from this, and unfortunate if it were a dud.

H.M.JR: I am going on the theory it will be a dud, anyway, Harry.

MR. SULLIVAN: Everything to gain and nothing to lose.

MR. GASTON: Might get a simplification bill.

MR. PAUL: Well, that is going along pretty well.

H.M.JR: But this question of administrative changes, they don't seem to know.

MR. PAUL: You see, what I am afraid of is--

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H.M.JR: Harry, I am very sincere. I am not going to be part or parcel of anything unless the White House and the Congress and the Treasury can get together. I am not going through another fight.

MR. SULLIVAN: I think it would be bad for the country to try it unless it would be sure fire.

MR. WHITE: That is why I think it might be better, instead of presenting just one tax, which would appear as though that is what you are going to push, to have several possibilities.

H.M.JR: Well, he even thought first that George and Doughton and I should get together, then there would be another meeting.

MR. WHITE: I see. It may be better, then, not to come up with the spendings tax, and see what their ideas were.

MR. GASTON: It might be a good idea to talk about the mechanics of working together.

H.M.JR: I think that is about as far as we will get.

MR. BLOUGH: I would leave the spendings tax out of the discussion, myself.

H.M.JR: I thought I would have another meeting with you fellows Monday and we would talk about it.

I would like to stop now, and I would like to have Bell, and Ted, and Fred Smith, and Gaston stay, please.

MR. PAUL: May I say one thing? One of the things I am afraid of about this simplification is that they will add a lot of administrative riders on it, and then put the President in the hole that - "We will give you the simplification and you have to take the riders." That is far ahead, but--

March 3, 1944
12:45 p.m.

SECRETARY'S MARCH 2 BROADCAST

Present: Mr. Bell
Mr. Gaston
Mr. Gamble
Mr. Smith
Mrs. Klotz

H.M.JR: Now, would you, Mr. Gamble, tell me what you have found out since you got back yesterday, why it was kept such a secret that I went on the air last night?

MR. GAMBLE: I will tell you all I know about it, Mr. Secretary. We had a meeting this morning, and Fred came over to it. I invited him over to the meeting to let these people report on what they had done.

In behalf of Mr. Coyne, I want to say that he did a swell job.

MR. SMITH: He did.

MR. GAMBLE: He did everything that was suggested and more, and I have all the evidence here of contacts that he made with the field, wires back from the field about what they were doing, and trying to place it with their own papers.

Without appearing to alibi any of our people, because I think that I was even more critical of them than you were when you talked to me, I must say that one thing that hurt this a little bit was that they didn't know definitely about it until Tuesday evening. Now, I am not saying that as an alibi, because I think they still knew it was coming up; and if it wasn't on that date, it would be another date, and they could have a number of things scheduled which they did not.

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H.M.JR: Is that right?

MR. SMITH: We didn't have it to the point where we could send out anything. We had a lot of stuff ready to send out, minus a date.

MR. GAMBLE: That means that the routine things that they would have done and did do were not effective.

H.M.JR: The date didn't come through until Tuesday evening.

MR. SMITH: The date was not finally set--I mean, enough so that we could run the risk of sending out that it would be nine-thirty on Tuesday night, or Thursday night, rather, until Tuesday night.

MR. GAMBLE: That slowed them up, Mr. Secretary.

H.M.JR: Did anything go out Tuesday night?

MR. GAMBLE: Yes, sir, Wednesday morning at nine o'clock they went to the field. There is one thing I am sure of, that so far as the War Finance people all over the country are concerned, that was thoroughly followed through from all of the information and wires that have gone out and come in from the field. Do you want to look at all of it?

H.M.JR: I mean, even Tuesday--

MR. GAMBLE: Let me give you the criticism. I think that on Wednesday that Lane shop could have made some special contacts. It wouldn't have helped them to send wires or correspondence to city editors, because the way these radio timetables and pages are made up it would have required special calls to the editors of papers or to some contact on a paper that they had or knew. They could have done that, but didn't do it. For example, Lane could have called Burgess, particularly, and asked Burgess to go see him, and they could have done the same thing here.

One of our people did contact the Washington papers, and of the three, they succeeded in getting something in

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the Washington Star. They made the same party contact that was assigned to the other papers and was unsuccessful. Now, they got a special announcement on the air yesterday-- there was one program, Little Jack Little, of ninety stations that carried a special announcement.

H.M.JR: Over what hookup?

MR. GAMBLE: I believe it is Mutual. It is on the front page there, Mr. Secretary.

H.M.JR: Of course, there was nothing in the papers either, you see.

MR. GAMBLE: They did a routine job, but not a job they can be complimented for.

H.M.JR: I would say they did an inept job.

MR. GAMBLE: I agree with that, sir. But I think you ought to know that the things they did normally would have been effective, but the time element defeated it from being effective. Coyne did a top job with respect to these invitations to these people. Now, when he got confirmation back from Miss Heller about her being there at nine o'clock, he confirmed that with Dudley, and that was the time he was told to have her there.

H.M.JR: That was at eight?

MR. GAMBLE: The correspondence is all in there. He confirmed that back to Dudley as to when she would be there. But Coyne did a top job.

H.M.JR: Here, for instance, Columbia, South Carolina says they didn't get the telegram.

MR. GAMBLE: He said he got it in the morning. You don't get them, you know.

H.M.JR: I don't agree with you that Coyne did a good job. He sent a routine telegram.

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MR. GAMBLE: There are four messages there, Mr. Secretary, and they sent this special release out.

H.M.JR: I don't agree with you that he did a good job. The answer is, it was ineffective; I don't care what he sent. A night letter March 1--I went on the air March 2.

MR. GAMBLE: Mr. Secretary, the point is that Coyne had this for Tuesday night. I don't want you to confuse the criticism of Coyne and the War Finance; the Press and Radio shop, I think, were guilty of not doing a good job. But Coyne did a good job with his contacts with the people in the field. I don't want you to confuse the two.

MR. SMITH: He did a good job in getting us the people and getting the stories from them. He did that.

MR. GAMBLE: Correspondence here that he has had with these people--he talked to them on the phone, and got the messages sent to them.

H.M.JR: I have had very little contact with Coyne, so I don't know, but my contact on three different trips with Lane is that he is not a big enough man.

MR. GAMBLE: Lane is on trial, Mr. Secretary. I am not defending him. Fred said this morning in listening to me criticize these people--I don't want to appear to be defending Lane. But, one, it was so late that things that would normally have been effective were not effective; two, that Coyne himself did a good job. Really, he lined up all these people to go on the program. He made the contacts with all of the folks out in the field. He had exchanges of correspondence with a number of our people on it. His job is not to get publicity; that is Lane's job. Lane did not do a good job.

H.M.JR: I have yet to see Lane do a good job.

MR. GAMBLE: I was pleased with the Bridgeport and Cincinnati operations, Mr. Secretary, looking over them. Of course, I don't know what his contacts were.

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H.M.JR: After all, Lane's job, when he was in business, was to get publicity for "We, The People." And if anybody should know anything, he should. That was his job, to get radio publicity.

MR. GAMBLE: That is right.

H.M.JR: Listen, Ted, if I were here and doing it for the President, would I see he got into the newspapers? If you were here, would you have gotten it in?

MR. GAMBLE: That is exactly what I said to these people this morning, Mr. Secretary. I am not defending them for not having done a better job.

H.M.JR: Well, look your organization over, see.

I don't know whether Fred has told you, but he has certain feelings about what they tried to do to him while I was gone. Has he told you about it?

MR. GAMBLE: Yes. I think he is cleared up on that.

H.M.JR: Are you?

MR. SMITH: Yes, we are cleared up on it to some extent. I think that will be cleaned up. I think that when that Radio Division gets re-organized all that will get straightened out.

MR. GAMBLE: We have fired about half of the people we have over there, Mr. Secretary, in the last two weeks, and we are re-organizing the whole shop. It needed it badly. I had to take care of most of the radio business myself during the last drive. I was happy about the results, but not about having to do it.

H.M.JR: The thing I wanted to hear--the main thing is, the thing was a great success. I think the broadcast itself was satisfactory. I don't know how you felt, Herbert.

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MR. GASTON: Yes, I thought it was good.

H.M.JR: Did you hear it?

MR. BELL: Yes.

H.M.JR: It is unfortunate that we couldn't, after having gone through so much trouble to get a maximum audience--having it as late as Tuesday is difficult, but after all, we work under difficulties. We got no help from OWI.

MR. GAMBLE: That is when a fellow has an opportunity to show that he is on top of the job.

H.M.JR: I don't think we got any help from the Radio Section over there, the Advertising Section, that is, as far as I know. But instead of my sending for the people as I normally do and giving them hell, I will let you do it.

MR. GAMBLE: I gave them hell this morning in Fred's presence. I told them they had done a second-rate job, Mr. Secretary. But I think in fairness to everybody, in addition to the lateness of the notice, there is one thing you ought to know that I haven't mentioned, but which is obvious. We are re-organizing that shop over there. We only have two people today that you could say were identified with the radio shop, and one of those is away, so we really had one fellow.

MR. BELL: What was the coverage?

MR. GAMELE: We had good coverage on the broadcast itself this morning. Have you seen the morning papers?

MR. SMITH: The local papers?

MR. GAMBLE: I thought the New York Times was very good this morning. I think as a result of all the work--while it was late, it will probably result in getting good coverage after it is over.

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MR. SMITH: That is why you never waste anything trying to--

MR. BELL: It didn't seem to me that the broadcast lent itself very well to publicity after it was over, that is, the next morning, just figures, that is all. You were on a program that is generally listened to by a lot of people. You are almost bound to get your audience.

MR. SMITH: If they will stay with it, that is all; that is our trouble. It is a jazz band operation.

MR. BELL: Publicity isn't going to do that. You have to get their interest right at the start.

H.M.JR: Well, that is that, and that is finished, you see. The people who actually worked with me on the program at that end--everything went well, see, but naturally a person is disappointed. You had such a good story, and you would like to have as many people know about it as possible.

MR. GAMBIE: There are two things I would like to mention. When I went away, I turned Lane over to Smith, and I told Fred that he could direct Lane in any manner he saw fit with respect to this program. Secondly, Fred and I agreed this morning that we would get one person whose sole responsibility it will be to follow all of these matters any time in connection with your appearance, either on the air or off.

H.M.JR: We have talked about that ever since I have been here.

MR. GAMBIE: Of course, we get a little bit confused on it. I mean by that we think that between Fred and his people and the use of our people that maybe we have a make-shift operation that will do it. It hasn't worked, Mr. Secretary. I think the answer to it now is to get one person in our shop who will be solely responsible for that.

MR. SMITH: I agree with that a hundred percent.

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H.M.JR: For the three or four broadcasts I make?

MR. GAMBLE: I think they are important.

MR. SMITH: There is a lot of in-between stuff.

MR. GAMBLE: We have a series of programs now we are going to suggest to you.

H.M.JR: If you get them, it will be wonderful.

MR. GAMBLE: We are going to get them. There is no point in these things not being done. Our people do too much good work for them to get blanket criticism for a bad job, and this is a bad job.

MR. GASTON: The essential difficulty here was the decision, the time. There just wasn't time to publicize this properly; that is the main trouble.

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

O.K.

March 3, 1944
3:15 p.m.

JEWISH EVACUATION

Present: Mr. Pehle
Mrs. Klotz

H.M. JR: Before Cabinet I talked with Stettinius and Stettinius said that Myron Taylor was very angry about the appointment of the President's War Refugee Board and had written the President a memorandum complaining bitterly about it, and did I think that I could get word to the President that he should do nothing about it until I had a chance to talk to him.

Did you know that that is what was bothering Stettinius? He didn't tell you that, did he?

MR. PEHLE: He told me before the meeting over at State, over the telephone, that Taylor was going to be obstreperous, and it wouldn't be an easy meeting, but that he was going to take the same line that we had thought of - what we have done in five weeks, and that the only considerations that are important are how we can best move this thing forward.

H.M. JR: Well, he said Taylor is angry because he has taken a great deal of pride in this thing, and now we come along and really get things started. It has hurt his pride.

Then I said something to him, "I hear you are doing such fine work and we appreciate it so much."

He said, "Well, I was upset yesterday. When this Pell made these objections, I told him that you, Morgenthau, would be very much upset over it.

In other words, he was using me, so I made no comment.

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I said that I was glad he handled it the way he did, because he wanted to be sure I knew what he was talking about.

Nobody brought it up in Cabinet, but I stayed behind and went in to see Miss Tully and dictated a little note to her, that if such a memorandum came through, would she please put a red tag on it and see that the President did nothing about it until Stettinius and I had a chance to talk.

Stettinius naturally was embarrassed to speak about it on account of his former business connections with Myron Taylor. Then I also said to Stettinius, "Do you think it would do any good if I talked to Henry Hooker?"

He didn't seem to quite get that.

I said, "Well, you know Henry Hooker."

He said, "I don't think it would."

I am not sure that he is right. Henry Hooker lives at the White House all the time, and he is the man who gets the appointments for Myron Taylor, because I have heard him do it, and he does it through Mrs. Roosevelt.

(Discussion off the record)

Well, anyway, so Miss Tully said she would.

Then she said, "How are you getting along?"

I said, "Fine - wonderful."

He asked whether Pehle is still Acting. I said yes.

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I said I didn't think I would talk to the President for a little while longer yet. I said, "We are getting O'Dwyer from Brooklyn, to help us."

He said, "You are? How did you do that? The President wanted him to do a special job for him."

I said, "I think we got it right through the President's office." I said, "I don't know anything about it."

MR. PEHLE: That was the special job, wasn't it?

H.M.JR: Have you got him?

MR. PEHLE: McCloy says we have.

H.M.JR: O.K.

MR. PEHLE: Can I tell you one or two things?

H.M.JR: All right.

MR. PEHLE: Admiral Land sent out a cable last night assigning their man who is in Cairo in charge of all War Shipping Administration's foreign operations to go to Ankara to help Hirschmann on this thing.

H.M.JR: What is his name?

MR. PEHLE: Black.

H.M.JR: Can I interrupt you? I said to Stettinius, "This trouble we are having with Turkey, would that hurt any other movement of refugees?"

He said, "Definitely, it is going to hurt."

MR. PEHLE: Yes, I was worried about that.

H.M.JR: What else?

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MR. PEHLE: The other thing is that Stettinius wrote me a note awhile ago saying he had done a little preliminary work on this thing before the Board was set up. He had asked Hayden Raynor, who is a very good man, incidentally, to get the stuff together and send it over.

H.M.JR: That is his assistant?

MR. PEHLE: Yes, he brought him with him.

Raynor sent it over today. It is a book. We are having some copies made. He emphasizes that that is Raynor's work, and recommends it, as to what can be done in the refugee field.

They have some very strong stuff in there - powerful things. They go this far: They suggest we ask Germany to let some refugees out, and so forth. If requests do not work, they would go so far as to tell Germany we wouldn't bomb this city, or that, if they will let some refugees out.

H.M.JR: This fellow Raynor is from U.S. Steel?

MR. PEHLE: I don't know whether he came from U.S. Steel or not.

H.M.JR: Find out. He is not a Jew?

MR. PEHLE: No.

H.M.JR: You know I warned you that there would be trouble with Taylor, and I also warned you that Stettinius wouldn't want to handle him.

MR. PEHLE: Yes, I gathered that. You say that you should take it up with the President. Stettinius is the guy.

H.M.JR: Didn't I tell you that, and you kind of brushed me off - well, pooh-pooed. Do you remember? I said, "There will be trouble there."

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MR. PEHLE: Yes.

H.M.JR: All this maneuvering - I couldn't get what you were talking about - was that Stettinius is scared that I think he will be influenced by Myron Taylor. Now I understand. I couldn't make head or tail out of it when he went over there.

MR. PEHLE: It was difficult.

H.M.JR: Then when he told me that there was this memorandum that Taylor had written--

MR. PEHLE: What has that got to do with Pell?

H.M.JR: Nothing, but there is this memorandum, and as usual, when it gets dirty - and don't forget this, as nice a fellow as Stettinius is, I know Stettinius, and when it gets tough, he won't handle it; he never has.

MR. PEHLE: So far, he has been very good.

H.M.JR: All right. Mr. Hull has been all right, but when he goes up against Myron Taylor - God knows, I hope I am wrong, but from the experience I have had, I have never seen Stettinius handle a disagreeable thing. But let's give him the benefit of the doubt.

MR. PEHLE: And Stimson?

H.M.JR: Oh, that is what I sent for you for. Stimson will be delighted to see you. You should call him up at once and refresh his memory, as usual, and try to hand him this thing. (Hands Mr. Pehle copy of "Declaration by the President of the United States," attached) He didn't want it, but he said he would see you this afternoon or tomorrow.

MR. PEHLE: If I can see him - it isn't essential I be here at this entourage at four o'clock, is it?

H.M.JR: No, young fellow, but don't get "sneery" at it!

MR. PEHLE: No, but I am sure they won't miss me.

DECLARATION BY THE PRESIDENT OF THE UNITED STATES.

One of the blackest crimes in history, the systematic murder of the Jews of Europe, continues unabated.

The Nazi leaders have made it clear that they have not abandoned the plan to exterminate all the Jews within their grasp. More than two million men, women and children already have been put to death solely because they were Jews.

The world will not forget the Japanese torture of our soldiers nor the slaughters of Lidice, Kharkov and Nanking. The world will not forget the murder of the Jews.

Our youth is fighting and dying on the battlefronts to make a world in which tyranny and barbarity can not exist; a world based upon freedom, equality, and justice; a world in which all persons regardless of race, color or creed may live in peace, honor and dignity.

It is, therefore, fitting that we should again proclaim our determination that none who participate in such acts of savagery shall go unpunished. The United Nations have made it clear that they will pursue the guilty and deliver them up in order that justice be done. Let that warning now be repeated so that no one shall fail to hear and understand. Let it be clearly understood that this applies not only to the leaders but also to their functionaries and subordinates, whether they be in Germany or in the satellite countries. He who takes part in the deportation of Jews to their death in Poland is equally guilty with the executioner. All who share the guilt shall share the punishment.

The Hitlerite forces are committing these crimes against humanity in the name of the German people. Let every German and every man everywhere under Nazi domination by his actions demonstrate to the world that in his heart he does not share these insane desires. Let him hide these victims, help them to get over the borders, and do what he can to save them from the Nazi hangman. Let him also keep watch, and record the evidence that can one day soon be used to convict the guilty and acquit the innocent.

In the meantime, and until the victory that is now assured is won, we shall persevere in our efforts to rescue the victims of Hitler's brutality. In so far as the necessities of military operations permit, this Government will use all means at its command to aid the escape of Jews and other intended victims of the Nazi executioner. We call upon all the peoples of

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Europe to lend assistance to this task. We call upon the free peoples of Europe to open their frontiers to the victims of oppression. We shall find havens of refuge for them, and we shall find the means to assure their maintenance and support until the tyrant is driven from their homelands.

In the name of justice and humanity let all freedom loving nations rally to this righteous undertaking.

March 3, 1944
3:27 p.m.

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HMJr: Hello. Hello.

Operator: There you are, sir.

Edward R.
Stettinius: Henry.

HMJr: Yes, Ed.

S: On that matter that we were talking about
Myron Taylor.

HMJr: Yes.

S: He has made the statement to the President....

HMJr: Yes.

S:that he was informed that Morgenthau
called Stettinius and raised certain questions
with him relative to the substance of the
discussions. So, I just wanted to have an
understanding with you that you and I had
talked about it.

HMJr: (Laughs) Wait a minute. You -- you've got to
straighten me out again. What -- what -- what --
what do I have to know now?

S: If the President raises with you -- have you
talked to -- have you -- have you quizzed
Stettinius as to what occurred....

HMJr: Yes.

S:between Pehle and--the other day when he
was here....

HMJr: Yes.

S:which -- at a meeting and which Myron Taylor
attended,....

HMJr: Yes.

S:have you discussed the matter with
Stettinius....

HMJr: Yes.

S:and certain attitude of certain employees of the State Department?

HMJr: Yes.

S: I just want to understand you -- that you did raise that question with me.

HMJr: I get you. Because you've -- Taylor told that to the President?

S: Yeah. In other words, Taylor has told the President that you -- that he understands that you have called me and raised certain questions relative to the attitude of the State Department.

HMJr: I see. Now, let me see if I got this straight. What happened, evidently, you told Pell and these people I'd be very much upset -- is that right?

S: Yeah. That's right.

HMJr: And now....

S: I just want you to back me up on that.

HMJr: I'm upset?

S: Yeah.

HMJr: Is that right?

S: That's right.

HMJr: Have I got it now?

S: That's all there is to it. And you told me that.

HMJr: I told you that?

S: Yeah.

HMJr: Now, I have put a red flag already, on that thing. That's what I was seeing Grace about.

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S: Yes.

HMJr: See?

S: All right.

HMJr: And it evidently -- are you sure that he's -- has he already gotten to the President?

S: No, he sent a memorandum this morning.

HMJr: Well, he hasn't got it yet.

S: All right. Okay.

HMJr: Now, between us, there'll be a red flag on it.

S: All right, Henry.

HMJr: All right?

S: Thank you.

HMJr: All right.

March 3, 1944
3:45 p.m.

RE: FREEZING OF ARGENTINA

Present: Mr. Bell
Mr. Paul
Mr. White
Mr. Pehle
Mr. Luxford
Mr. Schmidt
Mrs. Klotz

H.M.JR: Hello, delegation.

MR. LUXFORD: How do you do?

H.M.JR: Get this thing now. Stettinius just called me up and said that Myron Taylor has told the President I am very much excited and am complaining about what happened at that meeting the other day, and if the President asks me about it the answer is to say, "Yes, Stettinius talked to me about it."

I said, "Now, wait a minute. Will you go through this thing once more?" He went through it once more. I said, "The way I take it is, you said that I was excited and told that to Taylor. Taylor repeated it to the President, and I am to say the conversation took place between us."

He said, "That is right."

MRS. KLOTZ: I gathered what he wanted you to say was that you were so mad you talked to Stettinius, you see.

MR. PEHLE: It is very foggy.

H.M.JR: So I said, "Well, has a memorandum gone forward?"

He said, "Yes, Myron Taylor has written to the President this morning."

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So I said, "Well, I have a red flag out on it."

MR. LUXFORD: You certainly were entitled to call Stettinius and complain about that meeting.

H.M.JR: Evidently what Stettinius must have done was simply to say that I had talked and he had talked and I was much excited.

MR. PEHLE: Stettinius told Pell, and Pell and Myron Taylor are very close. Pell was Myron Taylor's selection as alternate.

H.M.JR: Let me just tell you this, what happened at Cabinet. You men may know this, or you may not. They have sent a battleship down to Montevideo. The Admiral of the South Atlantic Fleet is going, Admiral Ingram. The thing is very bad. And so you will know this, also, Stettinius told me before Cabinet that two days ago Hull agreed to a general freezing.

MR. WHITE: Two days ago?

H.M.JR: Two days ago. Through the Army, through sources which I get officially, but which I am under obligation not to discuss, I have had a lot of information about the Argentinian thing, and the more you read it, the more you realize what a perfect monkey they made of us.

MR. PAUL: Perfect what?

H.M.JR: Monkey.

MR. PAUL: Yes.

H.M.JR: Now, evidently we made certain demands on them jointly with the English, none of which they have lived up to, such as, for instance, the internment of all Germans and Japanese, discontinuance of radio telephone connections, and so forth. The German Naval Attache has been freed; he was under some sort of restraint. The Japanese Attache has been liberated. Those are various things--

(Mr. Bell entered the conference.)

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H.M.JR: The only thing that is really important that I have said is that Stettinius told me that two days ago Hull approved a general freezing of the Argentine.

MR. WHITE: Did he indicate why there was delay in applying it?

H.M.JR: You mean as between two days ago and today?

MR. WHITE: Yes.

H.M.JR: No. The only thing was, Acheson called me up and I said, "I can see you Friday morning."

He said, "There is some Soviet thing. I will see you Friday night."

I said, "All right, but if you people in the State Department think it can't wait that long, I will arrange to have it come earlier."

He said, "If we think it won't work, we will let you know."

I didn't hear from them. Does that answer you?

MR. WHITE: Yes, it does.

MR. PAUL: When did he call you, yesterday?

H.M.JR: No. I get mixed up. Today is Friday. Didn't you fellows talk to me Wednesday?

MR. WHITE: It must have been Wednesday.

MR. PAUL: That explains it.

H.M.JR: The situation down there is very, very bad and-- have you people a list of how much gold has left the country?

MR. WHITE: Very little; less than twenty million, but I can give it to you exactly.

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MR. LUXFORD: We will have a first-hand report on Argentina within three or four days. Jim Mann is on his way up here.

H.M.JR: Let me ask you something else. Has much money gone from the Argentine to either Chile or Bolivia?

MR. SCHMIDT: No.

MR. PEHLE: The movement was from Bolivia to Argentina, rather than from Argentina.

H.M.JR: Has the Argentine Embassy here drawn much money locally within this country?

MR. PAUL: Just that one time about a month ago. That didn't amount to much. That was a hundred thousand or something like that.

MR. SCHMIDT: Roughly that, yes.

MR. WHITE: Do you know that there is or isn't? Do you have all the information, or are you merely speaking from what you know, because the last few weeks we don't know?

MR. SCHMIDT: I don't know.

H.M.JR: Can I just take a minute to read what they have on the Argentine here? This is the Joint Intelligence Committee of the Army. (Secretary studies pamphlet.) I am under oath, and I have never shown it to anybody.

Well, do any of you fellows have anything to add to prepare me?

MR. LUXFORD: I take it our recommendation, if we are asked for one, will be we want to freeze as soon as possible.

MR. WHITE: If Hull has already decided on a general freezing, there is nothing that has happened in the last

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few months that has altered our original position, though there may be political developments which call for measures in addition that are more drastic, which we don't know about.

MR. PAUL: One of the problems will be what kind of freezing you will have, what kind of licenses you issue, and how much trade you license, and all that. That will be the real business.

MR. WHITE: The assumption is you start with the complete freeze to begin with. The degree of relaxation will--

H.M.JR: If you don't mind a bad joke, I am in favor of a quick freeze, "Birds-Eye." (Laughter)

MR. PAUL: We don't want to eat this freeze.

MR. WHITE: I don't mind if it is a slow freeze. Quick freezes freeze without spoiling.

H.M.JR: Well, what kind of a freeze do you boys want?

MR. WHITE: It would seem that we would like to start with the toughest kind of freeze and relax only under pressure.

H.M.JR: You give them a general license after freezing everything?

MR. PEHLE: No. We got into that, Mr. Secretary, when we got so close to freezing when you were out of the country. The discussion was whether we should issue a public general license, but we had to agree then to something I hope we don't have to agree to now, and that is to issue the equivalent of a public general license privately so that all trade goes on merrily. I think we ought to say that everything stops, and the things that are going to be allowed to continue ought to be considered on a special basis.

MR. LUXFORD: Ad hoc basis.

MR. WHITE: Each category can be re-examined.

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H.M.JR: We will have to call up Halifax, of course, and see if that is right.

MR. WHITE: I don't see how we could move without them.

H.M.JR: Do you think I should suggest that?

MR. WHITE: I think it will be a surprise. (Laughter)

H.M.JR: Or, do you think Acheson did it before he got here? I might even get a dinner invitation out of it.

MR. WHITE: Out of the Embassy?

H.M.JR: Yes, the British.

MR. BELL: Wait until they reduce their balances first. You had better get it before if you want the dinner.

H.M.JR: I have been slipping. I haven't been asked around for a long time.

MR. LUXFORD: Do you want to include Bolivia with Argentina in this freeze? The question may come up. They may raise it at the State Department at this time.

MR. PAUL: That is more important politically than any other way.

MR. WHITE: That is their decision, not ours.

H.M.JR: May I please implore you gentlemen to let me try to keep the State Department in the position where they will say to me, "We feel that the political situation is such that it calls for drastic action"? See? Rather than I am put in the position of saying, "I think we should freeze," I want them to say, "The situation is desperate; we need help. Will you freeze?" I want to get it into that category.

MR. WHITE: Except, there is nothing to have changed our minds in the past.

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MR. BELL: Is that changing your position?

H.M.JR: No, it is not, not the last letter.

MR. BELL: I thought you had taken the other position right along.

H.M.JR: No, we went back and back-tracked after I got back from Africa. Am I right?

MR. LUXFORD: That is right.

MR. PEHLE: We put it on an economic warfare basis, but we did say we were in favor strongly of freezing.

MR. WHITE: On economic grounds exclusively?

H.M.JR: Yes. But they have to tell me that the political situation is so bad--

MR. WHITE: But the economic situation hasn't changed, so if you were freezing before on economic grounds, there may now be additional reasons.

H.M.JR: But I have been trying to get them to say that the political situation calls for economic action. Then we recommend freezing.

MR. WHITE: If they ask, "What do you think?" I think the answer might well be, "You know what we think; what do you think?" (Laughter) We can't back out of a position that we have taken for a year.

H.M.JR: That is the retort courteous, is it?

MR. WHITE: You will make it courteous, I am sure. That wasn't very courteous. In other words, I don't think we ought to apologize or back-track from our previous position, which has been that economic warfare grounds warrant freezing.

H.M.JR: But it is just refreshing my memory, which is very good.

March 3, 1944

3:55 p.m.

FREEZING OF ARGENTINA

Present: Mr. Bell
Mr. Paul
Mr. White
Mr. Pehle
Mr. Luxford
Mr. Schmidt
Mr. Acheson
Mr. Duggan
Mr. Collado
Mrs. Klotz

H.M.JR: Well, if you gentlemen could give me a thumbnail sketch on the political situation for the Argentine, I would appreciate it very much.

MR. ACHESON: Mr. Duggan is the person who can give you the thumbnail sketch, or more than a thumbnail sketch.

MR. DUGGAN: Well, Mr. Secretary, I would say the situation today is about like this: This military crowd which took office on the 4th of June is running into very heavy sledding. Although they established and have a very complete internal espionage system, nevertheless, their ineptness in handling political matters has permitted opposition elements to plot against them to a certain extent.

Now, the principal thing that has worked against this crowd, actually was the thing that they felt would help them; namely, breaking relations, and the reason is this: They posed as the strong men and military people that could be tough and stand up against outside pressure.

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Well, everybody in Argentina believes that they broke relations under pressure, so the strong men are now--

H.M.JR: May I interrupt you? By pressure, do you mean external pressure?

MR. DUGGAN: Yes.

...are now pictured before public opinion as strong men, and that has discredited them very considerably.

Then, within their own group, one element believing it saw the way the wind was blowing, in the sense that the United Nations were going to win the war and they better play ball a little bit, began to try to maneuver the more nationalistic authoritarian group out of the picture. In that, they were in touch with the Navy, which has not been enthusiastic about this Army control from the beginning.

Now, as of today, the outcome of this, you might say, plotting, that is going on on the part of the Navy and of these dissonant Army factions, is not clear.

I think that it is certainly a fifty-fifty chance, perhaps better, however, that Peron, who is the strong man in this worst element of the entire crowd, will come out on top. He appears to be a pretty ruthless but able manipulator, and he has force and is aggressive. There is very little good that can be said about him.

Looking towards the future, it would seem to me that sooner or later the reaction against military control will operate to bring about some sort of a change.

Now, even this Peron himself seems to realize that the Army control, so far, has been bad and has produced a reaction, because the latest information we had indicates that he, himself, is talking about holding

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elections and getting the government back on a constitutional basis with civilian members of the Cabinet. But I believe that in any such picture he would figure rather prominently, either as President or at least as the strong fellow behind the scenes, controlling matters.

So the political picture, at best, does not look very good.

H.M.JR: Let me ask you this. What has happened to business as between us and the Argentine?

MR. DUGGAN: Business is flourishing, and that is the root of part of the difficulty here. Whenever we have considered what action might be taken against Argentina, we have run into the problem that the United Nations, as a whole, need key Argentine exports and can't get along without them for very long.

MR. BELL: Does Argentina know that?

MR. DUGGAN: Yes, I think Argentina has a pretty good idea of that fact.

MR. WHITE: Who could wait longer - we for her exports, or she for her export markets? What if it were restricted?

MR. DUGGAN: Well, I think, today, the chances are that they would collapse much sooner than previously, just because the situation has deteriorated considerably. It is awfully difficult to say, though, how soon or how long that might run.

H.M.JR: Mr. Duggan, in any economic sanction that this Government might take, whether through freezing or blockade, or anything else, have we any hope that the English will join us in this?

MR. DUGGAN: I think maybe Mr. Acheson better cut in at this point.

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MR. ACHESON: I can throw some light on that. I think the chances are not very good. Before this break in relations, when the Secretary of State was thinking of issuing a statement and the freezing was going on, shortly before that, the Secretary of State and the British Ambassador directed letters to the four Combined Boards, the Combined Food Board, Raw Materials Board, Production and Resources Board, and Shipping Board, and asked them to advise as to the extent and time and all the factors which would be necessary to consider in the event that we were going to take economic sanctions against Argentina, involving both a cessation of exports to Argentina, and a cessation of purchases from Argentina. We have gotten replies from the four Boards on that.

I don't remember them in detail. I think the Raw Materials Board and the Production and Resources Board said, from their point of view, there were only a few items which were of any importance. The Raw Materials Board said that there would be - you can correct me, Pete, was it casein? - three products which they mentioned which they said would be serious but not determinative. If action was decided on, regardless of those, that they would be willing to say that you wouldn't have any difficulty.

The Shipping people said that they would have to reserve judgment until they got a report from the Food people as to what, if anything, the Food Board would do, because if they did not ship from Argentina it would mean that certain shipments, if they were made at all, were made from further distances. For instance, meat would have to come from Australia or New Zealand, or somewhere, which would greatly use up shipping, and with certain military operations which are in contemplation, that would be serious. However, they didn't want to express a final opinion.

The Food Board made a unanimous and very strong report in which they said it could not be done; they

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just could not get along without Argentine supplies. The supplies which they thought were essential were meat, wheat, and - fats, was it?

MR. COLLADO: Fats and oils, particularly the edible ones.

MR. ACHESON: They said it would be impossible to make up to Great Britain the loss of the Argentine meat imports. I think that they constitute about a quarter of the British meat supply, and they constitute a quarter which could not be made up from other sources. In other words, it is beef which they get from the Argentine, and whereas we can supply pork, we couldn't supply any amount of beef which would make any difference unless the rations here were cut very greatly, and even then, it wouldn't be enough. So that would be impossible.

They said so far as wheat was concerned, there were about three million tons of wheat which were now being used from the Argentine, and that their plan for '44 contemplated an extension of that to seven million, in order to take some of the exports off the Canadian market and use that in this country. It would mean extensive slaughtering of livestock and we would be in serious meat troubles.

The oils and fats analysis, I have forgotten. But that was an important thing.

It ended up by their both saying it couldn't be done, that they were not prepared to do it. That was the supply end.

There is one thing, in throwing some light on the question that Harry asked a moment ago - who could last longer. I don't think there is any question as to who could last longer - I think we could - unless the other side had an idea of what the time factors are.

Now, the Food Board has been clear that if you are absolutely guaranteed that this thing were not

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going to last, over-all, more than three months, which meant that the crisis would be reached in six weeks, because it would take six weeks to resume these shipments after you stopped them, that we could probably - the British could get along on their surplus stocks for that time. But you had to know before you started that you were going to be through in six weeks.

The trouble is that too many people might know that, including the Argentine, and they could undoubtedly hold out for that long, and probably for any period which could be practicable for us.

And knowing that, I think the British attitude would be that they would not be willing to start in on something which was essentially a bluff, and from which we would have to extricate ourselves in a very humiliating way before we got through.

H.M.JR: I don't like that picture. The question that I got put to me, if I remember, a couple of days ago, was do we want to recommend freezing the Argentinian assets in this country. So I take it that the State Department feels that such a step is worth considering at this time.

MR. ACHESON: I don't know about that question. My boss did not tell me he had asked you that question.

H.M.JR: Who gave me the message?

MR. PEHLE: I did. Mr. Stettinius called me - it was Monday - and said that State Department was considering taking action against Argentina, and that certain people in the State Department felt that freezing should be initiated immediately - perhaps even that night. His own feeling was that events would sort of decide the thing in the next twenty-four or forty-eight hours, and how did the Treasury feel about it.

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You were on your way back and when you got back you called him, or I told him--

MR. PAUL: We talked about it. John called him.

MR. PEHLE: ...and said we would like to know more about what the situation was.

H.M.JR: That indicates how it was brought to me. But what I still don't get is this. Let's say that this Administration decides to freeze the assets of the Argentine in this country. I would like to look a little bit ahead. I take it from what you say, we will do that alone. Nobody else is going to join us?

MR. DUGGAN: Well, we want to canvass the other countries on that, Mr. Secretary. I don't think that that information at that time means very much in the light of the present situation. My own judgment is that we probably would not get either Chile or Brazil, the two countries which straddle Argentina, to go along.

Probably you would get some countries further North, including Mexico.

H.M.JR: Let's say no country goes along, let's take the worst - we go by ourselves. How far have you people thought this thing through? I want to know - after all, we only have one small part in this thing - how much further you propose to go.

MR. DUGGAN: Well, I think this proposition came up for this reason, that given the set of facts which Dean has explained here, we were trying to see what the best we could do was.

H.M.JR: The best or the least?

MR. DUGGAN: No, the most. It seemed to add up to

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about this: An even stiffer policy on the exports from the United States and other countries to Argentina, although at the present time, in theory at least, we are not supposed to be exporting any critical products to Argentina except those needed by war industries there. In my own opinion we could tighten up considerably.

Secondly, a selective policy of curtailment of importations from Argentina would be desirable. Now, as I think you can conclude from Dean's analysis, we really couldn't hit the big items. We could do without wool - oh, without a lot of things that, in total, would add up, but nevertheless, if you can't hit wheat and you can't hit meat, you haven't gotten too far. But we could deprive ourselves of many things that would affect some small groups down there.

H.M.JR: What are you trying to accomplish? What is your objective?

MR. DUGGAN: We start from this premise, that this Government comprises elements within it that are dangerous from the standpoint of hemisphere security. We would like to see that situation change.

We don't think that it is our proper concern to get in there and manufacture a government to our liking, but we do feel that on the broad grounds of hemisphere security, and the cause of the United Nations in which all of the other countries of the hemisphere except Bolivia are now participating, that there is a danger there, and it at least should be circumscribed to the extent possible, and a change brought about, if feasible.

H.M.JR: Well, the way I feel is this - I would like to be as frank as usual without going over too much background - as you know, the Treasury has been in favor of freezing for - I don't know - a year, or a year and a half - I don't know the date, but for a considerable time.

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What kept this from coming about, I am not wise enough to say - I don't know. But at this stage, frankly, I would like to get more information as to how far the State Department proposes to go on other fronts, because I am fearful that if we say to you, based on what you have given me today, plus other information that I have, "All right, we think that we should freeze," and then, the situation being so serious, if you people aren't willing to do other things, and no other country is willing to join us, the net result will be, possibly, that you will simply, through this one attack on the Argentine, strengthen the hand, possibly, of those sympathetic to the German and Japanese governments.

We here will be blamed by American business for interference, and nothing will be accomplished, unless the State Department has a complete program. I think that we ought to have a well-rounded program and not just attack the thing from the freezing, alone. I don't think it is enough.

MR. PAUL: It isn't clear to me yet what the State Department wants to do.

H.M.JR: That is what I am asking.

MR. PAUL: Previously, we were pretty well aware of all these difficulties when we were for freezing. You haven't added anything that we didn't have in mind the last time we came within the shadow of freezing. But I would like to know what you people are for. I don't understand from your statement, Duggan, what you are recommending.

MR. WHITE: How far they would implement the freezing, once it was imposed.

MR. PAUL: That is right. We can take care of a lot of these other things as soon as we decide to do it.

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MR. WHITE: Through the instrumentality of freezing. Freezing provides you with the mechanism to go as far as you like. The Secretary is asking how far you would like to go.

MR. DUGGAN: I think, Mr. Secretary, that this is what you commonly call around here an exploratory meeting, because I don't think the Department itself has made up its mind. Really, I think it is more wanting to exchange ideas with you to see what sort of a program might be shaped up, and what sort of results it might have, given the limits in which you have to operate.

H.M.JR: Look, Mr. Duggan, you people know where we have stood for a year and a half. The thing has gotten steadily worse. I don't believe, and I have said so a number of times, the U.S. Government should bluff on this thing. Do you remember, I said that when this was up before.

MR. ACHESON: Yes.

H.M.JR: I don't think we can afford to bluff. Let's say freezing alone, and you people come around and say, "We want this person and that person licensed," and so forth and so on - and England continues to buy as much meat and wheat, and so forth, and so on, and Chile and Bolivia, and so forth. Purely on the economic side, I think they could very well afford to laugh at us. If they could continue to do business with England, they can get their sterling and they can have their ships go from their ports to England, and it would leave us holding the bag, and very well a laughing stock.

Unless the State Department has a well-rounded program to attack this thing in a forceful manner, where we would have at least a seventy-five percent chance of winning - by winning, I mean getting a decent Government and having the Japanese and Germans--and I take it, you would like to go so far as to see the

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Argentine declare war on these people and stop communications by wireless, and so forth - but I would like to be taken more into the picture, and the official family, if there is a plan.

Mr. ACHESON: Henry, I am a little bit baffled about this meeting. I was away until Wednesday, and the message I got from Ed was that you wanted us to come over and explain the present situation. I now understand that it really was the other way, and he sent a message to you first. I still don't know why.

I think the situation, as I understand it, just coming back from a week away, was that prior to the break of relations, the Argentine--

H.M.JR: Can I interrupt you? What I said - isn't that reasonable, what I asked you?

MR. ACHESON: Entirely. It echoed some of the difficulties I had in my own mind as we were going on with this conference. Before the break, as I understood the situation as it existed then, Argentina had moved out of a more or less passive resistance, into a state of active agitation against the United States and the United Nations. The Bolivian revolution was a part of that. They had fomented similar activities in Chile, and they were moving into Peru, Uruguay, and Paraguay, the idea clearly being to build up an Argentine block which would cut diagonally across South America making a very difficult situation for us and one of potential danger if anything went at all bad in the conduct of the war, and great difficulties after the war.

At that point Mr. Hull decided that some aggressive action had to be taken. He tried to get the British to go along and for the supply reasons which I mentioned they were not willing to do it.

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MR. WHITE: He recognized that they wouldn't before. He said he didn't expect them to go along, but he would like to put them on record. So I gathered that his decisions about doing something difficult did not include their cooperation, because I gathered he did not expect it. He said that at that meeting.

MR. ACHESON: That is right. But he exhausted all possibilities of trying to get the British, the Argentines, the Brazilians, and the Chileans - Peru, I think, was also approached - to join us in taking some aggressive action. He thought something ought to be done.

He prepared a statement saying that Argentina was the source of hostile action to us. He was going to call the Ambassador; freezing was going to go into effect, and also a program of selective purchases; in other words, to buy as little as we could, the British and ourselves, and select a control on exports from this country to Argentina.

Now, the idea behind that is that this might have some effect on the Argentine, but that it would certainly discourage anybody else from joining this Argentine block.

Argentina is fairly invulnerable to economic pressures from us on account of the reliance of the British on us, but Chile isn't, and neither is Peru; and Uruguay and Paraguay and Bolivia would be very open to any such sort of attack, so it would immunize Argentina and hold it.

Now, reports of that action were sent to all the capitals. It was going to happen on Monday morning. It immediately leaked, and it had the effect of the break of relations.

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Then the question is, what to do. Should you go ahead? The decision was no, let's see what they will do, and for a time they seemed to be coming along fairly well, although nobody thought they had been changed from their inherent beliefs and had become enthusiastically Democratic in mind.

Still, they had stopped the nonsense of trying to gang up against us. They had interned the Axis Embassies, they had broken communications, and perhaps they might go further.

Well, now it looks as though that trend were being reversed, and you might have a bad outfit. If you do have a bad outfit, I don't know what the decision would be.

My own guess is that the sound thing to do is to save all your ammunition until you were sure it was going that way, and then shoot it, with the purpose of again backing them up on their heels.

MR. PAUL: But around Christmas, when we all but did freeze, we had in mind all these economic difficulties. We canvassed them all. You were there, Pete. We went into all of them.

MR. COLLADO: Of course, we were discussing the same point that Harry has brought up as to freezing, accompanied by a sort of licensing to permit various gradations of trade.

MR. PAUL: But what I am unable to get at, what is the difference, from the economic standpoint?

What is there new in that picture?

MR. ACHESON: There isn't anything new in it. It is just a question of timing.

H.M.JR: There is one thing which I am sure everybody has thought of, which I'd like to point out, anyway. If we want to go ahead - and let's say we go ahead - with a well-rounded, tough program and England continues to buy, as a result of which the American public will know it and the Argentinians thumb their noses at us and our program fails and the Argentine continues as a pro-Nazi, pro-Japanese country; it is going to do the English an awful lot of harm in this country.

MR. WHITE: That is why they moved heaven and earth to stop us.

H.M.JR: Oh, no, no. I want to keep this pleasant.

MR. WHITE: I can't be blamed for the fact that the true facts are as they are.

H.M.JR: Anyway, the point that I am making is this, that I am interested in just one thing - as we all are - and that is to win the war. And even though you gentlemen came back Monday with a well-rounded program which left England out, I think the thing should be very carefully weighed as to the damage it will do in this country towards sending Lend-lease to England. When England will continue to get supplies from us on the one hand with tax-payers' money, but on the other hand she won't stop buying from the Argentine - I have to be sold on that!

I am not saying who is right or who is wrong. So if I may just sum up, I have to stop.

If the State Department will do me the courtesy of consulting with me again, I'd like to have somebody - you and these gentlemen - come over and say, "This is a program and on this basis, being human, we think there is a seventy-five percent chance of winning," meaning that you will get a sympathetic government to the United States in the Argentine, then I'd like to weigh it with my associates here.

MR. ACHESON: I think that is the sound way to go about it.

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H.M.JR: But evidently you weren't prepared, because you didn't know about it today. But I am ready any time to sit down again. But I would like a well-rounded program, and I do want this thing about England explained to me a little further.

Have your people analyzed the figures of what England is getting, and are you satisfied that England can't get it from some place else? Take wheat, for instance. I know a little bit about wheat; the Canadian situation - that they can't get it there, and so forth and so on. Have you people analyzed all that? Are you satisfied that the English can't get it?

MR. COLLADO: Well, the British can get it, at the expense of a lot of shipping. There comes a shipping tie-up.

MR. PAUL: There is inland shipping.

MR. COLLADO: There is the inland transportation from the western provinces of Canada through to the Atlantic Coast, which is very tied up. The Canadian rails can't handle it.

H.M.JR: Anyway, if you will take this word back as to what I have said: whenever you are ready, I am ready. But I am certainly not ready to move today, any more than you are.

MR. ACHESON: No, no, no. I think when we do bring it up to you again, we can give you the documents of the Combined Boards and all the figures.

H.M.JR: Well, I am ready any time. I realize it is a serious situation. The longer we wait, the worse it gets.

MR. WHITE: That certainly has been true in the past.

H.M.JR: Anyway, thank you for coming. I am at your services any time.

March 3, 1944
4:35 p.m.

RE: FREEZING OF ARGENTINA

Present: Mr. Bell
Mr. Paul
Mr. White
Mr. Pehle
Mr. Luxford
Mr. Schmidt
Mrs. Klotz

MR. WHITE: Collado's comments! "I am a hundred percent with you, Harry. I am with you fellows." That is what he tells us here!

H.M.JR: But the thing is--listen--

MR. PAUL: It is damn double talk.

H.M.JR: Acheson didn't quite tell the truth, because I explained it all to Acheson on the phone when he called me up once before. He called me up and asked what this was all about, so I explained it to him.

Now, I didn't think it was up to me to tell him--an hour ago they told me Mr. Hull was ready to freeze.

MR. LUXFORD: Two days ago he was ready.

MR. WHITE: There are so many three-quarter groups in which the other quarter alters the situation.

H.M.JR: Don't you think I handled this all right?

MR. WHITE: I think you are a little too easy on them, but maybe that is the way you feel after your vacation.

H.M.JR: Oh, no, Harry, I wasn't easy on them. I told these people that you have to have a plan.

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MR. PAUL: I was a little afraid you were getting too far over to the school of thought that you couldn't do anything without the British.

H.M.JR: I thought, if I do say so myself, I was pretty smart.

MR. LUXFORD: From a political point of view--and I know we can't argue that with them--if we took the attitude we would force the British--

MR. WHITE: You put your finger on that.

H.M.JR: I would be very polite, but I am telling them--look, for this fellow to come over here without any plan, any reason, not having thought the thing through-- I mean, I very politely made a perfect ass out of him.

MR. WHITE: I don't know; they usually go home with the bacon.

H.M.JR: You are wrong; they didn't on the Belgian thing.

MR. WHITE: That is right. (Laughter) That surprised us.

H.M.JR: And they didn't on the Belgian dollar thing. After all this talk, the President sent a message saying the balances should be brought down to a billion. We didn't on the refugee matter.

MR. WHITE: That is right. I retract.

H.M.JR: We didn't on the Chinese. Look, Harry, the only difference is, you and I are saying the same thing, except I had it triple-sugar-coated. Now, after all, to come over here--these three men--to tell me and not tell me what their plan is--now, I told them in no uncertain language that the longer we wait the worse we get.

MR. PAUL: Yes, I think so. The only thing I am afraid of is they will use some of your language to justify themselves.

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MR. LUXFORD: That is the thing that worries me, Mr. Secretary.

MR. PEHLE: They might say, "Unless the British go along, let's--"

MR. WHITE: Before they got out, that was changed.

H.M.JR: Listen! At this stage of the game I am not going to be the goat and then have it said the Treasury wanted to freeze, and nothing happens. They will say, "We did what the Treasury asked us to do."

MR. WHITE: And we told them nothing would happen.

H.M.JR: So they have to come with a well-rounded plan and say what they are going to do to have a seventy-five percent success. I am going to sit here and say, "This isn't going to work" until I am satisfied. I am going to say, "We have to bring the British in on this."

MR. WHITE: We have changed our position drastically in the last month on this.

H.M.JR: How?

MR. LUXFORD: Because we were ready to freeze a month ago on exactly the facts you had today.

H.M.JR: But look what has happened. Two months ago on that Monday Hull had a well-rounded plan.

MR. PEHLE: No, he didn't, Mr. Secretary.

MR. LUXFORD: We could have gotten more this time than we could have gotten then.

H.M.JR: I don't know. He was going to make a statement and do anything. He was going to do a lot of things.

MR. PEHLE: I agree they didn't take us into their confidences, and you are perfectly entitled to say, "You

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have gotten yourself into this muddle and if you want our help, tell us what you want to do."

MR. LUXFORD: But I think the Treasury could force State's policy, once this freeze started. The public would react completely in accordance with our views on this thing.

H.M.JR: But what I also think is, there is a possibility, if I sit here long enough, because they are in a terrible spot--I will say, "Wait a minute, this won't work unless you bring the British in." I keep saying that over and over again. And I believe that you can bring the British in. Supposing I just sit here and say, "I am sorry, Dean, that won't work; you have to bring the British in." In the meantime this thing gets worse and worse. As I say, this thing is terrible down there.

MR. LUXFORD: I think we will get the British in even though we do act without them.

MR. WHITE: I think this meeting as a preliminary meeting is all right. I expect they will follow it up with something, because I expect that the situation will not improve, except temporarily, and they will have to do something.

H.M.JR: Harry, the situation is going to get worse. We have sent a battleship down there, and all the rest. Look, the American public is much better informed, and they will know that the English keep buying, and so forth, and so on. I would like to see the figures, anyway.

How do you feel about it, Dan?

MR. BELL: I thought the way you handled it was all right. I haven't gotten the background, but the thing that worried me was, you were willing to freeze when we all knew that the British wouldn't go along at the time, and you had these facts behind it. I was a little amazed to think we were willing to do that and run the chance. I don't know why we were willing to freeze.

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H.M.JR: I wasn't sure the British wouldn't go along.

MR. BELL: But it seems to me we are taking an awful chance and getting nothing out of it but the dirty end of the deal.

MR. WHITE: I think we would get an awful lot out of it.

MR. LUXFORD: We would be leading a policy that is bound to go like a snowball, but we have had inquiries of the British Parliament about this.

MR. WHITE: The only pinch on the whole matter is the British necessity for beef, and, incidentally, they have probably a six-months supply. But if the British continue to buy, we can stop on everything else. But the political and psychological effect of America freezing far surpasses--

H.M.JR: Wait a minute, Harry. There isn't any person-- I won't say any person--there is hardly a single person in the United States who has given up anything as far as this war is concerned, and so forth, and supposing we had to give up a little of this beef. My God!

MR. LUXFORD: We have pork pouring out of our ears.

MR. PAUL: Let the British take a little pork.

H.M.JR: Supposing for six months we really tightened our belts in this country and saw the English through this thing and said, "We are going to stop this Naziism down here."

MR. BELL: I think that might be a good thing, but how are you going to force the British to do that?

MR. PAUL: This is all a flexible program. You can do what you please. They are not going to stop sending us any of these things. Do what you want.

MR. LUXFORD: We have always been willing to fire and build up to it.

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H.M.JR: Well, look, gentlemen, I hope that none of you will ever go to the State Department so badly prepared as these people were when they came to see me.

MR. PEHLE: They were not only badly prepared, but they were not prepared to let you into their confidence.

MR. PAUL: I hope we don't go around with the Duggan double talk.

H.M.JR: And "The State Department Speaks" is at seven o'clock Saturday night. We now have a reorganization to end all reorganizations, and look at this.

MR. PAUL: I have sat and listened to that fellow for hours, and I never have understood one word he said.

H.M.JR: He "no spik English."

MR. PEHLE: He was trying to say nothing. The Secretary asked him, in effect, what they were trying to accomplish. The only true answer is that we have been trying to throw the Government out, and Hull was perfectly willing to admit-this fellow shilly-shallied.

MR. WHITE: I think those boys accomplished what they came over for, and that was to leave it as it was.

H.M.JR: You are wrong, Harry. I have been wrong before; you may be wrong. Give this man the money, the dollar and a half.

MR. PAUL: That is about all I got out of that.

H.M.JR: Look at all the wonderful publicity.

MR. PAUL: I got a compliment from you, which was the only other thing I got out of it.

H.M.JR: The advantage, I don't know, is that I have some wonderful information here on this thing.

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MR. PEHLE: Well, the most important thing, I think, is they are getting deeper and deeper in the hole.

H.M.JR: Hull is willing to freeze, and now they are going to have to come and ask me to do it.

MR. WHITE: I know how you feel.

MR. PEHLE: There is a lot to be said for that.

MR. WHITE: We argued a good deal about that.

H.M.JR: I am going to sit here. I have one chance in five of getting the British in on this thing.

MR. LUXFORD: You have three or four out of five that they will have to follow if you freeze.

H.M.JR: That, I can't get through my head.

MR. LUXFORD: Mr. Secretary, the London Times has already been criticizing the British position.

MR. WHITE: They can't possibly stand the publicity.

MR. PEHLE: Do you remember, Mr. Secretary, when Churchill got in touch with the President just before? The reason they are so anxious we don't do anything is because they know they will have to fall in line if we do it.

H.M.JR: I am not sold.

MR. LUXFORD: You argued it very well.

H.M.JR: Yes, but if what you say is true and we sit here long enough and begin to put a few sanctions on the British, then maybe they will come in before.

MR. WHITE: That is another way of doing it. In other words, in effect, and practical politics, the British have to do what you want them to. The cards are in our hands.

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H.M.JR: I agree with you, but you can't do it with people like Acheson.

MR. WHITE: I quite agree.

H.M.JR: Therefore, I play this kind of innocent stuff, see? I think the thing is so bad that the President or Mr. Hull is going to have to ask me. I will continue to keep saying, "Now, look, the reaction on the British Government will be so terrible that they have got to come in and join us." Let's try it.

MR. WHITE: Yes, we have waited this long; it isn't going to get much worse.

H.M.JR: I didn't say I wouldn't freeze today. Let's just see.

March 3, 1944
4:54 p.m.

62

HMJr: Hello.

Operator: Miss Switzer.

HMJr: Thank you.

Operator: Go ahead.

HMJr: Hello.

Miss Mary Switzer: Yes.

HMJr: Good afternoon.

S: Good afternoon, yourself.

HMJr: I just read your letter to Joan.

S: Yeah.

HMJr: And it's perfect.

S: Well, I'm glad. I had to do it rather hurriedly but I wanted to get it off quickly so she would have as much time as possible.

HMJr: Well, if you had time, I don't know what you'd do.

S: Well, maybe not as well. (Laughs)

HMJr: Well, anyway, I just wanted to say, 'Thank you'.

S: Oh, well, bless your heart. You were very sweet to call and I -- we'll do anything more we can do that needs to be done.

HMJr: Right.

S: And I love to have you call on me for service.

HMJr: Thank you.

S: All right.

HMJr: Bye.

March 3, 1944

Dear Colonel McCarthy:

As you may know, we closed the books last night on the Fourth War Loan drive and the results were very heartening. We went two and three-quarters billions over the fourteen billion-dollar goal, and sold more E Bonds than our quota, which was set a lot higher than it has ever been set before.

If it meets with General Marshall's approval, the Secretary would like to have the attached cable go to the various Theatre Commanders overseas. On our trip over there, they all seemed interested in the results of the War Loan drives for morale purposes.

Thank you very much.

Sincerely yours,

(signed) Fred Smith

Fred Smith
Assistant to the Secretary

Colonel Frank McCarthy
Room 3E928
Pentagon Building
Arlington, Virginia

Attachment

FS:mlf

Text of cablegram to be sent by Mr. Morgenthau
to Commanders of all overseas theaters

The final figures on the Fourth War Loan drive are now in. On behalf of the millions of Americans who bought bonds and helped sell them I am proud to report to you and to your men how the home front has responded to the call for fighting dollars to support the fighting fronts. The figures speak for themselves. We set out to raise fourteen billion dollars. The people answered with sixteen-billion-seven-hundred-and-thirty-million-dollars-worth of War Bonds. This in addition to the seventy billions the nation had already invested. Our quota for E Bonds, the People's Bond, was three billions. That's an average of twenty-two dollars for every one of the one hundred thirty-six million men, women and children of our land. The people topped this goal by one hundred eighty-seven million dollars. Finally, in the Fourth War Loan drive we made an all-time record by selling more than sixty million separate E Bonds. To each and every man in your command, here is evidence that his efforts overseas are being supported by the efforts of his folks at home.

Henry Morgenthau, Jr.

Secretary Morgenthau
Randolph Paul

MAR - 3 1944

For your information re: Anderson National Bank v.
Commissioner of Internal Revenue
of the State of Kentucky

You will recall that last fall the American Bankers Association and the Kentucky banks directly involved asked the Treasury to file a brief in the U. S. Supreme Court supporting the position taken by the banks in a case then pending. The banks were contending that a Kentucky statute pursuant to which the State took over control of dormant accounts was unconstitutional and an unwarranted interference with the operation of the National Bank Act. I counseled against filing the brief but after a conference in your office with the Comptroller of the Currency it was decided to go ahead in support of the banks.

The Supreme Court last Monday, February 28, unanimously decided that the Kentucky law was valid in all respects.

(Initialed) E.N.F.

NOT:alm 3/1/44

John Sullivan: -
Page #3 Puerto Rico

30% non-resident tax
can there be change?

W.S.J.

MEMORANDUM FOR THE SECRETARY

March 3, 1944

Mail Report

A cheerful communication was something of an event in this week's mail. A great many letters were decidedly ill-tempered, but most of them were merely routine inquiries.

Tax mail virtually repeated last week's receipts. There were the usual questions about individual liabilities, a few copies of Form 1040 and a few suggestions on future sources of revenue. Although a good proportion of the tax mail, demands for simplification were much more subdued in tone than they have been for some weeks past. There is repeated appearance of the suggestion to return tax overpayments in the form of War Bonds.

Bond mail slowed down with the ending of the Fourth Drive. There were still reports of local successes and illustrations of promotional efforts, but these lacked the earlier enthusiasm and sometimes carried criticism and suggestions for improvement in the future.

Complaints about delays in bond transactions continued low. The number of bonds submitted for redemption dropped to 64 and there was little comment in regard to excessive cashing bonds.

No new subject appeared in the miscellaneous mail. Six persons, 5 anonymous, sent clippings of Walter Lippmann's article, "Time For Some Resignations."

- 2 -

During February we received from the White House 459 pieces of mail of which 206 were handled in this Division. Last year's February receipts totalled 764. Our highest year was 1938 with 1098. Our lowest, 1940 with 376.

Gr Forbush

General Comments

George W. Andrews, Waurika, Oklahoma. I am sending you a mutilated \$1 note, Serial No. G68737908C. Would like to exchange it for a new note. In way of explanation desire to say my four year old son John Landon who has never been spanked and has had things just about his own way since he had the Pneumonia a few months ago expressed a desire for a one dollar bill and I gave him this one and he rejected it because it was an old one, so he ups and poked it in the stove and before we could get it out it was half burned up. Well, I never spanked him but promised him I would try to get Mr. Morgenthau to send him a bright new one. If there is any expense to the transaction I will pay the bill.

Harry Scott, Dayton, Ohio. Enclosed find dol for War Defense. If some of our citizens and some of our Law makers dont want to respect FDR as President of the United States they should respect him as Comander of the Armed Forces of the U.S. I was boren a Soldier. Borne five year after the Civiel War. I had to Uncels and a Grand-father in the Civiel War. My Father inlisted as a priviet Soldier in the Civiel War. Was a Colnel of the 83 Ind. Vol. Inf. at cloes of the War. His record is in the War Dept. I am 73 years old and have ben walking on artificial Legs for 36 years. Am bedfast now but I want to live long enough to see General McAuther take the P I back. I put from Nov. 13th 1900 to June the 10th 1902 in P I M.C.V. 13th U.S. Inf.

Richard R. Wood, Executive Secretary, Friends' Peace Committee, Philadelphia, Pa. I have just received your memorandum on "A Bank for Reconstruction and Development", sent at the suggestion of the American Academy of Political and Social Science. Thank you very much. It is encouraging to know that such constructive proposals are under consideration. One point strikes me as urgently important. We are developing Currency Stabilization Fund, Bank for Reconstruction and Development, UNRRA, Food and Agriculture organization, etc. These are fine. Are they being tied together in any coherent way? * * * It seems ungrateful to ask more of you, but this last point may be necessary if the other projects are to be effective.

Favorable Comments on Bonds

W. F. McNutt, Newport, Ky. I appreciated your visit in Cincinnati so much that I invested four thousand dollars in 4th loan (WAR BONDS). I am just one of your most trusty friends on this anniversary.

Eugene G. Hill, Chicago, Ill. I am just 8 years old and I want to do something for my country. Here is a plan which I know will help you to get more money. Yesterday when I went to mail a letter for my mother I saw people cashing in their war bonds at the post office. You will never get money this way to beat the Japs and Hitler. Don't you think it would be fine if you said that no bonds could be cashed in before the war is over? * * * You can call this the Eugene Hill plan and I know it will work. Write me soon and tell me if you like my plan.

Unfavorable Comments on Bonds

Mariano R. Pesquera, Bankers National Life Insurance Company, San Juan, Puerto Rico. The fourth "drive" for the sale of War Bonds in Puerto Rico is in full swing. Puerto Rico has always responded chivalrously to every National demand, whether for men, money or otherwise, and will again show its patriotic sense of duty. It seems to me, however, as a matter of fairness that American citizens in Puerto Rico who have made, and continue making, possible Puerto Rico's outstanding contribution to the war effort, a contribution which compares favorably with that of any State in the Union, should be told that, because they were made citizens of United States by Act of Congress, in March, 1917, and not through the usual naturalization routine, all United States registered bonds, when purchased by them, become subject to a 30% non-resident alien tax, according to a Bureau of Internal Revenue ruling. The ruling in question is discriminatory and tends to establish a difference in American citizenship. This is the sort of discrimination that makes possible such insidious propaganda as "inferior" and "second-rate" citizenship, "what price Americanism", and so forth. In the hands of our independentists, these things become campaign fodder against the cause of Americanism in Puerto Rico so conspicuously championed by the distinguished senator from The Free State of Maryland.

Herbert R. Hariten, Vice Chairman, Maywood War Finance Committee, Maywood Savings & Loan Association, Maywood, New Jersey. With reference to your letter of February 5th, would advise that we have always done a good job locally in the sale of War Bonds. We have been issuing agents for the E Bonds since the days of the Defence Bonds, but we have not had cooperation from other governmental agencies. In Maywood, we sold \$206,000.00 worth of War Bonds during the Third War Loan Drive. Up to last Saturday, February 19th, we had made 1052 sales in the

Fourth War Loan Drive, amounting to \$220,550.00, and we will exceed this at the time of closing for the sale of E, F and G bonds, to be included in this War Loan Drive. We would have gone higher had there been even a vestige of cooperation between the War Finance Committee and the Treasury Department and Office of Price Administration. It seems peculiar to us that our bond salesmen can be trusted with thousands of dollars of cash, but not with a few gallons of gasoline to advance the war effort. We are a suburban community and some of our canvassers must travel miles in their solicitations, bringing in orders and delivering the bonds to purchasers. We know who our active workers are, and which ones are entitled to gasoline. We requested the Office of Price Administration for an allotment of gasoline, to be used * * * by those workers * * * to advance the sale of War Bonds. The writer contacted our local OPA four times * * * and was finally informed it would be necessary for each individual to make a separate application for a special ration. Our solicitors will not go through this "Red Tape" when they are using practically every minute of their time outside of the regular duties to further the sale of these bonds, and we do not blame them. In my particular instance, I used fourteen gallons of gasoline in making approximately thirty trips to the bank, soliciting orders, delivering bonds, contacting district workers, * * * and the local War Finance Board. * * * I made a special application for replacement of the fourteen gallons * * * and received a special permit to purchase six gallons, or less than 40% of the amount if used. * * * The Treasury Department will have * * * more drives for the sale of bonds, * * * and I feel * * * should make prior arrangements with the Office of Price Administration * * * Unless there is more cooperation between Governmental agencies, you cannot expect cooperation from citizens. * * * The Treasury Department expects its War Bond salesmen to put in full time in working for a living and then devote extra hours without any hope, thought or desire of compensation to this work. They certainly should not be penalized for their efforts in cooperating with the United States Government by being deprived of their just rights. * * *

John W. Dean, Jr., New York, New York. I wrote you on September 13, 1943, regarding non-delivery of War Bonds purchased by me while in Service. Your Chief of Correspondence replied promptly and courteously advising that my letter had been forwarded to the War Bond Division in Chicago. And then - Ha! In due time I received a form letter from said Division and after wading through its multitudinous phrases, I gathered that the bonds would be sent sometime. Could they possibly have meant to my descendants, either the third or fourth generation? With March 15th just around the corner and ours being a government of the people, by the people and for the people, why must we, the people, observe this deadline with such fidelity when our government can be so remiss in its obligations? Surely this matter of delivery of bonds cannot be such an overwhelming burden on government personnel. It is, after all, eleven months since my discharge. Isn't it all a bit thick? My file number at the War Bond Division is SPFKW-201 which in itself indicates red tape of an adhesive quality. My serial number while in Service - 32544246.

W. W. Housewright, Vice President, The San Benito Bank & Trust Co., San Benito, Texas. Our customer, Mrs. Mary E. Wedegartner is the owner of \$20,000.00 (Maturity Value) of Series "F" Savings Bonds, * * * with her sister, Mrs. Katherine E. Riley, as co-owner. Mrs. Wedegartner married, * * * and last week, through us, undertook to have these bonds re-registered in her present name, "Mrs. Mary E. Reichert or Mr. Otto W. Reichert," as new co-owner. The Federal Reserve Bank Branch at San Antonio returned the bonds to us, claiming they were not permitted to transfer ownership of bonds by re-issue in such cases. * * * At the time these bonds were purchased, Mrs. Reichert was a widow, with no children, and did just what any other person would have done, and that was to have made her nearest relative the co-owner. * * * Her request at this time to make her husband co-owner is the logical sensible thing to do, and we believe it should be granted rather

than to compel her to redeem the bonds, thereby losing some \$400.00 accumulated interest. If your Department is not authorized to grant Mrs. Reichert's request, we ask that you kindly pass this letter to the Secretary of the Treasury, who, surely, after viewing the facts in this particular case, will authorize the transfer as requested.

Favorable Comments on Taxation

Mrs. F. Civiletto, Bedford, Ohio. Usually one hears and reads about only the unfavorable accounts of the income tax. May I call your attention to the efficient, courteous, and helpful manner in which Mr. George E. Paul handles the income tax. We have gone to him for several years and always have found him to be ready and willing to be of service. He certainly is an asset to your department and I'm sure would like to know about work well done.

Constance Rogers, Paris, Ky. I wish to thank you for referring my letter and tax problem to Mr. Harold W. Graves. In today's mail I received a very full and detailed explanation of the computation of my income tax for 1942 and 1943. It was indeed gratifying to receive this explanation before March 15 and filing time and I am most grateful. * * * When I sent the letter to the Secretary of the Treasury, I really did not expect a reply, much less such a prompt one. * * * It is very satisfying to receive such courteous, pleasant and prompt service as I have in my contacts with the Treasury Department. * * * I shouldn't have rambled on at such length, but wanted you to know how very gratifying it is to have such experiences with one's Government.

Unfavorable Comments on Taxation

P. E. Biggar, Bloomfield Hills, Michigan. I am a fairly busy man. I work hard for long hours and I bring work home, work which is quite interesting and which contributes to the strength and welfare of this country. But can I get this work done? Not by a damn sight. Someone, either your Department or Congress has arranged things so that I must put in at least 60 hours of hard, concentrated and absolutely wasted time on income tax figures. Surely by this time the entirely needless complexities of the income tax and victory tax have so incensed the citizens of this country that it will soon prove impossible for the nit-wits of Washington to continue longer this ridiculous procedure. I sincerely hope that that day is not far off.

Irene B. Whetstone, Chicago, Ill.
(Another Vivian Kellems)

I have prepared the enclosed tax return in accordance with the law which requires that I prepare and file a return showing my net income for 1943. I am not, however, paying any further taxes on this return and expect to contest my right as a citizen of the United States to refuse payment of taxes levied by Congress without due authority under the Constitution. Congress is not authorized under the Constitution to levy taxes or appropriate public monies to be used for any of the following purposes: (lists 8 items, including Lend Lease, which the writer disapproves). * * * It is the right of the people to decide upon whom they shall bestow their gifts and their charity, and Congress is not authorized by the Constitution to appropriate public guise of World-wide philanthropy. * * * As a loyal citizen I do honor to the Constitution and to the Nation it has preserved when I refuse to become a party to its spoliation. The present Executive and Legislative branches of our

Government will pass away, you and I will pass away, but, God grant that our Constitution may survive, and be re-established in Washington before the man power and resources of this God favored Nation are completely spent under the hallucination that it is possible to buy our way and blast our way to a political World Utopia.

UNITED KINGDOM TREASURY DELEGATION

BOX 880
BENJAMIN FRANKLIN STATION
WASHINGTON, D. C.

TELEPHONE EXECUTIVE 2080

3rd March 1944

Dear Dr. White,

In continuation of my letter of 24th February I am now able to send you the figures for our gold and dollar holdings in million dollars as at January 31, 1944.

Gold	1,037	
<u>Less gold liabilities</u>	<u>282</u>	
Net gold		755
Official dollar balances	763	
<u>Less dollar liabilities</u>	<u>157</u>	
Net dollars		<u>606</u>
Net gold and dollars		<u><u>1,361</u></u>

Yours sincerely,

A.T.K. Grant
A.T.K. Grant.

Dr. H.D. White,
Assistant to the Secretary,
United States Treasury,
Washington, D.C.



Treasury Department
Division of Monetary Research

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Date March 6, 1944

To: Miss Chauncey

I handed this to the Secretary
today and he read it. For your files.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

TREASURY DEPARTMENT

79

INTER OFFICE COMMUNICATION

DATE March 3, 1944

TO Secretary Morgenthau

FROM Mr. White

Subject: The Canadian U. S. dollar exchange problem.

As you know, we have been canvassing the question of what measures could be taken to reduce Canada's dollar balances in accordance with the agreement that Canada's balances be kept at between \$300 and \$350 million.

At the close of January 1944, the Canadian Government held \$705 million of gold and U. S. dollars. This total includes about \$112 million of net proceeds from security sales which, under the terms of the agreement with Canada, may or may not be considered as part of Canada's reserves. If we wish to exclude these proceeds, Canada's gold and dollar balances at the end of January 1944 amounted to \$593 million.

As a result of action initiated by the Treasury, the various United States governmental agencies concerned have taken measures to place all future contracts in Canada on a strictly non-financial basis, bearing no relation to Canada's gold and dollar position. Furthermore, these agencies have provided the Treasury with information regarding contracts which could be cancelled by us and taken over by the Canadian Government without detriment to the war effort of the United Nations. It might be noted that these agencies have cooperated fully with us on this matter.

On February 28, 1944, we discussed the problem of Canada's gold and dollar position with Dr. Clark, the Canadian Deputy Minister of Finance, who came to Washington at my suggestion. The attached program was submitted to him and he took it away with him for discussion with the other Canadian officials involved.

If the attached program is adopted, it would result in immediate reduction of about \$250 million in Canada's dollar balances. Thus, Canada's balances would be brought down approximately to the agreed on level of about \$300 to \$350 million (if we wished to exclude proceeds of sales

- 2 -

of securities), while none of Canada's future dollar receipts would result from measures undertaken as financial aid to Canada. Canada would henceforth be on a strictly cash basis.

We have indicated to the various United States governmental agencies concerned that after agreement in principle has been reached with the Canadians, the agencies would negotiate on the individual items with the proper Canadian officials.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE March 3, 1944

TO Secretary Morgenthau

FROM Mr. White

Decision called for.

Subject: India's request for an immediate advance of 10 million ounces of silver.

1. The Government of India has requested that 10 million ounces of silver be lend-leased to it immediately for coinage purposes. Lord Halifax has spoken to Stettinius regarding this matter and both State Department and Foreign Economic Administration have indicated their willingness to make this advance.
2. The Government of India bases its request on the lack of available supplies to keep its mints going for more than about six weeks after March 31, and on the delay in reaching final agreement on the 100 million ounces of silver. It is now nearly three months since Treasury indicated its willingness to lend-lease the 100 million ounces of silver.
3. In our opinion the situation is not quite as critical as painted by the Government of India, but it is undoubtedly true that their margin of safety is becoming small.
4. The delay was primarily due to prolonged discussions between State and Foreign Economic Administration on whether or not the United Kingdom should also be a party to the agreement. It was finally decided that the agreement should be both with the United Kingdom and the Government of India. Now the United Kingdom is seemingly reluctant to become a party to this agreement and is holding up the decision on this matter. The Government of India is eager to enter into the agreement without British participation as a recognition of its sound financial position and as a matter of prestige, while the United Kingdom seems to be arguing that its participation in the agreement would be taken in India as an example of British meddling in Indian external economic relations.
5. Whatever may be the merits of the British and Indian contentions on the advisability of the United Kingdom

- 2 -

being a party to the 100 million ounces agreement, it does seem that this agreement will not be signed in the immediate future and that the 100 million ounces of silver will not be available to the Government of India in a matter of weeks. Therefore, it is suggested that the Treasury agree to the immediate lend-lease to the Government of India of 10 million ounces of silver, making clear, however, that this 10 million ounces is part of the 100 million ounces under discussion.

3/6/44

83

Ribbon copy referred to Mr. Pehle.

RESTRICTED

84

5 March 1944

The Honorable,

The Secretary of the Treasury.

Dear Mr. Secretary:

As I informed you previously, the proposal contained in your letter of January 28, 1944, regarding War Department cooperation with the War Refugee Board, was referred to the Joint Chiefs of Staff for their consideration.

As a result of their study on this matter, a message similar to that proposed by you has been dispatched to the appropriate U.S. Army Commanders. I have been informed that the Navy Department has taken the necessary action to inform the U.S. Navy Commander concerned.

Sincerely yours,

Assistant Secretary of War

RESTRICTED

COPY TO ACCOMPANY ORIGINAL

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE March 3, 1944

TO Secretary Morgenthau
FROM J. W. Pehle

For your information.

I think you will be interested in the attached exchange of cables with Winant in London dealing with an anticipated debate in the House of Commons on the refugee problem.

I consider the reply sent by State to Winant, which we drafted, an effective method of dealing with the British under present circumstances.



PLAIN
London
Dated February 25, 1944
Rec'd. 2:20 p.m.

Secretary of State

Washington

US URGENT

1554, Twentyfifth

CONFIDENTIAL FOR LIMITED DISTRIBUTION

Randall, Foreign Office counselor, has personally approached Bucknell to discuss problems raised by an anticipated debate in House Commons Wednesday, March first on inter-governmental committee on refugees and to ask for any suggestions which Department and War Refugee Board may have.

Debate is in connection with estimates and will give ample time for adverse critics to air views. Richard Law will probably make part of reply for Government. From statements by interested organizations Foreign Office expects there will be effort to show a rift between United States and British Government's on refugee policy and believes that one question will be whether American Government has approved a plan for large scale (ten million dollars) relief of Jews in enemy occupied areas which has been blocked by British. Foreign Office has in mind replying that such is not the case, that British and American Government's have machinery for acting together in refugee matters including membership on the part of both in the inter-governmental committee, that relief and assistance must of necessity be comprised of such actions as are consistent with successful prosecution of the war as was stated by the President in establishing War Refugee Board, that several joint agencies including economic policy agencies of course given consideration to relief proposals in connection with problems of successful prosecution of war, and that consideration of several proposals is currently pending.

- 2 -

Foreign Office would like to have an understanding with Department that British Government, if challenged as anticipated, might reply along foregoing lines with Department's approval. Embassy agrees with Foreign Office in foreseeing danger if impression would be given that two Governments are drifting apart in refugee policy.

Foreign Office has instructed all Missions abroad to consult with United States colleagues with a view to seeing what further measures can be adopted for helping forward refugees along lines of President's executive order.

WINANT

COPY

TELEGRAM SENT

88

RP

PLAIN

X

February 29, 1944 X

U.S. URGENT

AMERICAN EMBASSY

LONDON.

1503, Twenty-ninth

Refer to your 1554 of February 25 with respect to anticipated debate in the House of Commons on the refugee problem.

As previously stated, it is the policy of this Government to encourage and participate in effective cooperative efforts with other governments in taking all possible measures for the speedy rescue and relief of the Jews of Europe and other victims of Hitler's persecution. This Government hopes and believes that its actions in this matter will not be unilateral and that the British Government will actively cooperate in concrete measures designed to carry out this policy.

We agree that it would be unfortunate if this Government and the British Government should drift apart in refugee policy. We hope such will not be the case. Whether this will happen is not of course dependent as much upon the expressions of policy

made

X

-2-1503, February 29th, to London

made by each government as it is upon the actual steps which are taken by each government to put these policies into effect.

Although the War Refugee Board has been in existence only a few weeks a number of concrete measures have been initiated for the purpose of carrying out without delay the policy announced by the President. The Board is now preparing for your information and for submission to the British Government a detailed statement of the action already taken and of the programs initiated to rescue and bring relief to war refugees. We feel that the Foreign Office should know, before making its proposed reply in Parliament, that the Board has under consideration various additional steps of which we hope to apprise it in the near future. The British Government will then be in a better position to judge the actual significance of the policy of this Government and to determine the steps it is prepared to take to carry out a similar policy.

The War Refugee Board has no objection in principle
to

X

-3-#1503, February 29th, to London

to a plenary meeting of the Intergovernmental Committee, but has not definitely formulated its views on future actions which may be requested of the Committee.

The War Refugee Board is pleased to be informed that the British Foreign Office has instructed all of its missions abroad to consult with United States diplomatic and consular representatives with a view to cooperative action.

STETTINIUS
(Acting)
(GLW)

WRB:GLW:MS
2-29-44

BC

EH

U

March 3, 1944

TO: Mr. Warren
FROM: J. W. Pehle

Please transmit the attached cable from the War
Refugee Board to London.

(Signed) J. W. Pehle

Attachment.

WModel:hd 3/3/44

CABLE TO LONDON

Reference your 1492, February 23, 1944, concerning refugees on Island of Rab.

American Jewish Joint Distribution Committee is willing to provide an initial remittance of \$25,000 to the appropriate account of British Government. Please advise whether these funds should be paid to the account of the finance officer of the British Foreign Office.

Also indicate if known whether lire will be transmitted to partisans in Yugoslavia or whether lire will be made available to persons in Italy to cover cost of evacuations.

cc: Miss Chauncey (Sec'y), Abrahamson, Bernstein, Cohn, DuBois (2),
Friedman, Gaston, Hodel, Laughlin, Lesser, Luxford, Mann
McCormack, Paul, Pehle, Pollak, Standish, Stewart, H. D. White,
Files

EGC-118

PLAIN

London

Dated March 3, 1944

Rec'd 11:59 p.m.

Secretary of State

Washington

1762, 3rd

In letter dated March 2nd IGC Director refers to letter of February 18th quoted in Embassy's 1520, February 24th and asks whether Intergovernmental Committee can now go ahead with appointment of representative of committee with MERRA. See also Embassy's 1439, February 21st. Foreign Office being in agreement may te not now inform director that Intergovernmental Committee can proceed with appointment of representative with MERRA.

WINANT

MEV
EMB

TELEGRAM SENT

PLAIN

March 3, 1944

AMEMBASSY?

LONDON,
1612, Third
FROM STONE, FEA, TO ECONOMIC WARFARE DIVISION.
YOUR 1297, FEBRUARY 15.
WE HAVE ISSUED SPECIAL PROJECT LICENSE 1348, CONTROL

NUMBER F8905, VALID FOR THE PERIOD FEBRUARY 24, 1944 TO FEBRUARY 23, 1945, COVERING CLOTHING FOR ALLIED PRISONERS OF WAR AS PER LIST IN OUR A-141, JANUARY 31, WITH THE FOLLOWING EXCEPTIONS:

- (1) SAID LICENSE INCLUDES 20,000 JACKETS WHICH BY AN OVERSIGHT ON OUR PART WERE NOT LISTED IN OUR AIRGRAM UNDER REFERENCE, ALTHOUGH THE LATTER CONTAINS AN EXPLANATION OF SUCH ITEM UNDER PARAGRAPH 1 (E).
- (2) THE TOTAL NUMBER OF SWEATERS IS 180,000 AND NOT 186,000 AS ERRONEOUSLY LISTED IN OUR REFERENCE AIRGRAM.

STETTINIUS
Acting
(GHK)

DCR:RLH:ATM
March 3, 1944

WSTONE
LIAISON:
BA-813-HSKIAER:RK
2/28/44

near the Norwegian Government,

LONDON, March 3, 1944.

No. 76.

Subject: Present position of
Norwegian victims of
Nazi persecution.

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

Sir:

Referring to the Department's instruction No. 634, January 28, 8 p.m. regarding the establishment of the War Refugee Board and the general policy in the President's Executive Order of January 22 for action for the rescue and relief of the Jews of Europe and other victims of enemy persecution, and referring also to our telegram No. 30 of March 1 reporting generally on conversations with officials of the Governments to which this Embassy is accredited, I have the honor to report below the substance of a conversation with Dr. Alf Seweriin, who is in charge of refugee matters in the Royal Norwegian Ministry of Social Welfare and who acted as Norwegian representative on the Technical Advisory Committee on Displaced Persons of the Interallied Committee on Post War Requirements.

While Dr. Seweriin indicated that the policy expressed in the President's Executive Order had the fullest sympathy of the Norwegian authorities, and that these would naturally cooperate with the War Refugee Board in any way that might be possible, he said that fortunately the problems arising in connection with the escape of Nazi victims from Norway were less difficult than in the case of most other enemy-occupied areas. By reason of the long frontier with Sweden, which it is not possible for the German military machine to control adequately, persons desiring to escape from Norway experience no special difficulty once they succeed in reaching this frontier. The real difficulty, Dr. Seweriin stated, is in moving about in Norway itself. There is in fact a more or less steady stream of refugees

cc: Chauncey, Abrahamson, Akzin, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Luxford, Mann, McCormack, Paul, Pollak, Rains, Standish, Stewart, H. D. White, Pehle, Files.

- 2 -

passing into Sweden, though the number goes up from time to time whenever there is some new form of Nazi persecution. The number of Norwegian refugees now in Sweden is considered to be something less than 24,000.

The Jewish population in Norway was very small, and practically all of these, about 870 in number, were deported to Poland by the Nazis. The Norwegian Government has no information about their fate, and Dr. Sewerin thinks it doubtful that many of them are still alive. As regards any survivors, assurances have been given by the Norwegian Government that their return to Norway will be facilitated in the same way as will be done for other Norwegian citizens.

Dr. Sewerin stated that there are no special obstacles apart from the measures adopted by the Nazi regime itself, which interfere with the rescue and relief of Nazi victims in Norway. The attitude of the Swedish Government and of the Swedish people generally is not as cooperative as could possibly be desired. No such qualification of this statement, as would have been necessary, say, two years ago, needs to be made. Refugees now experience no more difficulty so far as official regulations are concerned in crossing the Swedish frontier than they do in entering the only other areas to which Norwegians attempt to escape, namely the United Kingdom mainland and the islands of the Faroes, Shetlands and Iceland, where all along officials and people have afforded all possible help.

The Norwegian Government itself, according to Dr. Sewerin, is giving all possible assistance to Norwegian victims of the Nazis. As a general policy all refugees can depend on the Norwegian Government for support after their escape pending the time when they can find means of supporting themselves. Also plans have already been worked out so that when the Germans are expelled from Norwegian territory the refugees in Sweden and elsewhere can be taken back to Norway in an orderly way and provided with means, where necessary, of re-establishing themselves. In this connection medical and other control measures have been worked out.

When refugees first get out of Norway into Sweden arrangements are made for them to go immediately into camps. These camps are under the control of officials designated by the Norwegian Government. Necessary funds, it is stated, are supplied by the Norwegian Legation in Stockholm. Every cooperation is received from the Swedish authorities. At

- 3 -

the present time most of the Norwegian refugees in Sweden have employment, but whenever employment ceases, these refugees are supported by the Norwegian Government until or unless they find new employment. Dr. Seweriin states there are also perhaps 2,000 refugees who were students in Norway and are now continuing their studies in Sweden with the support of the Norwegian Government. So far as concerns their safety or freedom from persecution, Dr. Seweriin considers there is nothing more which needs to be done for the Norwegians in Sweden.

From a material view point, there is also little more that could be done, under existing conditions of supply shortages; and there is no complaint on this score. From a morale view point, it is regarded as unfortunate that so many active young people find themselves unable to participate more actively in the war effort. If anything more could be done to enable the egress from Sweden of these young people from 17 to 25 years of age, it would be very important.

While exact figures are not available as to the number who have escaped from Norway to the United Kingdom or to Iceland, the Faeroes and the Shetlands, the figure is estimated at something less than 2,000. These are not, however, considered as refugees in the ordinary sense of the word, since they are nearly all young men of military age who are fit to go at once into the Norwegian Merchant Navy or into the Norwegian military forces. In any case there has been no need to treat them as refugees. There are very few refugees to be found in any other European country, except Sweden.

There are now between 6,000 and 8,000 Norwegians, Dr. Seweriin states, who are detained in Germany or occupied territory. Of these 2,000 are prisoners of war and are being treated as such, and it can be expected that they will be returned to Norway under the same conditions as other war prisoners under the terms of the Geneva Convention. The remainder, apart from the 870 Jews deported to Poland, are civil or political prisoners sentenced by courts martial, nearly all of whom are kept in concentration camps or in regular prisons. Dr. Seweriin expressed the hope that they would be returned to Norway through the machinery which is to be set up by United Nations Relief and Rehabilitation Administration.

To the Department in
original and hectograph.

JS:DAS

Respectfully yours,

Rudolf E. Schoenfeld
Charge d'Affaires ad interim

CM-146

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

Madrid

DATED March 3, 1944

Rec'd 6:17 a. m., 4th

Secretary of State,
Washington.

378, March 3, 11 a.m.

Before discussing with Blickenstaff contents of Department's 530, February 25, 10 p.m., I should like to be advised further as to proposed relationship between work of War Refugee Board in Spain and that of the "representative in Spain of American relief organizations". As reported in my despatch 1932, January 24, latter is joint agency representing private American charitable organizations engaged in refugee relief in Spain and is under Blickenstaff's direction.

Specifically I should like to be informed as to whether, in the event of Blickenstaff's designation as representative of the board, he would be expected to give up his present work. The agency he now heads is at present bearing virtually entire burden financial and otherwise of care of stateless and unprotected refugees in Spain and it is my recommendation that it be allowed to continue to do so and that Blickenstaff be permitted

-2- #378, March 3, 11 a.m., from Madrid

be permitted to continue as its director while serving concurrently as board's representative with designation as Attache.

As I have taken great pains to point out the problem of the care of these refugees is being very competently handled by Blickenstaff and his organization which was set up at my suggestion to unify efforts of participating private agencies and I wish to avoid any changes which might impair effectiveness of this work. I am in thorough agreement with the board that Blickenstaff is highly qualified to represent it in Spain, but I wish to make sure that his services will be utilized in the most effective manner possible.

Repeated to London by pouch to Lisbon.

HAYES

WSB

Miss Chauncey (Secy.), Abrahamson, Bernstein, Mrs. Cohn, DuBois (2), Friedman, Gaston, Miss Hodel, Miss Laughlin, Lesser Luxford, Mann, McCormack, Paul, Pehle, Pollak, Standish, Stewart, H. D. White, Files.

DVM-317

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (SC-00)

Ankara

Dated March 3, 1944

Rec'd 4:55 p.m., 4th

Secretary of State,

Washington.

80, March 3, 5 p.m.

Department's 146, February 25.

While expressing their desire to cooperate the Turk authorities are reluctant to commit themselves to any further increase in rail transit facilities through Turkey to Palestine for Jewish refugees from the Balkans until the facilities they have already granted are availed of. To be specific the Turk authorities have authorized the issuance of many more Turk transit visas than have been utilized thus far and have offered to provide more rail transportation facilities than we have been able to avail ourselves of up to the present time. The authorities feel that until the visa and rail transit facilities already placed at our disposal have been availed of any discussion of additional visas, rail facilities or the setting up of camps serves no useful purpose. They have, however, assured me that if and when the visas and rail facilities available to us are no longer sufficient they will be prepared to discuss ways and means of dealing with the situation. In connection with the foregoing I do not know whether the War Refugee Board is aware of the fact that the Turk authorities have authorized transit visas for five thousand Jewish refugees en route to Palestine but that it has not been possible to use more than a fraction of these visas due to the obstacles which up to the present time have been placed in the way of the departure of Jewish refugees from the Axis occupied countries and to administrative delays. Very recently the restrictions in Bulgaria preventing the departure of Jewish refugees have been somewhat relaxed. Unless, therefore, new obstacles are encountered I am hopeful that we will be able to materially increase the movement in the near future.

The foregoing applies, of course, only to transit by rail through Turkey. Insofar as concerns the evacuation of Jewish refugees by sea from Rumanian or Bulgarian ports the Turk authorities have agreed to reopen negotiations for the charter of the SS VATAN on the basis of the guarantee of replacement which I have conveyed to the Turk Government in writing. At the same time we have opened negotiations with the Minister of Communications with whom I spoke yesterday for the proposed purchase by the War Refugee Board of the SS NECAT at a cost of approximately \$400,000 the vessel to be donated to the Turk Red Crescent and to become its property after completing the transportation to Palestine under the auspices of the International Red Cross of 5,000

-2- #80, March 3, 5 p.m., from Ankara.

Jew refugee children from Rumania. We estimate that the purchase price of this vessel would be approximately the same as the cost of transporting 5,000 children by a vessel under charter and that by the donation of the vessel we might be able to persuade the Turk Red Crescent to continue the vessel in operation to carry additional refugees after the agreement to transport the 5,000 children has been carried out.

In view of the fact that the proposed charter of the SS VATAN and proposed purchase of the SS NECAT cannot be regarded as other than pending negotiations and insurmountable delays are invariably encountered in carrying on negotiations in this part of the world I renew my urgent recommendation that a Swedish vessel preferable one already in near Eastern waters be chartered immediately by the War Refugee Board and diverted to Istanbul at the earliest possible moment.

It would appear from the telegrams received by Hirschmann and myself that the War Refugee Board is under the impression that the principal difficulty with which we have been confronted has been a reluctance on the part of the Turk Government to cooperate. Thus far this has not been the case. Up to the present time our principal difficulty has been the refusal of the Axis authorities in the Balkans to permit Jewish refugees to depart. While transportation continues to present serious difficulties this should not be insoluble provided the departure of Jew refugees from the Balkans in increasing numbers can be effected.

I have not hesitated to discuss the entire subject fully and freely with the Foreign Office, the Minister of Communications and other high Turk Government officials for the reason advanced by the Department that my discussions on this subject have no relationship to Turkey's role in the war. In so doing I have made the policy of our Government of which the War Refugee Board is the instrument unmistakably clear to the Turk Government. Accordingly, I have felt free to press the Turks to lend us their fullest cooperation.

Hirschman has been extremely active and diligent and has acquired a thorough grasp of the situation in a surprisingly short time in consequence of which I feel that considerable progress has been made during the past two weeks.

STEINHARDT

EDA

cc:

March 3, 1944
3:30 p.m.

TO: Mr. Warren

FROM: Mr. Pehle

It will be appreciated if you have the attached cable from the War Refugee Board to Ambassador Steinhardt and Hirschmann in Ankara dispatched immediately.

Attachment.

JEDuBois:ecr
3/3/44

URGENTC A B L E

THIS IS WRB CABLE ANKARA NO. 2

TO HIRSCHMANN FROM THE WAR REFUGEE BOARD.

The War Shipping Administration has requested Myron Black, who is field director of their Foreign Service Division, to proceed immediately from Cairo to Ankara to survey with you the entire shipping situation. Mr. Black will be unable to remain in Turkey for more than a few weeks but if necessary will then arrange to have someone assigned permanently from the Cairo office to Ankara.

Please keep in close touch with us on all developments on the shipping problem. The War Shipping Administration has been most cooperative and with their help we hope to be able to solve this most important problem.

JEDuBois:ecr
3/3/44

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Chungking
DATED: March 3, 1944
NUMBER: 297

SECRET

On February 29, a conference was held by War, Treasury, and State officials concerning the general problem discussed in your telegram No. 374.

It was stated by General Clay that instructions had been given to Hearn to advise the Chinese authorities of the full extent of the construction program of the Army and of the magnitude of the expenditures which will be necessary. The reaction of the Chinese will be obtained by General Hearn and he will discuss the problem of financing at the same time. Instructions to keep the Embassy currently informed have been given to Hearn.

Reference was also made by General Clay to a cable from Hearn with respect to Kung's request for \$20,000,000 in US currency with which he expected to experiment in trying to reduce black market rate for US dollar notes. Without being specific, General Clay expressed the opinion that this request showed a weakening on Kung's part with respect to exchange problem and that it might open the way for a settlement (it had been indicated by Hearn in his cable that a settlement might be reached within a month). Clay intends to authorize a transfer to Kung of \$5,000,000 worth of notes, retaining in India 15,000,000 until the effects of the sale of the 5,000,000 are seen and the attitude of the Chinese becomes clearer with respect to the exchange rate problem. No objection to the plan is interposed by Treasury officials.

In connection with the billion dollar Chinese currency advance which Hearn recently obtained, no objection was interposed by Treasury to War Department's depositing \$25,000,000 here to China's credit also without commitment as to the rate of exchange.

Discussion was held on the question of the effect of expanded Army expenditures on Chinese economy with particular reference to means whereby presently non-productive Chinese labor, such as Chinese Army labor corps, might be used, thereby obviating the necessity for employing productive labor required for transport and farming. Also, such an arrangement might result in a reduction in total yuan payments for wages and costs of subsistence, and thus in potential demand for scarce consumers' goods, through having the work performed by workers who are presumably entitled to and accustomed to obtaining an amount of pay and subsistence in line with the normal standard of

- 2 -

living in China, instead of by workers diverted from normal pursuits by Chinese contractors or U.S. Army whose only diversion instrument is the offer of higher and higher standards of living and wages. Also, the question was raised whether it might be advisable to place on the Chinese Government greater responsibility for construction enterprises; that is, to make the Chinese Government responsible for furnishing laborers, the cost thereof to be reimbursed by the U.S. Army while retaining in the hands of the American Army engineers the technical supervision of the work. The thought was that by doing this, the Chinese Army labor corps might be designated to do the work, whereas there was some doubt whether these corps could be made available for direct employment by the U.S. Army. While General Clay was skeptical regarding the feasibility of such an arrangement, the consensus of opinion was that one of the most serious effects of the Army expenditures on the Chinese economy might be obviated if a workable arrangement could be reached.

You might discuss with General Hearn, in your discretion, the questions raised in the foregoing paragraph. The War Department apparently wished to carry out the construction plans as contemplated and hopes that a relatively satisfactory solution of the exchange problem can be reached and means can be found which would minimize the effect on Chinese economy of the expenditures.

You are requested to keep in touch with General Hearn and to report directly to the Department all developments in the matter.

STETTINIUS
(Acting)

sh:copy
3-18-44

Distributed to: Secretary(Mr. Friedman); Mr. Bell(Mr. Dietrich); Mr. Paul;
Mr. White(Mr. Friedman); Mr. Luxford; Mr. Friedman; Mr. Bernstein; Mr. Taylor ;
Mr. Ness.

From Mrs. Fontaine - Room 225

FROM: American Embassy, Chungking
TO: Secretary of State, Washington
DATED: March 3, 1944
NUMBER: 412

SECRET

Reference Embassy's 374, February 24.

1. By appointment on the evening of February 29, Dr. Edward Acheson, Army Financial Adviser and George Atcheson, Counselor of the Embassy, called on Dr. Kung, the former to lay before Kung the estimated financial requirements of our military and the latter to inform Kung, as were instructed in Department's 251, February 19, that his counterproposals of February 3 were not considered by the U.S. Government to be reasonable or satisfactory and then to leave. Although it was understood that the call was to be very informal they found that Kung had with him T.V. Soong, the two Vice Ministers of Finance, the General Manager of the Central Bank, the General Secretary of Exchange Control Commission and later the Chief of Aeronautical Commission.
2. At first Kung received the comment in regard to his counterproposals with all grace and objected to the use of the term "not reasonable", but quickly resumed to his affable role and for the ensuing discussion asked Atcheson to remain.
3. An informal memorandum was handed to Kung by Dr. Acheson which listed various military projects and indicated that the Army's needs including Chengtu are now estimated at about five billion Chinese per month for March, April, May and June (This is a modification of his previous estimate of six billion a month for this period. He says that it is impossible to offer a reasonable estimate for the six months from July to December at present). Comment was made by him that the main question for the moment was how much China's economy could stand by way of additional note issue for these expenditures and said that we did not of course wish to propose a financial burden which would break the economic front and in turn prevent the carrying out of our military program; that is, the problem was how much of our program could be effectuated without threatening economic collapse and there was the collorary problem for the American side of the projects and plans would have to be abandoned if the Chinese Government considered that the financial part of the program could not be undertaken. It was then remarked by Soong (who, throughout had very little to say) that Kung could not give immediate reply to a problem of such magnitude which would require careful study by the Government. Kung stated, in the course of the discussion, that it would greatly help China to bear the burden if the U.S. which was supplying "even food" to Russia and the British could provide China with sufficient transport planes to bring in 2000 tons of commodities per month (chemicals, spare parts for motor trucks, cloth and medicines). It was stated by Atcheson that he did not know the transport requirements of our forces in the South Pacific and elsewhere, but we would be glad to refer the matter to Washington and similar comments were also made by Dr. Acheson. (In regard to this matter if it is understood that HQS will communicate with the War Department). The tenor of Kung's remarks was that this would be something of a necessary quid pro quo and the Embassy feels it is important that under the circumstances it be given the most favorable consideration which is practicable.

Questions were raised by Dr. Acheson in regard to various projects approved GNO which have not gone forward, since November, 1943, for lack of allocation funds by the Chinese Government. It was stated by Kung, his Vice Ministers and the General Manager of the Central Bank that they knew nothing of any failure to locate funds; the Chief of the Aeronautical Commission also professed ignorance and did not have knowledge of the existence of one of the most urgently necessary projects which have suffered delay. Kung said he would look into the matter and called on the Minister of Communications, but he could not be located. In regard to the question of providing five billion for March (March 1st has been set by the GNO the day the U.S. Army would have to look after itself, see Embassy's 106, January 16) Kung indicated that advance of funds would be made, but stated that the Army would have to fly in notes from the US, an arrangement for which Army is asking approval of the War Department. While during conversation there was general discussion of question of rate of exchange, specific discussion ensued in regard to a rate of conversion for this particular advance.

4. It is our understanding that the War Department has deposited 25 million dollars U.S. currency with the Chase Bank as payment on account of advances received to be received from the Chinese Government (rate of conversion to be decided by present negotiations) and is arranging to ship 20,000,000 U.S. currency by air to meet Kung's request for funds with which to endeavor to control Chinese currency market 5 million thereof to be brought into China as experiment and until a satisfactory agreement is reached on the question of the exchange rate the remainder to be held in India.

GAUSS

copy
8-44

OFFICE
SECRETARY OF TREASURY

1944 MAR 4 AM 10 32

TREASURY DEPARTMENT

NOT TO BE RE-TRANSMITTEDCOPY NO. 12BRITISH POST SECRET
U.S. SECRETOPTCL No. 72

Information received up to 10 A.M., 3rd March, 1944.

1. MILITARY

ITALY. The German offensive against U.S. troops in the Allied bridgehead has failed. Position on front of 3rd U.S. division entirely re-established. German losses very heavy.

2. AIR OPERATIONSWESTERN FRONT. 1st/2nd.

STUTTGART. 998 tons H.E. 741 tons incendiary dropped including 309 4,000 pound bombs in 22 minutes. Complete cloud over objective, bombing on sky markers. Impossible estimate results but glow of fires covering wide area reflected on clouds. Heavy A/A moderate, fighter opposition weak. 4 bombers missing.

2nd. 431 Fortresses and Liberators despatched: 137 dropped 261 tons at FRANKFURT-ON-MAIN through cloud. 105 bombed OFFENBACH and 49 LUDWIGSHAFEN. 86 others in small parties bombed various objectives in GERMANY. Enemy casualties by bombers and supporting fighters 20, 4, 7. Ours 9 bombers, 3 fighters missing. 126 Marauders dropped 224 tons on AMIENS Railway Centre with good results and 212 bombers (2 missing) and 83 fighter bombers (1 missing) attacked military constructions in Northern France dropping 383 tons. 34 Fortresses (1 missing) dropped 141 tons on CHARTRES airfield in hazy weather.

2nd/3rd. Aircraft despatched: Aircraft assembly plant MEULAN LES BUREAUX near PARIS 123, aircraft factory ALBERT 15, objectives in GERMANY 12, Intruders 15, sea-mining 8, leaflets 15. All returned safely. Factory at MEULAN was bombed through medium cloud.

TREASURY DEPARTMENT

109

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau

March 4, 1944
12:30 PM

FROM Fred Smith *FS*

Cablegrams have been sent to the Fleet Commanders on the War Loan drive.

Carley saw Knox's aid in the Navy Department.

Unfortunately, we don't have a Colonel McCarthy in the Navy Department. John Sullivan arranged the appointment in Knox's office.

MM 2



WASHINGTON

March 4, 1944.

Dear Mr. Secretary:

I have just seen a copy of your radio to all theater commanders, and I wish to thank you for your thoughtfulness in letting them know the results of the Fourth War Loan drive.

This message will be reassuring to our men overseas, and they will appreciate being advised of the fine results achieved.

Faithfully yours,

A handwritten signature in cursive script, appearing to read "W. E. Borah", written in dark ink.

The Honorable,
The Secretary of the Treasury.

MAR 4 1944

My dear Mr. President:

I am enclosing herewith a suggested reply to Congressman Cochran.

I understand that he had already been in touch with the Treasury about the suggestion of extending the March 15th date for filing Income Tax returns and that the Treasury had advised him that a greater percentage of taxpayers have already executed and filed their returns than ever before at this time of year. He was also advised of our desire that there be an interval of at least a month between the filing of the Income Tax return and the filing of the Estimated Declaration of 1944 income which is due on April 15th.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

The President,
The White House.

Enclosure.

JLS:eh

My dear Mr. Cochran:

Receipt is acknowledged of your letter dated February 28, 1944, with which you enclosed letter received from Honorable William L. Igoe, urging that an extension of time from 15 days to 30 days be granted individuals to file income tax returns for 1943.

The principal reason given by Mr. Igoe for urging such a general extension is that the return forms for 1943 are more complicated than usual, being the first return under the Current Tax Payment Act of 1943.

Admittedly the individual returns for 1943 are more complex than in former years due to the fact that they represent a settlement of tax liability for two years and taxpayers have needed more assistance in preparing their returns for 1943 than they did formerly. The Bureau of Internal Revenue made available to taxpayers return forms shortly after the first of the year. Taxpayers were urged to prepare and file their returns at the earliest possible date, and were told that they would be given assistance by collectors' offices if they need assistance. While under the provisions of section 53 of the Internal Revenue Code the Commissioner may, with the approval of the Secretary, grant a reasonable extension of time for filing returns, it has been reported to me that there are no sufficient reasons for granting a general extension of time to file returns for 1943. Since the taxes due for 1943 should be covered into the Treasury at the earliest date possible, a general extension of time to file returns should be granted only under extraordinary circumstances. The Treasury has advised me that conditions throughout the country surrounding the filing of returns are not such as would warrant the granting of a general extension.

Authority has been delegated to the various collectors of internal revenue to grant individuals extensions of time to file returns upon the specific request of the individual, showing good cause for the extension.

Sincerely yours,

Honorable John J. Cochran
House of Representatives
Washington, D. C.

THE WHITE HOUSE
WASHINGTON

February 29, 1944

Respectfully referred to the
Secretary of the Treasury for
attention and preparation of reply
for the President's signature.



M. C. LATTA
Executive Clerk

J. COCHRAN
 Dist. Member

CONGRESS OF THE UNITED STATES
 HOUSE OF REPRESENTATIVES
 WASHINGTON, D. C.

COMMITTEES
 CHAIRMAN, COMMITTEE ON ACCOUNTS
 EXPENDITURES IN THE EXECUTIVE DEPART-
 MENTS
 CORNAGE, WEIGHTS, AND MEASURES
 SELECT COMMITTEE ON CONSERVATION OF
 WILDLIFE RESOURCES
 MIGRATORY BIRD CONSERVATION
 COMMISSION

THE WHITE HOUSE

FEB 29 8 35 AM '44
 RECEIVED

The President:

I am enclosing a letter that I have received from Honorable William L. Igoe. It so happens he is the gentleman I came to Washington with, as his secretary, over thirty years ago. He served four terms and voluntarily retired. At the time of his retirement he was Ranking Member of the Judiciary Committee.

You have no better friend in the Country than Mr. Igoe. He has a wonderful mind and it is for that reason I am sending his letter to you. I, too, feel that it would be wonderful if an extension of time could be granted for the filing of returns due to the situation that confronts the millions of people in the Country, all of whom will not be able to secure aid by March 15th from the Bureau of Internal Revenue.

With assurance of my high esteem,

Sincerely yours,

John J. Cochran

The President,

The White House.

WILLIAM L. IGOE
314 NORTH BROADWAY
ST. LOUIS, MO.

2/26/11

Dear Sirs: I see some Congress man
 is going to introduce a bill
 to extend time for filing income
 tax returns not corporation to Apr. 15th
 In my opinion the Administration
 could not make a more popular
 move, with those who have not yet
 filed, that to give a 15 day or 30
 day extension. I think the
 Society or Com. can do this
 by reputation - There are good
 reasons for doing it this
 year, and it need not be a
 precedent for the future. Some
 of the new law may be
 retroactive also. The main thing
 however is, that the best and worst
 body else has said how complicated
 the returns is, and it is a tough
 job to fill out the return, and
 being the first return under
 the act as you go, an extension is
 justified. If the Pres. could see fit, I
 by conferring with the Secy. of Treas.
 had them have the latter issue the order
 for such a conference, it would be good
 thing. However, may be the best better stay with
 Society only Bill

THE UNDER SECRETARY OF STATE
WASHINGTON

March 4, 1944

Dear Henry,

Herewith is the statement on the
Argentine situation which I made at the
press conference today at 1:10.

Sincerely yours,



The Honorable
Henry Morgenthau, Jr.
Secretary of the Treasury

DEPARTMENT OF STATE

FOR THE PRESS

MARCH 4, 1944
No. 67STATEMENT BY THE ACTING SECRETARY OF
STATE, THE HONORABLE EDWARD R. STETTINIUS

The foreign policy of the United States since the beginning of the war has been governed primarily by considerations of support to the prosecution of the war. That applies to our relations with any country. That is the single uppermost point in our policy and must remain so.

Prior to February 25, the Argentine Government had been headed by General Ramirez. On January 24, 1944, his Government broke relations with the Axis, and indicated that it proposed to go further in cooperating in the defense of the Western Hemisphere and the preservation of hemispheric security.

Suddenly, on February 25, under well-known circumstances, General Ramirez abandoned the active conduct of affairs. This Government has reason to believe that groups not in sympathy with the declared Argentine policy of joining the defense of the Hemisphere, were active in this turn of affairs.

The Department of State thereupon instructed Ambassador Armour to refrain from entering official relations with the new regime pending developments. This is the present status of our relations with the existing Argentine regime.

In all matters relating to the security and defense of the Hemisphere, we must look to the substance rather than the form. We are in a bitter war with a ruthless enemy whose plan has included conquest of the Western Hemisphere. To deal with such grave issues on a purely technical basis would be to close our eyes to the realities of the situation.

The support by important elements inimical to the United Nations war effort of movements designed to limit action already taken could only be a matter of grave anxiety.

The United States has at all times had close ties with Argentina and the Argentine people. It has consistently hoped, and continues to hope, that Argentina will take the steps necessary to bring her fully and completely into the realm of hemispheric solidarity, so that Argentina will play a part worthy of her great traditions in the world-wide struggle on which the lives of all of the American countries, including Argentina, now depend. The policies and types of action, present and future, which would effectuate this full cooperation are fully known in Argentina, as in the rest of the Hemisphere.

* * *

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

March 4, 1944

CONFIDENTIAL

Received this date from the Federal Reserve Bank of New York, for the confidential information of the Secretary of the Treasury, compilation for the week ended February 23, 1944, showing dollar disbursements out of the British Empire and French accounts at the Federal Reserve Bank of New York and the means by which these expenditures were financed.

EMB

FEDERAL RESERVE BANK
OF NEW YORK

March 2, 1944.

CONFIDENTIAL

Dear Mr. Secretary:

Attention: Mr. H.D. White

I am enclosing our compilation for the week ended February 23, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Faithfully yours,

/s/ Robert G. Rouse

Robert G. Rouse,
Vice President.

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

Enclosure

C O P Y

ANALYSIS OF BRITISH AND FOREIGN ACCOUNTS
(In Millions of Dollars)

Week Ended February 23, 1944 Strictly Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)								BANK OF FRANCE				
	DEBITS				CREDITS				Net Incr. (d) or Decr. (-) in \$ Funds	Total Debits (e)	Total Credits (e)	Net. Incr. (-) or Decr. (-) in \$ Funds (d)	
	Total Debits	Expendi- tures (a)	Official Canadian Account	Other Debits	Total Credits	Reserve of Gold	Securities Official (b)	Transfers Official Australian Account					Other Credits (c)
First year of war (g)	1,793.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	416.2	+ 35.0	866.3(f)	1,095.3(f)	+ 299.0
Year period through December, 1940	2,782.3	1,425.6	20.9	1,335.8	2,793.1	2,109.5	108.0	14.5	561.1	+ 10.8	878.3	1,098.4	+ 220.1
Second year of war (h)	2,203.0	1,792.2	3.4	407.4	2,189.8	1,193.7	274.0	16.7	705.4	- 13.2	38.9	8.8	- 30.1
Third year of war (i)	1,235.6	904.8	7.7	223.1	1,361.5	21.8	5.5	57.4	1,276.8	+ 125.9	18.5	4.4	- 14.1
Fourth year of war (j)	764.0	312.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3
1943													
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-
November	63.9	42.4	5.9	17.6	89.0	-	-	3.5	85.5	+ 23.1	-	-	-
December	98.1	16.3	-	81.8	134.5	-	-	36.5	98.0	+ 36.4	-	-	-
1944													
January	44.8	22.2	10.6	12.0	127.5	-	-	1.0	126.5	+ 82.7	-	-	-
February													
March													
April													
May													
June													
July													
August													
Week Ended													
February 2, 1944	17.0	2.8	9.6	4.6	15.7	-	-	6.0	9.7	- 1.3	-	-	-
February 9, 1944	61.4	7.1	-	54.3	32.8	-	-	15.0	17.8	- 28.6	-	-	-
February 16, 1944	7.7	4.8	-	2.9	25.8	-	-	-	25.8	+ 18.1	-	-	-
February 23, 1944	64.0(l)	0.6	-	63.4(l)	57.2(k)	-	-	-	57.2(k)	- 6.8	-	-	-

Average Weekly Expenditures Since Outbreak of War
 France (through June 19, 1940) \$19.6 million
 England (through June 19, 1940) \$27.6 million
 England (through June 30, 1940 to March 12, 1941) \$54.9 million
 England (through March 12, 1941 to June 19, 1940) \$20.7 million

See attached sheet for footnotes.

(a) Includes payments for account of British Ministry of Supply Weston, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.

(b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1960 amounted to \$334 million.

(c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the reutilization of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.

(d) Reflects net change in all dollar holdings payable on demand or maturing in one year.

(e) For breakdown by types of debits and credits see tabulations prior to March 10, 1963.

(f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1960 and returned the following day.

(g) For monthly breakdown see tabulations prior to April 23, 1941.

(h) For monthly breakdown see tabulations prior to October 8, 1941.

(i) For monthly breakdown see tabulations prior to October 14, 1942.

(j) For monthly breakdown see tabulations prior to September 29, 1943.

(k) Includes \$ 10.5 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports, and \$45.0 million in connection with the expenses of our armed forces abroad.

(l) Of which \$50.3 million represents cost of gold purchased for exports.

STATE OF DEBIT AND CREDIT ACCOUNT
(In Millions of Dollars)

PERIOD	DEBIT OF DEBITS (and Canadian Government)								CREDITS OF CREDITS						Net Incr. (+) or Decr. (-) in \$Millions	
	DEBITS				CREDITS				DEBITS			CREDITS				
	Total Debits	Transfers to Official British A/C	Others Debits	Total Credits	Proceeds of Gold Sales	Transfers from Official British A/C	For Own A/C	For French A/C	Other Credits	Total Debits	Transfers to Official British A/C	Other Debits	Total Credits	Proceeds of Gold Sales		Other Credits
First year of war (a)	323.0	16.6	306.4	304.7	412.7											
War period through December, 1940	477.2	16.6	460.6	707.4	534.8	20.9	38.7	32.4	+ 181.7	31.2	3.9	27.3	36.1	30.0	6.1	+ 4.9
Second year of war (b)	460.4	-	460.4	462.0	246.2	3.4	110.7	41.0	+ 230.2	57.9	14.5	43.4	62.4	30.1	12.3	+ 4.5
Third year of war (c)	525.8	0.3	525.5	566.3	198.6	7.7	123.9	88.5	+ 1.6	72.2	16.7	55.5	81.2	62.9	18.3	+ 9.0
Fourth year of war (d)	723.6	-	723.6	958.8	47.1	170.4	-	360.0	+ 40.5	107.2	57.4	49.8	112.2	17.2	96.0	+ 5.0
1943																
September	47.2	-	47.2	70.1	-	10.6	-	59.5	+ 22.9	16.8	15.0	1.8	20.0	-	20.0	+ 3.2
October	32.1	-	32.1	71.3	-	-	-	71.3	+ 32.2	42.8	40.5	2.3	25.5	-	25.5	+ 16.1
November	15.4	0.1	15.3	95.1	-	5.9	-	89.2	+ 79.7	6.6	3.5	3.1	18.4	-	18.2	+ 12.4
December	146.8	0.3	146.5	55.1	-	-	-	55.1	+ 91.7	29.7	36.5	3.2	27.0	-	27.0	+ 15.5
1944																
January	32.3	-	32.3	78.5	-	10.6	-	67.9	+ 46.2	6.0	1.0	5.0	11.3	-	11.3	+ 5.3
February																
March																
April																
May																
June																
July																
August																
Week Ended																
February 2, 1944	13.8	-	13.8	19.7	-	2.6	-	10.1	+ 5.9	6.3	6.0	0.3	15.9	-	15.9	+ 2.6
February 9, 1944	2.7	-	2.7	44.4	23.1	-	-	21.3	+ 41.7	16.1	15.0	1.1	1.0	-	1.0	+ 15.1
February 16, 1944	7.5	-	7.5	21.0	-	-	-	21.0	+ 13.5	-	-	-	1.1	-	1.1	+ 1.1
February 23, 1944	7.4 (f)	-	7.4	32.6 (f)	-	-	-	32.6 (f)	+ 25.2	-	-	-	7.5 (b)	-	7.5 (b)	+ 7.5

Average Weekly expenditures for

First year of war 6.2 million.
 Second year of war 8.9 million.
 Third year of war 10.1 million.
 Fourth year of war 13.9 million.
 Fifth year of war (through February 23, 1944) 11.6 million.

- (a) For monthly breakdown see tabulations prior to April 23, 1941.
- (b) For monthly breakdown see tabulations prior to October 8, 1941.
- (c) For monthly breakdown see tabulations prior to October 14, 1942.
- (d) For monthly breakdown see tabulations prior to September 29, 1943.
- (e) Reflects changes in all dollar holdings payable on demand of ~~our armed forces~~.
- (f) Does not reflect transactions in short term U. S. securities.
- (g) Includes \$ 31.0 million deposited by War Supplies, Ltd. and \$ 1.0 million received from New York account of Canadian Chartered Bank.
- (h) Includes \$7.5 million in connection with the expenses of our armed forces abroad.

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

OFFICE OF THE
EXECUTIVE DIRECTOR

March 4, 1944

TO: Secretary Morgenthau
FROM: J. W. Pehle

You suggested that there be a meeting
of the War Refugee Board in the near future.

In Mr. Hull's absence I suggest that
you call Stettinius and arrange for a meeting
of the Board for the middle of next week.

JWP:lec

MA

Developments during the week of
February 28 - March 4, 1944

1. DECLARATION OF NAZI ATROCITIES TO THE JEWS.

The proposed declaration has been approved by Stettinius, Stimson and Secretary Morgenthau.

2. APPROACH TO THE SATELLITES.

The Swiss Government has been requested to make strong representations to the governments of Rumania, Bulgaria and Hungary, with respect to their persecution of Jewish and other refugees, and their prevention of the escape of such refugees to neutral countries. The Swiss have also been asked to make clear to the satellite governments our determination to do everything possible to rescue these unfortunates and to find havens of refuge for them and that we will keep in mind in the future any continued collaboration by these governments in Hitler's program of extermination.

3. COOPERATION WITH OTHER GOVERNMENTS.

(a) British

A cable was received from Winant stating that debate was anticipated in the House of Commons on March 1, on the British Government's refugee policy, in connection with the question of funds for the Intergovernmental Committee. He advised that it was expected that an attempt would be made to show a rift between this Government and the British Government on refugee policy. The Foreign Office, Winant said, proposed to reply that this was not the case, that the British and American Governments have machinery for acting together on refugee matters. In our reply to Winant we repeated our desire to cooperate with other governments and expressed the hope that our action in this field would not be unilateral but that the British Government would actively cooperate in concrete measures to carry out our declared policy. We stated that we hoped the two governments would not drift apart in refugee policy, but that would depend upon the concrete steps taken by each of the governments to put the declared policies in effect. We stated that we were preparing a detailed statement of the action we have

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already taken and of contemplated concrete programs designed to rescue and bring relief to war refugees and that we felt the British Government should have this information before making its reply in Parliament since then it would be in a better position to determine what it is prepared to do to carry out a similar policy.

We were subsequently advised by Winant that the House of Commons debated the question of funds for the Intergovernmental Committee for two hours, finally voting the sum requested by the Government. Critics of the Intergovernmental Committee favored the establishment of a British agency like the War Refugee Board. The Government took the position that an international body can handle some matters better than the agency of any one nation but that there is a field for national action in these matters and the Government was therefore pleased at the establishment of the War Refugee Board and will give it "our very warmest support and sympathy." The Government also reiterated its position that there was no need for a British War Refugee Board because there is already a cabinet committee concerned with such matters and moreover, there are constitutional objections to its establishment.

(b) Russia.

A cable to Harriman has been prepared and is now pending at State, asking him to solicit the active cooperation of the Russian Government. The cooperation sought includes having Russia bring pressure to bear on the satellites, obtaining her assistance in solving the transportation problem in the Black Sea area, having her grant at least a temporary haven to war refugees who have succeeded in escaping to the neutral countries and to those who could be transported from the Balkans across the Black Sea to Russia, and having her give her assurances to countries like Switzerland that refugees accepted by such countries could settle in Russia after the war.

(c) Australia.

A report was received from Johnson in reply to the circular instructions of January 26th, stating that the Australian

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Government is not interested in taking any active steps looking toward the admittance of refugees or in rescuing or assisting them. Australia is chiefly interested in post-war immigration and only a type desired by the government. However, the Australian Government has just announced that it will take an additional 150 Jewish children from Switzerland and other small groups of refugees may be admitted if private agencies will accept full responsibility for them.

(d) United Nation Governments in Exile

A cable was received from Schoenfeld advising that the governments of Norway, Poland, Czechoslovakia, The Netherlands and Belgium had been informed of our policy and have all signified their desire to cooperate fully. They stressed the importance in this work of such measures as: (1) transfer of funds to neutral countries for use in securing the release of some victims in enemy territory, facilitating their travel, etc., (2) assistance in providing passports and visas for entry to neutral countries, and (3) pressure on neutral countries, particularly on Spain to facilitate the entry of refugees.

Propaganda measures similar to those we have initiated, or contemplate using, were also advocated. These governments are furnishing detailed reports on the condition of persecuted minorities in each of said countries, together with suggestions for action to facilitate their rescue.

(e) Egypt.

Minister Kirk in his reply to the circular airgram of January 26th has advised that the Egyptian Government has been permitting the entry of various groups of Poles, Greeks, and Yugoslavs, sponsored by the Middle East Relief and Refugee Administration, and that some Jews were included in these groups. These refugees have been admitted on the understanding that their sojourn in Egypt will not extend beyond the duration of the war. It is the declared policy of the Egyptian Government not to accept additional refugees. Kirk is of the opinion that the Egyptian Government, because of political and economic considerations, cannot be persuaded

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to accept additional refugees, although in accordance with instructions the Legation in approaching the Egyptian Government on the matter.

(f) Iceland.

Our Minister has reported that he had discussed the circular airgram with the Foreign Minister of Iceland, who, while sympathetic, felt that concrete proposals should be made to the Icelandic Government before it could decide to what extent it is able to cooperate with us in the execution of our policy.

(g) Saudi-Arabia.

A report was received from Minister Moose in reply to the circular instructions of January 26th. Moose has asked for authority from State to disregard the instructions to approach the government of Saudi-Arabia in this matter, since he is certain it will not cooperate with us, the country being hostile to Zionism and to all Jews.

(h) Neutrals.

(i) Turkey.

Hirschmann has advised that arrangements have been made for the rail transport of 150 Jewish refugee children from Bulgaria to Palestine via Turkey. To that extent at least the land transport bottleneck in this region has been broken.

In another cable, Hirschmann recommended that we give no publicity at this time to Turkey's cooperation, as such publicity might result in the Turks' ceasing to cooperate further, feeling that they had sufficiently placated American public opinion. We replied that we were in general agreement that no publicity should be employed which in any way interferes with the rescue of refugees. However, we pointed out to Hirschmann that we consider publicity of tremendous help in certain aspects of our program and expressed the view that publicity given to real acts of cooperation by neutral countries may be very helpful in inducing assistance from other nations. We have asked Hirschmann to advise us of matters

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in this field which might properly be publicized. Hirschmann will also be sent the text of the cable to Harriman in Moscow when the same is dispatched.

(1) Latin American Countries.

Reports in response to the circular airgram have been received from Uruguay and Nicaragua. Our Minister to Uruguay states that the government of that country has indicated its willingness to cooperate and asked us to advise what we would like to have done. The Uruguayan Government is also interested in ascertaining the measures we contemplate taking in this field. The report from Nicaragua advises that the Nicaraguan Government will permit the entry of war refugees under the same conditions as the United States and in proportion to the population of the two countries.

4. SHIPPING

Admiral Land has ordered Myron Black, Field Director of War Shipping, from Cairo to Ankara to assist Ira Hirschmann on the Black Sea shipping problem.

We have taken up with the War Shipping Administration the problem of transporting to Ireland the 500 Jewish children that country has indicated its willingness to accept.

5. SPECIAL PROJECTS.

(a) Evacuation of Refugees from Spain to North Africa.

The French representatives in Madrid, participating in the preliminary security screening of refugees about to be evacuated from Spain to Fedhala Camp in North Africa, set up a cumbersome procedure for checking on these refugees. Our Mission at Madrid, feeling that this procedure would delay the evacuation of the refugees indefinitely, and was contrary to the previous understanding in the matter between the French and the Allies, had our Mission in Algiers ask the Allied and French authorities to forego all but preliminary screening until these refugees arrived in North Africa. The French authorities then modified their requirements to coincide with the original understanding and have given

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assurances that the names of refugees forwarded to Algiers will be cleared within four days. 750 refugees have applied for admission to this camp and it is expected that they will leave Spain about the end of March.

(b) Evacuation of Jewish Children from France to Switzerland.

Some of the Jewish children who have been hiding in France to escape deportation are arriving in Switzerland by their own efforts without the aid of Vichy exit permits. Although the Swiss are not turning any of these children back at the border, it has been indicated that they will not permit any organized effort to bring in large numbers of these children unless they have some assurance that the children will be evacuated after the war. A cable to Bern has been prepared and is now pending at State, extending such an assurance by authorizing the issuance and renewal of 5,000 United States visas for children entering Switzerland from France between January 1, 1944, and four months after the cable is sent.

(c) Evacuation of Jews from Transnistria.

It has been reported that the Germans have taken over from Rumania the administration of Transnistria, in which case immediate evacuation of refugees from that area is essential. A cable has been sent to Hirschmann asking him to check on this report and to ascertain the present situation in Transnistria.

A cable was received from the representative of the American Jewish Joint Distribution Committee in Lisbon that negotiations for the transportation of 5,000 refugees children from Transnistria to Turkey were proceeding more favorably. He asked the JDC to authorize him to conclude a contract for such transportation at a cost of approximately \$300 a head. A cable was sent to him immediately by the JDC through the facilities of the State Department authorizing him to take immediate action to underwrite the transportation costs involved.

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(d) Relief of Jewish Refugees in Shanghai.

The Vaad Hahatzala Emergency Committee under appropriate license is sending through Switzerland to the Dean of Rabbis in Shanghai an authorization to borrow locally the equivalent of \$50,000 for the relief of a group of Rabbis and Rabbinical students in Shanghai. We arranged for the cable instructions to be sent through State Department facilities.

(e) Feeding and Medical Care of Refugees in France.

The Unitarian Service Committee has commenced a program for the medical care of refugees in concentration camps and elsewhere in France. A remittance of \$30,000 to their representative in Switzerland has been made for this purpose. The Unitarians have also been authorized to remit \$9,000 to Portugal for the purchase of food packages to be distributed to persons in France known to their representative to be in danger of death.

(f) Relief of Greeks in Italy.

A license has been issued in accordance with our recommendation permitting the Greek Government to remit the equivalent of 20,000 Swiss francs to its Legation in Bern for the relief of Greek nationals who are being held as hostages in northern Italy. The Swiss francs were acquired through the Stabilization Fund.

(g) Evacuation of Refugees from France into Switzerland.

Upon our recommendation the Selfhelp of Emigres from Central Europe, Inc., were authorized to increase their remittance to Switzerland to \$20,000 during the next six months for their relief and evacuation operations in France.

(h) Latin American Passports for Refugees.

The Jewish Labor Committee has approached the Board with a request that it be permitted to use the communication facilities of this Government to send to a member of

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the Polish Government in Exile in London the names of 35 refugees in enemy territory. This Polish official had indicated that it might be possible to obtain Latin American passports for some refugees which would enable them to be treated as civilian internees and escape deportation. We have approved the sending of this list of names to test the feasibility of the plan.

6. ESTABLISHMENT OF HAVENS OF REFUGE.

We are working on the matter of establishing a haven for refugees in Tripoli and Cyrenaica. A cable will be sent to the British shortly, giving our views on the subject and requesting their cooperation.

We are also considering the feasibility of establishing camps for refugees in the United States. Although it might not be possible to give refugees admitted to such camps any greater rights than are granted to prisoners of war, the movement of refugees into such camps from the neutral countries would make such countries much more willing to accept additional refugees and would therefore result in the saving of many more lives.

7. RELATIONS WITH INTERGOVERNMENTAL COMMITTEE.

A conference was held this week in the office of Mr. Stettinius to discuss with Myron Taylor and State Department representatives the relationship of the War Refugee Board to the Intergovernmental Committee.

8. CENSORSHIP

Under arrangements made with OSS, we have begun to examine their reports on refugee matters.

9. FUNDS FOR WAR REFUGEE BOARD PROJECTS.

Discussions with private agencies and individuals concerning the financing of the Board's programs continue. A conference was held on these matters with Morris Ernst, Isidore Levy and Paul Baerwald.

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10. PERSONNEL

Albert Abrahamson and Mrs. Kathryn Cohn have joined our staff.

HP:FH:hd 3/6/44

New York Post
 MAY 6 1944

Put First Things First

It begins to look as though the Wagner-Taft resolution protesting the British White Paper's ban on Jewish immigration into Palestine will fail.

The view of the British Colonial Office, operating through our State Department and indirectly through Chief of Staff Marshall, will probably prevail on the Senate.

It need not have been so. Had the issue been placed squarely before the Senate, of Palestine as a refuge for Jews in danger of being murdered in Hitler Europe, the Senate would certainly have said "Yes." Unfortunately, the resolution tried to take in too much ground.

For the same resolution called also for the eventual reconstituting of Palestine into a democratic homeland for the Jews. And the moment the issue stopped being the immediate one of rescuing the imminently threatened Jews and became one of what will happen to Palestine five, ten, or fifteen years hence, the British Colonial Office and the British-controlled Moslem governments saw their chance. They came out strongly against possible American official support of this plan, saying that they would never stand for Palestine becoming a Jewish homeland.

Murdered by Technicalities

On this ground, Gen. Marshall could safely come to the Senate Foreign Relations Committee and ask it to quash the resolution on the reasoning that military necessity dictates our not irritating the Arab-Moslem world of the Middle East.

And so, one of the last hopes of three million Jews will probably be thrown out on a technicality, voted down because it contained a politically explosive proposal that was also completely extraneous.

The point right now is not what Palestine is to become in the future. The point right now is—what is to become of the Jews of Hitler Europe who still have a chance to get out but who have no place to go?

We can talk about the eventual political disposition of Palestine when we do not have several million lives hanging in the balance. The issue can be fought out then and we shall ~~certainly~~ have something to say about it.

But right now, the Jew who lives from hour to hour in Bucharest, in dire peril of being shipped to Poland to be hungered to death or executed there, is not interested in whether Palestine is to become what the Balfour Declaration promised or whether it is not.

He is interested in saving his life and in saving the lives of his child and his wife and his fellows. That goes, too, for the Jew in Hungary, in Bulgaria, or in any other Axis satellite countries, who still lives but who, if he does not find a refuge soon, will join the dead of the Polish ghettos.

We Propose a Resolution

For that reason we propose a new resolution, completely divorced from the question of the eventual disposition of Palestine. We propose a resolution which will simply call upon the British government to open Palestine as a refuge to the Jews fleeing death by the Axis.

We cannot conceive of the British government opposing this resolution. We cannot conceive of the Moslem governments of the Near East daring to tell the American Senate that they obstinately refuse to allow the Jews of Europe to be saved from death.

No questions of "military necessity" will be involved to bring the War Department into the matter. There will only be the purpose of succoring a sorely pressed and decimated enemy of Hitlerism.

Are there any who would dare to say "No"?

In its proper time, the future of Palestine will be settled. The British Colonial Office and its co-workers, the governments of Egypt, Iraq, Saudi Arabia, Syria, Lebanon, Transjordan and Yemen will then be able to present their case, as will the Zionists, and the matter will be argued out.

But in the name of mercy, let us not allow the Jews, who must escape Hitler's Europe in the next few months or die, to become pawns in an extraneous and postponable political dogfight.

We call upon Senators Wagner and Taft or any others to propose a new resolution asking the British to open Palestine as a Jewish refuge and nothing more.

Civil Affairs Office

4 March 1944

No. 2

Dear John:

Herewith is a report on War Refugee Board activities since I last wrote you on 29 February. You will note that I have started to number my letters and will consider the prior communication as No. 1. Will you please have your copy marked accordingly.

Much has taken place since Monday afternoon when I received a copy of the cable announcing my appointment as Special Representative. I must admit, however, that neither Mike nor I realized the full significance or direction of the program until we had a full discussion about it with Harold Glasser. The information and advice which he gave to us should prove invaluable and will be of great assistance in the future operations of the board in this area.

I think it would be best, in order to bring you up to date on the North African situation, to review briefly the entire situation from the time of the receipt by Mike of State Department cable No. 320, dated 29 January. This cable, which requested Mike to cooperate with Ambassador Wilson in the program, was the first knowledge that anyone of the Treasury group had concerning the new program. Immediately after its receipt Mike asked for a copy of the circular airgram of the State Department dated 26 January which, however, did not arrive for several days. Shortly after its receipt Mike sent a memorandum to Selden Chapin, who is temporarily in charge of the Embassy, in which he called attention to the instructions he had received and offered the assistance of the Treasury representatives in connection with the program. He also suggested that Chapin discuss the matter with him more fully. At the same time he despatched a State Department cable dated 9 February for the Secretary of the Treasury acknowledging the earlier cable and stating what he had done. Chapin asked Paul Warburg to keep in touch with Mike on the matter. For several weeks thereafter nothing much took place insofar as the Treasury representatives were concerned. The State Department people did not advise us of any further developments nor were we consulted in connection with the preparation of an answer to the Circular Airgram but so far as the State Department was concerned we were not actively in the picture until the receipt of State Department Cable No. 612 February 26.

* (Insert): of 26 January. Mike discussed the matter with several people

A copy of this cable did not reach me until the afternoon of 28 February. Shortly prior thereto I received a message that Capt. Paul Warburg had a cable announcing my appointment as Special Representative of the Board and desired to see me. I saw him late in the afternoon of 28 February. At that time he made available to me a copy of the reply to the Circular Airgram which consisted of Chapin's despatch No. 122, dated 22 February, and a memorandum which Warburg had prepared dated 19 February. Warburg remarked that he had feared this matter would be dropped into his lap and was very happy that the Treasury was now taking over. I spent the remaining part of the afternoon in reading what files were available in the State Department on the Subject. The principal file related to the Camp Marechal Iyautey project at Fedhala.

On Tuesday 29 February, I had a long discussion with Beckelman, the UNRRA representative who will be in charge of the Fedhala Camp, and who had just returned from Spain. I also saw Perlman, the representative of the J.D.C. Later in the afternoon I was advised that there would be a meeting in Chapin's office on Wednesday morning to hear Beckelman's report on his trip to Spain. I attended this meeting and from the information learned there and other reports, which Beckelman made available to me, got enough of the picture to realize that we might have a difficult time with the French in getting final clearance for the admission of the refugees from Spain. As I have already advised you by cable dated 2 March (State Department No. 688, WRB No. 2), it appears that the French, while originally agreeing to a mere preliminary security screening in Spain, have now taken the attitude that in addition all applicants must be checked at Algiers and that they may use such further screening as a pretext for eliminating part of the group. This, of course, would be an extremely unfortunate result since part of the group that might be eliminated, the sephardic Jewish group, is probably the most important segment thereof. I will discuss this phase of the matter in a later portion of the letter.

The meeting at Chapin's office, which was attended by Chapin and Lorton of the State Department, Beckelman and Fryer of UNRRA, Capt. Paul Warburg of the U.S. Army, Lord Duncannon representing the British Foreign Office, and me, discussed the various problems that might arise when the French representative returns to Algiers from Spain. He is not expected to arrive here until some time during the week beginning 6 March. Beckelman stated that the questions raised by the French may fall into two categories, (1) the future movement of the refugees out of North Africa, and (2) whether certain of the persons who had applied for admission to the camp could be considered as refugees, since some of

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them, although not born in Spain, had had Spanish passports or had been considered as Spanish proteges. It was decided by the meeting that every effort would be made to avoid such questions if possible and to convince the French to adhere to their original agreement of merely screening the refugees for security reasons.

As the meeting broke up Chapin called me over. This was the first time at which I had an opportunity to discuss the matter with him since the arrival of the cable announcing my appointment. The discussion was quite brief. He said that he had not had a chance to talk to me since my appointment and then said "God pity you." He suggested that I work closely with Capt. Warburg. Later I spoke to Warburg about the matter and I tried to explore with him the work that the committee would do. He related to me the rumor that he had heard to the effect that this was a purely political move on the part of the President for purposes of getting votes.

Later in the day Harold Glasser arrived and for the first time Mike and I received a first-hand picture of what has been taking place in Washington. We did not have a full discussion because of limitations of Harold's time, but arranged to meet the next evening. The next afternoon I also spent some time with the representative of the American Friends Service Committee and learned something about their refugee activities. In the evening Mike and I talked for about three hours with Harold, Beckelmand and another UNRRA representative. Harold in his usual fashion has sold us completely on the necessity of prompt action and we intend to take various steps which we believe may be of assistance.

The first of these steps has been my effort to sell Chapin on the program. I spent an hour with him this morning and pointed out to him that the answer of the French to the President's message did not indicate any great degree of cooperation on their part and that we should make an effort to change their position from one of acquiescence (or possible opposition) to one of active cooperation. I told him that the fear of the French that these people would become a postwar burden for them would be groundless since a successful culmination of the war in favor of the United Nations would, except for repatriation and temporary relief, remove for the most part all refugee problems. I also tried to impress on him that this was a program of saving lives which had to proceed quickly. I then discussed with him the Fedhala project and went over with him the various objections which might be raised by the French security officials next week when they propose to give their final agreement to the admission of the 750 persons from Spain. I told him that not only should we attempt to

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take steps to forestall these objections which, according to Beckelman, do not involve security questions, but rather the more fundamental question of admission of certain groups. I suggested that Frenay, Commissioner of Prisoners and Deportees, might be the man to contact. He said that he had no authority to meet with any French official except the diplomatic group and suggested that a note be sent to Massigli requesting that he be permitted to see Frenay. My reply was that an answer to such a note might be delayed interminable. He then said that a note should be sent to Massigli requesting a reply from the Commite which I demurred to for the same reasons. I urged upon him an immediate talk with Massigli since he felt that he could not approach any other official. He agreed to do this provided that I would prepare a memorandum for him which he could leave with Massigli. I will prepare this memorandum and submit it to him as soon as possible. I have no great hopes that Chapin will succeed in aiding the program very much. While he orally agrees to adopt some of my suggestions, I do not think that he feels strongly enough on the subject to take any action except the most routine. I have hopes that when Ambassador Wilson returns the greater prestige of the Ambassador's title and his interest will be of more assistance.

I have gone into the various matters that have taken place in some detail because I would like you to get the feel of the local situation as accurately as possible. Before closing, however, I have a few more items of information and one suggestion which should be of interest.

The J.D.C. and the Quaker representatives are doing a good job here caring for refugees once they arrive in this area. They do not take any steps, however, to assist in their admission. When the main part of the job of getting the refugees out of Axis territory is well under way, the War Refugee Board may be of some assistance to these groups in a number of minor matters, but I do not think that they will be of great assistance to us at the present time.

Our program for future work at the moment will include assistance in working out the Fedhala problem, the effort to change the French attitude and an attempt to gain assistance from French underground. In connection with the French attitude, Mike and I intend to visit Mendes-France "informally". We believe that he should be much more sympathetic to our problems than some of the other French officials have been.

You are also no doubt aware of the fact that approximately 300 of the group proposed to be removed to Fedhala are sephardic Jews, some of whom had Spanish passports or at one time were considered Spanish proteges, but who were not born in Spain and

only reached there after Hitler came to power. While the present Spanish government does not appear to desire to harbor these groups permanently, they have at one time at least made representations to the German government and secured the removal of some of these persons to Spain. If we succeed in moving the present group from Spain to Fedhala, the Spaniards may be induced to make further representations to the German authorities and secure the release of other similar groups also holding Spanish passports. Our Spanish representative can no doubt furnish more information on this matter.

Beckelman also advises that there is a well organized traffic in Spain which will practically guarantee the smuggling of refugees over the Spanish border and their safe delivery to the Spanish police. The charge for these services is somewhat in the neighborhood of 10,000 pesetas per person. He said that Dr. Samuel Segueria, representative of the J.D.C. in Barcelona and Forsyth, of the American Consulate in that city (who used these sources in order to get American flyers out of France) are acquainted with the persons carrying on this trade.

I am enclosing a copy of three letters written by Beckelman to various persons in connection with the Fedhala project which should furnish you with more information on the problems involved therein. As soon as typing facilities are available, I will also forward to you copies of cables that I have written so far and copies of cables on Fedhala. I would also suggest that you examine despatch 1967 from Madrid to the State Department dated 31 January, 1944, which refers to the evacuation of refugees from Spain during 1943.

I will appreciate your keeping me advised as to all new developments and ideas and for any assistance that you may be able to give me in strengthening my position vis-a-vis the State Department representatives and the Commite. If Ambassador Wilson has not left for Africa at the time this arrives, I would suggest that the matter be discussed with him.

With kindest regards,

Sincerely yours,

Leonard E. Ackermann
Special Representative
War Refugee Board

Mr. John W. Pehle
Acting Director
War Refugee Board
Room 288 $\frac{1}{2}$, Main Treasury Bldg.,
Treasury Department
Washington, D. C.

DEPARTMENT OF STATE
Washington
March 4, 1944

Dear Mr. Pehle:

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

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

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

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

Sincerely yours,

/s/ CHARLES P. TAFT
Charles P. Taft
Director, Office of
Wartime Economic Affairs

Enclosures:

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

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

W.T. 532/FG/16/44

BRITISH EMBASSY
WASHINGTON, D.C.

February 29th, 1944

Dear Mr. Taft:

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

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

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

Mr. Chas. Taft - 2 -

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

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

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

Yours sincerely,

/s/ G. F. Thoreld

My dear Mr. Thorold:

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

Sincerely yours,

Charles P. Taft
Director, Office of
Wartime Economic Affairs.

Mr. G. F. Thorold,
British Embassy.

3/4/44 Copy

CONTROL COPY

No. 109.

near the Belgian Government

London, March 4, 1944.

Subject: Present position of Belgian victims of Nazi persecution and suggestions for action to facilitate rescue.

The Honorable
The Secretary of State,
Washington.

Sir:

Referring to the Department's instruction No. 634 January 28, 8 p.m., regarding the establishment of the War Refugee Board and the general policy in the President's Executive Order of January 22 as to action for the rescue and relief of the Jews of Europe and other victims of enemy persecution, and referring also to our telegram No. 30, Polish Series, of March 1 summarizing results of conversations with officials of the Governments to which this Embassy is accredited, I have the honor to report below information gained in conversation and subsequent correspondence with Monsieur A. Delierneux, who is Chief of Cabinet in the Belgian Ministry of Labor and Social Welfare and who was one of the Belgian representatives on the Technical Advisory Committee on Displaced Persons of the Interallied Committee on Post-War Requirements.

M. Delierneux stated that although it was in general very difficult for refugees to escape from Belgium, nevertheless every few weeks a small number of people do manage to get through to England, France and Spain. He mentioned that recently it has been found necessary to exercise great caution as to these refugees because it

- 2 -

has been found that the Germans were trying to use this method of sending out some secret agents. The great majority of Jews who were formerly resident in Belgium, M. Delierneux thought had been deported, and though he was able to give no definite figures, he believed that the situation of the Jews was not very different from that in the Netherlands where (as will be seen from a corresponding despatch in the Netherlands series) the number of Jews recorded as residing in the country at the present time is only about five per cent of the former Jewish population, while perhaps another fifteen or twenty per cent, not recorded as having been deported, have "disappeared" and are believed for the most part to have been afforded refuge by non-Jewish friends or protectors, so that in one way or another their racial identity is concealed from the Germans.

In a letter M. Delierneux makes the following further reference to the present situation of Belgian victims of Nazi persecution:

"The possibilities of escape to a place of safety of victims of the Nazi persecution are very limited.

Belgium is surrounded by countries occupied by the enemy. The escape routes are few; they are very long and dangerous, some leading to Switzerland, others to Portugal via Occupied France and Spain.

Those who are able to reach Switzerland are given a warm and kind welcome. Unfortunately, they are in fact in a cul-de-sac. They cannot leave the country without falling again in the hands of the Germans.

Those who reach Portugal are received with hospitality; from there it is possible either to secure them a visa for Great Britain - the British authorities kindly giving their assistance in this matter - or to help them to reach the Belgian Congo."

On the question as to what special obstacles may be interfering with the rescue and relief of these victims, M. Delierneux said that he could only repeat what he had

- 3 -

already said as to the dangers in the way of escape arising mainly from the strict control exercised by the Gestapo and the occupying German forces.

As regards measures taken by the Belgian Government for the rescue of victims of Nazi persecution, M. Delierneux stated that the Belgian authorities were doing all in their power to help those trying to escape, and in this connection he mentioned that a certain number of people, mainly young people able to fight and certain others considered to be in imminent danger, had been assisted to escape through an underground channel. It was, however, in his opinion not possible for this means to be used by women or children or others unable to stand severe physical hardship, as they were likely to be subjected to extreme exposure. He estimated that less than one per cent of people from Belgium who had tried to escape unassisted have succeeded. It was particularly difficult, he thought, for Jews to escape unassisted because of the greater risk of their racial origin being detected.

As to possible opportunities for special action by the United States Government to facilitate the rescue of Nazi victims, M. Delierneux referred to the lack of cooperation from local Spanish authorities on the Franco-Spanish frontier and suggested that as far as Belgian refugees are concerned, intervention with the Spanish Government to try to bring about some change in this situation would be of value. Later he observed that from the Belgian point of view perhaps the most effective single action that could be taken would be to secure in some way that the Spanish borders were less efficaciously controlled. There had been cases, M. Delierneux said, where Belgian refugees were turned back at the Spanish borders, and up to a few months ago those who were able to reach Spanish soil were arrested and interned during long months under the worst conditions. At the present time, however, the situation was improving and the Spanish authorities were not now so apt to put people into internment camps, although they still do not encourage, or cooperate actively in, the entry of refugees into Spain.

- 4 -

M. Delierneux mentioned that at one time there were several hundred Belgians in Spanish concentration camps. Although Belgian information was that most of these had been freed in recent months, he thought that, if such a thing were possible, it was desirable that the Spanish prison camps should be inspected by Swiss Red Cross officials, or, if possible, also by American Red Cross officials, to make sure that no Belgian or other refugees were still under detention.

As regards cooperation in helping to implement the policies expressed in the President's Executive Order, M. Delierneux said that his Government favored any action that gave promise of more effective or speedy relief. "The Belgian Government," he subsequently wrote, "will always be glad to collaborate with the War Refugee Board in view of realizing its highly human aim."

Several times in the course of the conversation M. Delierneux emphasized the horrible conditions that prevail in the prison camps and the concentration camps under German control, but he said that he could think of no action which would be likely to affect the position in these camps beyond what was already being done through existing Red Cross channels. While it was possible that some good might come of propaganda threats designed to intimidate German officials, he was inclined to doubt that these were of much use since the Gestapo officials and the real Nazis, who were responsible for the worst of these atrocities, had in any case no hope of mercy for themselves in case of defeat.

Respectfully yours,

Rudolf E. Schoenfeld
Charge d'Affaires ad interim

Original and hectograph to the Department.

JS:PS

BJR - 391
This telegram must be
paraphrased before being
communicated to anyone
other than a Governmental
agency (BR)

Habana

Dated March 4, 1944

Rec'd 7:25 p.m.

Secretary of State,

Washington.

231, March 4, 5 p.m.

Yesterday afternoon I explained to President Batista that many injustices would probably result from the proposed decree to freeze immigrants deposits. (My telegram No. 207, February 28, 5 p.m. and previous correspondence). I explained our concern on the score that both the Department and Embassy were already being flooded by inquiries from refugee associations and said it was evident that if enacted it would bring us many headaches.

The President said he recognized the injustices and would seek to avoid them; he promised to study the matter further with the Prime Minister and Minister of Finance although he admitted the decree had already been signed.

In a conversation with Nufer this morning the Minister of Finance stated that the decree had been held up and that the government is studying other ways of raising subsidy funds for port laborers. Although the labor unions are continuing to put strong pressure on the government my conversation with first the Prime Minister and then the President at least appear to have delayed action and I hope this may mean that this attempted swindle will be abandoned.

BRADEN

BB

BRITISH EMBASSY,
WASHINGTON 8, D. C.

March 4th, 1944

Ref. 1251/7/44

My dear Mr. Pehle,

At our conversation of February 17th I promised to let you know as soon as we get a reply from the F.O. to our various questions on refugee matters. This reply has now come and I am accordingly writing to pass on to you the substance of it.

1. The F.O. has no evidence that the Turkish and Spanish Governments are in fact preventing Jewish refugees from entering those countries. All the evidence available points to the fact that the fundamental difficulty is the refusal of the Germans to let the Jews go. For many months past long lists of Jews in German-occupied countries, to whom Palestine certificates would be granted, have been in the hands of the governments of countries bordering on Germany; many hundreds of names have been communicated to the German government; the number of resulting departures, however, has been negligible.
2. H. M. G. is considering whether or not to communicate to the Turkish Government the special arrangements described in Sir Ronald Campbell's letter of September 9th

/ to /

Mr. J. W. Pehle,
Acting Executive Director,
Executive Office of the President,
War Refugee Board,
Washington 25, D. C.

- 2 -

to the Secretary of State, a copy of which I enclosed in my letter of February 18th to you. The question of whether or not to allow any publicity on these arrangements is also under consideration.

3. The provisional Foreign Office view is that publication would harm rather than help the Jews.

This does not give you a final answer to your questions but I thought you would like to know that the matter is under active consideration in London. As soon as we learn the upshot, I will write to you again.

Yours sincerely,

/s/ W. G. Bytner

MJK-521

PLAIN

London

Dated March 4, 1944

Rec'd 1:18 a.m., 5th

Secretary of State,
Washington.

1804, Fourth.

CONFIDENTIAL LIMITED DISTRIBUTION ONLY FOR DEPART-
MENT AND FEA.

Reference Department's A252, February 18.

Proposed shipment of American Red Cross medical kits
and comfort articles to French prisoners of war as sug-
gested in Airgram under reference approved by Relief
Subcommittee, March 3.

WINANT.

HTM

GHH - 692

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

Cairo

Dated March 4, 1944

Rec'd 10:30 a.m., 6th

Secretary of State,

Washington.

502, March 4, p a. m.

Press continuing to report developments in connection with Congressional resolution on Palestine including reference to action in other Arab countries, reply to Senator Wagner to President of Iraqi Senate and praise of Egypt's action by Palestine Arabs. Only comments thus far have been in AL BALAGH which finds that Egyptian protest to American Government affords example of alertness of Nahas Pasha in matter concerning Arab world and of close collaboration of Arab countries as previously demonstrated in Lebanese crisis and in Alahram which yesterday prefaced news despatches on subject by observing that from opinion in American circles it would appear that such resolutions introduced on personal political basis by sponsors and not to be interpreted as expressions of official American Government policy.

KIRK

CSB

GAR-698

This telegram must be paraphrased before being communicated to anyone other than a Government Agency (BR)

Cairo

Dated March 4, 1944

Rec'd 10:42 a.m., 6th

Secretary of State

Washington

503, March 4, 11 a.m.

Following is essential part of communications left with me last night by El Sayyid Hussein El Kobai representative of King Yemen in recent Arab Union discussions, regarding proposed congressional resolution on Palestine:

"His Majesty The King of Yemen and Commander of the Faithful, Yehya Ibn Mohamed Hamid El Dine and His Majesty's Government disapprove of the resolution submitted to the American Congress designed to remove restrictions imposed on the immigration of Jews into Palestine. His Majesty disapproves everything that causes trouble to the rightful owners of Palestine - Moslems, Christians and native Jews -- and although he condemns every cruelty to which Jews in Europe are subjected he does not consider that it justifies the oppression of the Arabs of Palestine in their own legal abode".

Text of communication was carried in this morning's AL MISRI in verbatim form except for omission of phrase "Moslems Christians and Jews"

REPEATED TO JERUSALEM, JIDDA, BAGHDAD AND BEIRUT

KIRK

MRM

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMERICAN LEGATION, HELSINKI
DATED: March 4, 1944
NUMBER: 48

CONFIDENTIAL

WAR REFUGEE BOARD SENDS THE FOLLOWING.

The War Refugee Board desires the latest available figures regarding refugees in Finland. Besides Norwegians and Danes these figures should include Jews of any or no nationality. The Board also desires information regarding treatment accorded to such refugees, including the Jews. Also please inform us whether the Government of Finland has taken or is now taking any discriminating action regarding either foreign or Finnish Jews.

STETTINIUS

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: March 4, 1944
NUMBER: 1303

CONFIDENTIAL

Reference my telegram No. 941 February 15.

A reply has just been received from Pilet Golaz, dated March 2, in answer to the letter I addressed to him on February 2, with aide memoire informing him of the valuation of the war refugee board and policy as set forth in Department's circular telegram 251 January 25, and text of which follows in my 1304, March 4.

See my telegram 7262, November 19, for text of note verbale of November 16 referred to in the second paragraph of Swiss note of March 2.

HARRISON

100-908
 This telegram must be
 paraphrased before being
 communicated to anyone
 other than a Government
 agency. (S)

Bern

Dated March 4, 1944

Rec'd. 1:36 p.m.

Secretary of State
 Washington

1944, March 4, 9 a.m.

My dear Minister, by letter of February 2, you kindly informed me of the decision of the President of the United States to create an inter-departmental board for refugee questions. At the same time you advised me of your Government's purposes in this matter and you (*) me to what extent the Swiss Government would be ready to collaborate in the relief work contemplated by the Government of the United States. Finally, you ask for any suggestions we might wish to make.

Concerning the contribution of Switzerland to the solution of the problem, you are aware, I believe, of our past and present efforts. We have kept you regularly informed in this respect. I may therefore be brief on this point more so as the political (?) in its note verbale of November 16 last stated very exactly, for the information of your Government, the manner in which the problem of refugees and internees, Jews and non-Jews, presents itself for Switzerland.

I shall, therefore, restrict myself to specifying that, according to the latest statistics out of 70,500 refugees and internees of all categories in Switzerland at the beginning of 1944, about 53,000 of which 22,000 are Jews, fall approximately within the classification of persons referred to in your inquiry.

This being said, I must remind you that notwithstanding the great desire of our population that our country be receptive and hospitable, our authorities have had to take into account the risk to our security of having a massive unchecked influx of foreigners, possibly containing undesirable elements and also requirements of national defense particularly in certain regions. Security of Switzerland in the long run is also security of those who have taken refuge there.

Apart from persons with military status, Switzerland, as is known now, admits into its territory as far as circumstances permit in particular: political refugees, sick people and pregnant women, aged persons over 65 and their wives or husbands, infants or very young people; persons with close relatives in Switzerland; finally, the women who have lost their Swiss nationality through marriage with their husbands if any.

1934, March 4, 9 a.m. - from Bern

After an obligatory period of quarantine refugees are, in principle, distributed among labor camps or in hospitals or homes for adults or children or also in private homes. Cost of upkeep of refugees is borne by authorities and by charitable institutions; only very exceptionally do they carry on a private lucrative occupation. On the other hand payment in the form of salary is made to those who perform regular work in establishments where they are sheltered. Refugees who have private resources may, under certain conditions, live in hotels or in apartments or be taken in by relatives or friends. Refugees naturally keep their belongings. In their own interest, securities and money, which they carry when they arrive, are deposited in a bank and competent authorities decide under what conditions interested parties may dispose of deposits.

Now having overcome difficult problems of organization, principal concern of our authorities is now to occupy refugees by means taking into account present situation and economic future of our population.

Having thus briefly summarized situation, it remains for me to touch on the last paragraph of your wise memoire. You will not be surprised--through observation and knowledge of our practices over many years-- and it will certainly be understood in Washington that while contributing as substantial aid as possible in specific cases as it has constantly done since the beginning of war Switzerland by the very nature of its strict neutrality cannot associate itself too fully with initiatives of belligerent governments. Maintenance of this attitude, far from hindering its effective activity and while properly speaking not constituting a ruling factor, does, on the contrary tend at least to reinforce the position whereby Switzerland is still able, in the heart of Europe, to continue its contribution to practical accomplishments in the field of relief to war victims.

We could not find a better medium than you to explain to the American Government that while we are anxious to persevere along the lines we have traced for ourselves and to continue to give the greatest effect within our means, limited, of course, by existing circumstances and our present state, to the feelings of human solidarity which unite the Swiss people, our activities must remain independent and autonomous. That is the reason why we are always anxious to avoid giving relief which we give here or there from becoming a subject of controversy between belligerents.

It is hardly necessary to assure you that in the future as in the past we shall be ready to examine in a spirit imbued with practical realism as well as sympathetic understanding, the specific cases in which our cooperation may be judged compatible with the principles mentioned above. Thus as you are aware in compliance with a request from the inter-governmental Committee at London inspired by the American and British Governments, we have undertaken to approach the French Authorities at Vichy regarding the possibility of obtaining emigration permits for children of refugees threatened with deportation or whose

-3- 1904, March 4, 9 a.m. - from Bern

parents have been deported or threatened with deportation.

I wish to add that it would be useful to us to be kept informed of the measures which will be taken as a result of the recent decisions of the President of the United States".

HARRISON

(*) Apparent omission

EB

EM

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMERICAN LEGATION, BERN
TO: SECRETARY OF STATE, WASHINGTON
DATED: MARCH 4, 1944
NUMBER: 1321

CONFIDENTIAL

Reference your 341, February 2.

Comprising the substance of report by Sternbuch, Rubinfeld, and Rosenbaum please inform, in your discretion, the Vaad Hahatzala Emergency Committee of the following:

1. (BEGIN) Snow and cold have greatly increased the rescue work begun recently. Have transmitted to Rabbis Nitra and Satmar 35,000 Swiss francs to date, also to persons in Budapest, where action controlled by orthodox personalities. Cooperation by all. Results will be communicated to both you and the Legation at Bern.

2. It is now very difficult to reach Palestine through Turkey. Conditions in Turkey are terrible and the cost of permits for transit Turkey enormous. Each week only eight persons admitted for transit. Consequently, men in Slovakia and Hungary with certificates cannot leave and must remain in hiding. In connection with this matter Rabbis Herzog and Doctor Eliasch are staying in Istanbul. In order to secure greater relief or free transit to all holders of Palestine certificates who do not intend to remain in Turkey we request that endeavor be made to intervene with Turkish Government.

-2-

3. Deportations recently occurred from Belgium, France and Holland of persons in hiding who might have reached Switzerland if funds had been at hand. Everyday we get appeals from such persons many starving in their places of hiding. Among Belgium and French refugees in America, please institute big movement in their favor. Delay threatens them with deportation East beyond the possibility of rescue. For refugees in these countries may we use funds made available to us?

4. STRICTLY CONFIDENTIAL. The possibility of refugees from Belgium, France and Holland to enter Switzerland limited only to elderly men over sixty, women with minor children or those who may have relatives in Switzerland. In accordance with order of the Swiss Foreign Police Department, other categories such as younger men are prohibited entry at the frontier and are rejected without hearing regardless of the consequences to be driven to death. In order to initiate an intervention such refugees are not even allowed to telephone to their acquaintances. To imagine what such treatment means for men who after facing even death to attain Swiss territory find themselves there refused is not difficult.

Recently for the above reasons very few refugees from France or Belgium have tried to enter Switzerland. It would be of great importance to influence the Swiss Government to admit persecuted Jews fleeing from Nazis or political refugees. Several months ago the Nunciature Apostolique at Bern, with

-3-

whom we have excellent relations and who has long been helpful to us at our request intervened for Vatican with Swiss Government. At that time facilities were granted, but refusals continue in a quiet way and if the number of refugees again rises will increase. Signed: Sternbuch, Rubinfeld, Rosenbaum.
(END)

Please read my 1303 and 1304, of March 4, which contain official statement of Swiss Government policy regarding the admission of refugees, in connection with the statements made confidential in paragraph numbered four above.

HARRISON

PROPOSED CABLE TO BERN

Reference your 1304 and 1321, March 4, 1944.

The official statement of the Swiss government as contained in your 1304 is not necessarily inconsistent with the statements made confidential in paragraph numbered four of the Sternbuch-Rubinfield-Rosenbaum report contained in your 1321. The question appears to be the interpretation which the Swiss authorities, including the Swiss Foreign Police Department, place on the phrase QUOTE political refugees UNQUOTE and the persons whom such authorities consider as being in that category. The Department therefore suggests that you approach appropriate officials of the Swiss government for the purpose of ascertaining as specifically as possible the extent to which the Swiss authorities including the Swiss Foreign Police Department, border guards and cantonal police, etcetera, consider the following as political refugees: (1) Stateless Jews; (2) Jewish nationals of United Nations now occupied by the Germans; (3) Jewish nationals of Germany and her satellites; and (4) nationals, generally, of United Nations now occupied by the Germans.

While this Government appreciates the many problems confronting Switzerland as outlined in your 1304, it believes that persons in all four of the above enumerated classes should be prima facie considered political refugees and should be afforded, after appropriate security checks, temporary refuge as political refugees without regard to age or sex or whether they have close relatives in Switzerland. To the extent that it may be appropriate in the light of the responses you receive from the Swiss authorities to the specific inquiries indicated above, you should communicate the foregoing to them.

You may also wish to point out that it is by reason of Germany's political action and the political action of her satellites that the Jews of Europe are refugees and that as a consequence they are political refugees in every real sense of the term.

Please advise the Department of any views expressed by the Swiss and of any developments arising from your approaches in this connection.

LSLesser:als 3/21/44

PARAPHRASE OF TELEGRAM RECEIVED

152

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: March 4, 1944
NUMBER: 1334

CONFIDENTIAL

A letter dated February 29 has been since submitted by the International Committee of the Red Cross furnishing information requested in the Department's telegram no. 279, and detailing its proposed expenditures of the Swiss franc equivalent of \$100,000 (429,000 Swiss francs) received from joint. (See Department's telegram of January 27, no. 279 and of February 9, no. 437 and Legation's telegram of February 18, no. 1028). Intercross proposes to expend this sum as follows: (A) Transnistria and Bessarabia: 100,000; francs to put at disposition of Intercross delegate in Rumania, in cooperation with Rumanian Red Cross, to purchase and distribute to Jewish refugees clothing available in Rumania. (B) The Reisenstadt: two alternative proposals for expenditures for food parcels of 119,000 francs. (A) 9500 food parcels to be prepared in free port Geneva from materials purchased in Hungary: 84400 francs to be spent for materials in Hungary and 34600 for labor, packing freight, et cetera, in Switzerland; or (B) 900,000 food parcels containing materials of Swiss, Slovakian, or Hungarian origin; 89000 francs to be spent in Switzerland, 30,000 in Hungary and Slovakia. Intercross states that the execution of the first plan is dependent upon receiving authorization from National Bank for expenditures in Hungary and the second dependent upon bank and (Swiss?) export licenses. (C) Cracow: shipment of pharmaceutical products to Jews there has recently been authorized by German authorities. Intercross would dispatch 12000 kilos of vitamin fortified milk lactissa costing 93000 francs; overhead 7000 francs. (D) Jews in camps in Holland and Upper Silesia: 40000 francs to be spent for 2700 food parcels of Hungarian origin, 1350 parcels for each destination; 29500 francs to be spent in Hungary and the balance in Switzerland. This is again subject to the National Bank's authorizations. (E) 70000 francs to be spent for Swiss and foreign pharmaceutical products and Swiss surgical dressings to be distributed 26000 to Judi Scheunter Stutzung Stell P Cracow, 12000 to Transnistria, 7700 to Theresienstadt, 6700 as emergency reserve, and 12000 for Holland and Upper Silesia. A total of 5300 francs of these drugs are of foreign origin (insulin, mercurochrome, perhepar and aextrosun), the balance Swiss.

2. Before discussing the details of the above plan with Saly Mayer, Intercross inquiries were made of War Refugee Board as to whether it has discretionary authority subject to advice from Mayer or whether he has the final word on the use of funds which the joint supplies.

-3-

3. Intercross Lexter warns strongly against exploitation of relief action for propagands purposes by interested groups stating that publicity would likely result in the withdrawing of channels for relief which are now open.

4. A separate telegram will follow containing a summary of Intercross reply to questions raised in Department's telegram no. 279.

HARRISON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Ankara
TO: Secretary of State, Washington
DATED: March 4, 1944
NUMBER: 388

CONFIDENTIAL

FOLLOWING FOR PEHLE FROM HIRSCHMAN.

There arrived today in Istanbul the first group of Jewish children from Bulgaria and on Monday they leave for Aleppo by train for Jerusalem.

Bulgarian and Gestapo officials and bureaucratic delays help up certificates of release for these children for 8 months. It is our belief that this constitutes the beginning of a fairly continuous movement of children provided new obstacles do not interfere. We were assured today by Turkish authorities that they have issued instructions for 140 children with 10 adults to pass from Rumania through Turkey in two groups of 75 each every 10 days until further notice.

In the last 10 days ninety refugees came from Bulgaria via Istanbul to Palestine in addition to the above. Furthermore, seventy-four refugees came to Izmir from Greece. The stoppage in refugee movement through Turkey which had existed since the first of January has been overcome. We are now directing our efforts towards increasing the movement. We are hopeful of obtaining steadily increasing result with the War Refugee Board's continuing uncompromising support of our daily efforts. Moreover, a solution in Turkey of a more difficult and complex situation than can possibly be understood in Washington could serve as a formula for other parts of the world where similar humanitarian efforts are being made by the Board.

This morning Ambassador Steinhardt was notified by the Foreign Office that the immediate charter of the SS **VATAN** for a single voyage from Constanza was approved in principle by the Foreign Office and that the earliest possible moment the matter would be submitted with a favorable recommendation to the Council of Ministers (the equivalent of our cabinet) without the approval of which no vessel may be chartered.

-2-

The Ambassador was further informed by the Foreign Office that they had taken this action as a personal courtesy to him subject to the understanding that if the vessel is desired for additional trips it will be necessary for the Ambassador to discuss with the Foreign Office reimbursement for the financial loss resulting from the Turkish Government's continued sacrifice of one of the very few ships which it has available for carrying its products.

It is estimated by us that on each trip the SS VATAN should be able to carry a maximum of eight-hundred and a minimum of six-hundred refugees. As yet we have received no information concerning changes which may have to be made in the vessel to accommodate passengers since it is a freighter. A substantial agreement has been reached with the owner as regards the charter price. However, there will be the matter of obtaining from the Russian and German Governments safe conduct for the vessel and attempts to obtain this through Geneva are being made by the International Red Cross representative here. Information regarding the progress of this matter will be sent to you.

STEINHARDT

-2-

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STEINHARDT

NOT TO BE RE-TRANSMITTED

U.S. SECRET
BRITISH MOST SECRET

COPY NO. 12

OPTEL No. 73

Information received up to 10 A.M. 4th March 1944.

1. NAVAL

On 19th February, One of H.M. Submarines torpedoed a cargo ship in the MALACCA STRAIT. She also probably sank a Japanese Submarine March 2nd.

2. MILITARY

Italy 8th Army. active patrolling - small German attack one sector repulsed. Allied bridgehead force. German attack with infantry and tanks against a U.S. Infantry Regiment developed afternoon 2nd from CISTERNA direction; situation believed in hand.

Burma ARAKAN. East of MAYU RANGE our troops are still engaged with a small party of enemy in one locality and are continuing mopping up operations. In KALADAN VALLEY on the 2nd Japanese attacked and occupied a small village five miles East of KYAUKTAW, our troops withdrew to one mile South West of the village. Same day West African troops captured APAUKWA 10 miles South of KYAUKTAW and the surrounding area except for one Japanese position.

Hukawng Valley Chinese troops are continuing their advance towards MAINGKWAN in which area resistance is increasing.

3. AIR OPERATIONS

Western Front 2nd/3rd. MEDIAN. 108 bombers dropped 490 tons on the aircraft assembly plant. Bombing concentrated and appeared accurate. 71 tons including 11 12,000 pound bombs dropped on ALBERT AIRCRAFT FACTORY. Bombing accurate and concentrated

3rd. 748 escorted Fortresses and Liberators sent to Northwest GERMANY. Operations abandoned owing to weather but 164 tons dropped on WILHELMSHAVEN and elsewhere. Enemy casualties by fighters 8:1:3, ours 10 bombers, 6 fighters missing. Total 218 escorted Marauders bombed 6 airfields NORTHERN FRANCE dropping 257 tons. Medium, light and fighter bombers dropped 79 tons on military constructions NORTHERN FRANCE.

3rd/4th. Aircraft despatched: BERLIN 16, various objectives NORTHWEST GERMANY and NORTH FRANCE 13, Sea-mining 45, Leaflets 9. All have returned safely.

OFFICE
OF THE
AIR
CORPS
HEADQUARTERS
RAF
MARTLETT
MIDDLEBURY
VICTORY DEPARTMENT

READ BY MESSRS. BELL, GASTON, WHITE, PAUL
AND PEHLE ON MARCH 6, 1944

March 5, 1944

Mr. Stettinius came to the house to see me this evening at 6:00.

I told him that there had been a sort of misunderstanding while I was away as to this cable from the President to Churchill in regard to the British dollar balances. I said that Bell had understood he and Crowley would be consulted. Stettinius said he was terribly sorry, but he had not understood it that way. He said he thought it was just up to him, and that the President had said at Cabinet that he wanted the cable to go saying the British balances should be kept at one billion dollars.

(If Bell wrote me a memorandum on what happened at Cabinet, I wish it would be checked to see whether the President did say at Cabinet what Stettinius said he did, because the President has shied away from saying anything to the English to the effect that he wants their balances kept at one billion dollars.)

Then we got on the Argentine thing, and I told him how his people came over to see me and didn't seem to know what their instructions were, and he said he couldn't understand that. Stettinius was quite pleased with his statement of Saturday, which he said he had been hoping to clear with the President, but the President told him to go right ahead. He felt that that might take care of the situation for a couple of days, but he was very much disappointed that the British also hadn't gotten out a statement on Saturday along the same lines.

I then asked him what his plans were from now on in regard to the Argentine, and told him that I felt it was a mistake at this late date to just have the Treasury freeze their assets, and not do anything more, and that I felt if we were going to do something the English and ourselves should jointly employ total economic sanctions against the Argentine, and not sell or buy anything from them. I said that if we did that I didn't think they could stand up for 30 days. Stettinius agreed with me.

Stettinius then told me an amazing fact. He said he had had his people check the various food statistics, and he found that the English had 300,000,000 tons more meat than anybody heretofore knew. He told me that he had found over a period of months that the statistics furnished him by the War Food Administration and the Joint Food Board were generally apt to be inaccurate. He said further that he asked the War Food Administration

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to find out just what the domestic repercussions would be if we stopped getting meat from the Argentine; in other words, how much less meat we would have to get along without.

Stettinius asked me whether I knew that Brazil was dependent upon the Argentine for 1,000,000 tons of wheat a year. I said that frankly I didn't. He asked me if I had any suggestions in regard to that. I said, "Well, I haven't known that before." Stettinius said it was very important. So I said, "Well, if we could get everything else - and by that I mean get the English to join us in complete economic sanctions - on the matter of whether or not Brazil would go along on account of her need of getting wheat from the Argentine, I personally would be willing to wink my eye and let the Brazilians continue to get their wheat.

I told Stettinius at the beginning of our talk that I felt there was a great danger of Fascism spreading all through South America - I didn't tell him I got this information from Vice President Wallace when I saw him on Saturday night. I also said that I thought we would have to take care of our own interests, and that our future markets, as far as I could see, were South America and Russia. Stettinius said, "Well, I don't think the English are nearly as much worried about the meat from the Argentine as they are about their million dollars of investments down there." On that point, I said nothing. Then I said, "You know if we start something with the Argentine we have got to be prepared to go through with it, and I think if we take a forceful joint action with the British we can be successful."

Stettinius said he is having studies made and a memorandum prepared, which he hoped would be finished in 24 or 48 hours, and which would outline a plan for complete economic sanctions against the Argentine. I asked him if he knew that three times the Committee on Petroleum for the League of Nations had called a meeting to apply economic sanctions against Italy to stop them from going to war and continuing war against Ethiopia, and each time the English had the meeting called off. He said he didn't know that.

I don't know how much Stettinius was prepared to take strong action against the Argentine when he came here, but I think when he left I had stiffened his backbone, and I am hopeful that something will come out of it. I don't feel that it is impossible to get the British to go along. I told him I thought the reaction

- 3 -

in this country would be terrible if we applied economic sanctions alone, but that I didn't think the same thing applied to Brazil.

I asked Stettinius if he consulted Crowley and he said, "No, because I don't think that he has very much to do with it."

He again told me that Mr. Hull and other people in the Department were worried that when we got into these international monetary conferences that the State Department would be left out. He asked me whether I would see that that did not happen, and I assured him that we would see that the State Department not only was kept informed, but would be associated with us in any international conference which might be held. (Harry White: Please note.)

I asked Stettinius what all these messages were about Pell and Myron Taylor, and he said that Taylor had returned to Florida very angry because he had not been consulted in regard to the formation of this War Refugee Board. Stettinius also said that after the meeting, when Pell evidently protested about the War Refugee Board doing propaganda work in trying to stop the Germans from persecution of the Jews, that he (Stettinius) called Pell down and told him I would be very much upset, and that subsequently when Taylor wrote a memo to the President protesting he had been left out of the thing, he evidently mentioned the fact that I had been upset about Pell, and then I gather that he sort of came to the defense of Pell - although I am not sure of this. The whole thing seems to me to be very unimportant, but I gathered that in order to get Pell straightened out Stettinius jumped on him quite hard, using my name, with the result that Taylor came to his defense, thinking I might go to the President about Pell.

I gave Stettinius a copy of the memorandum, signed by Stimson, Stettinius and myself, for the President to make a statement about the Jews, and Stettinius told me that Hull had read and approved the memorandum. I told him that there had been a few changes, and he should look at them, but he said, "Well, the changes are very minor."

I said that it would be much better for he ^{him} (Stettinius) to get the memo to the President rather than for me to do it, so he said he would give it to Sam Rosenman to get it to the President.

I told him, or rather I hinted, that I thought it might be better to do it someother way, and he said he would try to get it to the President through Grace Tully, but he asked me whether I would leave it up to him, and I said, "Okay."

Stettinius then asked me if I couldn't help him with Rabbi Silver who was being very difficult. He said that Rabbi Silver had called him on the phone the other morning during an important meeting, complaining bitterly that the Administration had not been open with him because he (Silver) had gone ahead to get this legislation through Congress, which would establish a homeland for Jews in Palestine, and nobody in the Administration had told him that we couldn't go ahead on account of military reasons, and he felt he should have been advised. Stettinius asked me what I could do to help him, so I said, "Well, frankly, I don't think I can do anything." Then I gave him a little background on this, and told him that Sam Rosenman had said this was his baby and he would handle it, but I said that I would keep it in mind.

When we first started to talk, Stettinius said he was very much worried about relationships between the President and Churchill. He said that there were a half dozen things at which they really were at odds, and things didn't seem to be getting any better. He mentioned the French Committee and the Polish Government. So I said, "Well, on the French Committee I am with the War Department and Jack McCloy. I think the President should recognize it." Well, I gathered that Stettinius didn't seem to think he should. On the Polish Government, I didn't say anything. He also said that they didn't agree on the question of the King of Italy. I asked him where the President stood on that, so he said, "He believes we should do away with the King and Badoglio after we get to Rome." I made no comment on that as I thought we should not have bothered with them from the start, and I think that is one of the reasons we were set back in Italy, fooling around with them and waiting for them to make up their mind as to what they were going to do. I think it delayed us at least three weeks if not longer, and that gave the Germans a chance to prepare.

Stettinius asked me whether I personally was in on this question of how we were going to finance troops if and when we landed in Belgium, and I said, "Oh, yes. I happened to be the bad partner. I personally was opposed to the suggestion which Mr. Hull wanted to put across." He said, "Well, I don't know

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how we can do one thing in Australia and another thing in Belgium," and I said, "Well, it seems to me that as we go along we ought not to make commitments without the approval of Congress." I said, "The only man who has been honest is Benes of Czechoslovakia, who has said if and when we reconquer these countries none of the Governments in exile will be recognized or approved." I said, "Why not let's be a little American, and for once in our life look after our own interest?" That gave Stettinius a good laugh, and I said, "After all, we can make a much better deal once we have won than we can if we tie our hands financially now." He said, "Now that I have heard your side of the story, I can understand it, but did you go to the President directly?" I said, "No." This is another mystery, and Bell will have to clear it up. He said that he (Stettinius) talked to the President and explained it to him, and the President agreed with Stettinius, but I don't know whether the President asked for a joint memorandum before he saw Stettinius or after. I gathered that the President, after reading the joint memorandum, sided with the State Department and then, according to Stettinius, the Treasury Department sent another memo on their own, which he evidently didn't know about, and this memo finally convinced the President to side with the Treasury. I want Bell to clear this up for me.

TREASURY DEPARTMENT

Washington

FOR RELEASE, MORNING NEWSPAPERS
Sunday, March 5, 1944

PRESS SERVICE
NO. 41-1

The Treasury Department today made public a final report showing participation by the various States in the Fourth War Loan. The report covered sales by issues and by classes of investors. The final figures are set forth in the attached tables.

FINAL REPORT

Subscriptions to Fourth War Loan

By issues and by classes of investors

(In millions of dollars)

Issue	Individuals, partnerships and personal trust accounts	Insurance companies and mutual savings banks	Other corporations, associations and investors	Dealers and brokers	Total- all investors
E bonds.....	3.187	-	-	-	3.187
F and G bonds.....	573	70	380	-	1.024
Savings.....	183	4	2,043	*	2,232
Certificates.....	496	342	3,931	266	5,036
2-1/4% bonds.....	517	1,829	827	158	3,331
2-1/2% bonds.....	352	1,157	403	8	1,920
Total.....	5,309	3,403	7,585	433	16,730

Note: Sales of Savings bonds and Savings notes included in this table since January 1.
 Figures are rounded and do not necessarily add to totals.

* Less than \$500,000.

Sales of Series E War Savings Bonds in the Fourth War Loan
Compared with Quotas, by States

FINAL REPORT

(Dollars are millions)

State	Sales	Quota	Percent achieved to date	State	Sales	Quota	Percent achieved to date
Alabama.....	\$ 42	\$ 34	124%	Massachusetts.....	\$112	\$108	104%
Arizona.....	13	13	97	Michigan.....	184	165	111
Arkansas.....	22	20	112	Minnesota.....	72	64	113
California-North.....	129	114	113	Mississippi.....	28	24	117
-South.....	141	132	107	Missouri.....	79	74	106
Colorado.....	25	23	109	Montana.....	17	12	142
Connecticut.....	61	60	102	Nebraska.....	40	34	117
Delaware.....	7	8	87	Nevada.....	4	4	110
District of Columbia...	34	30	115	New Hampshire.....	10	7	141
Florida.....	41	35	116	New Jersey.....	110	117	94
Georgia.....	42	37	113	New Mexico.....	9	7	123
Idaho.....	13	11	118	New York.....	364	384	95
Illinois.....	204	201	101	North Carolina.....	45	44	103
Indiana.....	81	75	108	North Dakota.....	20	11	181
Iowa.....	82	56	147	Ohio.....	178	174	102
Kansas.....	51	43	118	Oklahoma.....	42	37	113
Kentucky.....	36	33	110	Oregon.....	44	38	115
Louisiana.....	38	33	115	Pennsylvania.....	224	217	103
Maine.....	16	14	116	Rhode Island.....	17	17	98
Maryland.....	40	49	81	South Carolina.....	21	21	100

(Continued on following page)

Sales of Series E War Savings Bonds in the Fourth War Loan (Cont'd)
Compared with Quotas, by States

FINAL REPORT

(Dollars are millions)

State	Sales	Quota	Percent achieved to date	State	Sales	Quota	Percent achieved to date
South Dakota.....	\$ 17	\$ 12	144%	Territories & possessions:			
Tennessee.....	40	37	109	Alaska.....	\$ 2	\$ 1	193%
Texas.....	145	130	111	Hawaii.....	11	8	141
Utah.....	16	14	113	Other.....	3	7	37
Vermont.....	6	5	113	Subtotal.....	\$3,202	\$3,000	106
Virginia.....	54	47	116	Unallocated.....	-15	-	-
Washington.....	69	64	108	Grand total.....	\$3,187	\$3,000	106
West Virginia.....	26	24	107				
Wisconsin.....	70	66	106				
Wyoming.....	8	5	152				

Note: This table includes sales since January 1. Figures are rounded and do not necessarily add to totals. Percentages have been computed on unrounded figures.

Subscriptions to Fourth War Loan Compared with Quotas, by States and by Classes of Investors (Cont'd)

FINAL REPORT

(Dollars are millions)

State	Individuals, partnerships and personal trust accounts					Corporations, associations and other investors					All investors		
	Sales					Percent					Percent		
	Series E	Series F and G	Other se- curities	Total	Quota	achieved to date	Sales	Quota	achieved to date	Sales	Quota	achieved to date	
Massachusetts.....	\$ 112	\$ 22	\$ 43	\$ 178	\$ 258	69%	\$ 649	\$ 536	121%	\$ 827	\$ 794	104%	
Michigan.....	184	16	36	236	253	93	349	187	187	585	440	133	
Minnesota.....	72	12	18	102	104	98	186	96	194	289	200	144	
Mississippi.....	28	5	11	44	35	126	38	18	209	82	53	154	
Missouri.....	79	16	35	130	136	96	229	146	157	360	282	128	
Montana.....	17	2	3	22	20	110	20	11	180	42	31	135	
Nebraska.....	40	5	10	54	53	103	56	41	136	110	94	117	
Nevada.....	4	1	2	8	7	108	4	3	144	12	10	119	
New Hampshire.....	10	2	3	14	15	96	38	26	145	52	41	127	
New Jersey.....	110	21	55	186	219	85	595	381	156	781	600	130	
New Mexico.....	9	1	2	11	11	101	10	5	191	21	16	129	
New York.....	364	98	380	841	911	92	3,824	3,287	116	4,665	4,198	111	
North Carolina.....	45	6	24	75	70	107	97	56	173	172	126	137	
North Dakota.....	20	2	2	24	17	139	13	7	188	37	24	153	
Ohio.....	178	27	84	288	312	92	608	360	169	896	672	133	
Oklahoma.....	42	4	14	60	58	104	54	32	169	114	90	127	
Oregon.....	44	4	25	73	54	135	56	45	124	129	99	130	
Pennsylvania.....	224	48	124	396	423	94	672	555	121	1,069	978	109	
Rhode Island.....	17	3	6	26	38	68	80	42	191	106	80	133	
South Carolina.....	21	3	10	34	33	102	32	21	152	66	54	122	

(Continued on following page)

Subscriptions to Fourth War Loan Compared with Quotas, by States and by Classes of Investors

Final Report
(Dollars are millions)

State	Individuals, partnerships and personal trust accounts						Corporations, associations and other investors			All investors		
	Sales				Quota	Percent achieved to date	Sales	Quota	Percent achieved to date	Sales	Quota	Percent achieved to date
	Series E	Series F & G	Other se- curities	Total								
Alabama.....	\$ 42	\$ 5	\$ 21	\$ 68	\$ 51	134 %	\$ 55	\$ 42	131%	\$ 123	\$ 93	132%
Arizona.....	13	1	4	18	20	93	17	10	170	36	30	118
Arkansas.....	22	3	12	38	32	118	22	16	140	60	48	125
California-												
North.....	129	27	28	184	209	88	225	199	113	409	408	100
South.....	141	27	48	215	205	105	274	231	119	489	436	112
Colorado.....	25	6	14	45	40	112	43	30	143	88	70	125
Connecticut...	61	10	24	96	124	77	372	302	123	467	426	110
Delaware.....	7	2	6	14	19	76	33	24	138	48	43	111
District of Columbia....	34	5	12	51	53	97	59	42	140	110	95	116
Florida.....	41	7	47	95	64	148	67	57	118	162	121	134
Georgia.....	42	6	34	82	70	118	82	59	139	164	129	128
Idaho.....	13	1	2	17	16	104	13	8	160	29	24	122
Illinois.....	204	41	78	322	368	88	887	537	165	1,209	905	134
Indiana.....	81	12	24	117	125	93	176	108	163	292	233	126
Iowa.....	82	17	24	123	92	134	106	85	125	229	177	129
Kansas.....	51	9	21	81	65	124	56	47	120	137	112	122
Kentucky.....	36	9	24	69	56	124	57	48	119	127	104	122
Louisiana.....	38	6	12	55	54	103	71	42	170	127	96	132
Maine.....	16	4	6	26	31	83	41	28	146	66	59	113
Maryland.....	40	9	48	97	93	104	184	98	187	280	191	147

(Continued on following page)

Subscriptions to Fourth War Loan Compared with Quotas, by States and by Classes of Investors (Cont'd)

FINAL REPORT

(Dollars are millions)

State	Individuals, partnerships and personal trust accounts						Corporations, associations, and other investors			All investors		
	Sales		:Percent:		:Quota:achieved:		:Sales:Quota:		Percent achieved		:Sales:Quota:achieved	
	Series E	Series F and G	Other se- curities	Total:	:to date:	:to date:	:to date:	:to date:	:to date:	:to date:	:to date:	:to date:
South Dakota.....	\$ 17	\$ 2	\$ 2	\$ 21	\$ 17	123%	\$ 19	\$ 11	175%	\$ 40	\$ 28	144%
Tennessee.....	40	6	24	70	65	108	91	61	149	161	126	128
Texas.....	145	21	84	250	210	119	230	185	124	479	395	121
Utah.....	16	1	3	20	22	90	29	18	160	49	40	121
Vermont.....	6	1	2	9	8	114	25	19	129	34	27	125
Virginia.....	54	8	17	79	78	102	106	65	162	185	143	129
Washington.....	69	9	10	88	96	92	134	87	154	223	183	122
West Virginia.....	26	3	13	41	40	103	60	35	173	102	75	136
Wisconsin.....	70	15	16	100	113	89	236	145	163	336	258	130
Wyoming.....	8	1	1	9	9	104	7	3	247	17	12	140
Territories & possessions:												
Alaska.....	2	*	*	2	2	116	2	-	-	4	2	202
Hawaii.....	11	1	*	13	12	105	21	7	296	33	19	175
Other.....	3	1	2	5	8	67	1	2	51	6	10	63
Subtotal.....	\$3,202	\$573	\$1,549	\$5,324	\$5,500	97	\$11,410	\$8,500	134	\$16,734	\$14,000	120
Unallocated.....	-15	-	-	-15	-	-	11	-	-	-4	-	-
Grand total.....	\$3,187	\$573	\$1,549	\$5,309	\$5,500	97	\$11,421	\$8,500	134	\$16,730	\$14,000	120

Note: Sales of Savings bonds and Savings notes included in this table since January 1. Figures are rounded and do not necessarily add to totals. Percentages have been computed on unrounded figures.
Less than \$500,000.

LEGATION OF THE
UNITED STATES OF AMERICA

Kabul, March 5, 1944.

No. 405

Subject: Situation of Refugees in Afghanistan.

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Department's circular airgram of January 26, 7 p.m., 1944, concerning measures to be taken for the immediate rescue and relief of victims of Axis oppression, I have the honor to report (a) that there are no public or private agencies interested in such measures in Afghanistan, (b) that there is little scope for the settlement of refugees from Axis oppression in Afghanistan, with the possible exception of a small number of professionally and technically qualified persons, and (c) that in view of the foregoing circumstances I have not approached the Afghan Government in this connection.

With respect to (b), there are in Afghanistan perhaps a hundred Czechoslovaks, Poles, French, Germans and Yugoslavs, all of whom might be considered victims of Axis oppression to the extent that they are unable to return to their native lands. The majority of this group came to Afghanistan prior to the outbreak of war and are not, strictly speaking, refugees. Probably not more than twenty

- 2 -

percent are of the Jewish race or faith. Almost all arrived in pursuance of offers of employment from the Afghan Government, chiefly as technicians in industrial establishments and as teachers.

Due to the primitive economy and low standard of living of Afghanistan, there is practically no opportunity for Europeans in the fields of domestic commerce, agriculture, or the service trades. Foreign trade and domestic industry are almost exclusively in the hands of Government monopolies. The only practicable activities for Europeans are those of a professional or technical nature, usually in the employ of the Afghan Government. As that Government has in the past welcomed the coming of qualified professional men and technicians, it may be presumed that a very small number of refugees from Axis oppression - perhaps a maximum of fifty professional men and technicians, and their dependents - could be placed in Afghanistan. If so meager a contribution to the solution of the refugee problem is of interest to the War Refugee Board, I shall be glad to submit to the Afghan Government the names and qualifications of persons whom the Board might propose for settlement in this country. I might add that although Jews are not popular in this fanatically Muslim country, there has been no serious discrimination against them.

It should be noted that the willingness of the Afghan Government to admit qualified Europeans is probably exceeded by the reluctance of such persons to come to Afghanistan and, more particularly, to remain here. The compensation paid to foreigners by the Afghan Government is low, and living conditions in Afghanistan are hard. Moreover, only rarely do foreigners find it possible to utilize to the fullest extent their specialized knowledge and training.

As stated in the first paragraph of this despatch, I have not approached the Afghan Government in this connection. I should be most reluctant to discuss this matter with the Government unless I had an indication from the Department that there is some likelihood that refugees will be proposed for settlement in Afghanistan.

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As was indicated by my despatches Nos. 182 of May 25, and 295 of October 4, 1943, concerning certain Estonian refugees in Kabul, I have already informally interested myself in the welfare of refugees in Afghanistan. I shall continue to give careful attention to the Afghan attitude toward any treatment of refugees and to report significant developments to the Department.

Respectfully yours,

C. Van H. Engert

In original only.

File No. 840.1.

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COPY NO. 12

U.S. SECRET
BRITISH MOST SECRET

OPTAL 74

Information received up to 10 A.M. 5th March, 1944.

1. NAVAL

On 3rd weather at ANZIO improved. One of H.M. Cruisers bombarded enemy gun positions. On the 4th Destroyers escorting a homeward convoy from RUSSIA sank a U-Boat in Northern waters.

2. MILITARY

Italy

To noon 4th. In the bridgehead small U.S. Counter attack is making steady progress southwest of CISTERNA.

3. AIR OPERATIONS

Western Front

4th. Escorted Fortresses dropped 60 tons through cloud at BERLIN and a total of 481 tons at BONN, DUSSELDORF. COLOGNE and elsewhere in the RUHR under similar weather conditions. Provisional enemy casualties 15:5:6, ours 14 bombers, 25 fighters missing. Escorted medium and light bombers dropped 90 tons on military constructions NORTHERN FRANCE. 24 Mosquitoes sent to BERLIN, BRISBURG etc. and 10 Halifaxes sea-mining. All returned.

Italy

During 2nd and 3rd escorted heavy bombers dropped total about 900 tons on railway yards, airfields and other objectives in the ANZIO, ROME and VITERBO areas. 5 enemy fighters destroyed, 10 bombers missing.

Fighters and medium bombers attacked railway communications near FLORENCE and destroyed over 100 M.T. in the battle area; 10 fighters missing. 2nd/3rd. Wellingtons dropped 70 tons in the GROSSETO area.

OFFICE
SECRETARY OF THE TREASURY

44 344 11 44

TREASURY DEPARTMENT

March 6, 1944

Lubin came to see me this morning, and asked me what I thought of the suggestion of sending Sam Rosenman to Palestine. They had taken it up with Sam, and he did not want to go. They were thinking of sending Daniels along. They did not want to do anything more about it without talking to me, so I said that frankly I did not know whether they could convert Sam by sending him to Palestine. They thought they could.

I told him that on the President's desk now there should be a very forceful statement about the persecution of the Jews, and I suggested that they wait a day or two and see what the President did about this statement, and then if nothing happened I asked Lubin to call me again on Friday.

I asked him whether he knew anything about what Pehle was doing, and he said he did not. I think Pehle should arrange to have an evening with the people over at the White House and bring them up to date on what he is doing.

March 6, 1944
9:01 a.m.

182

Operator: Go ahead.

HMJr: Hello.

Operator: Mr. Secretary.

HMJr: Yes.

Operator: Here you are, sir.

Edward R. Stettinius: Good morning, Henry.

HMJr: Good morning to you.

S: How are you, sir?

HMJr: Fine.

S: Because of Steve Early's familiarity with this declaration....

HMJr: Yes.

S:I think that, rather than run the risk of being delayed several hours, that if we get Steve to take it right in and say that he knows all about it and that Hull has approved it and Stimson has worked on it, we'll get it through quickly that way.

HMJr: I think that's all right.

S: Rather than Grace, because it might get lost in other things during the day.

HMJr: All right.

S: How does that sound?

HMJr: Sounds all right.

S: And I'll give a good -- a good, urgent note to Steve that it needs quick clearance....

HMJr: Wonderful.

S:and I....

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HMJr: I think that -- I think that's all right.

S: All right, old boy. I'm work -- I'm working on the -- on the sanction thing and I'll have something for you rather -- rather promptly.

HMJr: Well, I'll be looking forward to receiving it.

S: Righto.

HMJr: I enjoyed my talk with you yesterday.

S: I enjoyed it immensely. Now, let's do it from time to time to keep things straight because most of these things, you know, are really just misunderstandings when you get to the basis.

HMJr: That's right.

S: Tell -- tell your boys of my complete cooperation. Will you?

HMJr: I certainly will.

S: Righto.

HMJr: Thank you.

March 6, 1944
9:05 a.m.

Herbert
Gaston:

Yes, sir.

HMJr:

Herbert, I know that on February 18th Henry phoned in saying that he thought it was this man Rothman who had been impersonating him.

G:

Yes.

HMJr:

Well, I should think that twenty-four hours after that they could have arrested Rothman.

G:

I should think so, too. It's the F.B.I., you know.

HMJr:

I know. I wish you'd call up Hoover and ask him what he's done. I mean that it wouldn't take twenty-four hours to locate him, and if he isn't going to do something, let's ask -- I'll ask the Army.

G:

We -- uh -- we sent word down through our man down -- did you get my little note about it? -- through our man down in Atlanta -- gave the word to the -- to the F.B.I. man and he said that he -- they expected to get hold of him in a short time.

HMJr:

Well, would you mind calling up Hoover today?

G:

No, not at all.

HMJr:

And tell him that I can not understand why they haven't arrested this man.

G:

Yes.

HMJr:

And I'd personally like to get a report directly from Mr. Hoover.

G:

Yes. All right.

HMJr:

Well, I just can't understand it -- twenty-four hours after we gave him this information, why this man wasn't arrested.

G:

Yes. Yes.

HMJr:

It just doesn't make sense.

- 2 -

G: Yes. Yes. All right. I'll talk to him.
HMJr: And tell Hoover I'd like a report myself.
G: Yes. Yes. All right.
HMJr: Thank you.

March 6, 1944
9:15 a.m.

TAX SIMPLIFICATION

Present: Mr. Gaston
Mr. Paul
Mr. Smith
Mr. Sullivan
Mr. Shaeffer
Mr. Blough
Mr. Surrey
Mr. Cann
Mr. Atkeson

H.M.JR: One of the reasons I asked you gentlemen to come over was this: I sat next to Mr. Andrews, who is the Washington manager of the New York Tribune, Saturday night. He seems to be very friendly. Maybe he is just very smooth.

MR. GASTON: No, he is a pretty good fellow.

H.M.JR: He had just spent several hours making out his income tax himself. He said that it isn't very complicated. He thought if I would make out my own income tax and then tell the people of America how long it took me and how difficult it was I would make an awful lot of friends, and then I should say something about we have just got to do something.

I said, "Well, we don't want to get Congress down on us."

He said, "Well, you could say in a way that you wanted to do it with Congress' help, or working with Congress."

Then he said, "If I had had a chance at the President's statement, I could have changed a hundred words, and his

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statement on the Hill would have been just as effective, and wouldn't have made anybody sore."

MR. GASTON: Yes, him and us both!

H.M.JR: So I said, "That would go for Gaston, too. He could have done the same job. He has had the same experience, bringing-up, that you have." But I just didn't know where we stood on this simplification. I said, "Here we are getting along amicably. I don't know how many millions of people are making out their income tax this week and how many of them are cussing and swearing at the Federal Government, and here we are."

MR. SULLIVAN: It is the same figure.

H.M.JR: I just wanted to find out, first, what you people thought of the idea, what suggestions you would make, where we stand in our relations with the Hill, and so forth, and so on. Where do we stand as far as--

MR. PAUL: We will have a meeting this morning, which will be a sort of public-effect meeting, and nothing is going to be done. The Committee wants to convince the people that it is working hard. Everybody, including Stam, feels that there should not be any meeting which puts out any new scheme until right after March 15. People get confused before they file their returns. The final real meeting is scheduled for about the 17th, at which we are going to submit jointly with Stam a scheme for simplification within the limits of the committee resolution, which is, that they want the same taxpayers on the roll with about the same tax burden they now have under the present law. That scheme will involve several changes, the most drastic of which will be the changing of the exemptions to five hundred dollars per capita, or five hundred dollars for a single person, one thousand dollars for married persons, and five hundred dollars for each dependent. Those figures are mathematically double and triple, and so forth, so you can get up a table there that combines all the taxes in one.

That will also involve new forms, the most drastic change of which is the form 1040-A, for people below a

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certain level of income. I showed you one of those forms the other day. It is just one small sheet of paper.

H.M.JR: That is up to five thousand dollars?

MR. PAUL: Yes. The form A would also be simplified under this new scheme. We don't know whether the Committee will take that. One of the features of that scheme is that it doesn't have to be--it is Stam's desire to change the name of the Victory Tax to the normal tax, and combine the normal tax with a surtax, incorporated in the surtax, which brings up the problem of partially-exempt U.S. bonds which we discussed with Bell at some length about Friday.

H.M.JR: Is the Bureau a partner in this?

MR. CANN: Yes, sir.

MR. PAUL: The scheme is essentially a scheme concocted jointly by the Bureau and the Treasury, and changed by Stam by changing the name of the Victory Tax.

H.M.JR: Please don't say the Bureau and the Treasury. If you want to, say the Bureau and the General Counsel's offices.

MR. CANN: We have been very careful, Mr. Secretary, in the memorandum that is going out.

H.M.JR: I said something to Doughton about my boys and something about Internal Revenue.

He said, "Oh, you consider those your boys, too?"

MR. PAUL: He doesn't mean--

H.M.JR: Let me put it this way: How many questions, or figures, or any way you want to put it, do you have to answer under the present form? Who can answer that? How many different figures do you have to put in?

MR. GASTON: It depends on how involved your transactions are.

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MR. SULLIVAN: I think the Secretary means for the least complicated one. I think it is twenty-seven.

H.M.JR: You have so many today. Under these suggestions, how many less would you have? You see?

MR. ATKESON: Taking the simplified return, that is the 1040-A on the 1943 return blank--and again leaving out the forgiveness proposition, because that is just for this year alone--a man enters his salary. Then he will subtract from that a certain amount for credit for dependents and take that remainder into the other side of the tax return and find his family status, and then go to the proper tax column, A, B, or C, depending on his family status. Then he brings that tax forward to the face of the return.

Now, under the Revenue Act of 1943 that has just been enacted, he will enter his salary, but he will skip the computation of subtracting for credit for dependents. He will have to go to a very much larger table; in fact, he has to go to a three-page table. Under the scheme Mr. Paul has just outlined, he will go directly from his salary to a simple one-page table.

H.M.JR: Was that scheme originated in the Bureau?

MR. CANN: Substantially so, Mr. Secretary.

MR. ATKESON: It has been talked out.

H.M.JR: You must be over-simplifying the thing. Aren't you talking about three thousand dollars or less?

MR. GASTON: About the 1040-A, yes.

H.M.JR: But the point again is, again quoting Andrews--he said, "Supposing you had something like this--"

MR. CANN: The small form, W-2--

H.M.JR: "...for everybody, and supposing you said to the American public, 'This is a proposition; you can

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have it as an alternative, and you can win or lose five percent.' Wouldn't the Government in the long run also about wash out those that would gain and those that would lose, and you would have a form that a man, irrespective of his income, could choose, this simplified form, if he had a hundred thousand dollar income? It is his decision that he would gamble. He might gain or lose five percent. And in the long run," he said, "wouldn't the Government come out about--"

MR. SULLIVAN: The answer to that is no.

H.M.JR: Now, don't--

MR. PAUL: Bear in mind that thirty million taxpayers are right in this five thousand return.

H.M.JR: How many does that leave?

MR. ATKESON: Twenty million.

MR. BLOUGH: This plan provides first--

MR. SULLIVAN: I said that because we would come out the same. In each instance they would figure both ways.

H.M.JR: I thought you meant "no" to that.

MR. BLOUGH: Mr. Secretary, in this plan that is now being worked out, thirty million people would have this little slip. Practically all of the balances are under five thousand dollars. There are only about five percent of all the taxpayers, I think, above five thousand dollars, a small percentage. So our real trouble and difficulty is under five thousand dollars.

This plan proposes a return about as simple as the present 1040-A for all people up to five thousand dollars, except those who have special computations to make, like the businessmen who have to figure out what their income is before they can start. So for the great majority of people, quite aside from employees, this plan does the sort of thing that you mentioned.

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H.M.JR: But for only thirty million people?

MR. BLOUGH: No, for all but the people above five thousand dollars.

MR. PAUL: Thirty million people would use this little form, and the rest of the people would use this other simplified form.

MR. GASTON: The thirty million are the three thousand and below.

MR. BLOUGH: The thirty million are the employees who have little other income.

MR. SULLIVAN: This is the form for the thirty million, Mr. Secretary. (Hands document to the Secretary.)

MR. PAUL: The form for the other below the five thousand is this. (Hands document to the Secretary.)

MR. CANN: Except, we haven't completed the job on this simple form. We expect to take a great deal of data off that, Mr. Secretary.

H.M.JR: I am a little bit confused. I saw this small form. How many will this take care of, up to five thousand dollars?

MR. PAUL: Yes, who are just getting a salary.

H.M.JR: And how much would this take care of?

MR. PAUL: Ten.

H.M.JR: How many will that leave?

MR. PAUL: About ten.

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MR. BLOUGH: And most of the ten would have the option if they wanted to use it, or part of them.

MR. ATKESON: Yes. Actually that last ten, Mr. Secretary, comprises a lot of small business people and farmers who will have to determine their net profit for any purpose. They have to go through that mathematical computation of determining their net profit; but after they determine their net profit, which is determined on this second page, they still don't have to compute the tax if it is under five. They can use that tax table.

H.M.JR: Well, you can't increase the amount? You say you couldn't go up to ten thousand dollars?

MR. ATKESON: I think you could.

MR. CANN: You could, Mr. Secretary.

MR. PAUL: It makes a long table, and we wouldn't get many more people.

H.M.JR: I mean, couldn't you have a different colored sheet, starting at five and running to ten, so a fellow could just--

MR. PAUL: That is one of our problems.

H.M.JR: You could have a pink sheet from five to ten.

MR. CANN: Strange to say, Mr. Secretary, we have tried the last two years, and we have had a great deal of trouble in getting any different color forms, and it has been confusing to taxpayers because we couldn't get them.

H.M.JR: You can't get the paper?

MR. CANN: It seems silly, but we went after it.

H.M.JR: But if you could get the paper--

MR. CANN: Maybe if you could plan long enough in advance, that could be overcome.

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H.M.JR: Now, if your income falls between five and ten, you want a pink form.

MR. PAUL: You won't get many additional people that way. There are too few people.

MR. ATKESON: There are about two million over five thousand. That is in line with what you said, isn't it, Roy?

MR. BLOUGH: Yes.

MR. SULLIVAN: That is twenty-five percent more than were filing returns four years ago. I think we can start in early enough and get the paper.

MR. BLOUGH: But, John, the option becomes a pretty valuable thing in terms of dollars and cents, and that means that they compute carefully under both and you haven't done anything in the way of simplification, and it costs the Government some money.

MR. CANN: The ones who would use it of that particular two million would profit a great deal by use of the presumptive deductions, and there would be a substantial loss in revenue. We have gone into that very thoroughly, and we felt that the loss in revenue was too severe to send it to ten thousand.

MR. BLOUGH: But even those above five thousand will have a substantially simpler return than the present return. Everybody will have a simpler return than the present return.

H.M.JR: Let me just digress a little bit for a minute. Here is this fellow Andrews, a total stranger to me, trying to get better public relations for the Secretary of the Treasury. I think he was sincere. I just wondered between now and the 15th what the Public Relations people, Gaston, Smith, and Shaeffer, thought about this thing.

MR. SULLIVAN: I have a suggestion on that line. I respect Randolph's suggestion that it would be very unwise

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to give out any details of the simplification, because I think what he says is quite true, that it will confuse people between what they have to do now and what they hope they will do the next time. I think that a joint statement by yourself, Doughton, and George that the work of simplifying the forms to be used next year is making rapid progress and you have every reason to hope this is the last time the people will have to go through the thing like that will be the most effective thing you can do.

MR. PAUL: You suggest, however, that they do it jointly. I think if they do it jointly, that is one thing; but if he does it alone, it is quite another.

H.M.JR: But supposing we do the thing jointly-- if we had a joint press conference and say that one of the reasons I have been so anxious to make this thing is, I have just gone through the agony of making up my own.

MR. PAUL: If you have a press conference, you will have all sorts of question about what your new scheme is, and you won't be able to answer them.

MR. GASTON: There are other embarrassing questions that you will have. You are bound to say, unless you falsely incriminate yourself, if you are asked that, that there are only two factors that make this return complicated this year, the Victory Tax, and the forgiveness feature. Otherwise, it is just as simple as it has always been. There is a third factor, that everybody high and low has been told throughout the country that the return this year is terribly complicated. That is what makes it complicated. As a matter of fact, it isn't very complicated. It isn't much different from the returns of prior years.

MR. ELOUGH: Only when you get to figuring out '42 plus '43 and the three or four payments that you have made.

MR. CANN: Your actual tax computations.

MR. GASTON: The forgiveness and Victory Tax are all--

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MR. CANN: It is interesting that we have had a number of letters from qualified practitioners, lawyers, and accountants who invariably have congratulated us on the form.

MR. PAUL: And from ordinary laymen.

MR. GASTON: I think they did a swell job on that 1040 form.

H.M.JR: Fred, do you have any ideas?

MR. CANN: Colliers put us on the pan, this issue of Colliers.

MR. SMITH: I don't agree that it is a simple form. I think it is the most complicated damn thing in the world.

MR. PAUL: We didn't say it wasn't.

MR. SMITH: It is complicated because people don't figure.

The other thing I would like to say is that that two million that you say is such a small part of the total is the two million that is going to make all the noise, and I think it is worth going out of the way to pacify them. That is what your trouble is now. Your 1040-A form this time is very simple, and I don't think anybody has had any complaints about that, but the 1040 form--it is the people from about four to seven thousand dollars who are in a position to make a hell of a lot of noise that have created all this fuss.

MR. BLOUGH: Those people will not, under any circumstances, have next year anything like the problem they have this year.

H.M.JR: Let me try to personalize this thing and come back at Smith. What, if anything, do you think I should do?

MR. SMITH: I don't think you should just now be making out your form and be discovering that it is complicated.

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MR. PAUL: That is a good point.

MR. SULLIVAN: As a matter of fact, it isn't true. We went through this last July.

MR. SMITH: You are the Secretary of the Treasury, and theoretically you should know, particularly with all the publicity.

MR. SULLIVAN: He did nine months ago.

MR. SMITH: I know he did.

H.M.JR: I had a little something to do with it.

MR. SULLIVAN: I'll say you did.

MR. CANN: I think you are entirely right.

MR. SURREY: I don't think there is any need of doing anything. You have one week to go to March 15.

MR. SULLIVAN: I don't know. It seems to me that right now while people are sweating and suffering is a good time to extend a little hope.

MR. SMITH: I think if you made a joint statement, whether it is a press conference or a statement--I don't care, one way or the other--but if you get all three together, I think there is bound to be a good by-product if all three of you say the same thing at the same time.

MR. CANN: And leave out the reference to the Secretary making out his own.

MR. SHAEFFER: A joint statement sounds pretty good to me, Mr. Secretary.

H.M.JR: Would you have a Republican sign it, too?

MR. SURREY: You have your problem of getting Doughton. You have to prove it to Doughton first, I think. His Committee is working on it; Senator George's Committee is not working on it. It seems to me you would have to take

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it up with Doughton as to how he wants it done, especially since his Committee is issuing statements. I don't think it would be right to tell Doughton, "Let's Senator George, you and I make a statement." Doughton might not like that, and technically, he is within his rights.

H.M.JR: Well, the statement would be that a better day is coming?

MR. SULLIVAN: That is right.

H.M.JR: Who is qualified to draft such a statement?

MR. CANN: We could all get together.

MR. SURREY: We could work one out.

H.M.JR: Paul, will you designate somebody from your shop?

MR. PAUL: I think it should be worked out between Roy and Cann or Doc Atkeson.

H.M.JR: I still haven't heard from George about tomorrow's meeting, but on the theory that we are going to have one tomorrow afternoon with him, I would like to have it by tomorrow morning.

MR. SURREY: Is Mr. Doughton coming to that meeting?

H.M.JR: Yes.

MR. SURREY: That might be a good occasion. They will ask you for something, undoubtedly.

MR. SULLIVAN: You are going to have other people here, too.

H.M.JR: Supposing you men come back at nine-fifteen tomorrow morning with a statement. Let me ask you this: Do you think it would be good or bad for me to drop over to the Bureau, which I have never done, when they are making out the statements and just walk around and see how they are doing it and show myself and say that I am interested?

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MR. CANN: I would like for you to come over, Mr. Secretary, very much and go through that particular part of the shop.

MR. PAUL: I don't think so.

MR. BLOUGH: You have a different thing in mind. He is thinking of public relations. You are thinking of having him see what is happening.

MR. CANN: No, no.

H.M.JR: I just want to go over and see the people getting the service and see how they are being treated.

MR. CANN: Well, that line is moving pretty fast. Where would be the bad public reaction to that?

MR. SURREY: I would just be worried about what Fred said.

MR. SMITH: I don't think that; that is a different story.

H.M.JR: This is just to go around and see that the people are getting the service.

MR. CANN: This office here is typical of the offices we are running all over the country.

MR. PAUL: I am not going to be responsible for what the reporters develop out of that.

H.M.JR: I am not going to take any reporters with me.

MR. PAUL: They will see you there.

MR. GASTON: Not necessarily.

H.M.JR: I will go alone the first time and see what my own reaction is. What do you think, Fred?

MR. SMITH: I don't see that anything difficult could come from it, unless a reporter tackles you while you are

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there, which is not likely if you sneak in, because they don't hang around there. They could make it pretty embarrassing if they started asking a lot of strange questions.

H.M.JR: The chances are nine out of ten that no reporter will see me, especially if I went in the morning early. (Laughter) Can you see any harm in it, Herbert?

MR.GASTON: No. You are not going to have a press conference over there. It is merely the normal and proper thing to do.

H.M.JR: Sure. Well, let's leave it this way, then: We will meet again at nine-fifteen tomorrow morning. Right? You people come in with a draft of a joint statement.

When is Mr. Nunan going to be back?

MR. CANN: This afternoon, I understand.

H.M.JR: Let him come to the meeting tomorrow morning. If I get a chance--who runs that contact with the public over there?

MR. CANN: Perlmeter--or do you mean in the Collector's Office--Raisin?

H.M.JR: Would that come under you?

MR. CANN: That is under Schoeneman. I will make the arrangement if you will call me.

MR. SULLIVAN: I think it would be better without arrangements.

MR. CANN: If you drop in, ask for Mr. Raisin.

H.M.JR: How do you spell it?

MR. SULLIVAN: R-a-i-s-i-n.

MR. CANN: You enter the door right close to Constitution Avenue on Twelfth. You come right through, avoid the line, and enter right into the center of activity.

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MR. PAUL: You go through a little courtyard.

MR. CANN: No, the other way. He will move right into the activities, and you can move right rapidly and see it.

MR. PAUL: Last time I was there the line was back to the dooryard.

MR. CANN: They are down there at seven-fifteen in the morning waiting in line.

MR. SURREY: I was told by a taxi driver that four o'clock was the best time to come. There is no line then. That is what he told me, if I wanted to get my return figured out.

MR. ATKESON: It usually dwindles out about noon.

MR. CANN: Nine o'clock, Mr. Secretary, would be a pretty good time.

H.M.JR: Well, if Mr. Sullivan is going to take me--

MR. SULLIVAN: I would suggest seven-twenty. (Laughter)

H.M.JR: Well, we will see. We are going to meet at nine-fifteen tomorrow; I couldn't be here. Make it nine thirty. Maybe I will stop in there with you tomorrow morning. Wait, I am due at the White House; that is out. I will have to see you gentlemen tomorrow at eleven o'clock. Is that all right for everybody?

(General assent)

MR. PAUL: Will you let me know about any change in that thing, if they do change it, because I have to switch a lot of plans. I am trying to get the four-fifty plane.

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MR. CANN: Mr. Secretary, you will be interested to know that we are about ready now, and are issuing refunds to the soldiers.

MR. BLOUGH: There was, however, on the seven o'clock broadcast this morning, a statement which gave me the impression that they weren't even going to start issuing refunds until the end of the year.

MR. CANN: That is in the Times, and also in the Washington paper. I don't know what the source of that is.

MR. BLOUGH: The impression of the Times is they won't get done until the end of the year.

MR. CANN: Mr. Atkeson has just returned from the New York office. I will be glad to have him tell you about it.

H.M.JR: You may see me every day for a week, now, if you can stand it.

MR. ATKESON: I was up there Friday and Saturday at this office in New York where all of the withholding slips are centralized for the United States. They received about one hundred and thirty-two million little documents to be associated with the returns of people who are entitled to refunds. According to the production schedule they have arranged, we will offer a hundred million of those, and they intend to start the actual listing for refund about April 15, and they expect to reach the peak around May 15 - that is, to reach the peak production, and it will run at a peak production until around October.

So we anticipate that far better than three-fourths of all the refunds--

(The Secretary takes call from Senator George's office, as follows:)

March 6, 1944
9:46 a.m.

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HMJr: Hello.

Operator: Senator George is not there. I have Miss Holden.

HMJr: Hello.

Operator: Go ahead.

HMJr: Hello.

Miss Holden: Hello.

HMJr: This is Mr. Morgenthau speaking.

H: Yes.

HMJr: Good morning.

H: Good morning.

HMJr: Senator George was working on a meeting for three o'clock Tuesday in which I was to participate.

H: Yes.

HMJr: Do you know anything about it?

H: No, sir, I don't.

HMJr: Well, when you see him this morning, would you ask him what progress he's making in arranging that meeting? And if he would give me a ring, I'd appreciate it.

H: All right, sir, I certainly will.

HMJr: Thank you.

H: As soon as he comes in.

HMJr: Thank you.

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H.M.JR: Go ahead.

MR. ATKESON: Well, the idea that I was trying to get across is the vast majority of all of those refunds, on account of excess withholding, are anticipated to run somewhere around sixteen million, and will be made between now and October.

Now, the soldier refunds that Mr. Cann just spoke of a minute ago, we are going through all of the returns and picking out those for the members of the armed forces, and where the return is clear we are writing the refund checks right now.

So we anticipate that we will finish that job around April 15, and there should be somewhere close to three-quarters of a million refunds involved in that operation.

H.M.JR: What part of Internal Revenue has that?

MR. ATKESON: This is a Division known as the Processing Division, which comes under Mr. Cann, as Deputy Commissioner of the Income Tax Unit. But it is performing this service for all of the Collectors' Offices throughout the country.

H.M.JR: You ought to take Mr. Kent - is that his name? - who says there is complete chaos in the bureau--

MR. SMITH: Baltimore Sun.

H.M.JR: Take him up there.

MR. ATKESON: It would be worth while to have that publicized, because I think the organization is set up in a very nice way and well under control.

H.M.JR: Well, I wish you people would think about it, and, John, I am putting everybody in the room on notice - I want to know more about all of this stuff, see?

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Give me some suggestions. If it is necessary, maybe I will go up and go through the thing myself and invite the press to go through with me.

MR. PAUL: Why don't you go through the line and get help on your own return.

MR. SULLIVAN: I think you should see that operation.

MR. CANN: The largest sorting operation in the world.

H.M.JR: I thought you (Paul) were a friend of mine. You might not see me again for the rest of the year!

MR. PAUL: To have you in line would be worse than a World Series.

H.M.JR: Anyway, Fred, you put your old bean on this, will you?

MR. CANN: We will be glad, Mr. Secretary, to make arrangements for Mr. Smith to go through that, and have the man we have in charge there go over that whole thing with him in detail, if that would be helpful.

MR. SMITH: I think it would. I would like to see it, anyway.

H.M.JR: Anything that is good that has to do with the public, please see that it gets to me through Mr. Sullivan, will you? Then Mr. Sullivan can see we will get it.

MR. CANN: All right, sir.

MR. SULLIVAN: Roy and I have a matter of tax treaty with the British we would like to talk with you about, sometime.

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H.M.JR: Is it pressing?

MR. SULLIVAN: Yes.

H.M.JR: How pressing?

MR. SULLIVAN: Well, they haven't done anything on it for seven years, and they suddenly say--

H.M.JR: Must I do it between now and eleven o'clock?

MR. SULLIVAN: No.

H.M.JR: Ask Fitz.

March 6, 1944
10:51 a.m.

HMJr: Hello.

Operator: Senator....

HMJr: Hello.

Senator George: Hello.

Operator: Senator, Secretary Morgenthau.

G: Yes. Hello.

HMJr: Henry talking.

G: Yes, Henry. This is Walter George.

HMJr: Good morning.

G: How are you this morning?

HMJr: Fine. Never better.

G: I took the matter up with Mr. -- Chairman Doughton and he said that he would be on hand....

HMJr: Yes.

G:tomorrow at three.

HMJr: Good.

G: But Senator Barkléy is out of town....

HMJr: Yes.

G:and so is Senator Walsh.

HMJr: I see.

G: Now, I'll have to come alone or bring someone. Senator LaFollette won't be back....

HMJr: Yes.

G:until sometime tomorrow. I may bring up one other man with me, Henry, but I can't say who just yet.

HMJr: Well, that's all right. I just wanted to....

G: Maybe I'd better come alone.

HMJr: Well, if these others are out, why wouldn't it be just as well if, maybe, you and Doughton and I had a little meeting?

G: Well, that might be just as well, but he may have spoken to....

HMJr: All right.

G:his people.

HMJr: All right.

G: And if he has, I'd just suggest that they come along and I'll come along with him.

HMJr: Well, and if you decide you want to bring somebody, that will be all right.

G: Well, I kinda wanted to bring these other two men.

HMJr: Yes.

G: But they are not here. I can't get in touch with them.

HMJr: Yeah.

G: But it might be that I could get one of them to come along with me tomorrow afternoon.

HMJr: Well....

G: If I can, I will.

HMJr: But the meeting is on and I needn't say anything to Doughton?

G: No. I told him and he said he'd be there.

HMJr: Well, thank you so much.

G: All right.

HMJr: Thank you.

March 6, 1944

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Luncheon Meeting in Secretary's Office
March 6, 1944
1:15 P.M.

Present: Mr. McCarthy, Canadian Ambassador
Mr. Ilesley, Finance Minister
Mr. Berle State Department
Secretary Morgenthau
Mr. Bell
Mr. White

Mr. Ilesley referred to the program designed to curtail Canadian dollar balances submitted to Dr. Clark last week. He stated he (Mr. Ilesley) was not very familiar with it but felt that in general his Government would probably find the program satisfactory. He stated that the matter was being discussed by a committee in Ottawa of which the Prime Minister was a member. (The Finance Minister seemed to know very little about the details of the negotiations.)

The Secretary stated that he had a few items to add to the proposal. These new items totalled about \$42 million. The Secretary later handed to him the second page of the memorandum prepared by me which contained the list of the additional items. Mr. Ilesley stated that the reimbursement on Canex was going to be embarrassing to his Government. I explained that Mr. Clark had offered several times during the year to repay that but that we had agreed to reserve that and use it only if necessary and I added that apparently now was the time.

Mr. Ilesley stated that the addition of \$42 million to the previous program would be quite a shock to his colleagues. I pointed out that the exclusion of \$110 million proceeds of net sales from Canada's balances was something we had not agreed on and was, in a sense, something quite new, and that, furthermore, the balances had risen by \$50 million in January and probably as much as \$75 million in February. Therefore, the addition of the \$40 million items was not unreasonable. The Secretary said that it would be better to clean this thing up as quickly as possible inasmuch as Canada's balances were increasing. He said that if we were able to clean it up Canada could have its balances grow without our having to confer on the state of Canada's dollar balances.

Mr. Ilesley said that he would take up the new items at once with Dr. Clark. Mr. Berle said that the exact amount of expenditures on these air fields had not yet been agreed upon, that they were in the process of ascertaining the specific amounts. The Secretary asked whether he might expect to get a final reply on these matters within a couple of weeks and Mr. Ilesley thought that he could.

I explained that at the time we were discussing the air fields with Dr. Clark we had assumed those mentioned by him covered all the air fields in Canada but that we had subsequently learned of these other items. Mr. Ilesley stated that these other airfields were hardly anything that

Division of Monetary
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Canada wanted that they were not worth anything like the amount expended on them. I ventured the opinion that the reimbursement for the amount spent on those air fields should not be regarded in the light of their present value but rather as providing a means for bringing the dollar balances into closer adjustment with the pre-agreed upon levels. The Secretary added that even if those particular air fields are not worth the money, payment by them would enable Canada to take the position that they paid for all the air fields in its own territory. The Ambassador added that it would avoid the possible question of sovereignty if Canada paid for them.

The Secretary then raised the question of aluminum. He said he was thinking that if the United States was cutting down on its own aluminum production and had excess capacity, why might it not be a good thing to stop buying aluminum for Canada. The Ambassador said that when it came to a question of aluminum he keeps strictly out. The Minister was non-committal on the point. The Secretary said he was just indicating that he would like to explore that matter further. The Ambassador commented on the splendid cooperation of both countries and stated that the Hyde Park Agreement had helped make it possible for Canada to do its share but that Canadian nickel and aluminum were indispensable to the American war effort.

The Minister said that, of course, the people in Canada don't know anything about this maximum dollar balance and Mr. Bell added that the people in the United States didn't either.

H. D. White

HDW

Treasury Department
Division of Monetary Research

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Date March 6, 1944 19

To: Miss Chauncey

The second page of this memorandum
(original copy) was handed by the
Secretary to Mr. Ilsley, the Canadian
Minister of Finance, at lunch today
in the Secretary's office.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

March 6, 1944

1. Canada's gold and dollar balances

December 30, 1943.....	\$650 million
January 31, 1944.....	705
February 29, 1944.....	775 (?)

This includes about \$110 million of net proceeds from security sales over and above the large refunding operation during 1943. (We have never agreed to exclude this 110 million nor have we said that we would not do so.) The above balances do not include about 230 million of Canadian privately owned dollars.

2. Last week we submitted to Mr. Clark a program suggesting

Reimbursement to U. S. of.....	\$.94 million
Payment to U. S. for purchases....	156
Total.....	\$250

(See appended schedule)

If they pay us this \$250 million immediately Canada's dollar balances (as of February 29) will be cut to \$525 million.

If we wish to exclude the \$110 million set aside by Canada for security purchases Canada's balances would be \$415 million - or \$65 million more than the agreed upon maximum.

3. In addition the program calls for cancellation of certain contracts and other arrangements which would reduce Canada's future growth of dollar balances by about \$150 million. These cancellations will eliminate all contracts which cannot be justified on grounds other than aid to Canada's dollar balances.

The Army and Navy have indicated that they would be opposed to cancellation of any additional contracts.

4. Additional measures (suggested by Hickerson of State Department).

- (a) Reimbursement for expenditures on five airfields in Clinson (?) project (located in Central North East Canada).....30 million
 - (b) One other airfield at Mingan Quebec... 4.2
 - (c) Terminal facilities at Dawson Creek.. 5.6
 - (d) Remainder of one-half expense of telephone line from Edmonton, Alberta to Fairbanks. Total 10 million. Half cost 5 million. Canada has already paid 2 million. Remainder might be repaid..... 3.0
- Total.....42.8 million

HDW:TMK:ISF:ka 3/6/44

Items Discussed with Dr. Clark

	Amount (In millions)
<u>Reimbursements by Canada for past United States expenditures</u>	
(a) Canex requisitions	\$ 38.8
(b) Permanent airfield development in Canada	34
(c) Past costs involved in Navy Department contract for PB2B planes	20
(d) Capital advances for operation of marginal mines	<u>1.4</u>
Total	\$ 94.2
<u>I. Payment by Canadian Government for purchases made from the United States</u>	
(a) Purchase of American tanks in England	\$ 109
(b) Amount due on December 31, 1943 for purchases on Canpay account	<u>47</u>
Total	\$ 156
<u>II. Measures which would result in loss of income to Canadian Government</u>	
(a) Termination and cancellation of War Dept. contracts	\$ 76
(b) Cancellation by Navy Department of contract for PB2B planes, including future additional costs	25 to 60
(c) Canada not to submit bills in respect of expenditures incurred for United States account for airfield development	17
(d) Canada to assume refining and distribution costs of gasoline used to meet British commitment in connection with Air Training Plan	15
(e) Canada to pay for crude petroleum used to meet British commitment in connection with Air Training Plan (Note: This payment could be made by the United Kingdom)	9
(f) Canada to pay subsidies on output of certain marginal mines and on purchase of nickel from Falconbridge	2.9
(g) Elimination of Canadian participation in contracts for purchase of New Caledonia nickel	<u>2.3</u>
Total	\$147.2 to \$181.3

March 6, 1944
3:00 p.m.

FREEZING OF ARGENTINE

Present: Mr. Bell
Mr. Paul
Mr. Pehle
Mr. DuBois
Mr. Luxford
Mr. Schmidt
Mrs. Klotz
Mr. White
Mr. Gaston

H.M.JR: Listen, you fellows; I might as well give it to you straight - this memorandum makes me plain mad. Why do people inside the Treasury send me a memorandum like that? (Refers to memorandum from Mr. Paul regarding the freezing of Argentina, dated March 6.) *Paul said this memo should be destroyed -*

MR. PAUL: I don't know why you are mad. If you are mad at any record of it--

H.M.JR: What are you trying to do, make a record?

MR. PAUL: Just what we are not trying to do. If that is what you are mad about, we are not trying to make a record, and we can get rid of it from that standpoint. But we want to impress upon you that we think the other day's conference will be interpreted as we say in the last paragraph. We think the trend now is the wrong trend, and that we feel very strongly about it or we wouldn't say so.

H.M.JR: Why not ask to see me?

(Mr. Bell and Mr. White enter the conference)

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H.M.JR: It is a one-way conversation. If you think it is an emergency, I am always available. Just to send in a cold memorandum like that, I don't get the benefit of who thinks what. Just to send a thing like that, all it does is to make me angry.

MR. WHITE: Well, I think that this measure was undertaken in order to avoid just the thing that you want, Mr. Secretary. They discussed it with me and I didn't join with them in the memorandum for a very definite reason. I think that they have courage in bringing it to your attention, and they tried to bring it to your attention in a way which would be least offensive.

H.M.JR: You don't have to have courage to ask and come and see me. I don't bite at anybody. If they say this thing has happened and they think we ought to have a conference on the Argentine matter - I don't know where Bell stands on it, or you (White) stand on it - I couldn't make out whether you had signed it or not.

MR. PAUL: Harry didn't initial it.

MR. WHITE: They asked me to.

H.M.JR: Why not put a memorandum on it - "Submitted to White and he didn't sign it"?

MR. PAUL: White didn't disagree.

MR. WHITE: I didn't disagree. It was merely that they had more persistence and courage in presenting it to you than I would. I think they tried to present it to you in a way which would be least offensive.

(Mr. Gaston enters the conference)

H.M.JR: Would you read that, Gaston? (Refers to memorandum)

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MR. PAUL: Certainly, but we had one difficulty in the conference on this as illustrated by the difficulty we had in writing it. We had a conference in my office and a good deal of difficulty getting our exact position stated in precise words so that it would be accurate.

For instance, John disagreed about the first draft. We argued it out, and John went along on this draft. It is a thing that ought to be written out to be understood. We are not trying to make a record. Whether or not we state it accurately, though, is very important.

H.M.JR: Well, look, Randolph, I don't know a single instance where you had to see me within the hour, when we haven't seen you.

MR. PAUL: I have invariably done that. It is true.

H.M.JR: But I mean, normally, you are up on the Hill. If you are here, and you have time to consult with me, won't you please consult with me and not give me a cold memorandum?

MR. PAUL: That will be all right, only in this case we ought at least write our own memorandum to get our views carefully coordinated.

MR. LUXFORD: This crystallized divergent views right here in this office. Everybody had a little bit different view. This memorandum did crystallize it into one point of view, Mr. Secretary. It had that advantage.

H.M.JR: How many of you know about my conversation with Stettinius?

MR. PAUL: I read the memorandum, and John.

MR. PEHLE: I do, and I told these others.

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MR. GASTON: I read it.

H.M.JR: I still don't agree with you. In the first place, please don't work that way with me again, because that is the way to get the least good out of me.

MR. LUXFORD: That wasn't our intention, anyway.

H.M.JR: It is false courage.

MR. WHITE: I put that in a bad light, Mr. Secretary, myself. I think, if I may say so, we approached it the way we have decided among ourselves. I have stressed, and others here have stressed, that we ought to iron out our differences, if we possibly can, before we bother you with the details. That is what they tried to do.

H.M.JR: Check - but then ask to see me.

MR. DuBOIS: We could have added that we would like to discuss it, but I think that was implicit in it.

H.M.JR: No, it isn't. Have you consulted with Bell?

MR. BELL: No, and I take it this has all happened today. This memorandum is dated the 6th.

H.M.JR: Now, here is something that is of equal importance - something on India. White sends in a memorandum on the thing and calls for a decision. As soon as this is over we will get a decision, but he doesn't make me feel as though I was shirking my duty by not trying to get ten million ounces for India.

MR. WHITE: I am sure that wasn't their intention.

H.M.JR: That is the approach, and the reason I am taking the time is - I am not trying to sugar-coat

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it, the day isn't long enough to do anything, and if we can work without irritating each other, we can get more done, that is all.

MR. PAUL: I am just as surprised as I can be that you are irritated by this, because the easy thing for us to do would be to go along and not do anything. It was your decision - to hell with it - wash our hands of it.

I feel that the minute we start doing that, we are no good to you at all. We should express a point of view when it is divergent, even more than when we agree with you.

H.M.JR: Well, if you would like to know how you can get the best out of me, if you feel something is happening during the day, and any part of the staff has an opinion and they want to bring it to my attention, bring it to my attention, and let's talk it over. Now, if you could clear your thinking beforehand, instead of in here the way it is usually done, so much the better.

MR. PAUL: That is what we did.

H.M.JR: And if you need a memorandum for yourself, all right, but don't give me a piece of paper like this, will you, if you don't mind, because it just works the way you don't want it to work. I can't change myself at this date.

Now, let's discuss this thing. Let me tell you where I think you people are wrong. I don't know of anybody in this room - I know I didn't - that thought Brazil relied on the Argentine for a million tons of wheat a year.

MR. PAUL: We went over all those figures Christmas Day at my house. I don't know about the million tons, but we went into all the figures with the same people that were here the other day - Collado--

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H.M.JR: Evidently they haven't done their homework because Mr. Stettinius still hasn't got a memorandum or a plan.

MR. WHITE: They told us at that time that Brazil would not do it because Brazil was too dependent on Argentina, so we knew that Brazil wouldn't join us for that reason. They so informed us.

H.M.JR: Let's say I go ahead and follow this memorandum and call up Stettinius and say, "I recommend a freeze," and he doesn't. It would be a major blunder, because the homework of this Administration hasn't been done, and just freezing alone is just putting a court-plaster on a festering wound.

MR. PAUL: Of course, in our view those questions are irrelevant of exactly how much.

H.M.JR: How can they be?

MR. WHITE: If we felt it was a major blunder, we wouldn't recommend it. It is because we don't feel it is a major blunder.

H.M.JR: How could it be irrelevant? If you are on a team, and the fellow isn't there to catch a forward pass--

MR. PAUL: If that were a good analogy, it would be true.

MR. LUXFORD: I don't quite understand the line State is taking, in the light of what you are saying. If we are so dependent on Argentina, including the fact that Brazil has to have wheat from Argentina, we are very much concerned about it, why do we go around slapping wrists? Why did the Secretary of State, on Saturday, slap the face of Argentina?

In other words, you are just dabbling in this picture. We froze many countries when we had no more information than we have now.

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H.M.JR: But let me ask you a question. I can't answer you why. He didn't slap the face, he slapped the wrist, if you don't mind my saying so. There is a difference. I wish he had slapped the face, but I think he took a finger and gently slapped their wrist. Supposing we do this, what do you think it is going to accomplish?

MR. LUXFORD: I can only rely on what the threat did a month and a half ago. Witness the fact that a month and a half ago word went down to all of our countries down there in Latin America that we were going to freeze come Monday morning and that we were going to break off relations. Argentina buckled under.

Now, whether it was the freeze or the threat of relations, I don't know, but the fact is that they threatened and, in fact, did cut off relations Saturday, and we get nothing but defiance.

H.M.JR: But you haven't answered my question.

MR. LUXFORD: What do I expect?

H.M.JR: I asked you a direct question. If this United States Government froze the assets of the Argentine in this country, what do you think the results would be?

MR. WHITE: If we froze--

H.M.JR: Wait a minute. Let Luxford answer.

MR. LUXFORD: You mean a real freeze? I think Argentina would buckle under. I think Farrell would get out of there within six weeks.

H.M.JR: What have you got to substantiate that opinion?

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MR. LUXFORD: Only judgment on the basis of what has happened, and the things I have seen in the past.

H.M.JR: And you would let England stand out by itself?

MR. LUXFORD: I would say that England could not, and I will make a bet that if we will do it, in one month England will be by our side. With a little odds, I would take one week.

H.M.JR: There is nothing here unless somebody else wants to express--

MR. PAUL: Another bet I just collected this morning.

MR. WHITE: I wonder whether we have the picture clear.

H.M.JR: You people were talking about it the other day, and I think for this Government to approach a situation entirely by itself, without the other United Nations, and so forth and so on - and without complete economic sanctions - I think at this stage of war is absolutely wrong.

MR. LUXFORD: we were prepared to do it six weeks ago.

MR. WHITE: I think you may know already, but most of the people here - I am not sure about John - disagree with you on that point. I think that one of the difficulties lies in the fact when you speak of a freeze that you may not be talking about the same thing.

Freezing, as you know, as you discussed it a number of times, gives you the possibility of stopping all business with Argentina, or letting as much business as you want go into Argentina.

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I think the imposition of freezing at this time, with the political situation in South America what it is, with Chile and Peru on the verge of recognizing, would be an indication to the public and to those countries that you mean to press down on the Argentine. I think that that will scare them. I think that if you wanted to follow that by being tough all you have to do is not grant any license. It is a very simple matter.

I think that if you took that position - I am wholly in agreement with Luxford that England, not within a week, but she could not stand being the country that is trading with a country that the United States has publicly stamped as an enemy. I think that would be a very effective step which would be exaggerated in the public mind.

They don't see the real essence of all this. They read into it a good deal more than appears to be the case if they examined it, and I think it would be a step that would be popular in this country. I think it would have very great effect throughout South America. I think that is the way we felt six weeks ago, and I don't think anything has happened since then other than to emphasize our opinion.

MR. DuBOIS: I think it would also bring public opinion to the point that State Department would be forced to take the correct attitude and not follow this appeasement.

H.M. JR: Excuse me. Let me answer one at a time. The thing that happened is we bluffed - we didn't go through with our bluff and they know it.

MR. WHITE: Which?

H.M. JR: With the Argentine.

MR. LUXFORD: What was the bluff?

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H.M.JR: The bluff was on the Argentinian part when they heard about this thing. They said they would go ahead and break off relations and declare war. They didn't, and we haven't done anything about it.

MR. WHITE: Now is the time.

MR. LUXFORD: Then you say we are going to fall down on this bluff. Let's not do it.

H.M.JR: We bluffed six weeks ago and did nothing.

MR. LUXFORD: They did break relations. Before they got--

H.M.JR: Since then they also let out the Germans and Japanese. People like that they have let out of prison.

MR. LUXFORD: They have called our bluff.

MR. SCHMIDT: It is really a question of their bluff, isn't it?

MR. LUXFORD: We are going to go back and show we are not bluffing.

H.M.JR: Now I want to do the thing completely.

MR. LUXFORD: So do I, and I think we will.

MR. WHITE: The first step in doing it completely is to freeze them.

H.M.JR: That isn't complete.

MR. LUXFORD: Why did Churchill cable the President? He was so excited about the fact we might freeze. Was it because we would interfere with their food, or they would have to go along?

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H.M.JR: One second, why don't you say - you told me you wanted an agreement with this the other day.

MR. PEHLE: I am in agreement with that memorandum.

H.M.JR: But you told me the other day--

MR. PEHLE: Can I explain?

H.M.JR: You had better explain yourself.

MR. PEHLE: I think they are consistent. If they are not, I have changed my mind. I think we ought to urge State Department to put on every economic sanction that can be put on against Argentine, not because of some little economic warfare purpose, but for political purposes. We think, as we understand the political policy of this Government, it is to put this government in Argentina out as soon as possible, and we urge every economic sanction be employed. If the only one they are ready to employ is freezing, we are prepared.

I think the Treasury ought to get out of the position, which it may be argued that State thinks we are in now, that we are not ready to freeze.

H.M.JR: Has anybody said that?

MR. PAUL: Yes.

MR. WHITE: I think you did, Mr. Secretary.

MR. LUXFORD: I think they would so state to the Secretary of State that was your view, that we shouldn't freeze until we got everything.

MR. SCHMIDT: Until we got Britain.

MR. PEHLE: I don't think we ought to go over there and say we would like to freeze for economic warfare purposes; we have always been in favor of freezing.

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I think the political is much more important than the economic. But if I understand State on the political side, economic sanction is in line with the political views of this country. But what economic sanctions can you gather together? Therefore, I should think we would tell them the tougher the better, and we are ready to freeze.

H.M.JR: Well, it seems to me you have changed.

MR. PEHLE: If it is changed, then I have changed my mind, but I feel strongly this Government ought to push for everything it can get.

H.M.JR: I agree with you that we should, but I have told these people and I am telling you, and I don't seem to get it across to you. This idea is very much the same - the President goes ahead and gets tough with Congress and what happens? Now, I want to go the whole way; I want complete economic sanctions, and I don't want to do the thing part way and have the Treasury out on the end of the limb holding the bag.

MR. PEHLE: Can I answer that?

H.M.JR: And the way you fellows would have me do it, you would have me do it, and State would grab at it and then they would sit back and do nothing more. And I think the way I am handling the thing opposite Stettinius, I have a good chance of getting them to go the whole way.

MR. LUXFORD: When? It is very important when.

H.M.JR: He said yesterday, twenty-four or forty-eight hours.

MR. PEHLE: He has been saying that for a long time.

H.M.JR: Not Stettinius.

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MR. PEHLE: I think we all agree, Mr. Secretary, we would like to have seen the United States, six months ago, sit down and say, "These are the sanctions." But you never get it. You only get them piecemeal. That is the way we got it against Japan; we started out with the freezing.

H.M.JR: I got the President of the United States - to go back to Japan - in which he said we would stop selling any gas above seventy-five test, or something.

MR. GASTON: Yes.

H.M.JR: Somewhere in there - and stop selling scrap. The thing lasted two days.

MR. LUXFORD: Because State didn't agree. This time they would.

H.M.JR: That is the whole point. I am not going, again, to put myself in position until State does agree.

MR. PEHLE: Nobody would recommend you go to the President. It is a political matter, pure and simple.

H.M.JR: I am not going to get in the position that we are holding the bag on this thing, and we are partly responsible for the U.S. Government being a laughingstock in this whole hemisphere, which we are at present.

MR. LUXFORD: The Treasury?

H.M.JR: The Administration.

MR. LUXFORD: That is right, the Administration.

H.M.JR: Then we would go ahead and freeze, and do the thing part way, and we have State come around and say they want to buy this thing and that thing, and they tell us - and so forth and so on.

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Now, a thing which I didn't put in the memorandum which makes this thing - I forgot to put it in and it goes in--

MR. PAUL: You mean the other memorandum?

H.M. JR: Yes. The thing which was left out accidentally - Stettinius is very much worried, he said, because he asked that the American Combined Chiefs of Staff advise them on the military front, and they said not to aggravate the situation because they couldn't afford to get at war with Argentina at this time. He said that has weakened his hand very much.

MR. WHITE: All you have to do is sneeze hard and Argentina will fall apart.

H.M. JR: But he agrees with me that if we really put on total economic sanctions, that they couldn't last but a very short time.

MR. PAUL: That is their game.

MR. LUXFORD: I don't think we will, Mr. Secretary, unless somebody will jump off where it is solid.

MR. WHITE: I gather from the discussion you both have the same objectives; it is a difference of technique.

MR. GASTON: The Secretary's position is that freezing just amounts to stepping on their toe and making faces at them, and if we do that it wouldn't improve our chances of going further - it will hurt our chances. That is the Secretary's feeling. If it is soundly based, if his judgment is correct, it is a very sound position, but I don't know.

MR. PAUL: It is obviously a position on which people may differ.

MR. DuBOIS: That is right.

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MR. PAUL: But we want to have the Secretary know that we felt strongly the other opinion. And I am particularly scared of that last paragraph, because I think right now the State Department people are saying that the Secretary is now around to the position we have been all along, and which our men argued on Christmas Day, that we shouldn't do anything, but everything.

MR. WHITE: And that is true. That is what the Secretary said.

MR. GASTON: What will be the practical cost of the freezing? Will it have any serious economic effect?

MR. WHITE: Depends on what you do after you freeze.

MR. GASTON: I am assuming the fullest, tightest possible.

MR. PEHLE: The fullest would cut off all trade.

MR. WHITE: Cut off all transactions with Argentina.

MR. GASTON: You mean the United States transactions.

MR. SCHMIDT: And also a lot of the Argentinian ones with other countries. I think one thing we should remember is the Argentinians aren't going to know as clearly as we know here just how far we are prepared to go. The one thing they are going to know is that we are now proceeding to get tough. We have taken this step in that direction and maybe next week we will follow through with another one.

H.M.JR: Now, just a minute. Supposing, instead of that, the President of the United States, at the instigation of Hull, orders me to weaken up on these things and let them have this and that license - and that is what he will do. Let's be honest about this thing; we have always appeased. Now, let me finish

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my sentence, please. The whole record of these people is always appeasement, and I am not going to be putting myself in the position - I don't care how strong you people are - that I should go out in front and then have the rug pulled out from under me. I am not going to do it.

Now, the State Department and Mr. Roosevelt are in an impossible situation, and I am going to sit here until they ask for us to help them. I am not going to move, and you people can't make me move. I have been through this thing too often, time and time again.

MR. PAUL: This is your decision.

H.M.JR: Time and time again I have gone out on the end of the limb, and every single time I have taken an aggressive position in the foreign field the limb has been sawed off.

MR. WHITE: Not always. Such progress as we have made, I think, has been due to just that.

MR. DuBOIS: In the case of Japan, that wasn't the case. Public opinion, it seems to me, will force State as well as the President, once you start on them.

MR. GASTON: There is another factor in the situation. Perhaps we had better think about it. We are pretty well - I don't know how far we can coerce the British. I am afraid the British position isn't simply limited to the matter of their wheat and beef. I think it goes a lot deeper than that.

H.M.JR: From what Stettinius says it is a billion dollars' worth of their investments.

MR. WHITE: It is their future trade relations with Argentina. Moreover, I am not so sure it would make them terribly unhappy if we would get into a fight with the Argentine. I am not sure they would be unhappy over it. In fact, I think they might like it,

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if one could say that about one's ally.

H.M.JR: Harry, look, this whole thing is so ticklish, I think that I am going to sit here for another day or two and watch this thing. I am delighted; you fellows can push me just as hard as you want, face to face, and I invite it. You can come in here any time, day and night, and God bless you, and keep it up. That is all right.

But on these other things, I have to take the final responsibility in here, and towards the President. And it isn't that I am losing my courage, I am not. But I am playing a game which is a little bit of a waiting game, which makes you fellows restless.

I think I made real progress with Stettinius yesterday, and I think I stiffened him up a lot. I couldn't go any further than tell them - I told them, "You ought to get rid of Berle and Acheson and Breckinridge Long."

MRS. KLOTZ: You didn't put that in a memo!

MR. LUXFORD: I would like to send a memo to you on that. Could you put Haynes on that list?

H.M.JR: ...and Jimmy Dunn. I said, "Get rid of the whole gang. You know there is no need of listening to those people's advice. Just don't listen to them." He said, "I just completely disregarded them on Saturday."

MR. WHITE: He is one of the miracles of Washington.

H.M.JR: He has told me - it has been perfectly amazing the way Hull has backed him up. I said, "Maybe the reason is that Hull hasn't got those people around him down there."

He said he got an answer in twelve hours from Hull on that declaration.

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MR. BELL: He is a pretty good fellow to ignore all the people in the State Department!

H.M.JR: Well, you see, I am ignoring this gang.
(Laughter)

MR. PEHLE: So far.

MR. BELL: You think you are.

MR. GASTON: Did Stettinius name everybody who is here on his list?

H.M.JR: Jimmy Dunn and Acheson--they are all right here!

MR. PAUL: I want you to come clean on the other part of that conversation. Whom did Stettinius name that you should disregard?

H.M.JR: Bell is sitting there. Come on, get in on this thing. The water is wet.

MR. BELL: I agreed the other day with what you said. You have just restated that you ought to wait and let them come to you now and not get out on a limb. On the other hand, if the State Department feels that you changed and now don't want to freeze, I am wondering if something could be done to change that attitude in the State Department that you are still strongly in favor of freezing, but you want some backing.

MR. WHITE: You want some real freezing, not just freezing which is nominal.

MR. GASTON: I don't think there is any doubt over there that the Secretary is in favor of the strongest possible action against Argentina.

MR. DuBOIS: May I make a suggestion there that might take care possibly of both points of view? Supposing you should call up Stettinius tomorrow and ask him, "Are

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you ready yet with all your sanctions? We think you ought to get ready and be ready quick. If you are not ready today or tomorrow, we are prepared to start the thing out with a freeze, expecting you to follow along."

MR. WHITE: I think the Secretary had better handle the technique as long as he knows what we think. We were afraid you did not know what we thought. We were afraid there was some misunderstanding between that desk and around here. From now on it is your baby.

H.M.JR: And I am willing to accept it. The desk is all right. The desk understands.

MR. BELL: Do you feel that there is any misunderstanding in the minds of the State Department people?

MR. WHITE: There definitely is a feeling, because the Secretary made this statement--I will give the gist of it--that we are not in favor of freezing unless freezing is accompanied, (a) by England, and, (b) by going the whole hog on all the sanctions, which is the opposite of the position we took six weeks ago. That was, that we were in favor of freezing then, because once you freeze, from then on you can make it as tough or as relaxing as you wish to by virtue of policy.

MR. PAUL: That is entirely correct.

MR. WHITE: They are going to wait until they can get England to agree, and you know how long they will wait before they get England to agree. Hull, himself, said he knew England would never agree.

H.M.JR: Look, they can't wait.

MR. WHITE: The situation became more acute in the afternoon paper.

H.M.JR: I may be all wrong on this thing--and I have changed since the Argentinian situation has gotten worse, because I think it needs different treatment. I think it is a terrific thing for the United Nations not

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to put up a united front, and I do not at all believe that England--now, I hate to say this--let us stick out our neck on this, and then sit back and do nothing.

MR. BELL: And be the good boy so far as Argentina is concerned.

MR. WHITE: Sure, it would strengthen her post-war relations.

H.M.JR: Now, these other boys take the other position; if we do this thing, England has to follow through. That is where we differ.

MR. LUXFORD: I would say that if she wouldn't do it that way she wouldn't do it by agreement in advance.

H.M.JR: I don't know; there is an awful lot that I don't know about, unfortunately. You have a little bit here and a little bit there.

MR. SCHMIDT: Does that mean, Mr. Secretary, that if State comes to us and says, "We are ready to freeze now," we first ask them, "Do you have the British to go along, or we won't do it even though you ask"?

H.M.JR: No, what I asked them for was a memorandum and a complete plan. What I said to Acheson was, "All right, we freeze; what is the next step? Do you have a 'next' step?"

Well, he didn't have a plan. If I can remember correctly, I said, "If we freeze, what is the next step?" That isn't saying I won't freeze, but I want to know what they are going to do. They haven't yet told us what kind of a freezing they want. I said, "What is the next step? You don't have a plan." When I talked to Stettinius, I said, "Haven't you people a plan?"

He said, "Yes, we have one." But they really haven't a plan. I think I had more effect on Stettinius last night, and Stettinius is terribly worried on this thing.

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Now, he is the Acting Secretary, and he is here. He has to take this thing. And to answer your question, if they came to me and said, "Are you going to freeze," I would say, "All right, but what are you going to do after that? Are you going to ask us to let this thing go and that thing go? I want to know the whole picture." Now, either they don't know themselves, or they are withholding information. It isn't so much that I am afraid of what my position is in this thing; I want the thing to be a success. I want to hit the Argentinians so hard that we will scare them, and in turn, every Nazi, every Fascist, and every Japanese in the Argentine. That is what I want to see done. And I want to see a democratic form of government come in. The thing I am afraid of is that through half-measures the thing won't be successful. We have been at this thing for a year and a half.

I want to go the whole hog. Where I differ from Luxford is that I think our position will be weakened right along if England won't do it. I have to go back to some of these things. You know, they say intuition is a series of experiences. That is what James said, wasn't it? Over a great number of years, about every twenty years the Turks have gone out and slaughtered the Armenians. It takes about twenty years for them to accumulate enough wealth.

There used to be the so-called five big nations. The Christian nations would always get together and say, "You Moslems can't murder these Christians;" every time one of the five big nations would go a round to the back door and make a deal with the Turks. That is world politics, but now in the stage of the war where a lot of world politics are being played, I don't know all about it. I smell it a little; I sense it. I wish that you (Luxford) were right and I was wrong, and if we did it, England would follow. But there is nothing to indicate--if I thought you were right, I would pick up the telephone.

MR. LUXFORD: Look where that leaves you. You are saying that they would not even follow us. Then what real possibility do you perceive that they might go along

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of their own free will now? In other words, we have a chance of forcing them into it, but I don't believe you have much of a chance of their going into it in advance.

H.M.JR: Yes, I think you have a much better chance to say, "Now, we are going to do this thing, and, gentlemen, you have three hundred million tons of meat," and so forth, and so on, "which may last you so long, but we are going to freeze. We are very sorry we are not going to make it possible. We will have to take the shipping away from you," and so forth, and so on. "Now, if you want to get the meat from us to take the place of the Argentinian meat, you had better join us."

MR. WHITE: Instead of that, they will see that Ramirez gets kicked out.

H.M.JR: "You had better join us. If you join us, we will take care during this time to so forth, and so forth."

MR. LUXFORD: I don't think they will believe our threats.

MR. WHITE: I think there is a mistaken view here. I don't think it matters whether Britain goes along with us or not. It would be better if they went along. I think if we acted without Britain, it would have a tremendous effect on the countries in South America, because, apparently Argentine influence in this matter has been spreading. There has been no indication on our part, no smashing blow that would stop it, and this would be a blow. If England joins us, fine. If she doesn't--

H.M.JR: Did I put in the memorandum that Stettinius said he expected the English--they had told them they would join them within twenty-four hours on a statement similar to Stettinius', and wouldn't recognize this fellow. He was floored last night because they didn't come along.

MR. LUXFORD: That just proves my point.

H.M.JR: No it doesn't, excuse me.

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MR. LUXFORD: They won't go along anywhere.

H.M.JR: Now wait a minute. You can't say, "Freeze," and say England will come along. They told Stettinius they would come along with a statement, and they haven't. They haven't yet disowned this present man. You can't be on both sides. If you could convince me that your position was right, that England would come along, I would be very much influenced.

MR. WHITE: That is the weakness of the position. He doesn't want to speak for me, and I certainly wouldn't put the freezing on the basis that if we proceed England would come along. Do you know what I think England would do? She would do what I think she did this last time. England won't come along with us, but institute changes in the Argentine which will force us to back down. That is why I like the freezing. She will probably get Ramirez back. They can put enough pressure on the Argentine to get anything they want. I don't think she would come along.

H.M.JR: Luxford says this--

MR. WHITE: I want to disassociate myself from that position, that we ought to freeze whether England comes along or not.

MR. LUXFORD: I fully agree with everything Harry says.

H.M.JR: I mean, take any theater in the world. Here we have the possibility that the whole of South America will go Fascist, and England and ourselves have a split on the first important matter not dealing directly with the war. We can't even agree on that.

MR. LUXFORD: I think the British would argue that very eloquently in the papers.

H.M.JR: What will the Russians think?

MR. LUXFORD: That is another thing they will argue.

H.M.JR: What will the Russians think?

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MR. WHITE: That maybe they had better tie themselves up with us.

H.M.JR: Or they might have another think.

MR. WHITE: They might; you can't tell.

H.M.JR: Not about us, but they might have another think and distrust the English even more than they do now. They would say, "We always told you you couldn't rely on the English."

MR. LUXFORD: What will they think if they don't take action, though?

H.M.JR: They will be suspicious.

MR. LUXFORD: They think we are in the same boat with the British.

H.M.JR: They will be suspicious, but, now I have no personal beliefs or hobbies in this thing. Good heavens, my record goes back a year and a half on this thing, and a lot of other things. I am not timid about saying this or that or the other thing, but it is a question of maneuvering this Administration into the position of taking all-out effective action.

I told Stettinius another thing on the English business. I said, "Stettinius, did you know that the Oil Committee of the League of Nations--" have I told you about this?

MR. LUXFORD: No.

H.M.JR: "...three times called a meeting of the Committee on Petroleum to apply sanctions against Italy, and three times Eden kept the Committee from meeting. They could have stopped the war against Ethiopia. England wouldn't permit the Committee to meet."

MR. WHITE: You ought to see Stettinius more often.

H.M.JR: He said that. He said it again this morning.

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MR. PEHLE: I think that is very important. He is a fellow you can have an impact on.

H.M.JR: After all, Anthony Eden is still there, Churchill is still there; their philosophy hasn't changed any.

MR. LUXFORD: You were just talking about economic warfare, weren't you?

H.M.JR: Yes, that is why you and I differ.

MR. BELL: It has gotten out of that sphere.

H.M.JR: You say that England will come along. I say she won't unless you get it now at the breaking point.

MR. WHITE: The mere fact that it is political in consequence doesn't mean it isn't our business, because, chiefly, Economic Warfare has to obtain political advantages of one kind or another.

MR. BELL: Yes, but here you have it thoroughly into the political sphere which goes entirely beyond the economic--

MR. GASTON: Being in the political sphere is itself a matter of foreign relations. Now it is the State Department that has to make the ultimate decision. I think we ought to maintain these close relations and press the State Department--press Stettinius for the next week possibly, or ten days, to try to get some concerted action. Then if they can't get it, we ought to consider going out on our own.

MR. BELL: It seems to me the first decision has to be made from a political angle, and then we follow on economic grounds.

H.M.JR: I couldn't hear what you said.

MR. BELL: It seems to me the first decision has to be made on a political basis. It has gotten into that

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sphere now. It is a political question, and that decision has to be made as to where to go. Then if they decide to go in the direction of taking all kinds of action directly against Argentina, freezing is just one of them, and you can go along with them.

H.M.JR: That is what I have been saying.

MR. WHITE: I hope you haven't been saying that, Mr. Secretary. That has to be clearly understood.

H.M.JR: I wrote what I said last night to Stettinius. I'll let you people read it, so I am not keeping anything from you, but I kept repeating myself. I would like to see--I have just one objective in this war. Nobody can get me off that. I want to lick the Germans and the Japanese.

MR. WHITE: Is that an economic objective, Mr. Secretary, that you want to lick the Japanese?

H.M.JR: It is emotional.

MR. WHITE: It is everything; it comprehends everything.

H.M.JR: I think at this time if I don't do everything I can to see that England and ourselves move as partners then I am falling down on my job. Now, that is it. And if there is a split right now over the whole South America thing, it might affect the war effort, because it might give encouragement to our enemies. That is why I am taking this action. If anybody wants to interpret that, they can interpret it for me.

MR. LUXFORD: Assuming we all agreed with that objective, I would still think that when we talk about this economic warfare versus political we have to keep in mind that no one is in any way suggesting that the Treasury should usurp the function of State of making the final political decision.

H.M.JR: Why don't you?

MR. PEHLE: Ha ha ha.

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MR. LUXFORD: I say that State has told us for the last three months that they wanted to overthrow that government, and they are searching for means to do it. It certainly is within our jurisdiction to suggest to them how economic sanctions--not economic warfare, but sanctions--can be used to achieve that end.

MR. PEHLE: The political decision has been made.

MR. LUXFORD: It has been decided.

MR. PEHLE: Mr. Hull said a while ago that he wanted to throw those boys out.

MR. GASTON: Of course, the fallacy in what you are saying is pretty glaring. You are suggesting economic means. If those means are going to be used on the political front, the decision as to whether to use certain economic weapons on the political front is a decision that the whole Government has to make, of course. It isn't a decision that is going to be made independently. What we are arguing about is whether we will attempt to coerce the State Department to make a political decision to use this economic weapon.

MR. LUXFORD: I don't think anybody ever coerces the State Department. The most they do is express their views.

MR. WHITE: Why do we adopt this purist attitude, that as a member of the Cabinet he isn't interested in shaping our foreign policy?

MR. GASTON: Nobody has adopted that attitude as far as I can see, Harry.

MR. WHITE: I am glad that is understood.

MR. GASTON: You have discovered something nobody else has ever discovered.

MR. WHITE: You get your foot in the door in order to help shape foreign policy.

MR. LUXFORD: And we have shaped it.

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MR. PEHLE: Some times we do it.

MR. WHITE: Some times we are successful; most of the time we are not, but we are ever hopeful. On the record it is good.

MR. PEHLE: I mean, the record on what the Treasury has stood for in the foreign policy field is about as good as you could hope for.

MR. WHITE: That is understood. The teacher said to Johnny, "How much are two and two?"

He said, "Four."

She said, "That is good, Johnny."

He said, "Good! Hell, that is perfect."

H.M.JR: Is this a good time to stop, now?

MR. GASTON: I don't know why.

MR. WHITE: From now on even the open window won't help. (Laughter)

H.M.JR: Harry is getting into higher mathematics.

MR. PAUL: I would call it lower mathematics.

H.M.JR: Is anybody interested in silver to India?

MR. WHITE: Mr. Bell and Mr. Luxford should be.

H.M.JR: Any time you people want to see me--

MR. LUXFORD: We will take you up on it.

H.M.JR: The door is open.

MRS. KLOTZ: You might get thrown out, but the door is open.

March 6, 1944
3:50 p.m.

INDIA SILVER

Present: Mr. Bell
Mr. White
Mr. Luxford

H.M.JR: It is quiet, very quiet.

MR. WHITE: It couldn't have been we who were making the noise.

MR. LUXFORD: Luxford is still here and it is quiet.

H.M.JR: Well, what I want to say is this: On ten million ounces of silver to India, I don't want to retreat from my position. I want both England and India to guarantee this thing.

Now, what I thought I would do is this, if you people approve: I would first call up Crowley to ask when he is ready to lend-lease the ten million. Do you see?

MR. WHITE: It goes on the hundred, you know. It is going to be deducted from the hundred.

H.M.JR: All right.

MR. WHITE: They say they are ready. They need ten, because this hundred has been delayed over three months. I mean, after we notified them and they asked us for other silver, we turned their request down on the grounds that they were getting this hundred million, and they would get it in time. They didn't get it in time, due to no fault of ours, but due to the fact that the State Department insisted that the U.K. sign the agreement.

H.M.JR: Didn't I insist on that, too?

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MR. WHITE: I don't think so, because they are in a position where they have actually run out of silver coinage, unless you want to take the position that it is up to England to make the decision in a hurry. They claim they can't do that.

H.M.JR: Who are you talking to?

MR. WHITE: The Indian is Mahindra. For FEA--for Crowley we have been talking to Cox and Jim Angel, who is now taking care of that, Professor Angel of Columbia.

H.M.JR: Why don't I call up Crowley and ask him where he stands?

MR. WHITE: I don't think he will be of any help, because the State Department has promised Halifax. Halifax called on either Hull or Stettinius.

H.M.JR: Who over there--Stettinius? Let me just talk to Crowley first. After all, he is head of Lend-Lease.

MR. BELL: This came in after you turned down the sixty-five million?

MR. WHITE: It just came in last week. Halifax called on, they said, Hull, but I guess it must have been Stettinius. They agreed that they could have the ten million ounces on account, but loaned to India alone, because they could not get U.K. to sign yet.

MR. BELL: As I recall the first transaction, the Secretary wanted the signature of Great Britain on it.

MR. WHITE: India alone.

MR. BELL: Then they came along with a memorandum while he was away and said there was some danger there, or some trouble, and they would advise us to take the British.

H.M.JR: What was my position at first?

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MR. WHITE: To take India alone. You wanted to deal directly with India, and that is still the right position. That was your position. Then while you were away, the State Department said the risk was too great, and we decided that we couldn't defy the State Department's recommendation. So we said that it would have to be with U.K. FEA worked it out so they have it with U.K. and India. U.K. is thinking it over and is very reluctant to give it, because, they claim, of political reasons. They say it will seem as though it will get publicity. They are afraid it will leak out and that it will make public the fact that they are actually running India's affairs. They would like to keep that dark.

MR. LUXFORD: Why don't they guarantee India's position, then?

MR. WHITE: There are other alternatives, but they haven't been suggested yet.

H.M.JR: What?

MR. WHITE: One way is we could take sterling as collateral.

H.M.JR: It doesn't make sense to me.

MR. WHITE: India has sterling collateral. India would be delighted, but England wouldn't like it.

H.M.JR: Put up silver, where?

MR. WHITE: We would probably have it on deposit. We would have a deposit in the bank of England, sterling collateral.

MR. BELL: Would it be as good as England's word?

MR. WHITE: There may be some doubt about that.

MR. BELL: Not if they devalued.

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MR. WHITE: But you take care of that through your agreement if they devalued.

MR. BELL: You mean a collateral agreement?

MR. WHITE: Yes.

MR. LUXFORD: Oh.

MR. BELL: England wouldn't sign it.

MR. WHITE: She would have a hard time refusing. Now, India is very upset about this asking U.K.'s agreement. The Indian representative said he thought that was a great mistake by the State Department. He said there was nobody in the State Department who had the slightest understanding of what is going on.

H.M.JR: Another mistake.

MR. WHITE: Another mistake is right. He said, "This will be an indication to the Indian people and the Indian Government that the U.S. has no confidence in India and no confidence in her word, and no confidence in the future stability of her Government." He said, "Nothing more destructive of Indian-American relations could have been done than this demand that she isn't good enough to make an arrangement for the hundred million ounces from the United States. I can't understand how any foreign office could be so stupid." He knows it isn't our fault.

MR. BELL: He understands that it isn't the Treasury's request?

MR. WHITE: Yes, they told them.

(The Secretary held a telephone conversation with Mr. Crowley, as follows:)

March 6, 1944
3:52 p.m.

246✓

HMJr: Hello.

Operator: Mr. Crowley is expected in about five minutes.

HMJr: In about five minutes?

Operator: Yes, he is just away from his desk for a minute or two.

HMJr: All right.

Operator: Right.

3:54 p.m.

HMJr: Hello.

Operator: Mr. Crowley.

HMJr: Go ahead. Hello.

Leo
Crowley: Hello. How are you?

HMJr: Hello, Leo. I'm fine. And you?

C: Fine.

HMJr: Leo, Harry White tells me that the Indians are very hard up against it for silver for coinage, and they need ten million ounces. Hello?

C: Yeah.

HMJr: Has this been brought to your attention?

C: No.

HMJr: Well, would you have a look at it and, maybe, give me a ring tomorrow?

C: You bet.

HMJr: The thing is hung up on this: we were willing to recommend it to you -- we were willing to do business with the Indian Government.

- 2 -

C: Yeah.

HMJr: I understand now, the State Department in the last three months has been saying they also want the guarantee of Great Britain.

C: Yeah. Yeah.

HMJr: And Great Britain doesn't seem to be willing to do that.

C: Yeah.

HMJr: Now, a way out would be to, I think -- we haven't said anything, but the Indian Government, I think, would be willing to put up sterling as a guarantee.

C: Do we have to get the approval of State if we take sterling as a guarantee?

HMJr: Well, I haven't asked them, but I certainly would want to speak to them about it.

C: Yeah. Yeah. But I mean if -- whether we had to directly have their approval or not, or just tell them we were going to do it.

HMJr: I don't know. I'd want to think that over.

C: Let me check it and I'll call you tomorrow.

HMJr: Will you do that?

C: I'll work it out if we possibly can, of course.

HMJr: Because, evidently, they are really running out of coinage down there.

C: Fine. Are you feeling better?

HMJr: Oh, I'm fine now.

C: That's good. I saw Tim Fox yesterday afternoon.

HMJr: Did you? He had supper with us.

C: That's the first time -- he looks well, don't you think?

- 3 -

HMJr: Looks fine.

C: He's in a good frame of mind, too.

HMJr: Yes, he is. (Laughs)

C: I was asking him about your father and he said your father was very well.

HMJr: Yes.

C: That's quite remarkable. Isn't it?

HMJr: Yes, I stopped by and he's -- at 88 he's still enjoying good health.

C: Do you think both of us have got to live that long?

HMJr: I don't know.

C: (Laughs)

HMJr: I think we'll have to slow up a little bit if we're going to.

C: That's right. Thanks.

HMJr: Yes. Bye.

E.

- 5 -

H.M.JR: He didn't know anything about it. He said he would look into it, and he asked, which amuses me, if we decide to let them do business with India and with sterling balances, do we have to ask the State Department's approval.

I said I would want to think that over.

MR. WHITE: We really don't. You would have to ask England.

H.M.JR: The amazing thing on this, for instance is, I said to Stettinius last night, "Now, on this business with the Argentine, I can't understand why you don't bring Crowley into the picture."

He said, "It has nothing to do with Crowley. There is no reason for bringing Crowley into the picture."

MR. WHITE: I think he wishes Crowley well.

You remember the story of the man who was playing bridge with his wife all evening?

H.M.JR: Which one?

MR. WHITE: I will repeat it even though you have heard it before, because I think it is apropos. They are on such friendly terms. The wife played very badly and lost a lot of money. She was playing as the husband's partner, but he was very sweet and gentlemanly toward her and kept saying, "No, darling, it is spades that are trump, not hearts. No, sweetheart, it is my spade you are trumping." He was very nice to her.

As they were going home they got out of the taxi, and the ice was slippery. He said, "Look out, darling, you will break your damn neck."

MR. BELL: You got around that very well.

H.M.JR: Well, let's wait and see now.

- 6 -

MR. WHITE: He will say yes about lending the ten million ounces, I am pretty positive. Do you want, before you hear from him, to ask Stettinius?

H.M.JR: We will wait.

251
March 6, 1944
4:19 p.m.

HMJr: Hello.

Operator: Mr. Stettinius.

HMJr: Hello.

Edward R.
Stettinius: Yes, Henry.

HMJr: Ed.

S: Yes, sir.

HMJr: I don't think you live very far from me.
Do you?

S: Not -- no.

HMJr: I mean when you're home.

S: No.

HMJr: What I had in mind is this: I'm going to see
the President in the morning and I wondered if
you'd care to pick me up about a quarter of nine.

S: Sure.

HMJr: And I could ride down with you and then you could
bring me up to date -- where we stand on the
Argentine.

S: Sure.

HMJr: See?

S: There is nothing new since we talked. The --
those figures -- I'm not sure will be available
at that moment.

HMJr: Oh.

S: I'm hoping they might.

HMJr: Yeah.

S: But I doubt it, Henry, because they've -- we've
had to go to the British to do a -- to get all
the facts in a comprehensive way.

- 2 -

HMJr: I see.

S: So I don't think I'm going to have the -- will be able to tell you what complete economic sanctions would mean by nine in the morning.

HMJr: Well, then we'd better let it go. But you think, maybe, sometime tomorrow?

S: I would think, certainly, tomorrow that I would be -- have a piece of paper in your hands that would be very comprehensive.

HMJr: Wonderful.

S: And I'll call you in any event during the day tomorrow.

HMJr: Thank you.

S: All right, old fellow.

Mr. Stettinius' office phoned
to say the last word should
be Thursday instead of Tuesday

THE UNDER SECRETARY OF STATE
WASHINGTON

March 6, 1944

Dear Henry,

Since talking with you this afternoon relative to the Argentine, I now find that the Combined Food Board will require two more days to give us their overall findings.

I shall, therefore, not be in a position to discharge my commitment of sending you the new "picture" tomorrow, but I shall get it to you at the first possible moment Tuesday.

With best wishes,

Sincerely yours,



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

THE UNDER SECRETARY OF THE TREASURY

WASHINGTON

March 6, 1944.

MEMORANDUM TO THE SECRETARY:

I have read the memorandum of your conversation with Mr. Stettinius at your house. There are two points which seem to be in need of clarification; one is the joint memorandum on Belgium and the other the British dollar position discussed at Cabinet. I believe there are complete memoranda in your files of the actions taken in your absence.

On the Belgian matter. This concerns the question as to whether the United States would pay the Belgian Government dollars for Belgian francs at the time the francs are acquired or whether we shall credit the Belgian Government with having furnished the francs and leave the question of accountability until after the war. The Treasury wanted to wait until after the war to settle the whole question, at which time Congress would have a hand in it; whereas State Department wanted to treat the Belgians the same as we are treating Great Britain and Australia - pay the dollars over to the Belgian Government as and when we acquire the francs. You will recall that when you left you told me this matter was hanging fire and that I should call Secretary Hull and say to him that the two Departments had not been able to agree on this matter.

I called Secretary Hull about it and he said he had never heard of the matter, although the State Department people had told us that they had discussed it with the Secretary. He said he would look into it and call me back. I waited for about a week, during which time Mr. Hull had gone away on his vacation. I then called Stettinius and told him about it and he said he had it on his desk and expected to have a conference that day, after which he would call me back. He did have a conference and called me late that afternoon saying his people were unanimous in their opinion that we should treat the Belgians as Allies and he agreed with his own people. I then said the Secretary felt that the matter was important enough to go to the President for a decision, as a decision made in this case no doubt would govern all future dealings of this kind, not only with Belgium but other countries in the same position. He said that was all right with him and wanted to know who would represent the Treasury. I said Harry White would represent the Treasury in drafting a memorandum.



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The representatives of the two Departments drafted a memorandum setting forth the respective views of the two Departments. This went to the President under date of February 21, 1944, with a covering letter over my signature.

The next thing I heard of it was when I received a memorandum from the President saying he had gone over the matter and had also discussed it with Stettinius and he had come to the conclusion that the Treasury was right.

There still seems to be some mystery about this decision because someone in the State Department told Harry White that the President had agreed with the State Department's recommendation. It may be that the memo addressed to us intended to say he agreed with the State Department. I believe this should be clarified by Mr. Stettinius by discussing it further with the President, if he is certain that the President told him at the conference that he approved his recommendation.

On the British dollar balances. This is the question of bringing the British dollar balances in this country down from their present level to the limit fixed by the President over a year ago when he approved a joint memorandum submitted to him by Vice President Wallace and certain Cabinet officers. The limit fixed in that memorandum was between \$600 million and \$1 billion. Mr. Crowley brought the question up at Cabinet Meeting under date of February 18. He said they were having some difficulty with the British in getting them to agree to a reduction of these balances. He said he had been discussing the matter with State and Treasury and we all agreed that the balances should come down. After a few minutes discussion of the subject before the Cabinet, the President said (as I recall and I made notes at the time and dictated a memorandum as soon as I got to the office) that the three Departments should get together and prepare a letter for his signature to Winston Churchill. He asked for an extra copy so he could send it to Eden. In dictating my notes of the Cabinet Meeting, at the same time I dictated a memo to Harry White advising him of the discussion at Cabinet and the President's request.

I understand Mr. White called up the State Department to see if they could get together on a draft of a letter and he was advised that a cable had been prepared by Mr. Stettinius, sent to the President, approved by him and that it had been dispatched; that Mr. Stettinius understood the direction from the President was to him and no one else; Mr. Crowley understood it was directed to him and Stettinius and I understood it was directed to the three of us. We were all in the discussion at the White House and I am certain that the President didn't say that any particular

- 3 -

individual should draft the cable, but his remarks were directed at those taking part in the discussion. I am sure he said "the three Departments" or "all of you" get together on this matter and submit to me a draft of a letter to go to Churchill. We feel that the cable should not have gone in the form in which it was presented to the President.

sub

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

258
[Handwritten initials]

DATE

March 6, 1944

[Handwritten initials]
TO Secretary Morgenthau

FROM Fred Smith *[Handwritten initials]*

I have started something that I think might help us put across some of the plus's in the tax picture.

We are having Siler from Public Relations do a picture story on "the story of a tax return:"

- (1) He will take a picture of a man filing his return in the Baltimore Collector's office. We will point out that this man is only one of sixty million who filed returns.
- (2) Pictures will then show the return going to the New York office, where it is collated along with his estimate and the report from his employer (and we can show this man's employer sending his pay deduction reports to New York).
- (3) We can then show the organization set up by Internal Revenue to check returns and employer's reports against estimates.
- (4) Then the official at New York authorizing the Baltimore Collector to make a refund.
- (5) We can then show the refund being made.
- (6) We can also show pictures of the training schools set up throughout the country by Internal Revenue to teach employers how to help their employees with income tax forms, and we can show many other steps that were taken to see that as much information as possible got to the American people about filing their forms.
- (7) We can show how 1040-A was "tested" by 1000 people as an experiment which we can follow in the future -- because there have been no complaints about 1040-A.

- 2 -

- (8) We can wind it up with a picture of you checking on the service rendered by the Internal Revenue Bureau, and explain that you are probably more interested in simplification than anybody else, because while the average person has only one headache, the Treasury Department has sixty million. Therefore, you are most interested in doing everything you can to see that the situation is eased.

Siler will be back later in the week with the entire picture lay-out. Then we can put it together and see whether or not it tells the story we want told. Personally, I think it is a very good way to do the job, because it shows what a huge task Internal Revenue Bureau has, and indicates that they are taking care of the task in a business-like way, and will give you a logical springboard for boosting simplification, without trying to take any credit from Congress.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau

March 6, 1944

FROM Fred Smith *FS*

One of the things we must have in order to keep our overseas job running is a constant supply of news of War Bond activity in the field. To this end we are taking four pages in the next "Minute Man", which goes to all volunteers. These pages will explain the kind of news we want for relaying overseas. In connection with this, we should like to reprint a letter from you to the volunteers.

Attached is the copy.

March 6, 1944

To All War Bond Volunteers:

It is most important that the men and women of the armed forces, especially those outside this country, be kept informed about the splendid job the War Finance organization is doing on the home front.

The Army and Navy are cooperating with the Treasury Department to relay overseas those facts about the bond effort which will be interesting and heartening to service men. To do this, we must rely upon you who do the job in each locality to act as "reporters."

It is my hope that we can count on your lending a helping hand along lines outlined in the pages immediately following. I can assure you that the information you send will be appreciated not only here but particularly overseas.

Sincerely,

(Signed) HENRY MORGENTHAU JR.

EHL:Das

March 6, 1944

MEMORANDUM for Rear Admiral Joseph R. Redman, USN
Director of Naval Communications

My dear Admiral:

The Secretary of the Treasury has asked me to get word out, especially to commands at sea, on the success of the Fourth War Loan Drive. The Army has done this and I am willing that we do the same. Consequently, I wish that you would have the following message distributed in a manner that you think best:

"The final figures on the Fourth War Loan Drive are now in. On behalf of the millions of Americans who bought Bonds and helped sell them I am proud to report to you and to your men how the home front has responded. The figures speak for themselves. We set out to raise fourteen billion dollars. The people answered with sixteen-billion-seven-hundred-and-thirty-million-dollars-worth of War Bonds. This in addition to the seventy billions the nation had already invested. Our quota for E Bonds, the people's Bond, was three billions. That's an average of twenty-two dollars for every one of the one hundred thirty-six million men, women and children of our land. The people topped this goal by one hundred eighty-seven million dollars. Finally, in the Fourth War Loan Drive we made an all-time record by selling more than sixty million separate E Bonds. To each and every man in your command here is evidence that the folks at home are raising fighting dollars to back the fighting fronts.

Henry Morgenthau, Jr."

Yours truly,

FRANK KNOR

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE March 6, 1944

TO Secretary Morgenthau
 FROM Mr. Hays
 Subject: The Business Situation,
 Week ending March 4, 1944.

Summary

Manpower: Despite various employment dislocations caused by outbacks in arms contracts, the number of acute labor shortage areas rose to 72 on March 1 as compared to 68 a month earlier. Among the new additions to the labor shortage group is the Chicago area, where the labor shortage was recently estimated at 47,000.

Steel operations: The output of steel ingots continues to run above the previous year's level, and on the basis of orders now on hand the steel industry should operate close to capacity during the first half of 1944. Due largely to marked expansion in the latter half of 1943, steel ingot capacity on January 1, 1944 totaled 93,652,000 net tons, an increase of 3.4 million tons in one year.

Commodity prices: Commodity prices moved irregularly last week, and the BLS index of 28 basic commodities was unchanged from the previous week at 80.4 percent above the August 1939 average. In the week ended February 26, the BLS all-commodity index rose 0.3 percent, the largest rise in almost a year, with fruits and vegetables showing marked increases. The index is about 1 percent higher than in the corresponding week last year.

Farm parity: The index of prices received by farmers, continuing the narrow movement of the past 10 months, declined slightly from mid-January to mid-February. On the other hand, the index of prices paid (including interest and taxes) continued to rise slightly, with the result that farm prices averaged 115 percent of parity as compared with 116 percent in the previous month and with the war-time peak of 122 percent in April 1943.

Retail trade: Department store sales in February, after allowance for seasonal factors, were virtually unchanged from the previous month, with the FRB adjusted index of sales receding slightly to 151 from 152 in January. March sales, in comparison with last year, will be affected by the increase in excise taxes on some items effective April 1 and by the earlier occurrence of Easter this year.

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Labor shortage areas increase

Although cutbacks in war contracts continue to cause local employment dislocations, the number of acute labor shortage areas has increased recently. Thus WMC's revised labor market classification as of March 1 revealed 72 acute labor shortage areas as compared with 68 a month earlier. While 3 cities were withdrawn from the acute shortage classification, this was much more than offset by the addition of the following 7 areas: Chicago, Chicago Heights-Harvey, and Rockford, Illinois; Lima, Ohio; Somerville, New Jersey; Wilmington, North Carolina; and Ventura-Oxnard, California. The labor shortage in the Chicago area was recently estimated at 47,000, with the greatest need for additional workers in the radio-radar industry. Only 2 new areas (Minneapolis-St. Paul, Minnesota, and Williamsport, Pennsylvania) were added to the surplus labor areas in the March 1 classification.

With industrial production and employment levelling out, numerous cross currents are now noted in the labor market. A CIO union last week protested the scheduled lay-off of 50,000 workers in small arms plants, while, on the other hand, plans have been announced to recruit additional workers for the hard-pressed railroad and coal mining industries. Shipbuilders on the Pacific Coast are alarmed over the return of many workers to their homes in the mid-West and South, while inability to obtain sufficient strong male labor for foundries and heavy industrial work at Detroit seems likely to force closer employment controls in that area.

Steel operations maintained at high level

Recent developments in the steel industry lend support to OWI contentions that rumors of war contract cancellations have in most cases proved more disruptive than actual cancellations. Thus last December some steel trade observers were concerned over the possibility of a sharp drop in the steel operating rate due to cutbacks in war contracts. Actually, steel operations thus far in 1944 have been maintained at a high level. The Director of the Steel Division of the WPB recently stated that, according to the order books of steel producers, the industry should operate close to capacity during the first half of 1944. Although it was admitted that military requirements for steel have decreased slightly, this has been offset by increased allotments for essential non-military items, such as railroad equipment, farm machinery, gas and oil facilities and food

- 3 -

containers. While order cancellations have been heavy, these have been offset by a large volume of new business. Trade circles now believe that steel shipments and new orders will continue high until the outcome of the European invasion is clear.

Steel industry capacity expanded substantially

Steel operations thus far in 1944 have shown a slightly rising tendency, although last week's operating rate of 97.5 percent of capacity was 0.2 percent below the previous week, possibly due in part to short-lived strikes at 2 steel plants. Reference to Chart 1, upper section, will reveal that steel operations during the first 2 months of 1944 have not attained quite as high a rate of capacity as in the previous year. However, due to the expansion in capacity since the early part of 1943, the tonnage of steel produced in January was 2 percent above that of January last year, setting a new output record for the month. (Refer to Chart 1, lower section.) Although actual production figures for February are not yet available, the tonnage produced was undoubtedly the largest for any February on record.

After a moderate increase in the first half of 1943, ingot capacity of the steel industry increased sharply in the latter half of the year. As a result of this expansion, ingot capacity of the industry on January 1, 1944 totaled 93,652,000 net tons as compared with 90,289,000 net tons a year earlier. The bulk of the expansion in the latter part of last year was carried out by the U. S. Steel Corporation, which at the close of the period accounted for nearly 36 percent of the country's total steel capacity. Since the steel expansion program got under way in 1940 about \$1.9 billions has been expended by the industry and the Government in the enlargement of steel facilities. As a result of this program, steel ingot capacity has been increased by more than 12 million tons since January 1940, while blast furnace capacity has been increased nearly 14 million tons during the same period.

Commodity prices irregular

Commodity prices moved irregularly last week, with the BLS index of 28 basic commodities unchanged from the previous week. (See Chart 2.) Rosin prices continued to rise sharply, having climbed 16 percent in the last three months. Prices of steers were up noticeably. On the other hand, peace rumors had a depressing influence on cotton prices, interrupting the upward trend of the past few months.

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The BLS all-commodity index rose 0.3 percent during the week ended February 26, which is the largest rise recorded by the index since March 1943. Higher prices for livestock and certain fruits and vegetables were important factors in the rise. The outstanding price increases were 24 percent for oranges and 15 percent for sweet potatoes. The index, at 103.6 percent of the 1926 average, is 0.5 percent higher than at this time last month and is about 1 percent over that of a year ago.

Farm prices slightly lower

Farm prices, after reaching a peak in April 1943, have since been moving within a relatively narrow range. (See Chart 3, upper section.) The index of prices received by farmers declined slightly last month, and at a level of 195 (August 1909-July 1914=100) is 1 percent below the April 1943 high. The levelling tendency of the farm price index during the past several months has been due largely to the extension of price ceilings, which now cover most of the important farm products.

Meanwhile, the index of prices paid by farmers (including interest and taxes) has continued its gradual rise, hence the parity ratio has shown a declining trend since April 1943. (See Chart 3, lower section.) Last month, farm prices averaged 115 percent of parity as compared with 116 percent in the previous month. At the peak in April 1943 farm prices averaged 122 percent of parity.

Price trends of the various groups of farm products were irregular last month, with 4 groups showing increases, 4 showing decreases, and 2 unchanged. (See Chart 4.) Truck crop prices fell sharply and are now only slightly higher than a year ago. Ceiling prices are now in effect for a number of the important vegetables, while shipments during the first two weeks of February were about 23 percent greater than those of the same period last year. Although the poultry and egg price index declined over 5 percent, and is now below last year's level, the decline was but little more than the usual seasonal downturn. Prices of meat animals and fruit increased moderately, the rise in the fruit price index being due largely to a seasonal adjustment in the price ceiling on apples.

Civilian meat supplies increased

Temporary surpluses of some meat products have resulted in substantial reductions in the ration values of many beef

cuts and in most pork items for March, together with an additional 5-point ration stamp for the purchase of pork which the Price Administrator announced last week. Hog slaughter has been maintained at very high levels during the past month, although some tapering off from the January peak has occurred. (See Chart 5, lower section.) In the week ended February 26, hog slaughter under Federal inspection was 76 percent above the corresponding week last year. While prices of those weights of hogs not covered by the support program have risen appreciably during the last two months, average prices of all weights of hogs remain substantially below the levels of a year ago. (See Chart 5, upper section.)

Cold storage holdings of pork increased considerably in January (the latest month for which data are available), but freezer space continues tight. Moreover, a tight shipping situation was reported as hindering the export of meats, although WFA purchases (largely for lend-lease) continued relatively heavy last month. In Canada, all meat rationing was temporarily suspended last week because of a bottleneck in the export shipping situation.

Government to auction more foreign wool

To aid in reducing the large stockpile of Government-owned wool, 12 million pounds of foreign wool will be offered at auction this week. Three weeks ago 30 million pounds were offered at auction, of which approximately 23 million pounds were sold. The Defense Supplies Corporation now owns about 300 million pounds of foreign wool, built up when there was great danger that Japan might cut off shipping from Australia. Domestic wool owned by the CCC at the end of 1943 amounted to 171 million pounds. Since the CCC stocks of domestic wool are sold at ceiling prices, which are considerably higher than prices of comparable foreign wools, mills have used little domestic wool in civilian fabrics in recent months. Most of the domestic wool has been going into military fabrics.

Potato surplus causing concern

Considerable concern has been expressed over the potato surplus which has developed as a result of the record breaking 1943 crop. In contrast to the scarcity of potatoes a year ago the WFA has indicated that supplies this year are greater than could possibly be consumed before this year's spring and early summer crops reach the market. Stocks as of January 1, 1944 amounted to 138 million bushels as compared with about 101 million bushels the year before. Since potatoes cannot be kept

- 6 -

over until next season, the maintenance of spring prices at levels guaranteed by the WFA may be difficult.

Steps are being taken, however, to dispose of the surplus and avoid wastage. The Government is completing arrangements to convert upward of 18 million bushels of lower grade white potatoes into industrial alcohol for war purposes, which will tend to reduce demands on our grain supply for alcohol production. The potatoes will be dehydrated at idle mid-Western sugar beet plants and then shipped to alcohol plants for processing. Some loss will be incurred by the CCC in the operation. Attempts are also being made to use part of the surplus potatoes for starch production and for stock feeds.

Department store sales steady

Although department store sales in February were 10 percent below last year's levels, the decline is of little significance since abnormal scare buying in February 1943 raised the FRB adjusted sales index in that month to the highest level on record. Department store sales have maintained a very even pace at a relatively high level since the beginning of the year, with the FRB adjusted index of sales declining only slightly in February to 151 from 152 in the previous month. (See Chart 6.)

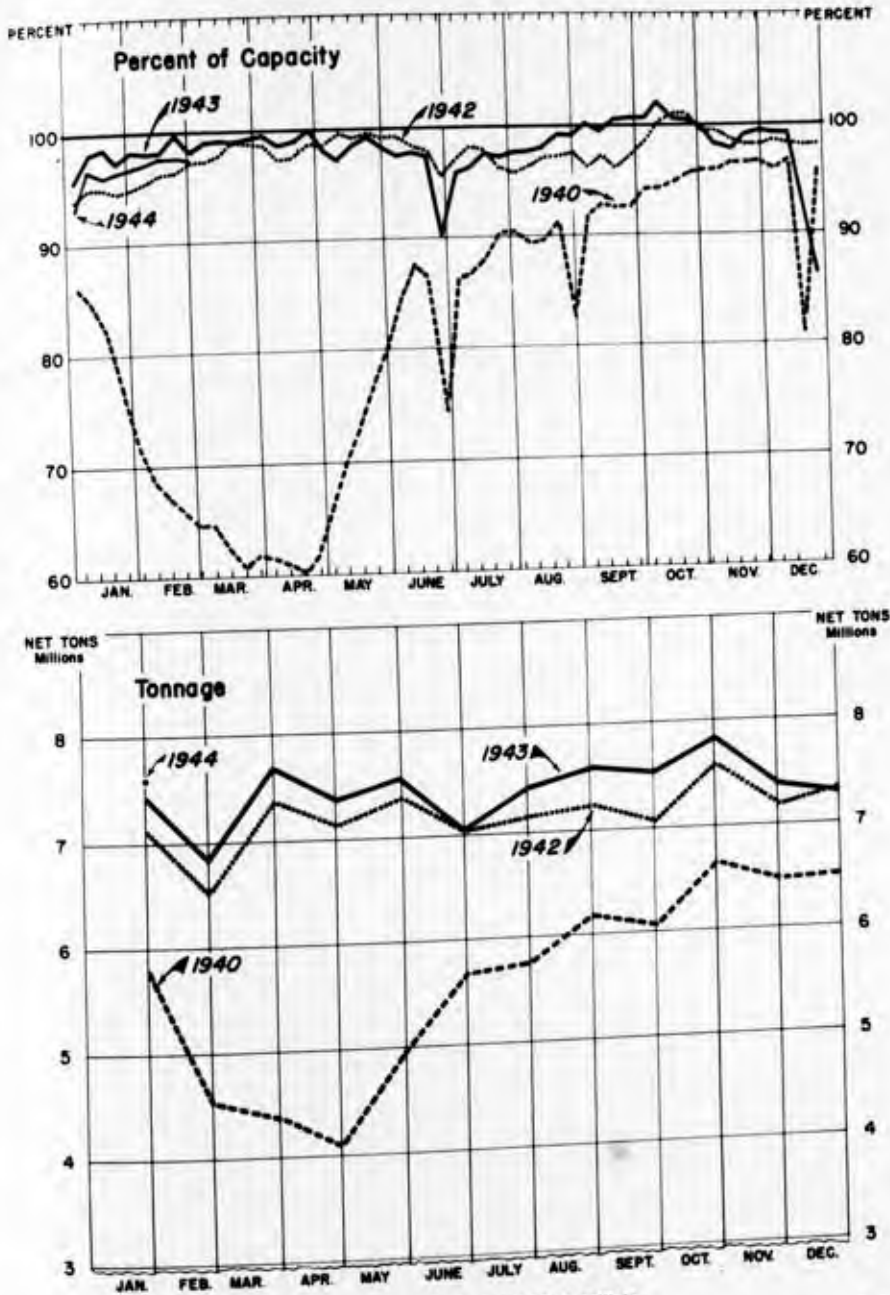
Preliminary reports indicate that total retail sales for the country as a whole last week continued to lag moderately behind the corresponding period in 1943. However, later this month sales figures seem likely to again rise above last year's level, due to the earlier occurrence of Easter this year and also to anticipatory buying of such items as furs, jewelry, liquor, luggage and toilet preparations, on which increased excise taxes will go into effect April 1.

Shortages in many lines continue to be a retarding sales factor. However, in the aggregate, department store stocks have been maintained at higher levels than many observers had previously thought possible. Contrary to the usual trend, department store stocks (in dollar value) at the end of January were slightly higher than a month earlier, and the FRB adjusted index of stocks for the period rose 6 points to 104. (Refer to Chart 6.) While this figure is about 2 percent higher than a year earlier, shifts to higher-priced merchandise and increases in prices undoubtedly make the actual physical volume of goods on hand less adequate than the index would appear to indicate. Details of department store stocks at

- 7 -

the end of January are not yet available, but at the end of December, when total stocks were 3 percent below the previous year's level, the largest declines were shown by home furnishings and men's and boy's wear, with decreases of 26 percent and 18 percent, respectively. On the other hand, stocks of women's apparel and accessories were 20 percent higher than at the end of 1942, while small wares (notions, toilet articles, jewelry, etc.) were 14 percent higher. The decline in stocks of home furnishings was featured by a drop of 69 percent in major household appliances, while the widest gain among individual items occurred in women's blouses, skirts, sportswear, etc., which increased 63 percent.

STEEL INGOT PRODUCTION

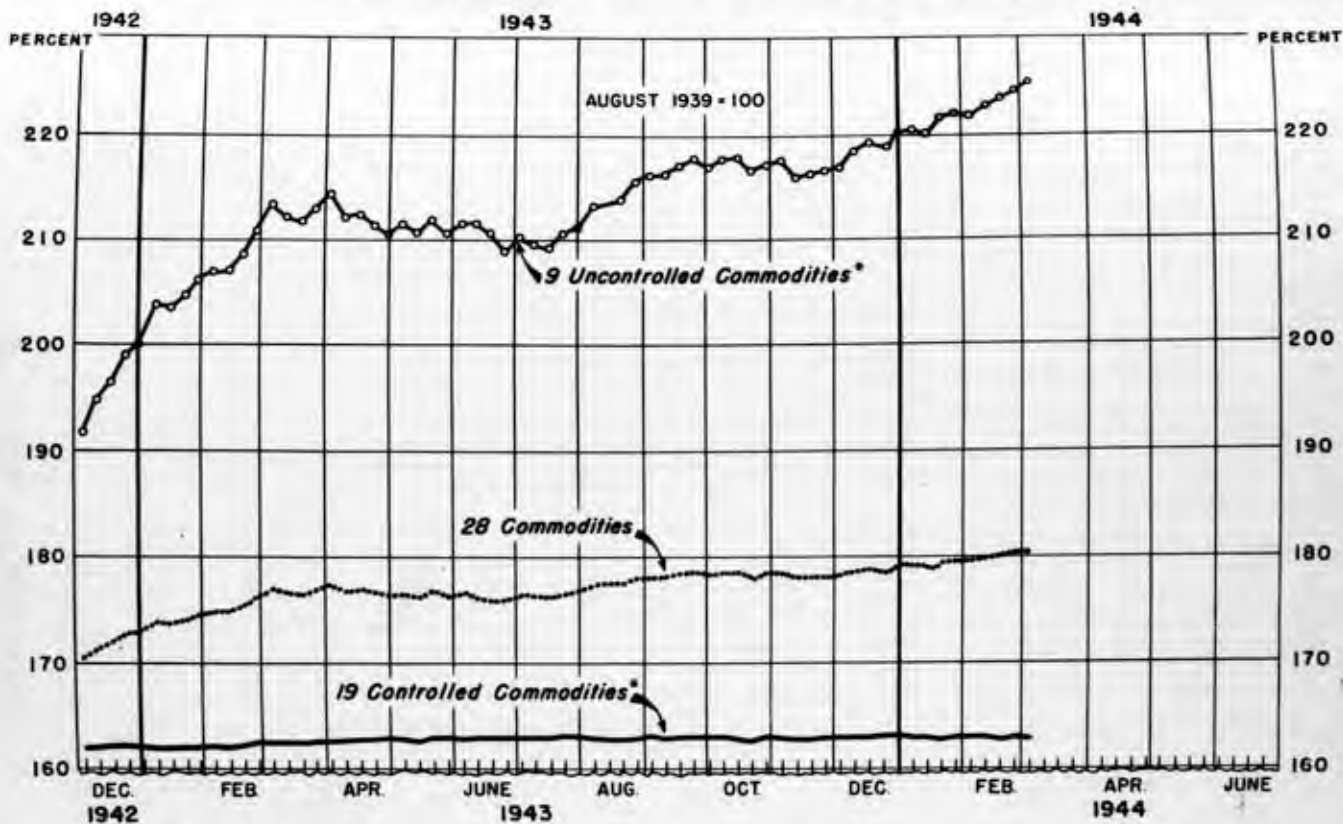


Source: American Iron and Steel Institute

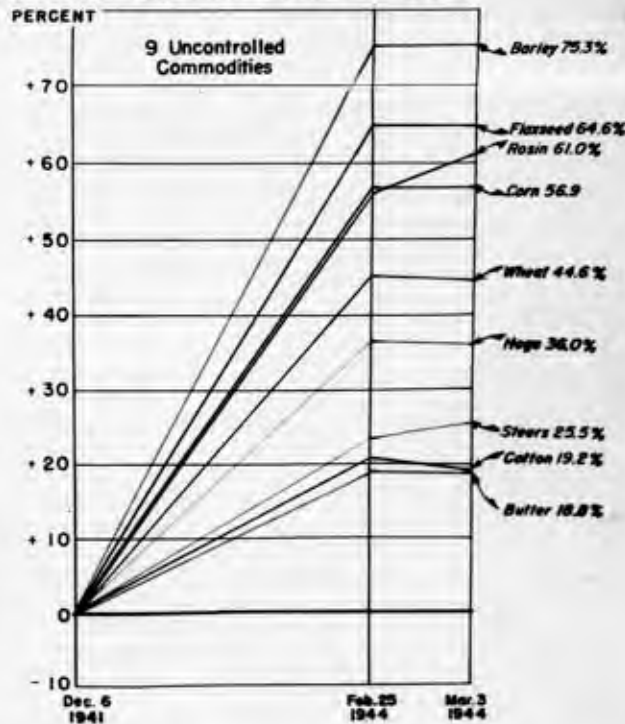
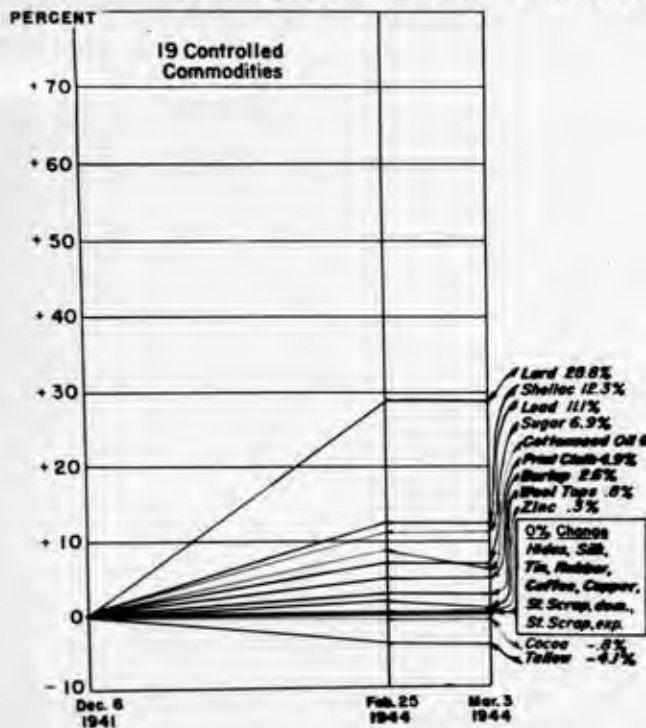
Office of the Secretary of the Treasury
Division of Research and Statistics

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MOVEMENT OF BASIC COMMODITY PRICES



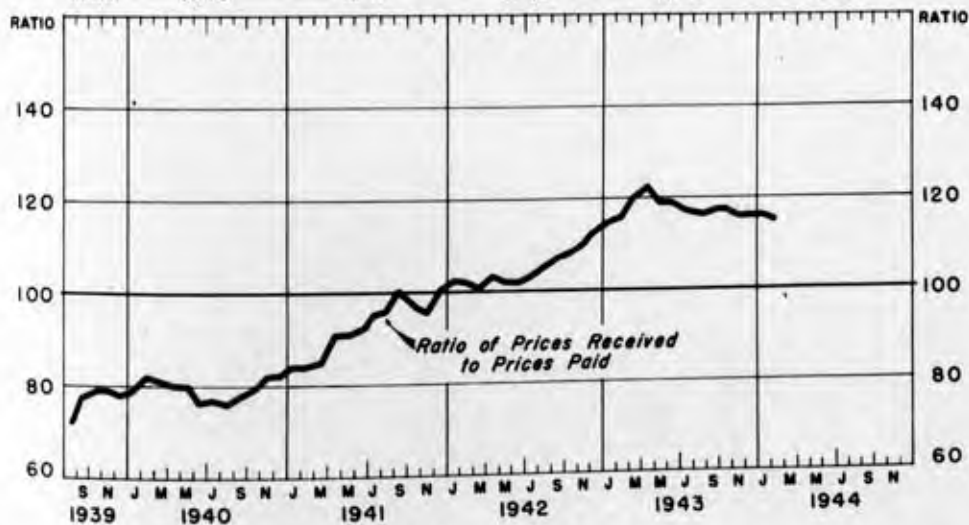
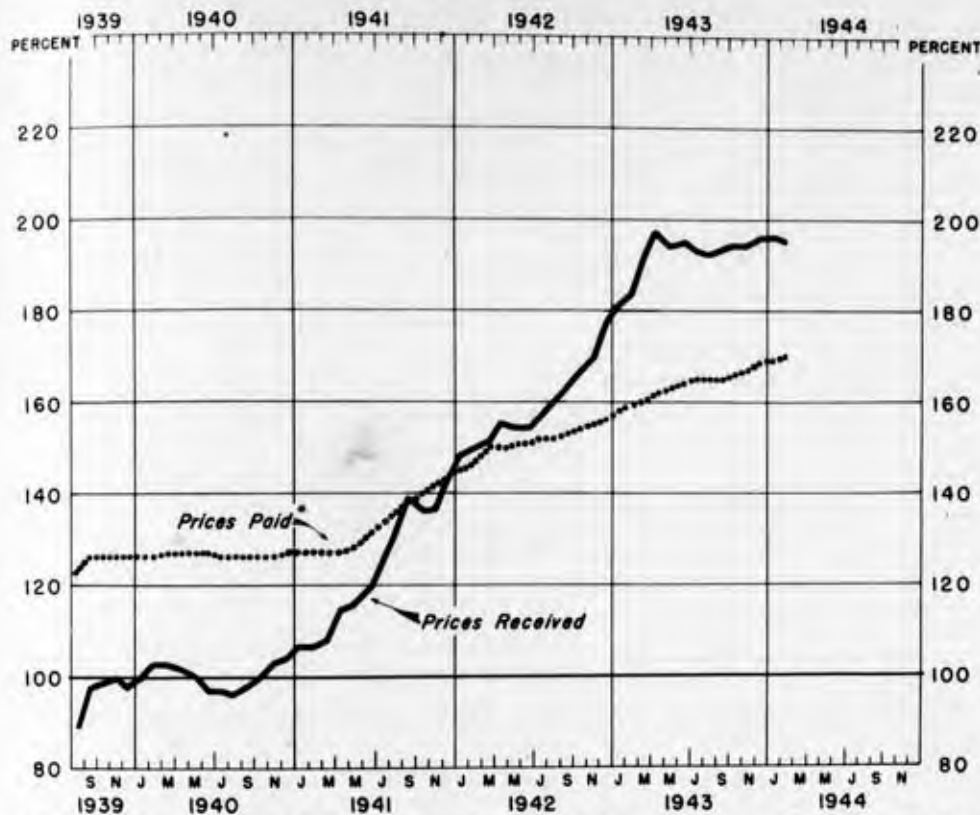
PERCENTAGE CHANGE DEC. 6, 1942 TO FEB. 25, AND MAR. 3, 1944



*20 Controlled & Uncontrolled previous to June 26, 1942.

PRICES RECEIVED AND PAID BY FARMERS*

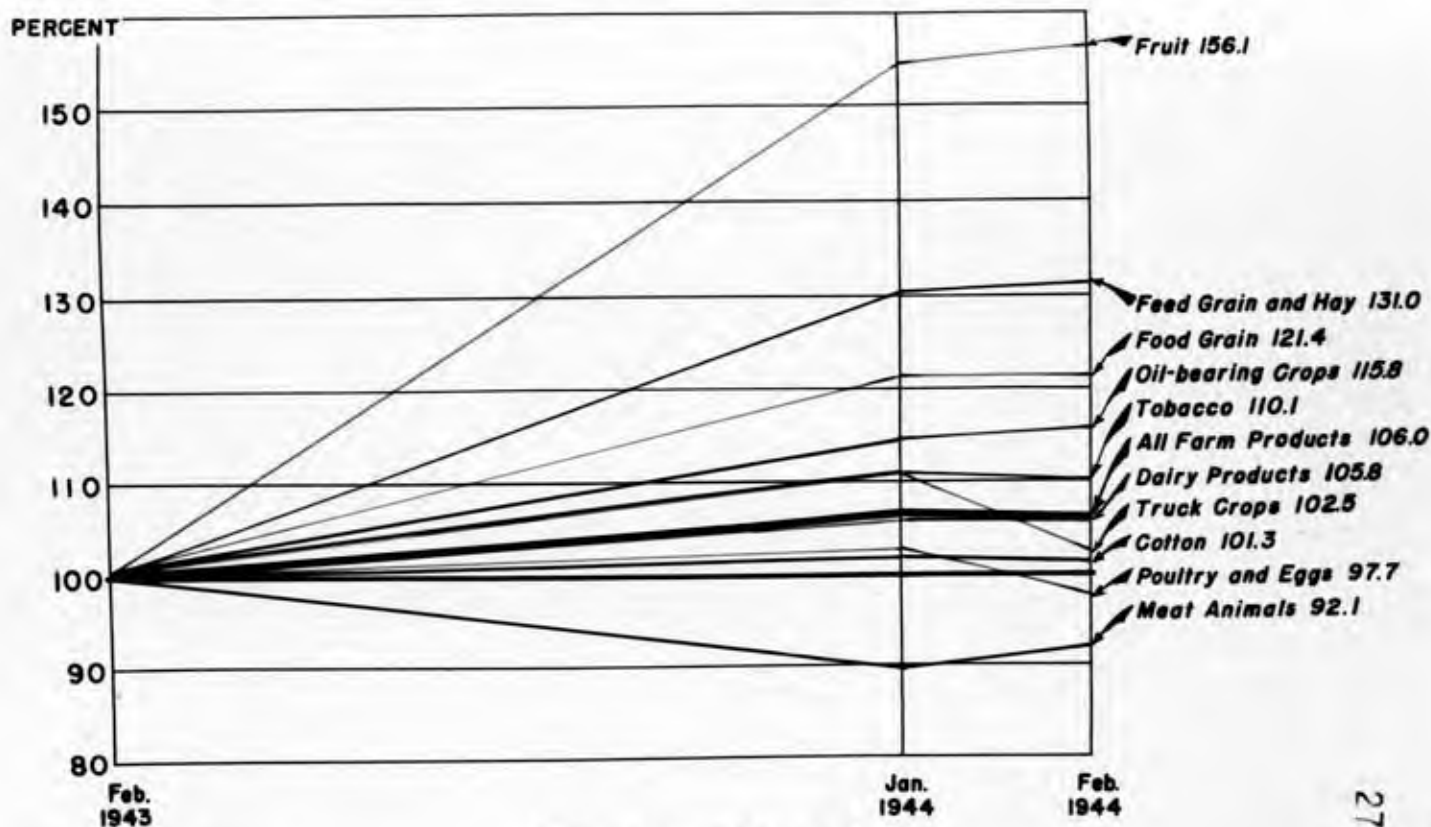
1909-'14=100



*Prices Paid, Including Interest and Taxes

FARM PRICES BY GROUPS OF PRODUCTS

Percentage Changes, February 1943 to January 1944 and February 1944



Source: Department of Agriculture

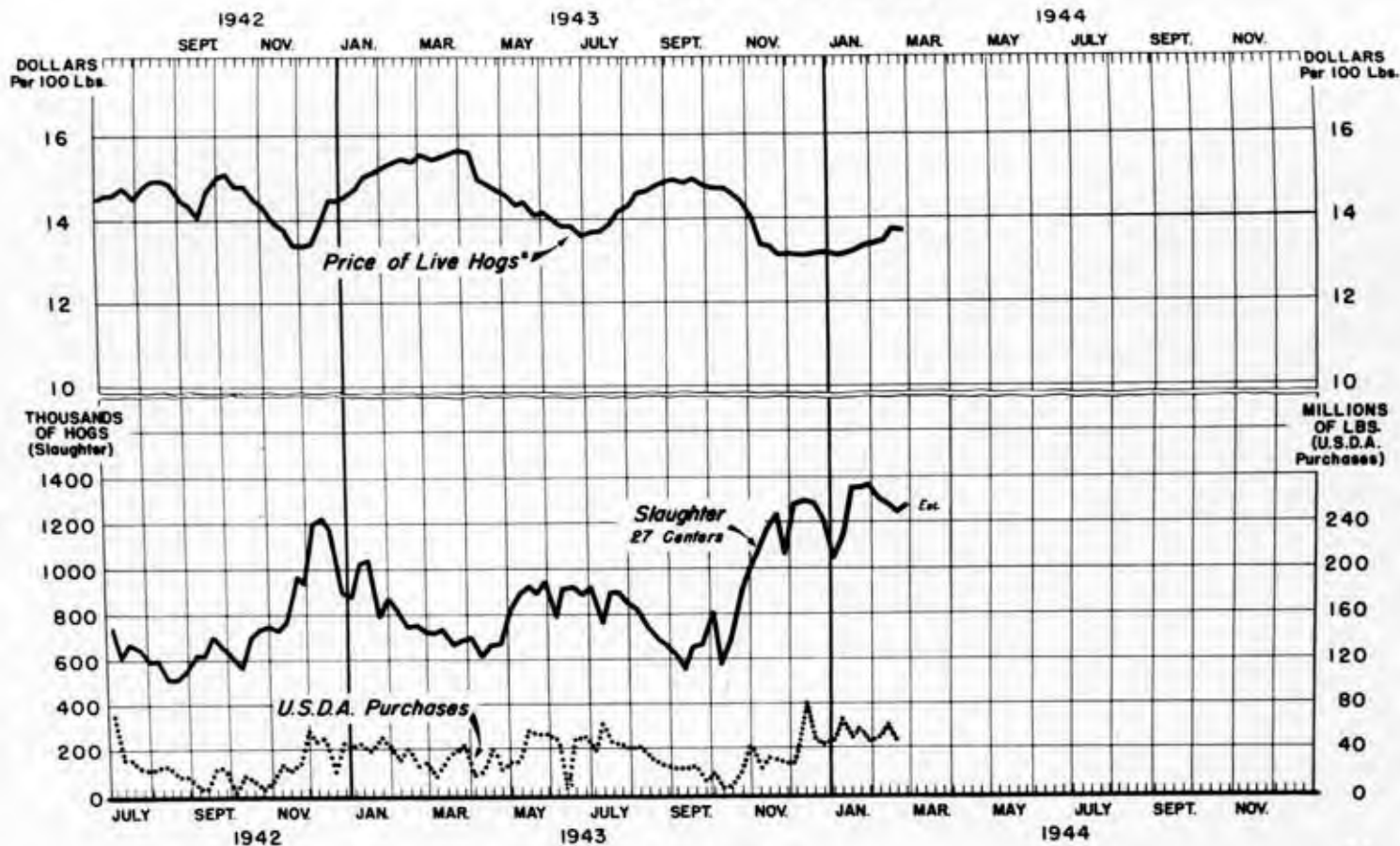
Office of the Secretary of the Treasury
Division of Research and Statistics

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P-280

Chart 4

HOG PRICES COMPARED WITH HOG SLAUGHTER AND U.S.D.A. PURCHASES



* Chicago good to choice 180-200 pounds
Source: Department of Agriculture

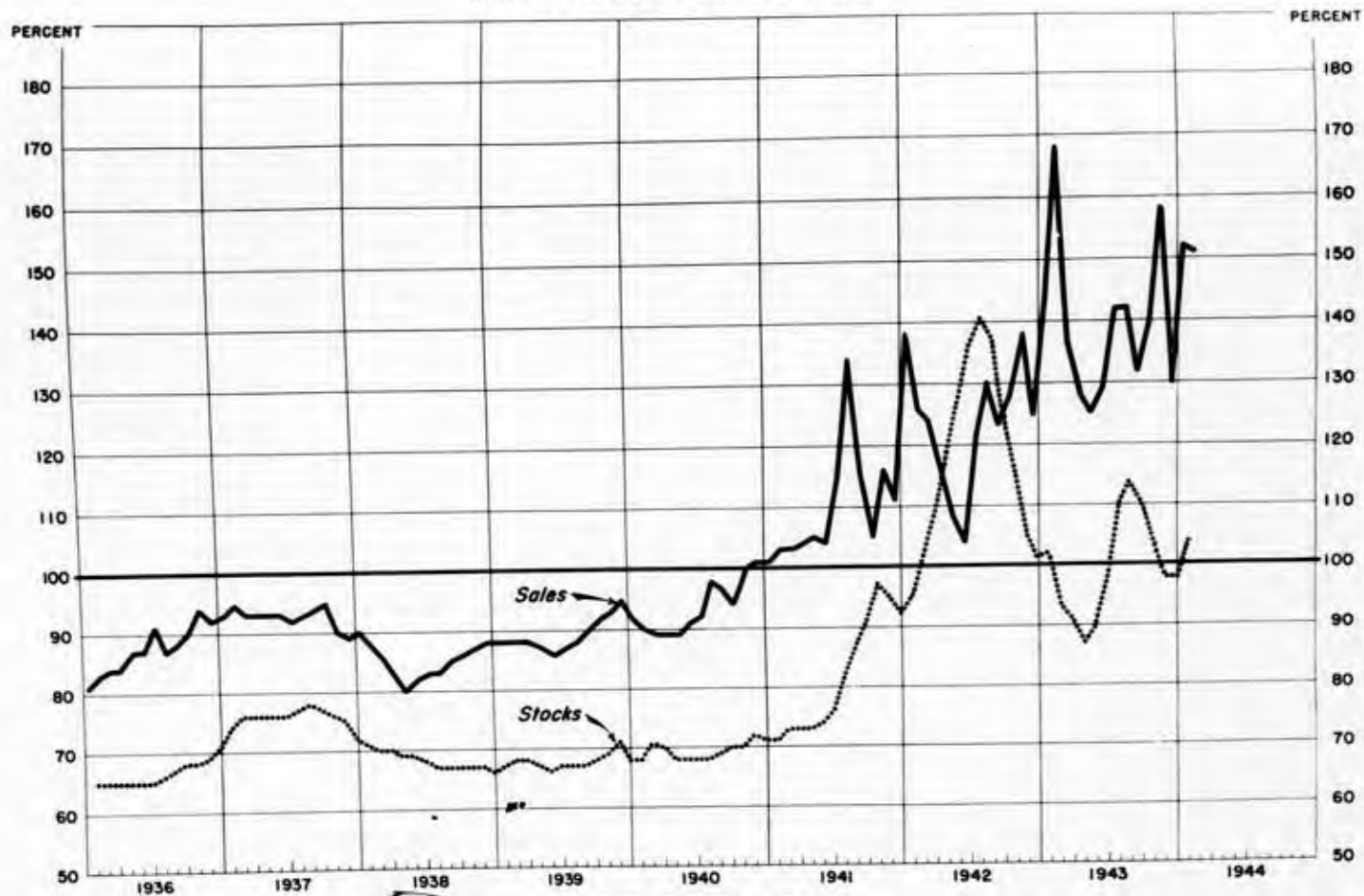
Office of the Secretary of the Treasury
Division of Research and Statistics

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P-248-B

Chart 5

DEPARTMENT STORE SALES AND STOCKS

Dollar Values, 1923-'25=100. Adjusted



Source: Federal Reserve Board

Treasury Department
Division of Monetary Research

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Date March 6, 1944.....19

To: Secretary Morgenthau

Information

Your statement on looted gold was issued February 22 and an almost identical statement was issued by the British Treasury and a similar statement, though not identical, by the Russian Government at the same time. The Russians requested a letter indicating that the U.S.S.R. was excluded from the provisions of the last paragraph. We agreed to their request. A copy of the statement and a copy of the letter given to the Russian Ambassador is appended. Such comments as have appeared in the papers appear to be favorable although interest in it as far as the public is concerned appears to have quickly died down.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

TREASURY DEPARTMENT
Washington

FOR RELEASE, 12 NOON, EWT,
Tuesday, February 22, 1944.

Press Service
No. 40-77

Secretary Morgenthau today issued the following
Declaration:

On January 5, 1943 the United States and certain others of the United Nations issued a warning to all concerned, and in particular to persons in neutral countries, that they intend to do their utmost to defeat the methods of dispossession practiced by the governments with which they are at war against the countries and peoples who have been so wantonly assaulted and despoiled. Furthermore, it has been announced many times that one of the purposes of the financial and property controls of the United States Government is to prevent the liquidation in the United States of assets looted by the Axis through duress and conquest.

One of the particular methods of dispossession practiced by the Axis powers has been the illegal seizure of large amounts of gold belonging to the nations they have occupied and plundered. The Axis powers have purported to sell such looted gold to various countries which continue to maintain diplomatic and commercial relations with the Axis, such gold thereby providing an important source of foreign exchange to the Axis and enabling the Axis to obtain much-needed imports from these countries.

The United States Treasury has already taken measures designed to protect the assets of the invaded countries and to prevent the Axis from disposing of looted currencies, securities, and other looted assets on the world market. Similarly, the United States Government cannot in any way condone the policy of systematic plundering adopted by the Axis or participate in any way directly or indirectly in the unlawful disposition of looted gold.

In view of the foregoing facts and considerations, the United States Government formally declares that it does not and will not recognize the transference of title to the looted gold which the Axis at any time holds or has disposed of in world markets. It further declares that it will be the policy of the United States Treasury not to buy any gold presently located outside of the territorial limits of the United States from any country which has not broken relations with the Axis, or from any country which after the date of this announcement acquires gold from any country which has not broken relations with the Axis, unless and until the United States Treasury is fully satisfied that such gold is not gold which was acquired directly or indirectly from the Axis powers or is not gold which any such country has been or is enabled to release as a result of the acquisition of gold directly or indirectly from the Axis powers.

It is understood that a similar Declaration is being issued simultaneously by the United Kingdom Treasury, and by the Union of Soviet Socialist Republics.

-oOo-

February 17, 1944

Dear Mr. Ambassador:

I refer to recent conversations relative to the declaration on gold purchases which the Treasury Department contemplates issuing on February 19, 1944. I am glad to confirm that the provisions of the last paragraph of this declaration will not be applicable to the Union of Soviet Socialist Republics.

Yours respectfully,

(Signed) D. W. Bell

Acting Secretary of the Treasury.

His Excellency

The Ambassador of the Union of

Soviet Socialist Republics,

Washington, D. C.

copy

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March 6, 1944

Dear General Vesson:

This will acknowledge the copy of the Soviet Aid Report as of January 31, 1944, just transmitted to the Secretary of the Treasury.

Mr. Morgenthau appreciates receiving this information which will be carefully studied.

Sincerely,

(Signed) H. S. Klotz**H. S. Klotz,
Private Secretary**

Major General G. M. Vesson
Director, Division for Soviet Supply
Foreign Economic Administration
515 - 23d Street, N. W.
Washington 25, D. C.

GEF:nwd

FOREIGN ECONOMIC ADMINISTRATION
~~OFFICE OF LEND-LEASE ADMINISTRATION~~

FIVE-FIFTEEN 22d STREET NW.

WASHINGTON 25, D. C.

MEMORANDUM

To: The Honorable Henry Morgenthau

From: Maj. Gen. C. M. Wesson *Cmw*
Director, Division for Soviet Supply

Subject: Soviet Aid Report

Attached herewith is your copy of the Soviet Aid Report as of January 31, 1944, which summarizes the amount of aid furnished to the U.S.S.R. during the First and Second Protocols and the first seven months of the Third Protocol.

SECRET
Copy No. TRA

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**STATUS OF THE SOVIET AID PROGRAM
AS OF JANUARY 31, 1944**

Foreign Economic Administration
February 24, 1944

SECRET

PERFORMANCE DURING JANUARY 1944

Shipments to the Soviet Union from United States and Canadian ports during January totaled 609,900 long tons, 161% of the monthly requirement under the Third Protocol. Shipments during the first seven months of the Third Protocol period have totaled 3,633,900 long tons - 137% of Third Protocol requirements to January 31, 1944, or 80% of requirements for the full Protocol year.

Cargo shipped during the Third Protocol period is summarized as follows:

	January		July-January	
	Long Tons	Per Cent	Long Tons	Per Cent
U. S. SUPPLIES				
Trucks & Other Vehicles	70,500	12	389,800	11
Metals	83,700	14	597,200	16
Chemicals & Explosives	47,300	8	310,600	8
Petroleum Products	58,100	9	364,300	10
Machinery & Equipment	37,600	6	320,500	9
Food	214,400	35	1,148,100	32
Other	63,400	10	351,900	10
U. S. Total	575,000	94	3,482,400	96
BRITISH & CANADIAN SUPPLIES	34,900	6	151,500	4
TOTAL	609,900	100	3,633,900	100

Three vessels carrying 22,400 long tons were lost during January. Losses since October 31, 1941, have totaled 443,500 long tons - 5.5% of the 8,119,400 long tons shipped.

Shipments during February are expected to amount to 400,000 long tons or 105% of the monthly Protocol rate.

13,118 U. S. trucks were exported during January, the largest quantity shipped in any month to date.

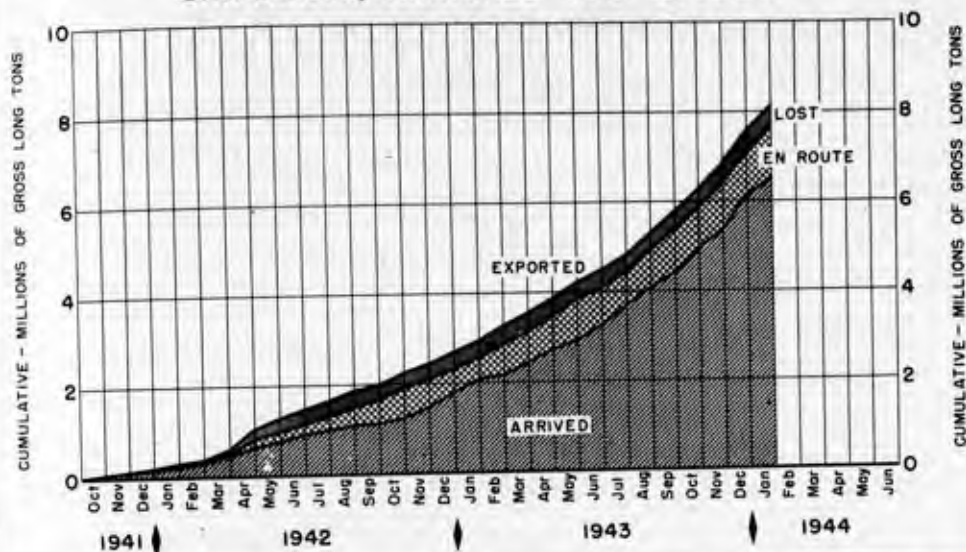
During January, 546 aircraft departed from North America for the U.S.S.R.; 327 were for U. S. Protocol Account, and 219 for U. K. Account. Of the total departed, 57 were shipped by water to Murmansk, 154 by water to the Persian Gulf, 45 by air via the South Atlantic, and 290 from Fairbanks by the Alaskan-Siberian ferry route.

Foreign Economic Administration
February 24, 1944

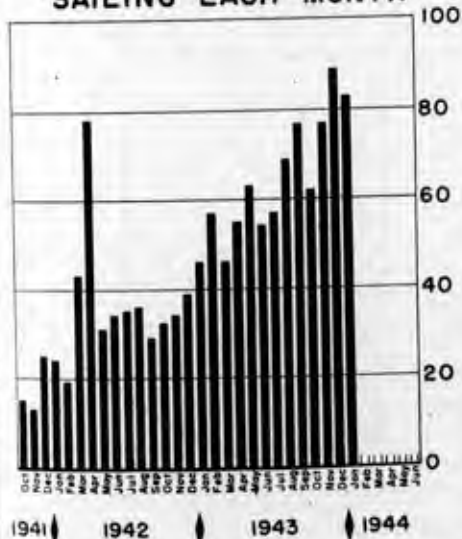
8-0963

SHIPMENTS TO U. S. S. R.

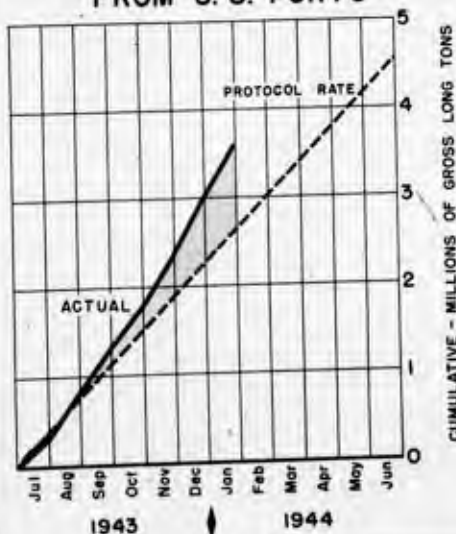
SHIPMENTS, ARRIVALS AND LOSSES



NUMBER OF SHIPS SAILING EACH MONTH



THIRD PROTOCOL CLEARANCES FROM U. S. PORTS



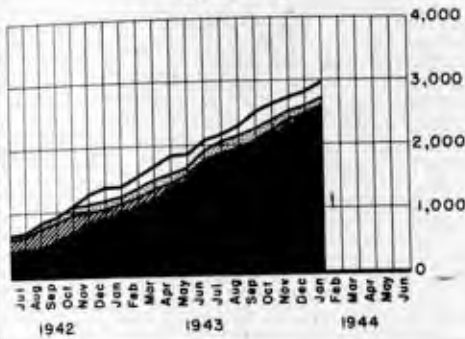
EXPORTS AND AVAILABILITY OF SELECTED ITEMS

CUMULATIVE SINCE OCTOBER 1, 1941

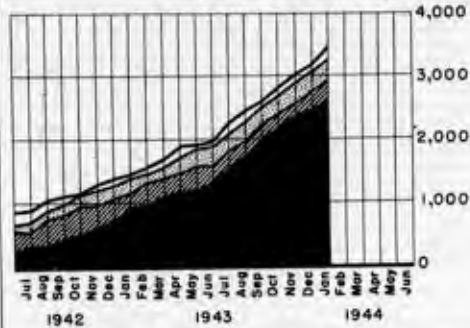
Exported
 Lost En Route
 Arrived

Quantity made available at U.S. centers of production

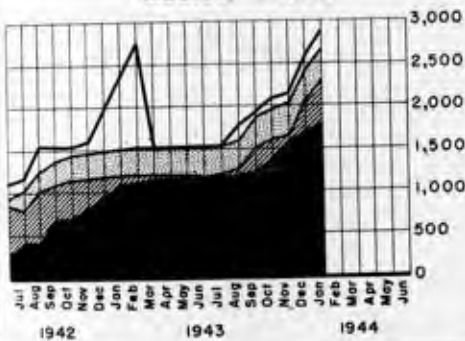
BOMBERS



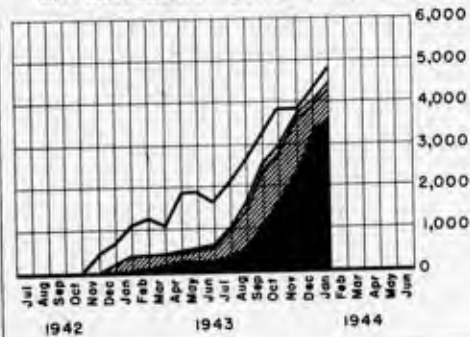
PURSUIT PLANES



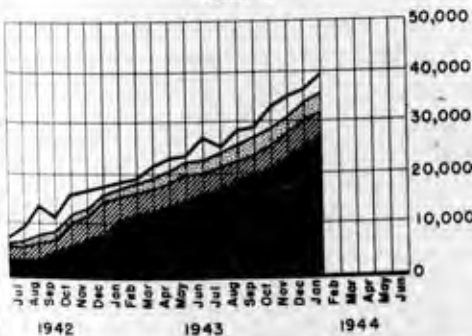
MEDIUM TANKS



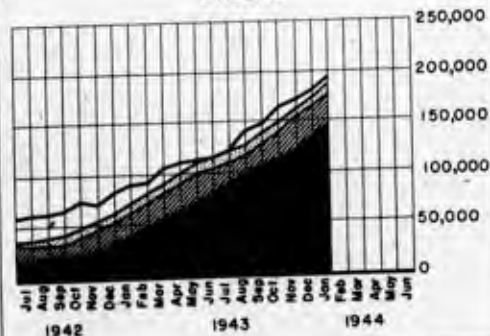
ANTIAIRCRAFT GUNS 37 & 40 mm



JEEPS



TRUCKS

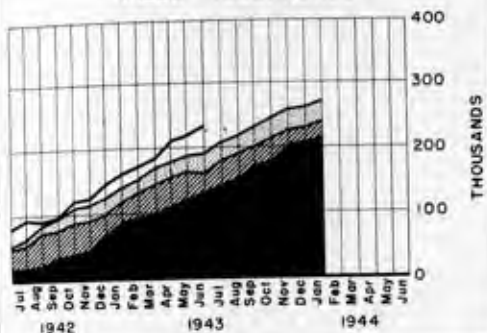


EXPORTS AND AVAILABILITY OF SELECTED ITEMS CUMULATIVE SINCE OCTOBER 1, 1941

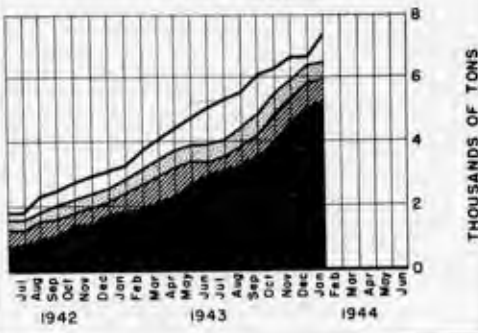


Quantity made available of U.S. centers of production

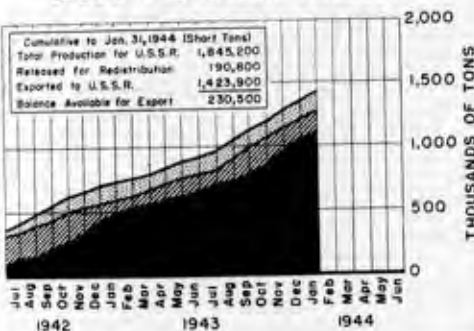
FIELD TELEPHONES



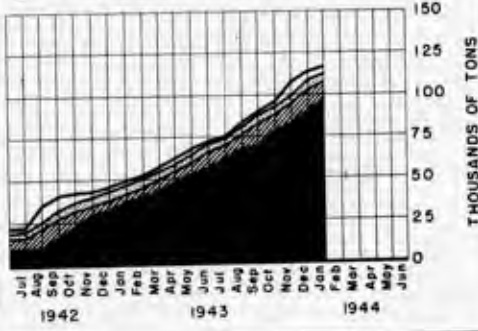
ARMY BOOTS



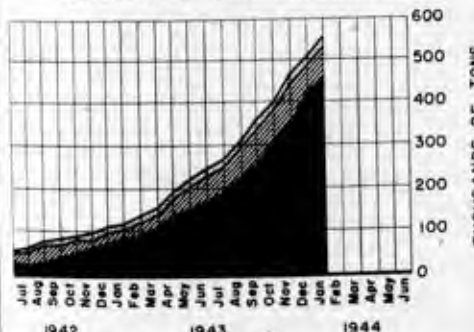
STEEL AND STEEL PRODUCTS



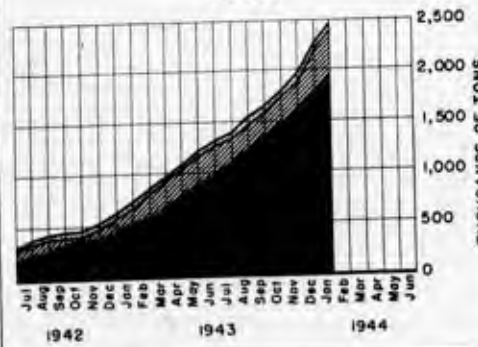
ALUMINUM AND DURALUMINUM



CHEMICALS AND EXPLOSIVES



FOODS



AIRCRAFT DELIVERIES TO U.S.S.R.

October 1, 1941 to January 31, 1944

Protocol requirements are considered filled upon delivery of aircraft from factories.

Departure points from North America are: U.S. ports for water shipments, Fairbanks for flight-deliveries via the Alaskan-Siberian Ferry Route, and Miami, Florida or adjacent fields for flight-deliveries via the South Atlantic. Planes shipped by water to North Russia are considered delivered upon arrival at Murmansk or Archangel. Planes shipped by water to the Persian Gulf are assembled at Abadan and with planes arriving there over the South Atlantic Ferry Route are delivered at Abadan to U.S.S.R. pilots. Alaskan-Siberian Ferry route planes are delivered to Soviet pilots at Fairbanks.

With the exception of 59 P-40 fighters shipped from U.S. ports in September, 1941 and arrived in North Russia in November and December 1941, this schedule includes all aircraft departed from the U.S. for direct delivery to the U.S.S.R. Aircraft shipped from the U.S. intended for use in the United Kingdom but retransferred from the United Kingdom to the U.S.S.R. are not included.

	Delivered at Factories	In North America Jan. 31, 1944		Lost in North America		Departed North America	Lost After Departure	Diverted to Others	En Route S.A. to Destination 1-31-44	Arrived at Destination	Delivered to USSR at Destination
		In U.S.	In Canada and Alaska	In U.S.	In Canada and Alaska						
HF ROUTES											
Alaskan-Siberian Ferry Route	3,306	147	159(134)*	49	34	2,917	0	0	0	2,917	2,917
South Atlantic Ferry Route to Abadan	855	35	0	15	0	805	36	1	14	754	721
Water to North Russia	1,478	1	0	0	0	1,477	310	1	135	1,031	1,031
Water to Persian Gulf Assembly at Abadan	3,319	148	0	0	0	3,171	175	0	238	2,758	2,633
Total	8,958	331	159(134)*	64	34	8,370	521	2	387	7,460	7,302(16)**
U.S. PROTOCOL ACCOUNTS											
Pursuit Planes											
P-40 Alab	50	0	0	0	2	48	0	0	0	48	48
P-40 North Russia, water	1,150	1	0	0	0	1,149	248	1	132	768	768
P-40 Persian Gulf, water	671	50	0	0	0	621	25	0	0	596	5/(4)**
P-39 Alab	583	38	54(46)*	5	8	478	0	0	0	478	478
P-39 North Russia, water	57	0	0	0	0	57	7	0	0	50	50
P-39 Persian Gulf, water	927	51	0	0	0	876	28	0	184	664	5/(1)**
P-47 Alab	3	0	0	0	0	3	0	0	0	3	3
Total Pursuit Planes	3,441	140	54(46)*	5	10	3,213	308	1	316	2,607	-
Light Bombers											
A-20 Alab	1,024	60(a)	54(47)*	19	7	884	0	0	0	884	884
A-20 South Atlantic	727	35	0	15	0	677	32	1	14	630	597
A-20 North Russia, water	165	0	0	0	0	165	39	0	0	126	126
A-20 Persian Gulf, water	637	0	0	0	0	637	79	0	0	558	550(8)**
Total Light Bombers	2,553	95	54(47)*	34	7	2,363	150	1	14	2,198	2,157(8)**
Medium Bombers											
B-25 Alab	275	34(b)	10(9)*	0	1	230	0	0	0	230	230
B-25 South Atlantic	128	0	0	0	0	128	4	0	0	124	124
B-25 North Russia, water	5	0	0	0	0	5	0	0	0	5	5
Total Medium Bombers	408	34	10(9)*	0	1	363	4	0	0	359	359
Heavy Bombers											
B-24 Alab	1(d)	0	0	0	0	1	0	0	0	1	1
Cargo Planes											
C-47 Alab	200	5	15(10)*	1	0	199	0	0	0	199	199
Observation Planes											
O-52 North Russia, water	30	0	0	0	0	30	11	0	0	19	19
Advanced Trainers											
AT-6-C North Russia, water	8	0	0	0	0	8	0	0	3	5	5
AT-6-C Persian Gulf, water	22	0	0	0	0	22	0	0	0	22	20(1)**
Total Advanced Trainers	30	0	0	0	0	30	0	0	3	27	25(1)**
U.K. PROTOCOL ACCOUNTS (Under Reciprocal Agreements)											
P-40 Persian Gulf, water	300	0	0	0	0	300	0	0	0	300	300
P-39 Alab	1,120	10	26(22)*	24	13	1,047	0	0	0	1,047	1,047
P-39 North Russia, water	35	0	0	0	0	35	5	0	0	30	30
P-39 Persian Gulf, water	641	47	0	0	0	594	43	0	54	497	5/(1)**
Total (Pursuits)	2,096	57	26(22)*	24	13	1,976	48	0	54	1,874	-
REIMBURSEMENT ACCOUNT											
P-39 Alab	30	0	0	0	3	27	0	0	0	27	27
P-39 North Russia, water	28	0	0	0	0	28	0	0	0	28	28
P-39 Persian Gulf, water	121	0	0	0	0	121	0	0	0	121	5/(1)**
Total (Pursuits)	179	0	0	0	3	176	0	0	0	176	-

* At Fairbanks

** Water shipments lost at Abadan before delivery to U.S.S.R. pilots.

(a) Includes 4 A-20's refused by U.S.S.R. at Fairbanks returned to Great Falls

(b) Includes 3 B-25's refused by U.S.S.R. at Fairbanks returned to Great Falls

(c) One heavy bomber carrying a U.S. Mission became stranded in Siberia and was transferred to the Soviet Government

(d) As of January 29, 1944, 858 P-40 and 1205 P-39 fighters were reported as delivered to Soviet pilots at Abadan

EXPORTS AND AVAILABILITY

As of January 31, 1944

SECRET

Sheet 1

Ref.	Item	Third Protocol Performance July 1, 1943 to January 31, 1944		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to January 31, 1944						
		Made Available	Offered to be Made Available	During January 1944	During Third Protocol Period 7/1/43 to 1/31/44	Made Available	Exported	Arrived	Lost	Diverted to Others After Exports	In U. S. Awaiting Forwarding	Balance on Hand Jan. 31, 1944
MILITARY ITEMS												
Aircraft												
For U. S. Protocol Account												
I 1A	Pursuit Planes	1,494	1,400	167	1,351	3,443	3,232					
I 1B	Light Bombers	732	700	94	641	2,553	2,363					
I 1C	Medium Bombers	188	175	29	157	408	363					
I 1D	Heavy Bombers	0	0	0	0	0	1					
I 1E	Cargo Planes	160	140	38	116	220	199					
I 1F	Advanced Trainers	0	0	0	0	30	30					
I 1G	Observation Planes	0	0	0	0	30	30					
For U. S. Protocol Under Reciprocal Agreements												
I 1A	Pursuit Planes	946	1,050	219	981	2,096	1,976					
For Reimbursement Account												
I 1A	Pursuit Planes	0	0	0	0	179	176					
I 1AA	Link (Ground) Trainers	3	0	0	0	3	0					
} See detailed schedule on preceding page												
Tanks												
I 2A	Light Tanks	0	0	0	0	1,680	1,680	1,237	443	0	0	0
I 2B	Medium Tanks	1,238	1,167	252	1,133	2,874	2,669	1,783	381	0	0	505
Guns, etc.												
I 3A	AA Guns 90 mm.	116	0	24	136	224	224	166	58	0	20	28
I 4A	AA Guns 40 mm.	3,206	0	432	3,942	4,381	4,017	3,285	156	0	0	576
I 4B	AA Guns 37 mm.	0	0	0	0	424	424	340	84	0	68	0
I 4C	AA 50 cal. mg.	**	0	0	1,025	**	1,825	923	0	0	400	500
I 4D	AA Guns 37 mm. S. P.	100	0	0	25	100	25	0	0	0	0	25
I 4E	AA Guns 50 cal. S. P.	74	0	74	74	74	74	0	0	0	0	74
I 4F	AA Guns 50 cal. S. P.	63	0	0	63	63	63	35	28	0	0	0
I 5B	AT Guns 37 mm.	5	0	0	5	5	5	3	0	0	0	2
I 5E	AT 76 mm. S. P. (Tank Destroyers)	5	0	0	67	67	67	62	0	0	0	35
I 5C	AT 57 mm. S. P. (Tank Destroyers)	657	0	0	52	52	52	52	0	0	0	0
I 5D	AT 3" S. P. (Tank Destroyers)	52	0	0	52	52	52	52	0	0	0	0
I 6A	Submachine Guns -45 cal.	1,635	0	700	700	134,418	133,483	109,593	23,190	0	0	0
I 8B	Knockout Leuchers	0	0	0	3,000	3,000	3,000	3,000	0	0	0	0
I 8C	Mortars, 81 mm.	0	0	0	0	30	30	30	0	0	0	0
I 8D	Pistols and Revolvers	3,450	0	50	8,000	9,950	8,000	7,950	0	0	0	50
Ammunition is being supplied for all weapons furnished by the U. S. in accordance with standards prescribed for U. S. Forces. Additional ammunition is furnished for weapons of Soviet manufacture.												
Trucks (with equipment and spare parts including tires)												
I 10A	Cargo & Weapon Carriers (3/4 ton)	5,200	1,650	4,308	10,004	8,956	5,758	78	598	0	2,542	10,376
I 10B	Trucks (1 1/2 ton)	35,052	7,098	38,796	84,495	84,160	67,850	4,176	784	1,446	8,012	6,012
I 10C	Trucks (2 ton)	10,292	4,366	0	54	0	0	0	0	0	0	0
I 10D	Trucks (5 ton and over)	0	0	0	262	232	16	0	0	0	0	14
I 10E	Tank Transporters (20 ton & 40 ton)	214	4	186	292	262	0	0	0	0	0	0
	Total Trucks	70,758	12,000	13,118	71,996	194,513	186,459	147,259	10,264	3,128	4,864	20,944
Other Vehicles												
I 9A	Armored Scout Cars	1,820	(4,500)	415	1,254	2,734	2,148	1,420	168	0	0	560
I 9B	Jeeps (1/2 ton and)	14,168	14,000	2,164	13,150	39,300	35,598	29,019	3,636	1,398	0	3,565
I 9F	Amfibious Jeeps (1/2 ton)	1,402	0	614	1,055	1,402	1,057	2	0	0	0	1,055
I 9C	Personal Carriers (1/2 truck)	292	350	52	258	621	587	417	54	0	0	116
I 9E	Cargo Carriers (1 1/2 ton, 1/2 truck)	2	0	2	2	2	2	2	0	0	0	0
I 17	Motorcycles	7,412	7,000	820	7,400	19,512	18,800	14,794	1,592	1,100	0	1,284
I 18	Military Tractors	1,649	1,400	221	1,595	4,697	3,488	2,635	223	0	155	475
I 10F	Tank Recovery Units	145	0	28	130	145	130	0	0	0	0	50
I 14	Field Repair Trucks	441	0	70	666	1,400	970	867	3	0	0	100
Signal Equipment												
I 20A	Radio Stations (over 1 KW)	15	19	0	3	**	**					
I 20B	Radio Stations (1 KW and Under)	8,577	8,750	766	6,486	**	**					
I 20C	Radio Receivers	1,266	847	668	1,113	**	**					
I 26	Radio Beacons	151	0	15	70	**	**					
I 27	Radio Direction Finders	48	87	0	28	**	**					
I 28	Radio Parts & Access. (\$1,000)	**	**	**	**	**	**					
I 28	Radio Meas. & Test. Equip. (\$1,000)	802	1,750	**	**	**	**					
I 23	Radio Tubes (1,000 units)	1,150	1,379	**	**	**	**					
I 11	Field Telephones	80,667	58,334	11,260	83,652	**	271,943	215,365	30,648	600	11,600	13,730
I 12	Field Telephone Wire (miles)	40,667	58,334	11,260	174,687	**	821,041	685,481	127,008	0	12,404	25,948
I 12	Field Telephone Wire (miles)	120,129	156,000	19,775	174,687	**	821,041	685,481	127,008	0	0	144
I 24	Gas Driven Generators	468	3,167	94	3,440	**	14,503	14,256	103	0	0	38,540
I 31A	Dry Cells for Radios	**	0	38,540	119,810	**	158,778	120,238	0	0	0	0
I 31B	Flashlights with Dry Cells	45,000	0	0	60,000	100,000	85,000	85,000	0	0	0	0
Explosives (tons)												
I 14A	Smokeless Powder	55,336	42,200	6,571	61,164	100,809	99,412	78,177	4,603	0	5,369	11,663
I 14B	Nitroglycerin Powder	450	0	187	306	450	306	119	0	0	0	187
I 13B	T. N. T.	28,350	15,680	4,642	39,628	85,711	73,496	58,502	3,849	250	2,453	8,442
I 61A2	Dynamite (Ammonite)	11,976	0	1,688	10,036	21,803	16,347	14,659	0	0	0	1,688
	Total Explosives (tons)	96,112	57,880	13,088	111,134	210,773	189,561	141,457	8,452	250	7,822	21,980
Other Military Items												
I 35A	Pneumatic Floats	0	0	0	0	3,000	3,000	2,398	552	0	90	0
I 35B	Bridges, Cableway	4	0	4	4	4	4	0	0	0	0	4
I 35C	Barbed Wire Cutters (\$1,000)	**	0	115	248	68	68	533	0	0	0	115
I 35E	Smoke Pots	473,000	0	145,744	376,336	478,000	381,336	216,832	0	0	0	164,704
I 35J	Portable Pipeline (complete with pumps etc. 100 mile units)	2	0	2	2	2	2	0	0	0	0	2

Notes: All tons are 2000 lbs. net weight

** Data not available

a From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities repossessed or diverted before export.

b Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.

c From production or assignments after deductions of quantities repossessed or diverted before export.

d Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.

e 1943 shipments discharged in D.E. considered as awaiting forwarding when other data is not yet available.

f Armament, spare parts and other equipment supplied in accordance with U.S. standards.

g Additional offerings of Second Protocol items not made available by June 30, 1943.

Item	Third Protocol Performance July 1, 1943 to January 31, 1944		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1942 to January 31, 1944							
	Made available a	Offered to be made available b	During January 1944	During Third Protocol Period 9/1/43 to 1/31/44	Made available c	Exported d	Arrived e	Lost f	Diverted to Others After Export g	In U. S. Awaiting Forwarding h	Balance in Stock Jan. 31, 1944 i	
MILITARY ITEMS (cont.)												
Quartermaster Items												
71A	Leather (tons)	8,098	10,500	2,399	10,254	37,352	33,949	26,084	4,615	774	0	2,478
71B	Army Boots (1,000 pr.)	2,251	2,100	370	2,528	7,319	2,507	3,222	555	0	256	474
71C	Ski Boots (1,000 pr.)	82	0	33	94	207	153	108	0	0	4	41
71D	Leather Belts (1,000 units)	792	0	**	**	2,170	**	**	**	**	**	**
71E	Leather Jackets (1,000 units)	35	0	**	**	175	**	**	**	**	**	**
71F	Woolen Cloth (1,000 yds.)	7,872	10,500	2,625	15,261	27,337	23,993	18,052	943	0	1,089	3,009
71G	Cotton Cloth (1,000 yds.)	28,170	11,513	5,282	28,808	118,083	49,165	37,677	222	0	1,478	9,788
71H	Webbing (1,000 yds.)	15,614	(6,000) 3,500	1,854	8,452	59,264	30,139	22,192	2,207	0	2,027	3,713
71I	Tarpaulin (1,000 yds.)	2,162	1,750	**	**	10,142	**	**	**	**	**	**
71J	Tarpaulin & Duck (1,000 yds.)	2,867	0	522	2,677	8,272	3,729	2,675	169	3	0	882
71K	Canvas & W. Textiles (\$1,000)	896	0	449	2,921	7,238	3,739	4,056	47	0	896	720
71L	C. W. Apparel (\$1,000)	0	0	0	0	0	0	0	0	0	0	0
MEDICAL SUPPLIES												
Y	Drugs, Instruments, Et. etc. (\$1,000) (Protocol Quantities Only)	3,080	7,000	**	**	**	**	**	**	**	**	**
MATERIALS												
Non-Ferrous Metals (tons)												
II 3	Aluminum Ingot	34,074	30,360	3,779	31,745	72,155	69,826	60,547	4,533	0	0	4,726
II 3A	Aluminum, fabricated	12,102	0	1,397	11,019	45,227	43,460	37,317	2,393	0	14	3,886
II 4A	Pig Nickel	2,900	2,100	350	2,210	7,621	6,705	5,280	828	0	0	397
II 4B	Waste Metal Scrap	77	2561	0	75	77	75	75	0	0	0	0
II 4C	Basic Products of Nickel	92	1,4	44	56	199	161	104	13	0	0	582
II 5	Nickelium Concentrates	2,478	2,335	232	2,300	11,067	10,672	8,660	1,430	0	0	0
II 6	Copper, Electrolytic	0	0	0	142	1,116	1,144	1,144	0	0	0	5,209
II 7	Copper, Electrolytic	59,349	52,700	12,805	60,168	212,278	193,359	151,929	14,458	36	284	1,447
II 7A	Brass, Bronze, etc.	2,411	8,700	672	2,675	25,541	22,058	19,088	1,193	0	0	732
II 8	Copper Tubes, etc.	2,352	2,252	562	2,679	4,369	4,225	3,493	0	0	0	2,560
II 9	Magnesium	10,235	7,840	2,174	10,234	49,566	49,494	44,611	3,223	0	3	28
II 9A	Zinc Slabs	66	158	28	138	456	452	417	4	0	0	44
II 29	Special Non-Ferrous Wires	335	315	45	275	1,063	982	816	92	0	25	0
II 30A	Nickelose Wire & Strip	13	1,4	0	30	508	505	477	0	0	0	1
II 30B	Basic Nickelose Products	0	0	0	0	895	895	895	0	0	0	0
II 49	Mercury	0	0	1	4	18	18	17	0	0	0	84
II 58	Cerium, Metallic	341	0	84	169	1,443	1,292	950	258	0	0	0
II 61A	Sodium, Metallic	0	0	0	11	11	11	11	0	0	0	0
II 88	Manganese	0	0	0	34	43	43	43	0	0	0	0
II 89	Lead	0	0	0	8	10	10	10	0	0	0	1
II 90	Tin	67	0	1	82	217	215	210	4	0	0	0
II 91	Aluminum, Tin & Nickel Foil	0	0	0	0	106	106	86	20	0	0	0
II 92	Rabbit Metal	0	0	0	0	201	201	201	0	0	0	0
II 93	Cadmium	0	196	0	0	249	216	216	0	0	0	0
II 94	Cobalt	81	81	0	0	0	0	0	0	0	0	0
Total Non-Ferrous Metals (tons)												
		132,130	-	22,174	129,407	434,440	406,092	336,657	27,549	36	5,535	16,315
II 35B	Misc. Non-Ferrous Metals and Products (\$1,000)	52	0	0	0	71	13	13	0	0	0	0
Copper Cable and Wire												
II 1	Marine Cable (miles)	72	436	0	221	1,352	1,125	905	128	0	92	0
II 2	Submarine Cable (miles)	72	219	0	255	839	833	783	50	0	0	0
II 7A	Insulated Cable (\$1,000)	14,534	(1,084) 1,000	1,286	10,672	38,199	20,603	10,265	218	0	866	3,254
II 7Aa	Bare Copper Cable & Wire (tons)	0	11,605	918	1,339	**	3,962	2,816	0	0	80	1,066
Ferro-Alloys (tons)												
II 12	Ferro-Silicon	94	5,298	255	3,504	8,341	7,461	6,007	1,049	0	28	377
II 13	Ferro-Chromium	0	3,136	30	2,110	4,113	4,094	3,052	495	0	0	519
II 15	Ferro-Tungsten	0	0	0	0	4	4	4	0	0	0	0
II 85	Ferro-Vanadium	223	0	167	167	225	182	2	0	0	0	167
II 87	Ferro-Tungsten	165	0	110	110	167	167	112	0	0	0	130
II 87A	Ferro-Molybdenum	1,442	0	771	771	1,142	771	771	0	0	0	771
Total Ferro-Alloys (tons)												
		4,604	8,434	1,393	6,660	13,992	12,611	9,087	1,542	0	288	2,521
Ferrous Metals & Products (tons)												
II 10	Sheet	527	0	418	13,069	39,817	38,611	14,834	958	0	288	2,521
II 14	Armor Plate	0	0	38	170	8,951	8,951	5,977	2,977	267	0	0
II 16	Polished Drill Rods	152	0	30	190	409	390	298	2	0	10	50
II 17	High Speed Tool Steel	4,310	0	501	2,338	9,286	8,962	5,905	386	0	83	388
II 18	Tool Steel	9,241	0	1,950	8,809	24,130	21,852	17,753	939	25	446	3,089
II 19	Cold Finished Bars	20,874	0	5,031	36,662	126,669	107,562	88,500	6,485	280	3,024	9,273
II 20	H. S. Aircraft Steel	32,560	0	7,395	56,330	146,198	117,546	79,138	1,964	0	617	15,287
II 21	Cr. Sl. Mn. Sheet	(-) 4,098	0	3	0	83,579	75,288	65,908	9,081	431	3,214	654
II 22	Cold Rolled Sheets	(-) 3458	0	0	0	35,378	35,378	25,176	29,653	1,089	699	13
II 22A	Cold Rolled Strip	(-) 26,918	0	4,299	7,640	75,766	72,176	52,924	11,266	797	1,089	6,100
II 23	Stainless Steel	2,323	0	2,302	11,448	103,590	87,162	69,340	10,611	980	1,902	4,379
II 24	Template	2,467	0	4,661	21,830	86,654	77,511	62,621	3,077	672	968	4,173
II 25	Steel Wire	(-) 34,579	0	1,055	8,936	29,478	23,896	20,773	789	0	144	1,930
II 26	Wire Rope	3,501	0	1,055	8,936	29,478	23,896	20,773	789	0	144	1,930
II 27	Steel Alloy Tubes	15,776	0	821	13,327	37,029	31,218	17,808	265	0	205	99
II 28	Stainless Steel Wire	297	0	8	208	2,793	2,511	16,417	10,338	203	99	474
II 31	Barbed Wire and Staples	(-) 2,105	0	254	1,946	52,088	47,731	36,417	10,338	1,872	288	8,120
II 32	Pipe and Fitting	14,852	0	327	37,376	142,899	97,977	76,100	15,918	1,572	288	8,120
II 33	H. S. Sheets and Plates	18,708	0	3,194	38,770	196,751	170,362	129,471	18,642	1,533	4,383	6,333

Notes: All tons are 2,000 lbs. net weight.

** Data not available

- a From production or assignments in addition to quantities made available but not exported at end of Decem Protocol period and after deductions of quantities repossessed or diverted before export.
- b Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- c From production or assignments after deductions of quantities repossessed or diverted before export.
- d Includes shipments for clearance through Ferrous Corridor reported arrived in Ferrous Dair.
- e 1944 shipments discharged in U.S. considered as awaiting forwarding when other data is not yet available.
- f Additional offerings of Decem Protocol items not made available by June 30, 1943.
- g Leather required for manufacture of 700,000 pairs of army boots is deductible from offering shown.
- h U.S.S.R. does not desire further shipments.
- i Contained nickel chargeable to offering to 1/31/44 of 1,000 s.t. of steel contained in steel and nickel products.
- j Amount of pure copper contained in amounts made available is applicable to offerings to 1/31/44 of "Bare Copper Cable and Wire" and "Electral", "Brass etc.", "Copper Tubes, etc.", "Marine Cable", "Submarine Cable", "Insulated Cable", "Bare Copper Cable and Wire" and "Electral".
- k Canadian offering of 112 s.t. of selenium during last half of Protocol year assumed by the U.S. under Article 9 of Third Protocol.
- l Data not available in units of offering.
- m U.S.S.R. has requested supply of Ferro-vanadium, ferro-tungsten and ferro-molybdenum in place of ferro-silicon and ferro-chromium.

Line	Description	Third Protocol Performance July 1, 1943 to January 31, 1944		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to January 31, 1944						Balance on Hand Jan. 31, 1944
		Made Available a	Offered to be Made Available b	During January 1944	During Third Protocol Period 7/1/43 to 1/31/44	Made Available c	Exported	Arrived d	Lost	Diverted to Other Export e	In U.S. to (liberal) After Forwarding f	
MATERIALS (cont.)												
Ferrous Metals & Products (cont.)												
	Bolts, Nuts, Rivets, etc.	1,935		138	3,121	12,062	7,052	5,914	0	0	0	138
II 14	Aircraft Landing Mats	8,533		0	8,533	8,533	8,533	8,533	0	0	0	0
II 15D	R. R. Rails and Access.	145,212		26,988	170,826	309,435	281,903	215,967	21,641	1,421	618	42,226
II 16D	Mounted Gears Wheels & Axles	0		506	20,416	24,075	22,538	21,277	93	0	0	360
II 16E	Car Axles	0		556	14,264	35,910	33,590	23,552	1,367	0	4,050	4,943
II 16F	Locomotive and Car Steel Tires	2,199		1,614	9,089	15,177	14,672	11,365	53	0	484	2,770
II 17	Rolling Steel Car Wheels	86		0	4,271	8,668	8,109	5,593	0	0	512	0
II 105	Locomotive Axles	0		0	143	255	183	222	0	0	0	0
II 107	Electric Locomotive Axles	0		0	300	300	222	183	0	0	0	0
II 109	Total Steel (tons)	150,387	291,667	67,014	312,032	1,654,392	1,423,864	1,119,593	148,794	9,492	24,219	121,364

Note: The following tonnage released from U.S.S.R. export stocks for redistribution to others have been deducted from amounts made available.

Line	Description	Jul.- Oct. 1941		Jul.- Oct. 1941		Jul.- Oct. 1941		Jul.- Oct. 1941		Balance on Hand Jan. 31, 1944		
		Jan. 1944	Jan. 1944	Jan. 1944	Jan. 1944	Jan. 1944	Jan. 1944	Jan. 1944	Jan. 1944			
II 19	Cold Finished Bars	945	956	II-22A Cold Rolled Strip	38,464	28,666	II-32 Pipe and Tubing					
II 20	H.R. Aircraft Steel	0	73	II-25 Steel Wire	31,955	31,955	II-33 H.R. Sheets and Plates					
II 21	Cr. St. Mn. Billets	4,151	30,866	II-26 Wire Rope	350	430	Total Released (tons)	1,152	17,396			
II 22	Cold Rolled Sheets	345	3,305	II-31 Barbed Wire & Staples	6,586	17,127						
II 35A	Chains and Anchors (tons)	1,650		II 1	1,102	2,613	1,679	1,661	0	0		
II 35B	Misc. Ferrous Metals & Prods. (\$1,000)	1,248		II 2	779	2,282	1,401	1,239	0	0		
II 35E	Pig Iron (tons)	2,278		II 3	0	2,209	4,676	4,113	0	0		
II 37	Petroleum Products (tons)			II 4	0	0	0	0	0	0		
	From U. S.	317,171v	210,600	33,657	317,171	716,847v	716,847	553,415	10,786	87,957v	0	64,889
	From U. K. for U. S. Account (Replacement to U.K. from U.S.)	9,116v	0	0	9,116	19,312v	19,312	19,312	-	-	-	-
	From Aledan for U.S. Account (Replacement to British from U.S.)	72,768v	70,000	II,200*	72,768	72,768v	72,768	-	-	-	-	-
	Shipments from U.K. to U.S.S.R. as Replacements for Diversion to U.K.	-	-	-	-	-	(31,867v)	(31,867)	-	-	-	-
	Additional U.S. Allocations to U.S.S.R. at U. K. Expense as Replacement for Diversion to U. K.	-	-	-	-	(29,971v)	-	-	-	-	-	-
II 61A5	Acetone	1,332	3,920	713	1,796	2,333	2,303	1,590	0	0	0	713
II 38A	Alcohol, Ethyl from U.S. Account (Replacement to U.K. from U.S.)	100,000*	20,203	98,385	120,000*	116,531	97,447	159	0	0	0	20,925
II 61A3	Caustic Soda	23,274	23,250	3,069	10,165	10,165	10,165	10,165	0	0	0	4,384
II 38	Ethylene Glycol	1,942	1,960	0	4,131	8,894	8,662	7,601	189	0	0	514
II 61A11	Glycerine from U.S. Glycerine, Lead-Lease, Retransferred from U.K.	2,153	3,920	**	3,000*	5,600*	5,600*	5,600*	0	0	0	**
II 45	Methanol	1,157y	3,920	566	3,797	18,357y	14,816	12,004	2,761	371	683	755
II 26	Phenol	5,592	7,000	1,490	7,168	24,191	21,737	17,439	1,576	170	448	2,104
II 61A25	Potassium Tetraoxide	172	(24)	72	175	417	343	224	0	0	0	119
II 13A	Toluol	23,183	21,654	6,943	27,343	65,487	63,120	50,518	1,192	359	1,810	6,841
II 46	Tropoline	3,712	3,920	739	4,599	14,951	10,108	8,785	358	25	201	739
Other Chemicals (tons)												
II 48	Ammonia Chloride	(-220y)		0	75	4,594z	726	726	0	0	0	0
II 61A23	Ammonia Nitrate	(-2,406y)		0	0	3,394z	3,394	2,602	113	0	0	679
II 51	Ammonia Sulpho Cyanide	0		0	0	3	3	3	0	0	0	0
II 61A9	Aniline Oil	(-2,191y)		0	0	3,512y	3,512	2,466	927	15	112	0
II 61	Anthracene	0		0	0	0	0	9	0	0	0	0
II 54	Barium Peroxide	0		0	0	152	106	106	0	0	0	0
II 61A21	Black Dye	0		26	530	752	689	669	0	0	0	20
II 61A7	Boric Acid	0		0	0	1,019	459	292	167	0	0	0
II 61A8	Calcium Carbide	0		0	13	2,251	2,251	2,251	0	0	0	212
II 61A24	Carbon & Lamp Blacks	0		62	772	1,756	1,481	1,066	0	0	0	252
II 52	Centrifuge, Ethyl	1,085		65	491	1,004	1,004	1,066	56	0	0	130
II 61A26	Citric Acid	491		0	130	8,136	4,896	3,231	1,339	86	110	0
II 44	Collinysin (wet)	0		0	0	442	292	231	61	0	0	0
II 59	Cresol	0		134	1,176	5,579	4,503	3,290	899	70	20	35
II 41	Diethyl Phthalate	394		35	252	552	427	392	0	0	85	0
II 61A17	Diethylene Glycol	184		0	52	2,510	2,300	1,797	420	0	0	0
II 43	Dimethyl Aniline	0		0	3	2,080	1,489	1,233	296	0	0	40
II 61A16	Ethylene Chlorohydrin	121		60	140	152	152	112	0	0	0	209
II 61A10	Ethylene Dichloride	0		0	593	4,615	2,042	1,312	0	0	0	0
II 61A27	Formaldehyde	0		0	127	600	127	0	0	0	0	127
II 61A12	Heptanoic Acid	0		0	34	504	504	504	0	0	0	0
II 61A14	Acetone	0		0	0	448	447	369	48	0	0	258
II 61A1	Phenol Formaldehyde	(-740y)		149	590	2,823y	2,555	1,812	784	30	0	147
II 40	Phosphorus	697		23	503	1,486	859	530	0	0	0	40
II 61A4	Fluoric Acid	0		0	340	1,144	3,203	2,128	1,226	0	0	138
II 61A18	Potassium Chlorate	221		0	178	3,807	580	535	0	0	0	214
II 50	Potassium Nitrate	(-1410y)		0	1	120	63	51	0	0	0	0
II 60	Potassium Sulphate	(-1,243y)		0	1	6	6	6	0	0	0	0
II 53	Sesquicarbide	0		0	1	6	6	6	0	0	0	0
II 56	Rhodamine	0		0	113	323	298	267	0	0	0	19
II 61A19	Saccharine	126		0	0	0	0	0	0	0	0	0

Notes: All tons are 2000 lbs. net weight.

** Data not available

v Estimated

w From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities repossessed or diverted before export.

x Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.

y From production or assignments after deductions of quantities repossessed or diverted before export.

z Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.

aa 1943 shipments discharged in U.K. considered as awaiting forwarding when other data is not yet available.

ab Additional offerings of Second Protocol items not made available by June 30, 1943.

ac Value of orders accepted for Third Protocol changeable to Market offering for "Other Materials".

ad Production control provisions of the Third Protocol have been invoked.

ae Partially offset by shipments from U.S. above. Balance not replaced is from 1942 discharge operation.

af Offset to diversions of shipments to Market offering as exported.

ag Petroleum products and footnotes made available as exported.

ah See note after Chemical group on following page.

Item	Third Protocol Performance July 1, 1943 to January 31, 1944		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1942 to January 31, 1944							
	Made Available a	Offered to be Made Available b	During January 1944	During Third Protocol Period 7/1/43 to 1/31/44	Made Available c	Exported	Arrived d	Lost e	Diverted to Others After Export f	In U. S. - Awaiting Forwarding g	Balance En Route Jan. 31, 1944 h	
MINERALS (cont.)												
Other Chemicals (tons) (cont.)												
II 61A6 Soda Ash	112	///	0	754	1,901	1,388	1,388	0	0	0	0	
II 61A20 Sodium Bicarbonate	50	///	0	200	650	526	424	55	0	0	47	
II 61 Sodium Bromide	(-2877)	///	0	118	2,179	1,787	1,365	334	0	0	58	
II 61 Sodium Sulfate	0	///	0	0	0	80	76	0	0	0	4	
II 61 Strontium Sulfate	0	///	0	0	0	12	6	6	0	0	15	
II 61 Talcum Nitrate	185	///	0	387	691	604	588	0	0	0	113	
II 61A15 Tellurium or Petroz Resept	255	///	25	251	587	452	315	5	0	0	23	
II 61A17 Vanadium	7,641	///	1,633	4,789	11,386	9,278	7,215	129	0	0	1,910	
II 61A19 Misc. Chemicals	692	///	3,288	18,964	77,763*	58,528*	41,796	3,456	172	1,492	4,010	
Total Other Chemicals (tons)												
Total Chemicals (tons)	180,034	132,959	35,887	205,189*	402,068*	370,293*	302,555	14,901	1,097	4,992	41,148	

Note: f The following, all of which have been released during the Third Protocol Period from U.S.S.R. export stocks for redistribution to others, have been deducted from amounts made available.

II-45 Methanol	727	II-50 Potassium Nitrate	410
II-48 Ammonia Chloride	211	II-60 Potassium Sulphate	1,246
II 61A23 Ammonium Nitrate	4,406	II-39 Sodium Bromide	759
II 61A9 Aniline Oil	2,207		
II 40 Phosphorus	1,027	Total Chemicals Released	9,963

Item	Made Available	Offered to be Made Available	During January 1944	During Third Protocol Period	Made Available	Exported	Arrived	Lost	Diverted to Others	In U. S. - Awaiting Forwarding	Balance En Route	
Other Materials & Products												
II 67A Abrasive Grain (tons)	4,908	2,334	695	4,071	7,549	5,448	4,430	91	0	0	727	
II 67B Abrasive Products (\$1,000)	3,016	2,334	223	3,109	4,790	9,216	7,486	456	33	344	397	
II 68A Graphite Electrodes (tons)	4,079	3,359	276	3,760	13,519	12,045	10,097	1,319	25	403	201	
II 68C Graphite Powder (tons)	1,392	434	78	1,135	2,430	1,866	1,554	126	0	0	376	
II 68B Other Graphite Goods (\$1,000)	399	987a	37	271	1,266	1,158	998	100	0	4	56	
II 78 Tires (1,000 units)	876	///	129	960	2,234	2,124	1,824	92	52	0	186	
II 78 Rubber Hose (1,000 units)	864	///	129	956	2,307	2,076	1,748	107	0	0	998	
II 79 Other Rubber Products (\$1,000)	3,171	///	396	2,811	13,066	7,549	7,424	107	0	0	2,376	
II 79A Sheet Fibre (tons)	4,561	///	1,351	7,273	13,767	4,322	9,234	6,797	0	0	791	
II 81 Shock Absorber Cord (yds)	1,371	584	102	2,017	247,349	171,111	186,111	7	0	0	5,000	
II 81 Metallic Cloth & Screen (\$1,000)	50,000	0	5,000	5,000	1,241	1,190	1,074	7	0	0	110	
II 82 Condenser Paper (tons)	245	86	0	19	175	438	238	68	0	0	9	
II 83 Cigarette Paper (tons)	19	195	0	127	1,042	534	457	68	0	0	355	
II 83B Paraffin & Other Paper (tons)	939	960	464	1,243	3,586	2,030	1,679	///	///	///	///	
II 91B Rubber Footwear (\$1,000)	53	///	64	611	581	871	///	///	///	///	///	
II 95C Other Footwear except U.S. (\$1,000)	377	///	155	445	871	765	622	23	0	0	21	
II 95A Textiles except U. S. (\$1,000)	78	///	20	100	444	265	222	0	0	0	187	
II 96B Fibre Yarn (tons)	15	///	0	197	373	465	363	176	0	0	16	
II 96C Soap (tons)	1,337	///	0	133	445	385	313	61	0	0	0	
II 96C Non-metallic Minerals & Products (\$1,000)	105	///	0	14	34	27	27	0	0	0	424	
II 71D End Products of Lanthan (\$1,000)	0	///	0	240	427	1,189	693	32	20	0	0	
II 35 Misc. Material & Products (\$1,000)	816	///	0	7,74	///	///	///	///	///	///	///	
II 96D Harvest Twine	0	7,74	0	0	0	0	0	0	0	0	0	

MACHINERY AND EQUIPMENT
(Except Military and Naval)
(Unit \$1,000)

II 64670 Bearings	3,622	8,750	981	5,028	10,443	8,751	7,531	190	0	0	1,070
II 15A Cemented Carbide Tips & Blanks	1,070	1,750	184	1,137	2,328	2,043	1,850	10	0	0	183
II 15B Metal Cutting, Dies, Drills, etc.	5,556	1,039	0	4,511	20,848	19,017	17,718	42	0	3	1,254
II 15B2 Portable Metal Cutting Machines	42	8,750	144	1,038	3,997	3,811	3,500	58	0	0	1
II 15B3 Other Cutting & Boring Tools	89,201	70,000	15,740	93,902	200,404	198,668	140,726	140,726	0	0	213
II 62 Machine Tools (Units)	(14,738)	0	(14,738)	(10,792)	(28,117)	(22,857)	(18,899)	(14,841)	618	0	3,955
II 63 Electric Furnaces (Units)	4,211	7,000	627	3,996	11,895	9,078	7,531	1,546	0	(515)	(2,490)
II 64A Steel Rolling Mills & Equip.	1,819	9,334	37	114	5,165	439	396	0	0	0	43
II 64B Forges, Presses, etc.	23,117	17,500	1,868	13,311	54,016	28,005	22,520	953	26	1,121	3,385
II 64C Wire Drawing Machines	590	5,167	19	19	550	19	0	0	0	0	19
II 65A Excavating Equip.	3,992	7,892	1,450	5,841	14,530	13,127	8,178	134	0	2,478	2,117
II 65B Trunk and Tractor Cranes	246	1,167	90	803	2,456	2,166	1,719	28	0	134	85
II 65C Other Cranes	6,211	11,667	2,080	5,022	10,993	6,821	2,850	59	0	0	2,754
II 65D Compressors	2,989	368	3,929	7,125	6,213	5,056	340	0	0	182	641
II 65E Fans & Blowers	339	5,250	22	87	376	62	0	0	0	0	22
II 65F Pumps	1,715	4,667	309	1,630	6,147	3,411	2,803	192	0	159	459
II 65G Mining, Crushing, Conveying Equip.	4,821	5,834	266	2,760	6,147	4,114	3,236	83	0	118	677
II 65H Blast Furnace Equip.	868	5,834	0	212	968	220	0	0	0	0	1,049
II 65I Welding Equipment	2,450	2,334	857	2,651	4,111	3,305	1,786	50	0	0	277
II 65J Valves & Fittings	2,451	1,780	133	2,033	4,370	3,181	2,850	54	0	0	216
II 65K Pneumatic Tools	1,480	2,917	131	1,499	3,714	2,696	2,480	62	25	0	7
II 66 Control Instrs. & Test Equip.	660	992	18	424	974	692	34,031	60	0	25	4,546
II 140 Special Power Program	25,486	43,750	1,133	28,356	44,775	7,711	1,131	423	0	0	308
II 140A Industrial Rollers	6,701	0	0	76	2,378	76	76	0	0	0	0
II 65K33B S. S. Clock Signal System	2,974	7,000	0	0	1,868	9	833	1	0	0	151
II 15C Precision Measuring Tools	60	1,780	151	713	1,868	9	833	1	0	0	151

Auxiliary Machinery & Equipment (\$1,000)

II 65K1 Engines and Turbines	150	///	3	67	1,754	1,668	1,434	133	0	0	38
II 65K2 Industrial Trucks and Tractors	487	///	89	787	3,357	2,879	2,434	93	0	0	225
II 65K3 Mechanical Power Trans. Equip.	7	///	0	27	22	22	22	0	0	0	127
II 65K4 Other General Purpose Equip.	154	///	0	27	287	149	149	0	0	0	4
II 65K5 Electric Motors, Generators etc.	2,438	///	1,185	5,250	12,276	8,779	7,033	135	3	37	1,511
II 65K6 Transformers, etc.	1,527	///	132	1,389	2,811	1,709	1,230	0	0	0	479
II 65K7 Electric Switches & Control Equip.	609	///	210	857	2,304	1,996	1,578	43	23	20	332

Notes: All tons are 2000 lbs. net weight.

/// Data not available

* Estimated

a From production or assignments in addition to quantities made available but not exported at end of Detrom Protocol period and after deductions of quantities repossessed or diverted before export.

b Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control operations of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly activities are quoted in the Protocol have been computed on the basis of proportional line elapsed.

c From production or assignments after deductions of quantities repossessed or diverted before export.

d Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.

e 1943 shipments discharged in U.S. considered as awaiting forwarding when other data is not yet available.

f Partially offset by replacements.

g Offset to diversions of shipments from U.S. above. Balance not replaced is from 1943 discharge operation.

h Contained rubber charged to offering to U.S.S.R. of 23,520 s.t. of crude, synthetic and reclaimed rubber in various products except military items.

i Commitment for supply of 4,430 s.t. of Harvest Twine during second half of Protocol period assumed under Article 9 of Protocol. U.S. commitment reduced by amount of contained steel.

Ref.	Item	Third Protocol Performance		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols				In U. S. A. Awaiting Forwarding	Balance On Hand Jan. 31 1944	
		July 1, 1943 to January 31, 1944		During January 1944	During Third Protocol Period 7/1/43 to 1/31/44	October 1, 1941 to January 31, 1944						
		Made Available a	Offered to be Made Available b			Made Available c	Exported	Arrived d	Lost			Diverted to Others After Export e
MACHINERY AND EQUIPMENT (cont.)												
Auxiliary Machinery (cont.)												
II 6508	Electric Cranes	1	0	0	3	5	4	4	0	0	0	0
II 6509	Electric Lamps	14	0	0	62	101	78	78	0	0	0	0
II 6510	Electric Appliances	0	0	0	479	768	643	443	0	0	18	181
II 6511	Misc. Electrical Products	214	0	111	231	705	327	162	0	0	0	43
II 6512	Food Products Machinery	452	0	6	175	986	918	763	110	0	0	1
II 6513	Textile Machinery	361	0	0	194	682	434	426	0	0	0	0
II 6514	Paper Industry Machinery	0	0	0	44	44	44	44	0	0	0	200
II 6515	Printing Machinery	3,036	108	2,656	10,273	46,668	5,813	5,641	12	0	0	26
II 6516	Tire & Rubber Machinery	419	27	249	849	666	435	377	0	0	45	1,716
II 6517	Woodworking Machinery	32,606	1,608	37,698	47,768	147,788	41,378	39,324	0	0	0	113
II 6518	Petrol. Machinery Equip.	136	85	174	174	174	174	61	0	0	0	149
II 6519	Glass Ind. Machinery	694	0	164	933	181	32	32	0	0	0	89
II 6520	Chemical Ind. Machinery	1,541	89	903	2,967	1,369	1,369	1,280	0	0	0	310
II 6521	Gas Producing Machinery	2,514	165	1,166	3,792	2,072	2,072	1,757	5	0	0	125
II 6522	Other Special Machines	607	106	2,089	12,317	11,755	11,499	17	0	0	0	0
II 6522A	Cartridge Mfg. Lines	242	0	135	858	268	268	268	0	0	1	29
II 6523	Smelting and Casting Equip.	1,480	9	389	6,945	5,232	5,022	5,022	0	0	0	1,459
II 6524	Non-Ferrous Rolling Mills	4,406	1,262	5,092	5,317	5,195	3,728	3,728	8	0	14	28
II 6525	Misc. Metal Working Equip.	565	23	238	1,435	770	163	121	0	0	0	42
II 6526	Attachments for Machine Tools	233	45	155	761	406	163	121	0	0	14	53
II 6527	Agricultural Machinery	1,557	19	2,808	4,891	4,066	3,999	3,999	0	0	0	0
II 6528	Oil Well Drilling Equipment	387	0	135	338	321	321	321	0	0	0	0
II 6529	Rock Drilling Equipment	28	0	49	48	48	48	48	0	0	2	96
II 6530	Construction Machinery	697	12	409	1,296	555	457	457	0	0	10	644
II 6531	Office Machines	4,282	69	2,561	7,222	3,371	2,483	2,483	0	0	0	34
II 6532	Misc. Machines	239	6	679	816	662	662	662	0	0	0	206
II 6533	Communication Equip.	578	34	1,115	2,425	1,582	1,351	1,351	0	0	0	7
II 6534	Teletype Apparatus	22	8	16	179	170	160	160	0	0	0	0
II 6535	Industrial & R. & Trans. Equip.	17	0	67	252	248	215	215	0	0	0	4
II 6536	Motor Vehicles & Pts.	12	5	162	1,628	1,295	824	75	7	0	392	4
II 6537	Refrigeration Equip.	227	97	979	2,634	2,265	2,143	2,143	0	0	0	24
II 6538	Lighting Fixtures	1,005	24	336	913	717	656	656	0	0	0	34
II 6539	Photographic Equip.	183	27	111	487	387	319	34	0	0	0	0
II 6540	Indicating & Other Instru.	145	1	17	158	147	138	138	0	0	0	1
II 6541	Misc. Prof. Instru.	11	0	0	0	0	0	0	0	0	0	0
II 6542	Hand Tools	70,750	21,292	5,273	70,816	139,249	110,154	99,706	1,444	26	957	8,321
Total Auxiliary Equip. (\$1,000)		-	14,580	-	-	-	-	-	-	-	-	-
Emergency Equipment		270,656	262,378	36,238	251,571	616,137	442,369	365,450	11,772	52	9,538	55,557
Total Machinery and Equip. (\$1,000)		241	84	72	186	211	186	68	6	0	0	112
II 110	Locomotives (units)	3,669	3,667	297	787	3,669	767	171	27	0	0	569
II 111	Flat Cars (units)	-	-	-	-	-	-	-	-	-	-	-
NAVAL & MARINE EQUIPMENT												
VI 1	Marine Diesel Engines	467	(517g)47	96	469	945	826	707	0	0	0	110
VI 2	Marine Gasoline Engines	4,468	(154g)0	313	1,536	3,321	2,774	2,345	64	0	64	318
VI 4	Outboard Motors	500	0	0	415	600	38	58	0	0	0	0
VI 5	Dry Cargo Vessels Transferred	6	0	1	6	13	13	13	0	0	0	0
VI 6	tankers Transferred	6	0	0	6	10	10	10	0	0	0	0
VI 7	Minersweepers	10	(10g)0	0	12	12	12	12	0	0	0	0
VI 9	Submarine Chasers	12	0	0	30	30	30	30	0	0	7	8
VI 10	Landing Boats	27	0	3	21	39	33	15	2	0	0	20
VI 11	Motor Torpedo Boats	62	0	9	36	62	26	26	0	0	36	84
VI 11A	Crash Boats	205	34	9	246	326	196	196	0	0	0	56
VI 12	3"/50 Cal. D.D. Deck Guns	50	0	36	126	126	70	70	0	0	0	0
VI 13	5"/38 Cal. D.D. Deck Guns	50	0	36	126	126	70	70	0	0	0	0
VI 15	-50 Cal. A. A. mg.	324	400	70	350	350	280	280	0	0	0	70
VI 16	-50 Cal. Twin mg.	618	84	9	818	1,598	1,297	111	150	0	0	49
VI 17	Berlikan Guns (20 mm.)	-	-	-	-	-	-	-	-	-	-	-
VI 18	Armament for Naval Armament	6	(15g)0	0	6	22	21	18	0	0	2	1
VI 19	Storage Batteries for Subs	102	(800g)30	38	133	148	294	245	0	0	0	49
VI 20	Diesel Generators & Gen. Cosce.	0	175	0	0	0	0	0	0	0	0	0
VI 21	Gas Engines	0	(10g)0	0	10	14	14	14	0	0	0	0
VI 22	Marine Turbo Generators	650	(1210g)610	20	629	691	432	401	0	0	0	18
VI 23	Electric Motors, Motor Gen., & Gens.	35	71	20	47	171	41	21	0	0	0	20
VI 24	Portable Water Pumps	178	(257g)0	0	47	47	47	47	0	0	0	8
VI 25	Marine Pumps - Non Portable	52	0	0	53	63	53	45	0	0	0	0
VI 25A	Marine Turbo-Pumps	0	0	10	0	0	0	0	0	0	0	0
VI 27	Portable Air Compressors	0	7	0	0	0	0	0	0	0	0	0
VI 28	Diving Salvage Stations	0	10	0	0	0	0	0	0	0	0	0
VI 29	Elec. Welding & Cutting App. (sets)	0	0	0	0	200	200	200	0	0	0	0
VI 30	Elec. & Pneumatic Underwater Tools (sets)	0	16	0	0	0	0	0	0	0	0	0
VI 31	Portable Elec. Stations	8	(20g)0	0	0	8	8	8	0	0	0	1
VI 32	Jettison Equip. for Salvage (sets)	0	(10g)0	0	3	3	3	3	0	0	0	0
VI 33	Vertical Steam Boilers	1	(1g)0	0	1	1	1	1	0	0	0	0
VI 34	Submarine Rescue Chambers	4	(5g)0	0	4	4	4	4	0	0	0	0
VI 35	Windlasses with Motors	649	(649g)0	0	104	449	275	255	0	0	0	0
VI 36	Electric Ventilating Sels	6	(8g)0	0	32	32	32	32	0	0	0	0
VI 37	Marine Turbo-Ventilators	6	(8g)0	0	32	32	32	32	0	0	0	0
VI 38	Air Tanks	0	(12g)0	0	0	0	0	0	0	0	0	0
VI 39	Towing Winches	0	(3,000g)0	0	850	4,365	850	850	0	0	0	0
VI 40	Rotary & Changeover Switches	240	(240g)0	0	167	240	162	162	0	0	0	0
VI 41	Water-tight Junction Boxes	-	(10g)0	-	-	-	-	-	0	0	0	0
VI 42	Auxiliary Equip. for Ships (Data)	143	59	0	143	143	143	143	0	0	0	50
VI 43	Elec. Instruments & Fixtures (\$1,000)	0	0	0	50	50	50	50	0	0	0	27
VI 45	Winter Diving Suits	0	0	23	62	79	52	52	0	0	0	0
VI 99D	Optical & Navig. Instru., etc. (\$1,000)	0	0	0	0	0	0	0	0	0	120	6
VI 99E	Naval Aircraft Equip. (\$1,000)	0	0	0	0	0	14.7	1.7	0	0	13	97
VI 99F	Torpedo Equip. (\$1,000)	0	0	18	299	523	413	413	0	0	0	51
VI 99G	Other Marine Mach. & Equip. (\$1,000)	0	0	37	367	400	349	349	0	0	0	3
VI 99H	Other Elec. Mach. & Equip. (\$1,000)	0	0	-	377	870	866	866	1	0	0	0
VI 99I	Other Radio Equip. (\$1,000)	0	0	53	1,542	2,772	2,489	2,489	0	0	0	83
VI 99J	Misc. Stores & Equip. (\$1,000)	-	-	-	-	-	-	-	-	-	-	-

In addition to the above Soviet vessels have been repaired and armed in U. S. ports and supplied with stores for their return voyages.

Notes: All tons are 2000 lbs. net weight

- From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities repossessed or diverted before export.
- Offerings selected by U.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedule are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- From production or assignments after deductions of quantities repossessed or diverted before export.
- Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.
- 13A) shipments discharged in U.S. considered as awaiting forwarding when other data is not yet available.
- Additional offerings of Second Protocol items not made available by June 30, 1943.

Ref.	Item	Third Protocol Performance - July 1, 1943 to January 31, 1944		Expected		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to January 31, 1944						
		Made Available a	Offered to be Made Available b	During January 1944	During Third Protocol Period 7/1/43 to 1/31/44	Made Available c	Exported	Arrived d	Lost	Diverted to Others after Export e	In U. S. - Awaiting Forwarding f	Balance on Hand Jan. 31, 1944 g
	FOODSTUFFS (Units - Tons)											
IV 1	Wheat	15,273	///	7,051	15,273	44,521	44,521	29,628	600	0	0	14,273
SP 101A	Other Grains	2,208	///	0	2,208	5,362	5,362	5,362	0	0	0	0
IV 1B	Wheat Flour	172,096	///	55,370	172,096	408,888	408,888	323,166	4,493	5,062	0	76,187
IV 1C	Flour other than Wheat	32,892	///	1,830	32,892	46,627	46,627	40,737	1,122	0	0	4,768
IV 1D	Other Basic Grain Mill Products	5,809	///	1,223	5,809	20,428	20,428	18,603	130	0	0	1,695
SP 112A	Other Finished Cereals and Products	37,116	///	7,407	37,116	91,081	91,081	76,307	1,068	528	0	13,181
SP 101B	Dried Peas and Beans	92,847	///	30,939	92,847	204,969	204,969	130,835	7,651	23,138	0	43,345
	Total Wheat, Cereals, etc.	357,241	233,234	106,120	357,241	821,876	821,876	604,638	15,061	28,708	0	153,449
IV 2A	Sugar from U. S. Mainland	160,704	65,334	33,263	160,704	331,654	331,654	247,105	16,443	12,344	0	35,744
IV 2B	Sugar from Other Sources	7	189,467	0	0	26,517	26,517	26,517	0	0	0	0
IV 3A	Canned Meat	86,598	///	23,487	86,598	317,226	317,226	249,755	17,089	14,842	581	34,939
IV 3B	Tushonka	89,427	///	3,201	89,427	94,487	94,487	81,726	1,160	0	0	9,601
	Total Canned Meats	176,025	130,667	26,788	176,025	411,713	411,713	331,481	18,249	14,842	581	44,560
IV 4A	Cured Meat	3,932	///	471	3,932	15,993	15,993	14,997	499	302	0	195
IV 4C	Sausage & Meat Preparations - not canned	7	///	0	7	236	236	236	0	0	0	0
SP 119	Dehydrated Meats	3,993	///	389	3,993	4,704	4,704	4,315	0	0	0	389
	Total Cured & Detry. Meats	7,927	11,667	460	7,927	20,933	20,933	19,548	499	302	0	584
SP 107A	Butter	39,110	22,867	40	39,110	50,813	50,813	45,519	1,010	735	0	3,549
SP 107B	Clarified Butter	690	///	690	690	690	690	0	0	0	0	690
IV 5A	Lard	66,884	///	13,863	66,884	136,664	136,664	90,892	6,861	16,846	0	22,065
IV 5B	Fat Cuts	88,389	///	5,796	88,389	179,108	179,108	163,197	3,148	4,142	0	8,618
IV 5D	Other Animal Fats and Oils	7,271	///	668	7,271	22,649	22,649	20,073	837	379	0	1,400
	Total Animal Fats and Fat Cuts	163,234	168,000	20,517	163,234	339,108	339,108	274,162	10,846	21,527	0	32,773
IV 6A	Vegetable Oils	104,015	///	13,345	104,015	223,700	223,700	196,501	684	0	0	26,115
IV 6B	Shortening	12,117	///	999	12,117	24,334	24,334	20,755	286	2,140	0	1,151
SP 113	Glycerine	28,785	///	4,069	28,785	33,545	33,545	26,135	453	0	0	6,952
	Total Vegetable Oils, etc.	144,909	131,250	18,413	144,909	281,577	281,577	243,791	1,428	2,140	0	34,218
SP 114	Dried Milk	29,098	///	3,598	29,098	46,077	46,077	29,439	896	4,394	0	11,328
SP 109	Condensed Milk (Sterilized & Evap.)	5,824	///	0	5,824	11,443	11,443	10,708	282	0	0	77
SP 111	Dried Eggs	23,468	///	4,478	23,468	54,471	54,471	39,324	4,574	5,296	0	4,677
SP 104A	Dried Fruit	300	///	0	300	983	983	983	0	0	0	0
SP 104B	Dried Vegetables (except peas, beans)	3,116	///	1,127	3,116	3,673	3,673	2,096	0	0	0	1,577
SP 112B	Concentrated Cereals	4,903	///	240	4,903	6,043	6,043	4,949	95	0	0	999
SP 116B	Dried Soups	6,551	///	754	6,551	6,722	6,722	5,254	205	0	0	1,261
SP 106	Cheese	14,356	///	6,247	14,356	18,077	18,077	10,116	295	0	0	7,666
SP 116A	Fruit & Veg. Pastes & Purées	2,497	///	825	2,497	2,907	2,907	1,713	2	0	0	1,194
SP 115	Flavoring Extracts	193	///	0	193	743	743	743	2	0	0	0
	Total Concentrates, etc.	90,208	103,450	14,327	90,208	150,819	150,819	105,065	6,249	4,690	0	28,875
IV 7A	Soap	1,270	///	66	1,270	6,074	6,074	5,462	111	0	0	311
IV 7B	Soap Stock	0	///	0	0	322	322	0	0	322	0	0
	Total Soap and Soap Stock	1,270	6,534	66	1,270	6,396	6,396	5,462	111	322	0	311
SP 103A	Canned Fruits	1,178	///	0	1,178	1,509	1,509	1,509	0	0	0	0
SP 103B	Canned Vegetables	541	///	0	541	1,323	1,323	1,323	0	0	0	0
SP 105A	Fresh Fruits	49	///	0	49	53	53	53	0	0	0	0
SP 105B	Fresh Vegetables	1,030	///	0	1,030	1,100	1,100	1,100	0	0	0	0
SP 110	Table Salt	320	///	0	320	471	471	471	0	0	0	15
SP 117	Tea	249	///	0	249	5,004	5,004	3,331	0	560	0	1,133
SP 118	Coffee	2,260	///	1,133	2,260	3,004	3,004	1,214	0	0	0	0
SP 108	Spices	1,143	///	0	1,143	1,214	1,214	1,214	0	0	0	0
SP 121A	Nasal Tite from Turkey	1,598	///	0	1,598	3,638	3,638	3,638	0	0	0	0
SP 121B	Other Meats	1	///	0	1	58	58	58	0	112	0	34
SP 112	Yeast	414	///	33	414	723	723	577	0	36	0	31
SP 113	Vitamins	88	///	0	88	356	356	294	0	0	0	417
SP 120A	Seeds, Lent-Beans	1,037	///	388	1,037	9,560	9,560	9,128	18	0	0	4
SP 120B	Seeds, P. F. F.	164	///	0	164	1,294	1,294	1,294	0	0	0	1
SP 100	Other Foodstuffs	1,547	///	0	1,547	2,347	2,347	4,345	1	0	0	0
SP 102	Feed	3,242	///	0	3,242	3,258	3,258	3,258	0	0	0	0
	Total Non-Protocol Foods	16,921	0	1,555	16,921	36,484	36,484	34,127	24	708	0	1,625
	Total Foodstuffs (tons)	1,157,619	1,062,370	221,649	1,157,619	2,477,890	2,477,890	1,960,345	69,718	91,394	581	355,687

Notes: All tons are 2000 lbs. net weight

- From Production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities reprocessed or diverted before export.
- Offerings selected by U.S.S.F. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- From production or assignments after deductions of quantities reprocessed or diverted before export.
- Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.
- 1943 shipments discharged in U.S. considered as awaiting forwarding when other data is not yet available.

SECRET

PROGRESS OF INDUSTRIAL PROJECTS FOR THE U.S.S.R.
As of January 31, 1944

Petroleum Refinery Project

This project was developed to replace Soviet facilities destroyed by the German Army. It was designed to produce aviation gas, motor gas, and lubricating oils. Of the entire project valued at \$42,573,000, equipment valued at \$41,855,000 has been made ready for shipment. Equipment valued at \$39,564,000 has been exported. Most of the equipment remaining to complete the project consists of valves, instruments, spare parts and tank cars which are expected to be shipped before summer. Nineteen U.S. engineers are in the U.S.S.R. aiding in construction.

Approval has been given for additions to supplement the facilities already supplied. This additional equipment, valued at \$25,150,000, is now being engineered.

Tire Plant

This \$8,500,000 project was designed to permit the production of a minimum of 1,000,000 military tires a year from U.S.S.R. supplies of synthetic rubber and natural rubber obtained from shrubs. To utilize this American equipment basic elements of the tire plant of the Ford Motor Company have been acquired.

See equipment necessary to complete the production cycle for large size military tires has been purchased. A power plant to supply the necessary steam and electrical power is being supplied at a cost of \$11,000,000.

Tire production equipment valued at \$4,000,000 has been made available by suppliers. Equipment valued at \$5,700,000 has been exported.

The power plant is in production and a small portion has already left the United States.

Power Program

Under the Second Protocol program 320,000 KW of stationary steam generating equipment has been made available. This includes nine units with a total capacity of 40,500 KW furnished with the petroleum refinery project and two units totaling 11,000 KW furnished with the tire plant. The remaining units of the Second Protocol program totaling 268,500 KW are rated from 250 KW to 35,000 KW and are for installation as power utility plants. Over 70% of this equipment has been exported.

Diesel generating equipment totaling 162,000 KW and 59 industrial steam boilers have been made available for export.

Power equipment approved under the Third Protocol has now been placed under contract. Designing and manufacturing are progressing on schedule. The program consists of generating equipment as follows:

Stationary Steam Generating Equipment	166,500 KW
Mobile Steam Generating Equipment	217,000 KW
Stationary Diesel Generating Equipment	105,925 KW
Mobile Diesel Generating Equipment	32,000 KW
Hydro-electric Equipment	66,150 KW
Total	590,575 KW

Thirty-two industrial steam boilers and transmission equipment valued at \$5,000,000 are also being supplied.

R.R. Block Signal System

This project is to permit automatic signal operation of a portion of the U.S.S.R. railroad system. When installed it will increase the carrying capacity of existing rail facilities without increase of rolling stock. The system valued at \$11,000,000 will provide signal and signal operating equipment for 3000 Km of track. Equipment valued at \$2,570,000 has been made ready for shipment of which \$78,000 has been exported.

In addition 42 power plants of 40 KW each, all valued at \$500,000, are being furnished to provide the necessary electricity to operate the system. Production of the power units has commenced.

Rolling Mills

An aluminum rolling mill to supply aluminum sheet for the U.S.S.R. aircraft industry is nearly complete. Of the total valued at \$6,380,000, equipment valued at \$6,320,000 has been made ready for shipment and \$5,000,000 has been exported.

One 18" merchant mill, a blooming mill, rail and structural mill, R.R. tie plate and splice bar mill, and a pipe fabricating mill, all estimated to cost \$13,150,000 are now in production. A portion of the 18" merchant mill has been prepared for shipment but has not yet been exported.

Steel Expansion Program

Production of equipment valued at \$13,150,000 for expansion of U.S.S.R. steel production is now progressing. This equipment, all of which is to supplement existing facilities, is expected to increase Soviet production of carbon steel ingots by 2,500,000 tons a year. Equipment valued at \$580,000 has left suppliers but none has been exported.

Other Plants

	Cost	Manufactured	Exported
Wall Board Plant	\$ 536,500	\$ 310,000	\$ 0
Glass Bulb and Tubing Plant	1,400,000	0	0
Vulcol Plant (Pilot)	72,600	72,600	72,600
Nitric Acid Plant	528,300	422,200	0
Hydrogen Gas Plant	231,800	531,800	51,800
Hydrogen and Catalyst Plants	2,616,900	203,800	0
Total	\$5,686,100	\$1,542,400	\$124,400

STATEMENT OF VESSELS SAILED TO U.S.S.R.

As of January 31, 1944

Date of Sailing	Number of Ships Sailing					Arrived	En Route as of Jan. 31	Cargo Disch. in U. K.	Lost	Losses by Month
	For North Russia	For Persian Gulf	For Soviet Arctic	For Soviet Far East	Total					
1941 Oct	10	-	-	5	15	14	-	-	1	-
Nov	9	1	-	3	13	12	-	-	1	-
Dec	14	7	-	4	25	22	-	-	3	1
1942 Jan	20	-	-	4	24	19	-	1	4	3
Feb	13	2	-	4	19	16	-	-	3	1
Mar	31	6	-	6	43	32	-	4	7	9
Apr	62	6	-	10	78	46	-	13	19	-
May	14	10	-	7	31	21	-	4	6	6
Jun	8	11	6	9	34	27	-	-	7	6
Jul	2	5	16	12	35	34	-	-	1	16
Aug	11	5	1	19	36	33	-	-	3	1
Sep	4	8	-	17	29	29	-	-	-	10
Oct	-	13	-	19	32	32	-	-	-	-
Nov	-	8	-	26	34	32	-	-	2	3
Dec	4	11	-	24	39	38	-	1	-	-
1943 Jan	12	12	-	22	46	38	-	8	-	-
Feb	22	7	-	28	57	35	-	20	2	1
Mar	2*	19	-	26	47	45	-	1	1	2
Apr	-	18	-	37	55	54	-	-	1	1
May	-	15	4	44	63	62	-	-	1	-
Jun	-	4	5	45	54	54	-	-	-	2
Jul	-	17	16	24	57	57	-	-	2	-
Aug	-	24	7	38	69	67	-	-	2	2
Sep	-	27	-	50	77	76	1	-	-	-
Oct	10	25	-	27	62	61	1	-	-	-
Nov	20*	25	-	32	77	76	-	-	1	-
Dec	29*	21	-	39	89	46	41	-	2	-
1944 Jan	30	26	-	27	83	-	83	-	-	3
Total Oct. 1941 to Jan. 31, 1944	327	333	55	608	1,323	1,078	126	52	67	67

* Includes one tanker from U.K. for U.S. Protocol Account, cargo being replaced to U.K. from the U.S.

Of the 1,323 sailings from October 1, 1941 to January 31, 1944, 618 were made by American vessels, 452 by Soviet vessels, 229 by American vessels transferred to Soviet registry, 23 by British vessels and 1 by a Swedish vessel. In addition to the 1,323 sailings, there were 104 ships that loaded partial cargoes in the U.S. for the U.S.S.R. In addition to the 67 ships shown above as lost, several ships have been sunk on their return voyages.

ACTUAL SHIPMENTS COMPARED WITH PROTOCOL SHIPPING OBJECTIVES

July 1943 - January 1944

FIGURES IN LONG TONS

	Atlantic Route	Pacific Route	Total
Protocol Objective	1,250,000	1,406,300	2,656,300
Shipments	1,969,000*	1,665,000	3,634,000
Shipments in % of Objective	157%	118%	137%

* Includes 65,000 tons of petroleum products from Abadan for U. S. Protocol account, the material being replaced to U.K. from the U.S.

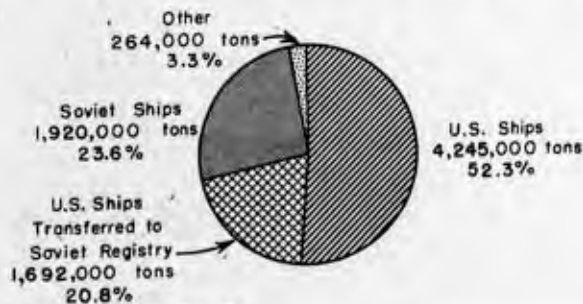
STATEMENT OF CARGO SHIPPED TO U.S.S.R.

As of January 31, 1944

(Thousands of Gross Long Tons)

Month	For North Russia	For Persian Gulf			For Soviet Arctic	For Soviet Far East		Total	Arrived	En Route as of Jan. 31	Cargo on Hand or Diverted In U. K.	Lost	Losses by Month
		Full Cargoes	Partial Cargoes	From Abadan		Full Cargoes	Partial Cargoes						
1941 Oct	48	-	-	-	-	17	-	65	62	-	-	3	-
Nov	41	3	-	-	-	14	-	58	55	-	-	3	-
Dec	50	10	-	-	-	11	-	71	63	-	-	8	3
1942 Jan	63	-	-	-	-	26	-	89	72	-	1	16	9
Feb	66	4	1	-	-	20	-	91	76	-	-	15	5
Mar	171	17	1	-	-	25	-	214	163	-	5	46	42
Apr	376	21	-	-	-	38	-	435	267	-	40	128	-
May	92	79	8	-	-	33	-	212	141	-	19	52	38
Jun	55	84	7	-	18	31	-	195	139	-	-	56	55
Jul	14	38	25	-	47	58	1	183	174	-	-	9	114
Aug	69	40	25	-	2	83	-	219	197	-	-	22	7
Sep	28	63	9	-	-	79	-	179	179	-	-	-	65
Oct	-	109	12	-	-	108	-	229	229	-	-	-	2
Nov	-	66	5	-	-	106	1	178	165	-	-	13	17
Dec	29	83	9	-	-	122	-	243	236	-	7	-	2
1943 Jan	73	83	4	-	-	98	-	258	210	-	48	-	2
Feb	164	40	-	-	-	129	-	333	169	-	150	14	8
Mar	17	131	-	-	-	123	-	271	254	-	9	8	16
Apr	-	139	5	-	-	194	-	338	331	-	-	7	7
May	-	112	9	-	13	217	-	351	344	-	-	7	-
Jun	-	25	4	-	16	229	1	275	275	-	-	-	15
Jul	-	117	9	10	58	152	-	346	346	-	-	-	-
Aug	-	173	4	7	31	262	-	477	463	-	-	14	14
Sep	-	194	4	3	-	313	-	519	512	7	-	-	-
Oct	66	187	6	10	-	181	-	450	441	9	-	-	-
Nov	145	193	1	10	-	229	-	578	570	-	-	8	-
Dec	215	167	-	10	-	262	-	654	347	293	-	14	-
1944 Jan	221	202	-	10	-	177	-	610	10	600	-	-	22
Total Oct. 1941 to Jan. 31, 1944	2,003	2,380	148	65*	185	3,337	3	8,121	6,490	909	279	443	443

* Petroleum products by rail ex Abadan for U. S. account, replacement to U.K. from U.S.

DISTRIBUTION OF TONNAGE SHIPPED TO JAN. 31, 1944
BY REGISTRY OF SHIPS

DATA ARE GROSS LONG TONS

C O F I

March 6, 1944

Mr. Arthur M. Becker, Assistant General Counsel

Mr. R. P. Dickson

- I. Effect of Transfer of Vessel to Neutral Flag on Belligerent's Right to Capture.
- II. Exemption From Capture of Vessel Engaged in Scientific, Religious or Philanthropic Service.

I. Transfer to Neutral Flag.

The general rule is that the transfer of a vessel to a neutral flag, subsequent to or a short time prior to the outbreak of hostilities, will not exempt the vessel from capture, unless the transfer is absolute and not made for the purpose of avoiding the consequences to which the vessel would be subject because of its belligerent status. This rule is subject to certain presumptions which in actual effect alter the substantive rule according to the circumstances of the case and is also subject to the rules for determining the actual nationality of the vessel.

The Declaration of London of 1909 contains a detailed statement of rules in regard to the determination of nationality and the effect of transfer. This Declaration was not adopted by the signatory powers although some of the nations adopted certain provisions. The pertinent provisions of the Declaration are Articles 55, 56 and 57, which read as follows:

"CHAPTER V--TRANSFER TO A NEUTRAL FLAG

ARTICLE 55

"The transfer of an enemy vessel to a neutral flag, effected before the outbreak of hostilities, is valid, unless it is proved that such transfer was made in order to evade the consequences to which an enemy vessel, as such, is exposed. There is, however, a presumption, if the bill of sale is not on board a vessel which has lost her belligerent nationality less than sixty days before the outbreak of hostilities, that the transfer is void. This presumption may be rebutted.

"Where the transfer was effected more than thirty days before the outbreak of hostilities, there is an absolute presumption that it is valid if it is unconditional, complete, and in conformity with the laws of the countries concerned, and if its effect is such that neither the control of, nor the profits arising from the employment

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of, the vessel remain in the same hands as before the transfer. If, however, the vessel lost her belligerent nationality less than sixty days before the outbreak of hostilities and if the bill of sale is not on board, the capture of the vessel gives no right to damages.

ARTICLE 56

"The transfer of an enemy vessel to a neutral flag effected after the outbreak of hostilities, is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed.

"There, however, is an absolute presumption that a transfer is void:

"(1) If the transfer has been made during a voyage or in a blockaded port.

"(2) If a right to repurchase or recover the vessel is reserved to the vendor.

"(3) If the requirements of the municipal law governing the right to fly the flag under which the vessel is sailing, have not been fulfilled.

CHAPTER VI--ENEMY CHARACTER

ARTICLE 57

"Subject to the provisions respecting transfer to another flag, the neutral or enemy character of a vessel is determined by the flag which she is entitled to fly."

The effect of the Declaration generally is discussed by Professor Wambaugh in XXXIV Harvard Law Review 693, 695 in the following language:

"Early in the World War Great Britain and France, though they had not ratified the Declaration (of London), professed to adopt such of its novel provisions as were favorable to belligerents and simultaneously professed to reject such of its novel provisions as were favorable to neutrals; . . . this mode of dealing with a compromise document was both questionable on general principles and contrary to one of the express provisions of the document itself The Declaration as Declaration was never binding at all; . . . the parts of it already parts of international law were binding irrespective of this unratified Declaration, . . . the novel parts of it never became binding, and from a recognition of the old parts and an occasional insistence upon the novel parts it is a mistake to infer any recognition of the Declaration as Declaration at any time. * * *"

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The history of the acceptance of the provisions regarding nationality and transfer is set out in Hyde's International Law (1922) Secs. 784, 785, 786 and 787. Hyde concludes that these provisions have been approved by the Naval War College and by the Oxford Manual of Naval War. He further states, however, that the theory on which they are based should be re-examined because the desire to avoid the consequences of war is frequently, if not commonly, possessed by the vendor. The Tentative Instructions for the Navy of the United States Governing Maritime and Aerial Warfare, issued by the Secretary of the Navy on May 7, 1941, substantially adopts the Declaration of London in the following language:

"CHARACTER OF VESSEL

"62. In the absence of evidence to the contrary, the neutral or enemy character of a merchant or private vessel is determined by the neutral or enemy character of the State whose flag the vessel has a right to fly as evidenced by her papers. (D. L. art. 57.)

TRANSFER OF FLAG BEFORE HOSTILITIES

"63. The transfer of a merchant or private vessel of a belligerent to a neutral flag is valid when completed previous to the outbreak of war, provided the transfer is made in accordance with the laws of the State of the vendor and vendee.

TRANSFER OF FLAG AFTER HOSTILITIES

"64. The transfer of a merchant or private vessel of a belligerent to a neutral flag during war is valid if in accordance with the laws of the State of the vendor and of the vendee and provided further that it is made in good faith with a complete divestiture of title by the vendor, that it is absolute, unconditional, with no continued interest, direct or indirect of the vendor, with no right of repurchase by him, and is accompanied by a payment sufficient in amount to leave no doubt of good faith; and provided further that the ship does not remain in her old employment. (D. L. art. 56.)

The Courts, however, seem to rely upon the actual ownership or control of the vessel rather than upon the test prescribed in the Declaration. Hyde, supra, Sec. 784, notes 4 and 5. Walker's Pitt Cobbett's Leading Cases on International Law (5th Ed. 1937) states the rule as follows:

"Under the law as hitherto administered by the British and American Prize Courts, although the use of the enemy flag is conclusive against the vessel, yet the use of the neutral flag, even where a vessel is legally entitled to fly it, is not conclusive in her favour. This arises from the fact that under the Anglo-American doctrine the primary test of hostile connection as regards maritime capture is found in the domicile of the owner. Hence, if a vessel, even though flying the neutral flag, is found to be really owned, either in whole or part, by a person domiciled and carrying on trade in the enemy country, his interest therein is deemed to be confiscable, as being in fact the property of an enemy. This is

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based on the ground that, otherwise, it would be open to persons domiciled and trading in the enemy country to carry on the enemy trade without risk by registering their vessels under the neutral flag. A vessel is also deemed to acquire an enemy character, even though flying the neutral flag, if she is virtually incorporated in the enemy navigation or trade; or if, whether owned by subjects or neutrals, she is found to be engaged in a trade carried on under the enemy's license."

This statement seems to be an accurate statement of the rule. Thus, a ship, to be exempt from capture, must satisfy both the test of the flag and the test of the domicile of the owner. The term domicile is defined in Pitt Cobbett, supra, p. 29, to be the "commercial" domicile created by a person's being "so far identified with the State in which he resides and trades as to share its national character."

From these authorities, it appears that a vessel transferred to a neutral flag, either a short time prior to or after the outbreak of hostilities, will be exempt from capture only if it satisfies the provisions of the Declaration of London and also the test of domicile of the owner.

These rules apparently apply only to private ships and not to public ships. Hyde, supra, Sec. 785. The distinction between private and public ships is apparently based upon whether or not the vessel is built for war, but in the light of modern "total" or industrialized war, the possibility that all ships, under the actual control of a belligerent's government, might be considered public ships, should not be overlooked. There is an apparent right to absolutely disregard the transfer of a public ship although the case cited by Hyde appears to involve a situation where the vessel was in imminent danger of being captured upon its leaving a neutral port.

Assuming that a transferred ship would not be subject to capture as a public ship or because of the domicile of the transferee, the test would seem to be whether or not the transfer was made to avoid the consequences to which the vessel is exposed by its enemy status. Hyde apparently construes this test as applying to the state of mind of the vendor, Sec. 787. Thus, if the transfer were made to avoid the consequences of the war upon the vendor's personal interests, it would be invalid. This, of course, is a motivating cause in all but exceptional cases. The language of the Declaration itself would seem to make the test the effect of the transfer upon the consequences to the vessel itself. Obviously this test, literally applied, would be incapable of satisfaction except where the ownership was transferred by operation of law. The mere statement of the rule indicates that some transfers will be recognized. Thus, there must be some middle ground wherein the transfer would be valid even though it would not strictly comply with the above test. Perhaps, if it were shown that the transfer was made for a purpose that would not affect the fortunes of war of either of the belligerents and that neither the vendor nor his government

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reserved any control over the vessel or received any benefit other than the purchase money, such as the sale of a vessel by a belligerent to a neutral for use in unquestionably neutral service, the transfer would be recognized as valid despite the fact that the vessel was relieved of the incidents of its enemy character. Of course, the transfer has to be absolute in any event, and the retention by the vendor of any interest would subject the vessel to capture.

II. Exemption of Vessel Engaged in Scientific, Philanthropic or Religious Service.

This exemption was formalized in the Article IV of The Hague Convention of 1907 which reads as follows:

"ARTICLE IV

"Vessels charged with religious, scientific, or philanthropic missions are likewise exempt from capture."

This provision was unanimously adopted by the commission responsible for the convention. Hyde, *supra*, Sec. 786. It apparently is a codification of a previously existing and established usage. Pitt Cobbett, *supra*, p. 227; Phillipson's *Wheaton's International Law*, 5th English Ed. p. 565. This provision has likewise been adopted by the Tentative Instructions for the Navy of the United States Governing Maritime and Aerial Warfare, 1941 (page 70) except that it is there qualified by the phrase "when innocently employed." No authority has been found defining "religious", "scientific" or "philanthropic" as used in this connection except in the case of the PLAKAT during the last war. In that case, the German government protested against the seizure of the vessel on the ground that it had been ordered by the Governor of Tsingtao to transport the women and children from there to Tientsin, before the siege of Tsing-tao began. In reply to the protest, the British said in part:

"In the view of his Majesty's Government the conveyance of women and children from a fortress which was about to be besieged (an action which would have the effect of increasing the power of resistance of the fortress) cannot be regarded as a philanthropic mission within the meaning of the Article; and it would indeed appear that the PLAKAT might more properly be considered as being employed on a service connected with the operations of war."

Applying the reasoning of this restriction to modern war would result in holding almost every religious, scientific, or philanthropic mission to be excluded from the exemption. It is important, especially, to contemplate the application of this reasoning to scientific missions. Due to the increased part science is playing in modern warfare, few scientific missions would be exempt.

RPDickson/rg

Ralph P. Dickson

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

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

INTER-OFFICE COMMUNICATION

287

DATE
March 6, 1944

TO Secretary Morgenthau
FROM J. W. Pehle

You will want to read the attached translation of an excerpt from "The Forward" of February 26, 1944, which is replete with misstatements, together with a copy of a letter from the Jewish National Workers' Alliance transmitting a column written by Dr. S. Margoshes which appeared in the New York Jewish Day on March 1.

We are preparing an appropriate reply to the Jewish National Workers' Alliance and are arranging a conference with the Editor of "The Forward".



TRANSLATION OF EXCERPT FROM "THE FORWARD" FEBRUARY 26, 1944

B A D N E W S

**WAR REFUGEE BOARD HAS NOT ENOUGH MONEY
FOR LARGE-SCALE RESCUE WORK**

A JEWISH DELEGATION RECEIVES THE SAD NEWS FROM DIRECTOR PEHLE. JEWS ALONE CANNOT GET TOGETHER SUFFICIENT FUNDS BECAUSE A NUMBER OF MILLION DOLLARS ARE NEEDED. CONGRESSMEN AND SENATORS PROMISE TO APPEAL TO THE SECRETARY OF STATE.

(From a Reporter of The Forward)

Mr. John Pehle, Director of the War Refugee Board, which was created to save Jews and other victims of Hitler's hell, has declared to a Jewish delegation that the Board has not yet got the necessary sums to undertake the work of rescue on a large scale. This was reported at a meeting of a large Jewish organization which had sent the delegation to the Rescue Director in Washington.

The Jewish delegation went to Washington under the following circumstances:

The Director of the War Refugee Board addressed himself to many Jewish organizations, asking them to inform him about their activities in connection with helping the Jews who are in need in Europe, and also about the steps which they have taken in that direction. As this Organization is such that it includes many other organizations, and is taking a large part in the rescue work of the Jews of Europe, it immediately answered the Director's appeal and worked out detailed plans as to how to conduct the rescue work. The Organization sent a delegation with the plans to Washington to meet Director Pehle in order to hand over the plans and to discuss with him certain specific cases where help is urgent.

The delegation did this. It met the Director and spoke to him, but when it brought up these specific cases where the need for help is urgent, he declared that there can be given no immediate help because there is not yet enough money. The Government has not as yet assigned any money for the purpose, and there is an opinion that it is the Jews who will be approached to finance the rescue work.

The delegation immediately went to see a number of Congressmen and Senators, to whom it reported the news. They were all surprised and could not understand what was going on here. They promised to interest themselves in the matter

- 2 -

and to try to get the support of the three Secretaries who head the Board in order that the Government should finance the work.

The delegation explained to the Congressmen and Senators that it is absolutely impossible to throw the whole financial responsibility for such rescue work upon the Jews. For that kind of work several hundred millions are needed, and this is something which only a government can do. In addition, the Jewish aid fund, which is organized under the name of the United Jewish Appeal, has undertaken a program for 32 million dollars for relief activities which cannot include even a part of the rescue work. And it is impossible for Jews now to create any larger funds than this. Several Senators immediately went to the State Department to discuss the new situation with Secretary of State Cordell Hull.

At the meeting where the matter was discussed there were several plans suggested how to secure the financing of the rescue by the Government. There was also a difference of opinion about publicizing the information /about the lack of funds/. The majority was of the opinion that this information should not yet be publicized, but several representatives of the other opinion declared that they will publicize it. The problem aroused especially sharp discussion because of the fact that the matter of the Zionist Resolution is still on the agenda. Several people pointed out that it is impossible to come to the State Department with several different matters; this question of finances should better be left for later. On the other hand, there were others who claimed that the Jewish people is more important than the Jewish country, and if this delay can cause the death of a certain number of Jews then it is more important to speak first of the finances of the rescue work and not of the Zionist Resolution.

We wish to bring in here a few quotations from Pehle's letter to the Jewish organizations in which he requested them to come to him, and what the organizations which are connected with the American Jewish Conference (and this is the majority of the Jewish organizations) answered him.

The letter is as follows:

Full text of the letter to the Jewish organizations 7

The organizations which are connected with the American Jewish Conference answered that they are presenting all their plans to the American Jewish Conference and that the Conference

-3-

will send all the plans to Washington.

We hear that in the coming few days several of the most representative Jewish leaders are intending to go to Washington in order to meet the three Secretaries who head the Board, and will try to secure that the Government should finance the actions of the Board.

JEWISH NATIONAL WORKERS' ALLIANCE

45 East 17th Street, New York 3, N. Y.

March 2, 1944

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

Dear Mr. Pehle,

I am enclosing herewith a column written by Dr. Samuel Margoshes, which appeared in the New York Jewish Day on March 1st, discussing the possibility of the War Refugee Board to finance the rescue work of the Board.

Since the questions raised by Dr. Margoshes are of great importance, I would highly appreciate receiving your comment on the subject matter.

Thanking you for your kind cooperation,
I am

Very sincerely yours,

(signed) L. Segal

Louis Segal
General Secretary

COPY

NEW YORK JEWISH DAY, -MARCH 1, 1944

NEWS AND VIEWS

The President's Refugee Board,
The Plea of Poverty,
The Fount of Futility.
Making Washington See.

By Dr. S. MARGOSHES

I see where the President's War Refugee Board, when, when interviewed by a number of Jewish organizations about the failure to act quickly in the rescue of Jews of Europe, has pleaded poverty and inability to get any funds, and particularly the large funds that are required for the huge task, unless these funds be supplied by the Jewish organizations themselves. To me this is no more than an alibi.

I don't care to keep on saying "I told you so" while quoting my own remarks. I cannot help, though, pointing out that while everybody was rejoicing over the President's Refugee Board, I asked for some kind of guarantee that the Board will be more energetic or wise or interested than, say, the Intergovernmental Committee in London or the Bermuda or other conferences that were similarly hailed and that brought us only bitter disappointment. Not being a prophet but only an analyst of events, mainly Jewish, I predicted that the Board will turn out to be another Intergovernmental Committee unless clothed with more power and, what is still more important, armed with a real desire to save Jews, no matter how great the obstacles and how enormous the cost. It was, I pointed out,

reluctance of the Intergovernmental Committee to overcome obstacles—not its indifference to Jewish suffering or lack of humanitarian impulse—that stymied all efforts to save the Jews from what was admittedly a tragic situation, and until clear directives are issued from the highest executive authority to override difficulties in a concrete manner, such as, for instance, to set aside the immigration restrictions in the United States and to remove all obstructions to large-scale Jewish immigration into Palestine, no change from the old program of futility is to be expected. It is this what Dr. S. S. Wise had in mind when, appearing at the hearing on the Refugee Bill before the House Committee on Foreign Affairs, he pleaded for inclusion in the measure of a clause providing for the open door in Palestine. With this plea unheeded and the President's Board having been created without any special directive other than a general reference to the desirability to save as many refugees as possible and in such a short time as possible, it was inevitable that the shortcomings that plagued and all but destroyed the Intergovernmental Committee and all Refugee Conferences I mention with that of Evlan and ending with that of Bermuda, should come to plague the Board as well.

We see now that it did, and sooner than we expected. For what does the plea of poverty on the part of the President's Board mean? It can only mean one thing, namely, that there is no inclination on the part of the highest government circles to act in the matter in a way that would justify the hopes of the refugees and their friends who saw in the Board a real attempt on the part of the American Government to grapple at long last and adequately with the problem of rescuing the Jews of Europe. Otherwise how can any one begin to explain why the President's Board, with the Secretary of State, the Secretary of War and the Secretary

of the Treasury as its members cannot find the funds that are necessary to start and continue the work of rescue? And the money, mind you, doesn't run into billions, it begins and ends with millions. When only a few weeks ago the Under-Secretary of State Breckinridge Long wanted to show how good the State Department could be to the Jews, he spoke of some eight million dollars which the government was prepared to spend on feeding the European Jews through the International Red Cross, and now three of the most important government departments put together cannot find enough cash to finance the beginnings of the rescue work in Europe and must come begging to the Jewish organizations for funds!

What I am afraid of is that even should the Jewish organizations pony up the cash which the President's Committee asks of them—a thing which in view of their past obligations is most improbable—it will avail them nought. For what the Board seems to be lacking is not money—the Government of the United States is not quite as broke as the Board seems to imply—but in directives to go the limit or to do the impossible in order to solve the problem facing it. Some one said some time ago—I don't remember who—that the refugee problem will never be solved by the United States as long as the Government will not decide to do for the refugees exactly what it would do if they were American citizens; that means—do everything possible, even if it entails difficulties and the smashing of old, time-honored formalities and conventionalities, even prejudices. Well, it would seem that we are still far away from that way of viewing the refugees, now in their last life-and-death struggle. We are standing at the water's edge watching men drown, and who bothers us is who will pay for the life-line.

ALLIED FORCE HEADQUARTERS

Civil Affairs Office

6 March, 1944

Dear John:

This is just a short note to congratulate you on your new job about which we got a real picture only when Harold Glasser arrived and conveyed to us some of the importance and significance which the work has. Both Lennie and I are very much interested in pushing the program and, as you will see from his reports, he is already very active. As far as the French are concerned, I expect the chief difficulty will be to get the objectives of the program presented strongly enough in the right places. With that in mind, we visited M. Mendes-France "informally" this morning to try to get him to expedite settlement of the Fedhala project question. I would not be surprised if possibly through him and some others we might be able to get your board duplicated in the Comite, which would probably be helpful if only in a minor way compared to the job that will be done by your organization.

Sincerely,

s/s Mike

Michael L. Hoffman

Mr. John W. Pehle
Assistant to the Secretary
Treasury Department
Washington 25, D. C.

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: March 6, 1944
NUMBER: 1682

CONFIDENTIAL

Your telegrams of February 19 and February 23, 1944, nos. 1426 and 1495 are referred to herewith.

Your informing the Director of the IGC and the Foreign Office in accordance with your 1426 under reference is approved by the Department.

STETTINIUS

AGE-793

PLAIN

London

Dated March 6, 1944

Rec'd 7:15 p.m.

Secretary of State,
Washington.

1835, Sixth

Foreign Office in letter dated March 3 suggests that if Department agrees an approach be made by our Embassies in Madrid to Spanish Government to agree to establishment of an IGC office and to appointment of Blickenstaff as its representative. Emerson agrees with this suggestion. Foreign Office states in explanation: "We have now heard from His Majesty's Embassy at Madrid about the proposal to appoint a representative of the IGC there.

They are of the opinion that the Spanish Government will not welcome a new refugee mission or office there. Blickenstaff's office is dealing very well with existing problems and as you know the United States Embassy and His Majesty's Embassy have given

Blickenstaff

-2- #1835, Sixth, from London

Blickenstaff himself every possible support in helping him to overcome a certain amount of obstacles and difficulty from the Spanish Government in the course of his negotiations with them. From the point of view of prestige also it would appear to the Spaniards that Blickenstaff is being superseded if there were two refugee offices to deal with instead of one. His Majesty's Embassy consider also that the appointment of a Spanish representative in Madrid would not be suitable as no Spanish national under present conditions could be expected to take as strong a line as is often required with the Spanish authorities. They think it would be hard to find anyone as good as Blickenstaff for such an appointment and suggest that he should be the representative of the IGC.

We understand that the United States Ambassador fully agrees with this opinion of Blickenstaff and is emphatic on the necessity of any other refugee organization working through him and not independently."

WINANT

MEM

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: March 6, 1944
NUMBER: 1836

CONFIDENTIAL

In connection with the Embassy's no. 1835, of March 6, the Embassy makes reference to Madrid's 370, dated the third of February.

WINANT

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: March 6, 1944
NUMBER: 1695

CONFIDENTIAL

With respect to relief in Rome, we refer to your cable dated February 10, 1944, no. 1154.

The American Jewish Joint Distribution Committee is remitting to the Financial Officer of the British Foreign Office the sum of 4968 pounds 18 shillings and 10 pence, as requested by the Foreign Office. Methods by which remittances can be made direct from the United States in the future are being considered by Treasury and the War Refugee Board.

This reply and your cable no. 1154 are being repeated to Tittman and Bern.

STETTINIUS

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: March 6, 1944
NUMBER: 1695

CONFIDENTIAL

With respect to relief in Rome, we refer to your cable dated February 10, 1944, no. 1154.

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This reply and your cable no. 1154 are being repeated to Tittman and Bern.

STETTINIUS

TELEGRAM SENT

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

PLAIN

March 6, 1944

6 p.m.

To:

AMERICAN CONSUL,
DURBAN, (NATAL, UNION OF SOUTH AFRICA)

8

The War Refugee Board has received several reports of the existence of suffering and disease among refugees on the Island of Mauritius. There appear to be two groups of such refugees on the Island. There are about 1500, probably Czech refugees, who attempted to enter Palestine and were deported to Mauritius. There are also approximately 1000 Greek refugees. It is with respect to the first group that we have received the most unfavorable reports as to living and health conditions.

It would be appreciated if you would institute a check of this matter indicating the total number of refugees on the Island of Mauritius, what percentage of them are Jewish, and the general living conditions of these refugees with particular emphasis upon the prevalence of disease and malnutrition. You might also indicate what is needed by way of relief.

STETTINIUS
Acting
(GLW)

WRB/GLW/EEH BC

No. 127

near the Netherlands Government

LONDON, March 6, 1944.

Subject: Present position of
Netherlands victims
of Nazi persecution
and suggestions for
action to facilitate
rescue.

The Honorable
The Secretary of State,
Washington.

Sir:

Referring to the Department's instruction No. 634, January 28, 8 p.m., regarding the establishment of the War Refugee Board and the general policy in the President's Executive Order of January 22 as to action for the rescue and relief of the Jews of Europe and other victims of enemy persecution, and referring also to our telegram No. 30, Polish Series, of March 1 summarizing results of conversations with officials of the Governments to which this Embassy is accredited, I have the honor to report the substance of a conversation with Dr. W. Huender, who is Head of the Bureau of Post-War Problems in the Netherlands Ministry of Foreign Affairs and who was one of the Netherlands representatives on the Technical Advisory Committee on Displaced Persons of the Interallied Committee on Post-War Requirements.

Dr. Huender said that the Dutch authorities concerned with problems of refugees and displaced persons were in agreement with the policy of the President's Executive Order and would be glad to support any action which might

- 2 -

be initiated by the War Refugee Board. He indicated some concern as to possible duplication of activities in the refugee field by the various national and international organizations, but asked that this be regarded as an "off the record" expression of opinion. He went on to observe that so far as avoidance of duplication of effort was concerned, one of the most useful things would be some arrangement between the various Jewish relief agencies for central coordination of their activities, perhaps through one central world agency. At present, he said, it sometimes happens that four or five different agencies start activities on behalf of one individual refugee, some of which conflict with each other with resulting confusion and delay.

Dr. Huender stated that of the 180,000 Jews originally resident in Holland about 140,000 have been deported to German Poland and that there are now only about 8,000 Jews, recognized as such, still left in Holland. The remaining 30,000 have just dropped out of sight. Some may have found refuge in France or made their way through to Switzerland, but most of them are probably still living in Holland in concealment with the help of the non-Jewish population.

Quite a number of engineers and other people with special qualifications have escaped to Switzerland where they have been well treated and, in a great many cases, given employment. Wherever Dutch nationals succeed in reaching neutral or Allied countries, Dr. Huender states, adequate assistance is provided for them by the Dutch Government: clothing, food, shelter and pocket money. Where possible transfer to places where they can join the armed forces of the Netherlands Government is arranged; and in some cases refugees who are not fit for military service are enabled to go to the Dutch West Indies.

With particular reference to Jewish victims, Dr. Huender said that those Jews in Holland who had been provided with a "Palestine Certificate" are in a relatively better position than other Jews, since the possession of such a certificate may assist the holder to avoid being sent to a concentration camp. He thought therefore that

- 3 -

it would be helpful if it were possible to provide more of these certificates. Likewise, it would assist in keeping some Jews out of the concentration camps if more passports to South American countries could be provided.

Dr. Huender raised the question as to whether there might not be some means of providing more air transport from certain neutral countries, particularly Sweden. He thought that if people in Holland, who are in danger, knew that on escape to Sweden or Switzerland they would be able to go on from these countries and join more actively in the war effort, more of them might endeavor to escape.

Discussing the question as to whether any instances were known where refugees have been turned back at the borders of neutral countries, Dr. Huender said that some instances were known to the Dutch authorities, for example, Switzerland, but for the most part he felt that neutral countries, while they have not actively encouraged escape across their borders, have not put any special obstacles in the way.

Respectfully yours,

Rudolf E. Schoenfeld
Charge d'Affaires d interim

Original and hectograph to the Department.

JS:PS

Managua, D.N., Nicaragua, March 6, 1944.

No. 2043.

Subject: Nicaraguan Attitude Toward Rescue and Relief of Jews and Other Persecuted Peoples in Europe.

CONFIDENTIAL

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's circular airgram of January 26, 7 p.m., 1944; to the Embassy's airgram No. 85 of February 25, 10:30 a.m., 1944; and to the Department's circular airgram of February 29, 7:30 p.m., 1944, concerning the attitude of the Nicaraguan Government toward the rescue and relief of Jews in Europe and other victims of enemy persecution, and to submit the following comments.

The ostensible attitude of the Nicaraguan Government toward the reception of Jews and other refugees--as reported in the Embassy's airgram No. 85, dated February 25, 10:30 a.m., 1944--appears to be satisfactory in as much as that government accepts to receive such persons on the same conditions as will the United States and in a number proportionate to the population of the two countries. The Embassy entertains no doubt of the sincerity of this expression but foresees that under the conditions named technical difficulties could well prevent the arrival of any considerable number of such persons in Nicaragua. In discussing this subject further with the Nicaraguan Foreign Office, it is believed that information will be needed regarding the practical steps envisaged by the War Refugee Board to put our government's policy into effect. Thus, data regarding the probable number of persons to be received by the United States, the facilities for transport which may be available, the time of the expected evacuation, the nationality of the refugees, etc., will probably be asked for.

cc: Chauncey, Abrahamson, Akzin, Bernstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Luxford, Mann, McCormack, Paul, Pollak, Rains, Standish, Stewart, H. D. White, Pehle, Files

- 2 -

Regarding the basic attitude of Nicaragua toward this subject, it may be reported that on February 23, 1943 an officer of the Embassy learned from Dr. Antonio BARQUERO, Under Secretary for Foreign Affairs, that at that time almost no refugees as such--except a few Spanish priests, teachers, etc., who arrived prior to the outbreak of the present war--had reached that country. Arrivals since then had in every case complied with the immigration laws in effect. The Under Secretary stated that, although Nicaragua had sent a representative to the Evianconference, his government did not encourage refugee immigration. Very few refugees have reached Nicaragua during the past year.

There presently exists a considerable sentiment among Nicaraguans hostile to the immigration here of Jews, Syrians, "Turks", and others who compete economically with Nicaraguans. The Embassy is inclined to believe that, basically, the Nicaraguan Government still does not welcome such immigration, although, as stated above, it will probably be willing to fulfil its engagement, as reported in the Embassy's airgram under reference.

With reference to the possibility of the Nicaraguan Government's issuing a public statement on the subject, it is believed--without having explored the situation--that embarrassment might presently result from a request that such a statement be made. Attention is invited to the Embassy's despatches numbered 2016 and 2035, dated February 22 and March 4, 1944 respectively, concerning an incident in which it is alleged that Dr. Alfredo SALOMON, a Palestinian Jew, assaulted Dr. Luis Ernesto HURTADO, a Nicaraguan Axis-sympathizer, when the latter intervened to prevent the erasure from the walls of his house of an anti-Jewish inscription. A debate is still continuing in the press regarding this incident, which has not yet been resolved by the Criminal Court and which has aroused anti-Jewish sentiment. Concurrently, President SOMOZA has not yet acted in any way against Dr. Hurtado, the presumed author of a large number of anti-Jewish inscriptions on the walls and hoardings of Managua, and, in fact, he still retains his post as professor of medicine in the University. It might well appear to the public that any pro-Jewish declaration issued at this time by the Nicaraguan Government had found its inspiration in the Hurtado-Salomon incident and, in addition, it is not entirely clear at present on which side the sympathies of the Nicaraguan Government in this incident lie.

- 3 -

In the opinion of the Embassy, therefore, it appears that the issuance of a statement of policy by the Nicaraguan Government might not be opportune or expedient at present, and unless the Department should take the opposite view, it might be inadvisable at this time to suggest that it do so. The refugee situation, however, could be further explored with advantage with the Nicaraguan Foreign Office if details regarding the prospective steps to be taken by the War Refugee Board were made known to the Embassy.

Respectfully yours,

Harold D. Finley
Charge d'Affaires a.i.

800
HDF/gp

To Department in original and hectograph.

March 6, 1944

5:05 p.m.

To: Mr. Stettinius
From: J. W. Pehle

Attention: George Warren

I would appreciate it if you would cause to be transmitted the following cable from Israel Mereminski, the American Representative of the General Federation of Jewish Labor in Palestine (Histadrut) to David Remez of the Executive Office of that organization, 115 Allenby, Tel-Aviv. The cost of this cable should be charged to Israel Mereminski, 510 West 112th Street, New York City.

L.S.L.

LSLesser:als 3/3/44

CABLE FROM ISRAEL MEREMINSKI, NEW YORK, TO DAVID REMEZ (HISTADRUT)
115 ALLENBY, TEL-AVIV.

Your February 9 cabled suggestion special envoys partly accomplished. partly preparing. Impressed my discussion USA WRB first time rescue work in hands people who anxious get immediate results. My conclusion discussion your proposal include Histadrut representatives Board envoys this stage impractical. Real cooperation here and neutral countries more important than representation. Full collaboration and cooperation assured and Shaul Meyerow accordingly informed. Cable names your representatives Portugal Sweden. Awaiting Shaul Meyerow's answer urgent problems. Please airmail my address only immediately all new letters reports received by or thru Meyerow since my contacts direct your behalf.

NOTE: "Yours February 9" refers to a message received by Mereminski through RCA from Remez and another on February 12, reading as follows:

"Imperative influence War Refugee Board to dispatch immediately Turkey Lisbon Switzerland special envoys with authority plenipotentiary powers for actual effective rescue work. Situation obliges urgent energetic action without delay otherwise be too late. Desirable our representatives be included Board envoys. Cable David Remez Goldie Myerson." Shaul Meyerow is the Histadrut representative in Istanbul.

LSLesser:als 3/3/44

AIRGRAM

FROM

Stockholm

Dated March 6, 1944

Rec'd Mar. 23, 10 a.m.

Secretary of State,
Washington.

A-237, March 6, 3 p.m. Lithuania (Refugee
Situation)

KAUENER ZEITUNG January 18th. According to an official announcement, all refugees from the Occupied Eastern Areas at present residing within Kaunas' city limits are required to register with municipal authorities.

ATEITIS January 29th. Administrative authorities have been informed that Lithuanians residing in the Occupied Eastern Areas may be repatriated on approval of the Reich Commissar for the Ostland. This applies mainly to refugees who left Lithuania during World War I.

A January 31st radio broadcast urged persons able to supply information regarding Lithuanians residing in Russia to communicate such information to the Department of Social Welfare as soon as possible. Data submitted should include, if possible, place of residence and number of dependents, as well as letters from relatives or friends living in Russia.

WILNAER ZEITUNG January 30th. Russian refugees at present residing in Vilna District are required to register with municipal authorities.

ATEITIS February 10th. A "Central Commission for Repatriating Lithuanians" has been founded for the purpose

of

Stockholm/A-237

-2- A-237, March 6, 3 p.m. from Stockholm

of supervising the repatriation of Lithuanians residing in the Occupied Eastern Areas. Funds will be supplied by the authorities and by public subscription.

WILNAER ZEITUNG February 20th. A decree prohibiting the further influx of newcomers into the city of Kaunas has been issued by the Commissar General for Lithuania. The decree provides that newcomers who do not possess special permits may not be accommodated or given ration cards. Visits not lasting longer than 7 days are excepted. Further exceptions may be granted by the Kaunas municipal authorities. The decree does not apply to German military or civilian authorities.

ATEITIS Notices appear regularly in this paper requesting information and aid in locating refugee children or other persons separated from their families during the evacuation of Russian areas. The Lithuanian Mutual Aid Organization handles these problems.

JOHNSON

GLW/GD/gd

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: March 6, 1944
NUMBER: 1366

SECRET

Reference is made herein to the Department's 279, January 27; and 437, February 9; and the Legation's cable of March 4, no. 1334.

In addition to detailing the proposed expenditures of funds donated by the joint groups, the International Committee Red Cross letter dated February 29, includes following information requested by WRB in the Department's telegrams under reference: (a) - general possibilities and proposals for relief of Jewish refugees and other persecuted groups; (b) - proposals for relief for prisoners from occupied countries in German concentration camps; (c) - plan for relief of children of war victims in Serbia and Slovenia.

1. It is stated by the Intercross that they are almost certain relief consignments would reach their destinations to Rumania, the Resienstadt and Judische Unterstutzung Stelle, Cracow; about consignments to Westerbork, Holland and camps in France and upper Silesia they are uncertain, but the Intercross proposes certain proportion of sums put at its disposal be devoted to test shipments through channels hitherto untried.

2. It is stated by the Intercross that it will endeavor to keep to the lowest possible minimum any purchases made in Hungary or Rumania and will try to procure goods as much as possible in neutral countries. Inquiry is made by the Intercross whether it can count on additional funds on condition that they be expended exclusively in neutral countries within limited available possibilities.

3. In order to avoid expenditures in enemy territory the Intercross proposes (Intercross apprehensive of dangers of enemy abuse entailed by expenditures of foreign exchange in enemy territory) that stocks of relief materials be shipped from overseas for deposit in Geneva which could be drawn upon as opportunities arise for despatch to relief centers. Opportunities for relief are often of short duration and cannot be anticipated with certain types without necessity of fresh appeals on each occasion and a reserve depot would permit immediate action. It is suggested by the Intercross that the depot be under control of War Refugee Board representatives. Warm clothing, underwear, and men's large size boots are the articles most urgently required in Transnistria.

Suggest several thousand parcels each containing assortment of clothing, underwear, pair of strong boots parcels to be made up separately for men, women and children (not infants). It is suggested by the Intercross that the depot contain several tens of thousands relief food parcels of overseas origin not weighing over 2 1/2 kilos and containing nonperishable articles including canned goods, sugar, condensed milk, ovaltine, etc. The Intercross is prepared to transport against reimbursement via Red Cross ships sailing from the United States and Canada to Lisbon and Marseilles, if the question of tonnage presents difficulties.

4. It is stated by the Intercross that cooperation among the various Jewish relief groups seems impossible and observes not in interest of aim in view that it be revealed to one Jewish relief organization what the other organizations are doing. That relief plans be kept strictly secret is urgently requested.

5. Stressing the importance of the relief program to include oppressed groups "irrespective of race or religion", the Intercross expresses gratification that this principle was willingly agreed to by the War Refugee Board. It is believed by the Intercross that a broad relief program assisting various groups is less likely to arouse enemy opposition than one which is confined exclusively to the assistance of Jewish refugees only. Intercross proposes as beginning relief Allied nationals in German concentration camps and children in Yugoslavia (see B and C below).

B-1. The Intercross proposes, in accordance with A-5 above, that if funds are made available immediately tension relief to Belgians, Dutch, Norwegians, Poles, Greeks, Czechs and other Allied Nationals enduring privation in concentration camps and prisons in Germany under severe secret police control (Intercross through informal channels has obtained names of nearly all Norwegians, Dutch and large numbers of Poles detained in German concentration camps and prisons and urgently requests this fact be kept strictly secret) Intercross states organized relief has up to present been prevented by the British blockade authorities, who insisted as condition that Germans recognize these prisoners as prisoners of war and subject to convention of Geneva.

According to a statement of Intercross it has made successful test shipments of individual relief parcels to these prisoners which were personally acknowledged by the recipients and in several camps Intercross delegates were able to verify on the spot that shipments reached the person intended to receive them. The Intercross is prepared to submit evidence of success of these operations

-3-

operations and proposes as start food parcels be made available immediately to men and women in camps and prisons in Germany for 1,450 Norwegians, 1000 Dutch men and women and 1000 Polish. Risks of benefiting the enemy are far less than if free exchange expended in enemy territory for relief in Transnistria.

1. Two groups of children in Yugoslavia present a particularly alarming situation, according to statement of Intercross. 80,000 children evacuated from Croatia to Belgrade and other Serbian towns are a particularly critical problem as they are undernourished, in need of clothing and health conditions are pitiful. The same applies to where conditions which were already bad during the Italian occupation have now become increasingly serious since last summer and 100,000 children are suffering from malnutrition as a result of complete lack of fortifying foods such as milk, sugar, ovaltine and chocolate.

2. It has been suggested by the Intercross that in order to alleviate this situation the War Refugee Board Assign 220,000 francs, of which 200,000 for food and 20,000 for medical relief to be divided equally between children in Slovenia and Serbia. For the purchase of Slovakian sugar and Hungarian alimentary pastes about 45,000 francs would be used and balance of 200,000 francs less 17,000 for administration, transportation, et cetera for purchase of Swiss food products. To prepare Swiss pharmaceutical products and surgical dressings would use about 20,000 francs. It is proposed by the Intercross that these relief goods be shipped to Intercross delegate at Belgrade for distribution in cooperation with the Serbian Red Cross.

If desired the Legation can telegraph further details regarding the above proposals. Copy of letter is being sent by IRC through its own facilities and we will also endeavor to forward a copy.

HARRISON

TELEGRAM SENT

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

March 6, 1944

3 p.m. RESTRICTED CODE

AMEMBASSY,

ANKARA.

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FOR HIRSCHMANN FROM WAR REFUGEE BOARD

An applicant has indicated interest in being employed by the War Refugee Board. He is thirty-seven years old, Jewish, born in Jerusalem, and has been a naturalized American citizen for a number of years. Besides English, he says he speaks Turkish, Arabic, French, German, Hebrew, Yiddish, and some Greek. Professes to be familiar with Turkey, Palestine and similar areas and to have carried on a shipping business in the area of Rumania and Palestine for about 5 years ending with the outbreak of war in 1939. He has indicated familiarity with shipping and refugee problems in these areas since part of his business consisted in carrying refugees to Palestine from Rumania and elsewhere. He has been employed by the United States Government for about 2 years.

Subject to your approval we propose to employ him with the thought that he might be sent to Turkey to work there or elsewhere under your direction. From our talks with him he seems to be type of person who could be of value to you on operating level. Please advise as soon as possible.

STETTINIUS
(Acting)
(GLW)

WRB:GLW:KG NE FSA NEA A-S/3 FA
3/1/44

Ankara, March 6, 1944

OBSERVATIONS, CONCLUSIONS AND RECOMMENDATIONS

As borne out by the attached report, the War Refugee Board's program with the support of the President and the Secretaries of State, War and Treasury, is one which requires immediate and the most resourceful efforts for its implementation on a purely practical and official basis and not merely as an appeal for humanitarianism if real success is to be achieved in its work of mercy. The creation of a special organization and the concentration of work in this one essential field inextricably tied up with the war did not materialize any too soon to meet an acute situation, as can be seen from Turkey, which is the neutral observation point for the Balkans.

I am persuaded from my observations here that had Ambassador Steinhardt, who notwithstanding his innumerable other vitally important duties has given of his time and effort without stint to rescue Jewish and non-Jewish refugees from the Balkans, been sooner clothed with the authority the War Refugee Board has now received under the Presidential order, and had he received the uncompromising support you have given to him and myself as your representative since the creation of the Board, more could have been accomplished as the result of the Ambassador's able and unremitting efforts in this field. My somewhat lengthy notes on background, much of which you may have in other files, have been incorporated in the attached report in order to offer clarification and orientation where it may be helpful to you in Washington. There is no intention to revert to the past in terms of lack of authority from Washington. This is "spilt milk." Every day now is crucial. I think you will agree that it can be said that while Hitler's program of world conquest has failed, the first stages in this program to annihilate the Jews and to set a pattern for such annihilation throughout the world is succeeding. The more one observes the situation from here, the more apparent it becomes that Hitler is in a hurry. His harvester is working day and night. His barbarisms know no let-up. His pledge that whatever else fails in his total program there will be no Jews left is being fulfilled.

I know it is part of your program to make Turkey a door which may be kept open. This is far easier for Americans with their deep

and God-given humanitarianism to wish, foresee and promise than to carry into effect.

In freeing or in helping expedite the exodus of human beings from persecuted areas to liberated lands we must remember not to throw them from the fire into the frying pan. They must not only be rescued but they must find places and means must be found to organize and rehabilitate them and to give them their freedom to live and be useful citizens of the world. It has been demonstrated that the rescued refugees have become constructive and valuable citizens in Palestine. The same is reported to me by Mr. Matthews, the Director of MERRA in Cairo, who stated that the thousands of Yugoslavs who were saved and placed in camps in Egypt were strong and healthy acquisitions to the cause of freedom-loving peoples.

I find it necessary in this report, and through a desire to give a clear picture of the situation here, to indicate some of the serious obstacles which face those who have worked, and are working and will work in Turkey on the Board's program. It is impossible to appreciate from the remoteness of another world - America - the atmosphere, tempo, complexities, technique and bureaucracy of the Turkish approach to any problem, not to speak of a humanitarian question. Any humanitarian approach will be futile and no such thing as direct action exists. It is not possible. We cannot change the thousand-year-old trends, tempo or methods of the Turks. But for the extremely high regard in which Ambassador Steinhardt personally is held by Turkish officialdom the situation would be even worse.

The Turkish Government is concerned primarily and exclusively with Turks, by that I mean Moslem Turks. Its concern is with its own people. They are far removed from taking a merciful interest in European refugees. Their treatment of minorities in their own country is notorious. This goes without exception. The Jews in Turkey enjoy the rare distinction of occupying the second instead of the first place among the unwelcome minorities here, the Greeks taking precedence.

Furthermore it should be emphasized that the Turkish Government does not think of Jewish refugees as Jews but as Bulgarians, Rumanians and Hungarians, or whatever their national origin may be. At the present moment the Turkish Government is conducting a severe campaign against Bulgarians in Turkey and is expelling numerous Bulgarians from Turkey.

It is my conviction that the Turkish authorities are concerned with maintaining the goodwill and friendship of the United States Government as well as currying favor with American public opinion. This is being capitalized by the Ambassador as his principal weapon

and should be exploited by your Board to the limit. In short, the policy of the Turkish Government is to do the minimum to aid Balkan refugees compatible with not losing the goodwill of the American Government or the respect of the American public.

In this rescue work it must be borne in mind that the British role is of the utmost importance. I invite your special attention to the fact that the refugees who are coming out of the Balkans through Turkey are enabled to do so only by reason of the facilities granted by the British Government for immigration into Palestine. If the Palestine absorption were to cease for one reason or another (and this is not an impossibility), the President's order and its provisions would become a dead letter. We would be at Bermuda again.

Turkey is the gateway through which the refugees may proceed to Palestine; but there are two avenues to be exploited in this rescue work:

- a. Facilities in connection with Palestine;
- b. Other havens of refuge, such as those to which you have referred in several of your telegrams.

It is apparent that Palestine is the one haven that is available whither they can go at the moment. The delicacy of the position vis-a-vis the British must not be overlooked. It is they who control immigration into Palestine and it is they whose efforts must be coordinated with the Turks on transit arrangements. All arrangements with the Turks for increased facilities which Ambassador Steinhardt has already concluded with the promise of affirmative action by the Turks must be done in full concert and harmony with the British who should, in my opinion, be urged by Washington to take more initiative and more expeditious action. I therefore recommend that efforts now be directed to urging the British to set up an organization parallel to the War Refugee Board with representatives here (and elsewhere) who can work in conjunction with your representatives and enjoy similar diplomatic status. This would result in further collaboration.

As regards the Palestine haven, the following should be given earnest consideration:

A. The Turks should be asked to increase the transportation facilities through Turkey for refugees arriving here from Hungary, Rumania and Bulgaria by rail as soon as the movement warrants.

B. The dispatch of visas approved by the Ministry of Foreign Affairs to the Turkish Consuls in the above-mentioned countries should be further expedited.

C. Endeavors should be continued to persuade the Turkish authorities that they should permit the transit of refugees through Turkey according to a list of names of such refugees to be presented at the Bulgarian-Turkish frontier. (The British authorities will certify that the persons mentioned on the list have been granted entry into Palestine.)

While the Turkish authorities are quite prepared to cooperate by granting an increased number of visas, they are unwilling to relax "border and other controls" or to announce "that entry of refugees into the country is permitted" as they take the position that any such action would be inconsistent with their efforts to prevent a flood of Axis agents from crossing the Turkish border to distribute themselves throughout the allied world.

Notwithstanding the fact that the Bulgarian-Turkish frontier is a military zone, no case has ever been reported to the Embassy or myself of Jewish refugees having been turned back by the Turkish frontier guards. This may perhaps be due to the fact that there is a "no man's land" between the two frontier military zones and that Jewish refugees without proper documentation have been unable to reach the Turkish frontier posts without proper documentation.

D. In the case of maritime transport, the Turkish authorities should be requested to grant the same facilities as in C.

E. I deem it inexpedient to again bring up the subject of camps, etc., at this moment as the Turkish authorities do not look upon these refugees as Jews but as Bulgarians, Rumanians and Hungarians and have made it abundantly clear that for this and other reasons they will not consider camps. It therefore seems unwise to continue to press this request at a time when it would be purely academic and until such time as the movement out of the Balkans reaches the point at which the individuals cannot be absorbed by the Jewish communities in cities like Istanbul and Izmir or moved by rail to Palestine without the necessity of camps.

In this connection it is important to note that the permanent Jewish communities of Istanbul and Izmir could without difficulty absorb approximately 5000 Jewish refugees without serious inconvenience and without subjecting them to the indignity and hardships of isolation in camps and that until this absorptive capacity has been availed of at least in part there is no justifiable basis for asking the Turks to establish camps.

Continuing on the subject of refuge havens other than Palestine, I assume you are giving consideration to the possibility of a tem-

porary refuge in North Africa where abandoned camps and equipment could be used instead of being sold to the Egyptians. The same may be said for Cyprus or Syria or even in Palestine where special status may be established for the refugees to be located in special camps.

The subject concerning more transit visas for America cannot be avoided. Where cases are found to be meritorious, the refugees should be given United States visas valid for six months.

1/ By the use of intelligent propoganda from Washington I believe we could bring about a more responsive attitude on the part of the Hungarian, Rumanian and Bulgarian Governments, which are extremely sensitive to American public opinion. I enclose a copy of the broadcast given by Philip Jordan on Saturday, February 26th, over BBC in Ankara, forwarded to London and repeated there and translated into Bulgarian, Hungarian and Rumanian in repeat broadcasts. (Exhibit "E") Other broadcasts or news stories may follow if we deem it advisable.

What is needed in Turkey* by your Board is an active, resourceful representative with a competent secretary in Ankara and a qualified assistant with a secretary to render service in Istanbul. Work done in this field requires patience, thoroughness, resourcefulness, the proper connections, and the time to seek out reliable sources of information to obtain results. Ambassador Steinhardt has for a long time given more than a reasonable proportion of his time and efforts to refugee problems and recently to the Board's program, and the members of his staff have been wholeheartedly cooperative, but at best their time is limited, especially in view of the existence of twelve American Government agencies operating in five cities in Turkey, eight of which are of recent origin. I do not consider it fair to add still further to his burdens as the work of the Board increases, as to do so would be to handicap the other vitally important work of the Embassy.

In this report I have not included any data concerning illegal traffic. One sees superficial evidence of this in Istanbul, but

* The War Refugee Board should consider sending a representative to Cairo, where a great deal of rescue work from Yugoslavia and Greece is being done by the British.

it is not possible to check it with any degree of authority. Nor is it our concern or intention to participate in these underground movements. It should be noted for the record, however, that there are symptoms and evidence of a growing traffic of this nature which cannot be avoided under the conditions of stress, chaos and pressure existing with Istanbul the pivot. At best I doubt if this traffic can be a really appreciable factor in the situation.

" I am sure you will be gratified to learn that although still on the threshold, the work of the War Refugee Board has injected new life and hope into thousands of down-trodden, tormented refugees throughout the European continent. This is not my opinion but one that is confirmed by all of the refugees I interviewed during my visit in Istanbul. The first Jewish refugees of Turkish origin just arrived from France said to me feelingly, "For two years there has been only one phrase on everyone's lips, 'When are the Americans coming?'"

Respectfully submitted,

Ira A. Hirschmann
Attache

IAH MGL MB

Enclosure:

1/- Exhibit "E", Copy of Philip
Jordan's broadcast from Ankara
on February 26, 1944.

TELEGRAM SENT

GHE

March 6, 1944

This telegram must be
paraphrased before being
communicated to anyone

6 p.m.

~~Official Use - Government~~
as EGC (SC-00)

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

AMEMBASSY,

CHUNGKING,

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FOR ADLER FROM THE SECRETARY OF THE TREASURYDEPARTMENT OF STATE
DIVISION OF

MAR 7 1944

COMMUNICATIONS
AND RECORDS

Treasury would appreciate immediate reply to
cable of January 20, 1944, #107, regarding remittances
to Occupied China.

STETTINIUS
(Acting)
(EGC)

FMA:EGC:HG

3/6/44

NOT TO BE RE-TRANSMITTED

COPY NO. 12

BRITISH MOST SECRET
U.S. SECRET

OPTEL No. 75

Information received up to 10 a.m., 6th March, 1944.

1. NAVAL

In North AEGEAN one of H.M. Submarines torpedoed a tanker believed German S.S. PETER on 19th February and sank 4 convoys between 24th and 25th.

Aircraft sank a U-boat yesterday morning in Northern waters near the homebound Russian convoy.

2. MILITARY

ITALY. To noon 5th. 8th Army. Artillery activity by both sides Canadian Sector. Small German attack repulsed Indian Sector. Allied Bridgehead Force. Small German attack against U.S. position repulsed.

RUSSIA. Russians have advanced 15 to 30 miles in two days on 112 miles front in SHEPETOVKA area capturing SEMISK, IZYASLAVL, YAMPOL and OSTROPOL and are fighting at the approaches of VOLOCHISK on the L'VIV-ODessa railway.

3. AIR OPERATIONS

WESTERN FRONT. 5th. 164 escorted Liberators dropped total 337 tons on four airfields near BORDEAUX. 217 escorted Marauders dropped 311 tons on military constructions Northern France. Enemy casualties 27, 4, 9. Ours 4 Liberators, 1 Marauder, 5 fighters.

5th/6th. Ten Mosquitoes bombed DUISBURG and AACHEN and three others intruding over GERMANY and FRANCE destroyed 4 enemy aircraft.

ITALY. 3rd. Escorted Marauders bombed OSTIENSE Railway Yards near ROME dropping 110 tons.

4th. Six medium and 39 fighter bombers attacked railway objectives between PESCARA and ANCONA. One fighter bomber missing.

YUGOSLAVIA. 3rd/4th. Wellingtons dropped 38 tons on ZARA town and harbour.