

Diary

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February 15, 1944

MEMORANDUM FOR THE FILES

Early last week (February seventh) I called Secretary Hull in the absence of the Secretary to ask him if he would not push along the decision with respect to the proposed agreement between the Secretary of the Treasury and the Minister of Finance of the Belgian Government in Exile, which had been the subject of conferences between representatives of the Treasury, State, and War Departments. I told him the War Department was very anxious to get the matter settled and so were the Belgians, and I would appreciate it if something might be done about it.

Although we had been told that the State representatives had discussed the matter with Mr. Hull, he told me he did not know anything about the subject as he had been tied up during the past week on emergency matters and had not had an opportunity to talk to his people about it. However, he said he would call them immediately, discuss it with them, and call me back.

I noticed in yesterday's paper that Mr. Hull had gone to Florida on a vacation. After talking to Harry White I called Under Secretary Stettinius yesterday about the matter. He told me he had it on his desk and expected to have a conference on it in the afternoon.

Mr. Stettinius called me this morning and said he had been over the matter rather thoroughly with his people and he said the State Department is unanimous in their views that we should treat the Belgians as an ally and pay for all of our military operations the same as we do in England. He said that we expect to enter into a Lend-Lease arrangement with them

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and he did not see how we could do this and at the same time leave the other expenses to be adjusted after the war.

I told him I would discuss the matter further with the Treasury people and call him back some time during the day.

I discussed the matter with Harry White and later in the day called Stettinius back to say we felt in the Treasury that the matter should be set forth in a joint memorandum prepared by the Treasury and State Departments and sent to the President. We should set forth fully our different views and ask for a decision with respect to Belgium and point out that whatever decision is made should likewise apply to other countries in similar situations.

DWB:NLE

February 15, 1944

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Message to: Secretary Morgenthau

From: Fred Smith

Following is cable from Mark Clark's headquarters highlighting invasion of Italy you said you wanted forwarded immediately. Also would like to relay to you that We The People rating advanced nearly a point to 9.6 for your broadcast. This is higher than it has been for several months. No estimate on the number of listeners thus far. Here is the Cable:

B

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BACK GROUND MATERIAL FOR TREASURY DEPARTMENT BROADCAST
15 February 1944

1. Background To Invasion. It was long before dawn of a September morning in 1943. The picturesque coastline near Arzew, Algeria quivered from the barking roar of high explosive guns and shone eerily under slowly discending parachute flares. A ghostly glare showed soldiers with full equipment hurrying down the ramps of landing craft standing by on the beach and wading through the heavy surf. To all intent and purposes, this looked like the real thing, but for the absence of casualties one knew this was part of the graduation exercises -- a preparation for the real job ahead. Nevertheless, from private to general the grimness of the task was reflected in the set expressions on countless faces. In less than a week, their many months of tough training would find expression on hostile shores of the continent of Europe. A tall, almost gaunt figure stood out in its calmness and penetrating attitude. Lt. General Mark W. Clark, Commanding General of the 5th Army was reviewing his troops for what was to be the final test before the big battle. Infantry stormed the "enemy" pill boxes and "mine fields" while the engineers worked at top speed improving landing facilities so that the heavy tanks, jeeps and trucks could move in to support the foot soldiers. This was the prelude to invasion.

2. The huge convoy made a landfall on September 8, 1943. The sharp, jagged hills in the distance moved imperceptibly closer. This was a strange land, yet every man jack aboard knew that ahead of

them was Italy. There was no more shop talk about where they were going. While the convoy was under way, the men had been thoroughly briefed in where they were going and what their jobs were to be. They knew that the British 8th Army had landed at Messina and was pushing its way slowly up the Italian boot. Weapons and equipment had been taken apart and assembled time and time again -- every part was oiled and cleaned -- mechanical failure would mean sudden death. The men were well prepared with their baptism of fire. Their packs contained sulpha drugs, tablets for purifying water, Benzadrine tablets to combat fatigue and Atabrine pills to war off malaria. All this in addition to a plentiful supply of concentrated rations. Palms were moist, tongues were dry, but they were unafraid as their ships moved into position off the Italian coast.

3. On the morning of September 8th, the ship's radio suddenly announced the unconditional surrender of Italy. To most of the men it was a letdown for they had been expecting a fight and secretly coveting the desire to win a Bronze Star to add to their campaign ribbons. This, most of them felt, was to be another one of those "practice landings". However, radio informed them that plans remained the same and they were warned that the Germans on the beaches would put up a costly and tenacious resistance. As the shadow of night veiled the sea, an unnatural calm settled over the soldiers as the sharply silhouetted vessels stretched out in a long line to the distant horizon. The soldiers were nervous and again went over their

equipment, talked over instructions, and made ready to board their landing craft. Optimism ran high although they knew that Salerno was just a few miles starboard and that extensive mine fields would prohibit the close approach by the larger ships in the convoy. The night silence was broken only by furtive whispers, commands and the lapping of small waves against the metal plates of the ships.

4. The landing was on. The assault ships cleaved the calm water of the Mediterranean while on board such typical American comments were heard: "So, I won't get me a medal, but at least I'll see some of those Roman ruins I read about in school". He was answered by, "sightseeing isn't what it is cracked up to be, brother." While another, more serious soldier, said, "don't forget about the Jerries. Harry told me that he heard from somebody else who heard the general tell a colonel that there are about twenty Jerry divisions over there". One slim soldier, gently caressing his Bazooka remarked, "I am going to lug this Bazooka around until I meet up with a tank". By now, we were coming into the beach. The harsh gratings of keels on a sandy beach moved along miles of coastline, ramps were lowered, men stood up in waist-deep water and headed for the land. At this point, a loud voice in English was heard as if over a public address system -- "You'd better surrender. We have you surrounded," it blared. At the same time an inferno of fire leapt from the beach to meet the invaders. Rifles, mortars, artillery machine guns and grenades turned the white beaches into a bloody cauldron.

The men sought cover from the vicious hail of steel by crouching low behind sand dunes. But the hail of hot steel did not prevent landing craft from bringing in reinforcements and the first wave on the beach spread out to encircle and destroy the enemy fortifications. Veteran German troops held strong, natural defenses but were pushed back by grim American soldiers, many of whom were under fire for the first time. When dawn streaked the sky, the Americans were already pushing inland. One of the primary objectives was to capture some of the high mountains behind Salerno upon which the Germans had erected observation posts. Even the Luftwaffe appeared supporting the attack of a cloud of monstrous German "Tiger" tanks. Our anti-tank guns, bazookas and even rifles were used against the tanks. One American sgt. came in from the rear, gained a foothold and pulled himself upon top of a tank, forced the turret open and dropped some grenades inside. Another soldier met his death after beating off tanks by extremely accurate sub-machine gun fire on their portholes. The action was heavy with no quarter given, but finally the American boys representing every Main Street in America pushed the Germans back into the mountains. The foot soldiers were again supreme, slugging it out with the enemy, but he was grateful for the curtain of heavy naval fire from the warships off shore and for the support given him by the engineers and artillerymen who helped him with his rifle, grenade and bazooka to gain a beachhead in Europe.

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Over ground that had rocked to the tread of warriors from time immemorial, men from New York, California, Kansas, fought and bled for their country. General Clark, himself, was seen in some of the hottest areas giving his men the inspirational aid that only a leader can contribute. Late that afternoon the Germans began another thrust at the beach. A young captain calmly worked his artillery battery and smashed six of the tanks, forcing the rest of them to withdraw. By September 10th or as it was known in the Army, "D plus 1", the beachhead was ours. American soldiers were on the continent of Europe and the victory had a sweet taste.

5. The Germans strike back. We moved ahead against stubborn resistance. There were many obstacles in our path. Rivers, drainage ditches, swiftly flowing streams and channels had to be crossed under heavy fire. To the south, British units were up against a wall of German resistance, against an enemy fortified with observation posts and heavy gun positions. The Infantry slogged on to capture the heights near Alta Villa and were in a position to threaten any retreat of German troops fleeing backward from the assaults of the British Eighth Army. The enemy, therefore, threw in a strong counter-attack on September 13. There were many anxious and trying hours at the height of the German drive while General Mark Clark regrouped his forces. This was the crucial hour of the campaign. The foot soldier, begrimed and dog-tired, held his position remembering

General Clark's fighting words -- "We have come to stay." The German attack was blunted and we were on the offensive again.

6. We moved north. The Germans were scattering booby traps over a wide area, suicide demolition squads remained behind to destroy bridges, aqueducts and to mine the roads and fields. The heavy equipment was forced on to the narrow roads which snaked their way along high mountain trails. We had to scale cliffs that were no more than goat trails and even mule trains were utilized for supply and to evacuate the wounded. At time ammunition had to be dropped by planes. The Infantry moved forward amid a nightmare of exploding mines as our mountain Engineers worked around the clock reconstructing or putting in new bridges that had been destroyed by the retreating enemy. The heavy rains turned the land into a mire and often washed out new construction. September wore on and the misty-foggy October days added new problems to the troops but they continued to move forward. On October 1st, Naples fell to the Fifth Army, and we had achieved a port, though badly damaged, which would allow us to bring in more supplies than was possible by land.

7; The enemy was helped immeasurably by the terrain and vicious weather, in building up strong defensive positions north of the now famous Volturno River. The second huge task in over one month faced the Fifth Army. The first was establishing the beachhead in the face of obstinate enemy resistance and now the second, a bridgehead across the Volturno River against a battle-wise foe fighting from

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well prepared defenses. Mount Vesuvius loomed high to the East, the hot molten lava spewing from its peak provided an eternal beacon for the operation to follow. The nights of October 12th and 13th, after a tremendous artillery barrage to soften the enemy defenses, Fifth Army troops waded the icy waters of the flooded Volturno River, stood up against the searing fire from German defenses, but crossed the river. Soldiers waded to the opposite shore attaching hand lines to trees so that their buddies' crossing would be made easier. British and American troops, side by side, waded and used small boats to get across while small-arms fire was whipping the water around them into an angry foam. The Germans agains were forced to retreat. But the crossing of the river was only the beginning. Before them were the Appenine Mountains which were formidable barriers in themselves, but more difficult with the enemy strongly entrenched in them. The Germans dug deep into solid rock to establish their gun positions and these were additionally reinforced with rock and concrete. The Germans held every avenue of approach, positions they believed were impregnable. Each one of their positions was an independent unit which meant that every one of them had to be cleaned out before the Fifth Army could advance. The Germans even used smashed tanks as concealed pill-boxes. Booby traps, mine field and barbed wire emplacements were scattered among the guns reaching from the valleys high up to the mountain slopes. Again it was up to the foot soldiers to move up

over muddy snow-covered paths against an icy freezing wind. High in mountains American soldiers stained the white snow with their blood and fought in the mists of the clouds. Here, even the glue-footed mules couldn't move and human pack trains kept supplies moving. The wounded were evacuated at night to be safe from enemy fire. Medical Corps men worked all night in relays to bring the casualties to medical aid stations. But still the troops moved forward beating the weather and the Germans.

3. Leap Frog Operation. Our march up the peninsula was slow against such weather, terrain and enemy. Therefore, it was necessary for amphibious operations to land further up the coast and flank the German lines. Plans were made carefully for this risky move and the Village of Anzio about 25 miles south of Rome was chosen as the objective. On January 22, 1944, the Fifth Army landed, taking the Germans completely by surprise. Opposition was light and easily overcome. After the bloody fighting at Salerno these new invasion troops were astonished by the lack of resistance. Finally the Germans started to move strong forces into the threatened area. The landing at Anzio was a magnificent demonstration of smooth teamwork by the allied troops, Air Forces and Navies. General Mark Clark had taken the chance because he knew the calibre and determination of his fighting troops to win through to final victory.



MESSAGE TO SECRETARY MURKENTHAU
FROM FRED SMITH

FOLLOWING IS CALDERON FROM MARK CLARK HEADQUARTERS HIGHLIGHTING INVASION OF ITALY YOU SAID YOU WANTED FORWARDED IMMEDIATELY. ALSO WOULD LIKE TO RELAY TO YOU THAT WE THE PEOPLE RATING ADVANCED NEARLY A POINT TO 4.6 FOR YOUR BROADCAST. THIS IS HIGHER THAN IT HAS BEEN FOR SEVERAL MONTHS. NO ESTIMATE ON THE NUMBER OF LISTENERS THUS FAR. HERE IS THE CABLE--

BACK GROUND MATERIAL FOR TREASURY DEPARTMENT BROADCAST 15 FEBRUARY 1964

1. BACKGROUND TO INVASION. IT WAS LONG BEFORE DAWN OF A SEPTEMBER MORNING IN 1943. THE PICTUREQUE COASTLINE NEAR ARZEL, ALGERIA QUIETLY RANG FROM THE BARKING ROAR OF HIGH EXPLOSIVE GUNS AND SOME HEAVILY UNDERLY SMOOKING MACHINE GUNS. HOSTILE CLARIONED SOLDIERS WITH FULL EQUIPMENT HURRYING DOWN THE RAMPE OF LANDING CRAFT STANDING BY ON THE BEACH AND MADING THROUGH THE HEAVY SURF. TO ALL INTENT AND PURPOSES, THIS LOOKED LIKE THE REAL THING, BUT FOR THE ABSENCE OF CASUALTIES ONE KNEW THIS WAS PART OF THE GRADUATION EXERCISES -- A PREPARE A PREPARATION FOR THE REAL JOB AHEAD. NEVERTHELESS, FROM PRIVATE TO GENERAL THE GRIMNESS OF THE TASK WAS REFLEXIVELY TACK WAS REFLECTED IN THE SET EXPRESSIONS ON COUNTLESS FACES. IN LESS THAN A WEEK, THEIR MANY MONTHS OF TOUGH TRAINING WOULD FIND EXPRESSION ON HOSTILE SHORES OF THE CONTINENT OF EUROPE. A TALL, ALMOST GAUNT FIGURE STOOD OUT IN ITS CALMNESS AND PENETRATING ATTITUDE. LT. GENERAL MARK W. CLARK, COMMANDING GENERAL OF THE FIFTH ARMY WAS REVIEWING HIS TROOPS FOR WHAT WAS TO BE THE FINAL TEST BEFORE THE BIG BATTLE. INFANTRY STORMED THE ENEMY PILL BOXES AND "MINE FIELDS" WHILE THE ENEMY ENGINEERS WORKED AT TOP SPEED IMPROVING LANDING FACILITIES SO THAT THE HEAVY TANKS, JEeps AND TRUCKS COULD MOVE IN TO SUPPORT THE FOOT SOLDIERS. THIS WAS THE PRELUDE TO INVASION.

24. THE HIGH CONVOY MADE LANDFALL 4 SEPTEMBER 8, 1943. THE SHARP, JAGGED HILLS IN THE DISTANCE WERE IMPERCEPTIBLY CLOSER. THIS WAS A STRANGE LAND, YET EVERY MAN ON JACK ABOARD KNEW THAT AHEAD OF THEM WAS ITALY. THERE WAS NO MORE SHIP TALK ABOUT WHERE THEY WERE GOING. THE CONVOY WAS UNDER WAY. THE MEN HAD BEEN THOROUGHLY BRIEFED ON WHERE THEY WERE GOING AND WHAT THEIR JOBS WERE TO BE. THEY KNEW THAT THE BRITISH EIGHTH ARMY HAD LANDED AT MESSINA AND WAS PUSHING ITS WAY SLOWLY UP THE ITALIAN BOOT. WEAPONS AND EQUIPMENT HAD BEEN TAKEN APART AND ASSEMBLED TIME AND TIME AGAIN -- EVER XX EVERY PART WAS OILED AND CLEANED -- MECHANICAL FAILURE WOULD MEAN SUDDEN DEATH. THE MEN WERE WELL PREPARED WITH THEIR BAPTISM OF FIRE. THEIR PACKS CONTAINED SULPHA DRUGS, TABLETS FOR PURIFYING WATER, BENZADRINE TABLETS TO COMBAT FATIGUE AND STABINE PILLS TO WAR OFF MALARIA. ALL THIS IN ADDITION TO A PLentiful SUPPLY OF CONCENTRATED RATIONS. PALMS WERE HOLST, TONGUES WERE DRY, BUT THEY WERE UNAFRAID AS THEIR SHIPS MOVED INTO POSITION OFF THE ITALIAN COAST.

POSITION ON THE MORNING OF DECEMBER 2TH, THE SHIP'S RADIO SUDDENLY ANNOUNCED THE UNCONDITIONAL SURRENDER OF ITALY. TO MOST OF THE MEN IT WAS A LETDOWN FOR THEY HAD BEEN EXPECTING A FIGHT AND SECRETLY COVETED CONQUERING THE DESIRE TO WIN A BRONZE STAR TO ADD TO THEIR CAMPAIGN RIBBONS. THIS, MOST OF THEM FELT, WAS TO BE ANOTHER ONE OF THOSE "PRACTICE LANDINGS." HOWEVER, RADIO INFORMED THEM THAT PLANS REMAINED THE SAME AND THEY WERE WARNED THAT THE GERMANS ON THE BEACHES WOULD PUT UP A COSTLY AND TENACIOUS RESISTANCE. AS THE SHADOW OF NIGHT VEILED THE SEA, AN UNNATURAL CALM SETTLED OVER THE SOLDIERS AS THE SHARPLY SILHOUETTED VESSELS STRETCHED OUT IN A LONG LINE TO THE DISTANT HORIZON. THE SOLDIERS WERE NERVOUS AND AGAIN WENT OVER THEIR EQUIPMENT, TALKED OVER INSTRUCTIONS, AND MADE READY TO BOARD THEIR LANDING CRAFT. OPTIMISM RAN HIGH ALTHOUGH THEY KNEW THAT GERMANY WAS ONLY A FEW MILES STARBOARD AND THAT EXTENSIVE THEY KNEW THAT GERMANY WAS ONLY A FEW MILES CLOSE APPROACH BY THE LARGEST LARGEST SHIPS IN THE CONVOY. THE NIGHT SILENCE WAS BROKEN ONLY BY FURTIVE WHISPERS, COMMANDS AND THE LAPPING OF SMALL WAVES AGAINST THE METAL PLATES OF THE SHIPS.

WAVES AGAINST AGAINST THE BEACHES. THE ASSAULT SHIPS CLEAVED THE GLAM WATER OF THE MEDITERRANEAN SEA ON BOARD SUCH TYPICAL AMERICAN COMMENTS WERE HEARD. "SO, I WONT GET ME A METAL, BUT AT LEAST I LL SEE SOME OF THOSE GERMAN RIFLES READ ABOUT IN SCHOOL." HE WAS ANSWERED BY, "SIGHTSEEING ISNT WHAT IT IS CRACKED UP TO BE, BROTHER." WHILE ANOTHER, MORE SERIOUS SOLDIER, SAID, "DONT FORGET ABOUT THE JERRIES. HARRY TOLD ME THAT HE HEARD FROM SOMEBODY ELSE WHO HEARD THE GENERAL TELL A COLONEL THAT THERE ARE ABOUT TWENTY JERRY DIVISIONS OVER THERE. THE SLIN SOLDIER, GENUINELY CARESSING HIS BAZOOKA REMARKED, "AM GOING TO KICK THIS BAZOOKA AROUND UNTIL I MEET THE LAST OF THEM." BY NOW WE WERE COMING INTO THE TIDE. THE WARM CRATINGS OF KEELS ON A SANDY BEACH MOVING ALONG RILES UP COASTLINE, RAMPES WERE LOWERED, MEN STOOD UP IN WAIST-DEEP WATER AND HEADED FOR THE LAND. AT THIS POINT, A LOUD VOICE IN ENGLISH WAS HEARD AS IF OVER A PUBLIC ADDRESS SYSTEM -- "TOU'D BETTER SWIM OVER. WE HAVE YOU SURROUNDED." IT BLARED. AT THE SAME TIME AN INFERNO OF FIRE LEAPT FROM THE BEACH TO MEET THE INVADERS. RIFLES, MORTARS, A SIX ARTILLERY MACHINE GUNS AND GRENADES TURNED THE WHITE BEACHES INTO A BURNING CAULDRON. THE GERMANS CRAWLED FROM THE VICIOUS HAIL OF STEEL BY CROUCHING LOW BEHIND SAND DUNES. BUT THIS HAIL OF HOT STEEL DID NOT PREVENT LANDING CRAFT FROM BRACING IN BEHIND. THE FIRST WAVE ON THE BEACH SPREAD OUT TO ENCIRCLE AND DESTROY THE ENEMY FORTIFICATIONS. VETERAN GERMAN TROOPS WELD STRONG. ENEMES WERE PUSHED BACK BY GRIM AMERICAN SOLDIERS, MANY OF WHOM FEEL UNDER FIRE FOR THE FIRST TIME. WHEN DAWN STREAKED THE SKY, THE AMERICANS WERE ALREADY PUSHING INLAND. ONE OF THE PRIMARY OBJECTIVES WAS TO CAPTURE SOME OF THE HIGH MOUNTAINS BEHIND SALERNO UPON WHICH THE GERMANS HAD PLACED OBSERVATION POSTS. EVEN THE LUFTWAFFE APPEARED SUPPORTING THE ATTACK BY ATTACK OF HIGHLY ARMED HIGH ALTITUDE BOMBER TANKS. AN ANTI-TANK GUNS, BAZOOKAS AND EVEN RIFLES WERE USED AGAINST THE TANKS. ONE AMERICAN SET. CAME IN FROM THE REAR, GAINED A FOOTING ON THE TANKS, HIMSELF UPON TOP OF A TANK, FORCED THE TURRET OPEN AND DROPPED SEVERAL GRENADES INSIDE. ANOTHER SOLDIER MET HIS DEATH AFTER BEATING OFF TANKS BY EXTREMELY ACCURATE SUB-MACHINE GUN FIRE ON THEIR PORTHOLE. THE

ACTION WAS HEAVY WITH NO QUARTER GIVEN, BUT FINALLY THE AMERICAN BOYS REPRESENTING VERY MAIN STAY IN AMERICA PUSHED THE GERMANS BACK INTO THE MOUNTAINS. THE FOOT SOLDIERS WERE AGAIN SUPREME, SLUGGING IT OUT WITH THE ENEMY, BUT HE WAS GRATEFUL FOR THE CURTAIN OF HEAVY NAVAL FIRE FROM THE WARSHIPS OFF SHORE AND FOR THE SUPPORT GIVEN HIM BY THE ENGINEERS AND ARTILLERYMEN WHO HELPED HIM WITH THE SIX WITH HIS RIFLE, GRENADE AND BAZOOKA XI BAZOOKA TO GAIN A BEACHHEAD IN EUROPE. OVER GROUND FOR JERRY NEW YORK, CALIFORNIA. JAMES, FOUGHT AND BLED FOR THEIR COUNTRY. GENERAL CLARK, HIMSELF, WAS SEEN IN SOME OF THE HOTTEST AREAS GIVEN HIS MEN THE INSPIRATIONAL AID THAT ONLY A LEADER CAN CONTRIBUTE. LATE THAT AFTERNOON THE GERMANS BEGAN ANOTHER THREAT AT THE BEACH. A YOUNG CORP AS CALMLY WORKED HIS ARTILLERY BATTERY AND SMASHED SIX OF THE TANKS, FORCING THE REST OF THEM TO WITHDRAW. BY SEPTEMBER 10TH ON AS IT WAS KNOWN IN THE ARMY, "D PLUS 1", THE BEACHHEAD WAS OURS. AMERICAN SOLDIERS WERE ON THE CONTINENT OF EUROPE AND THE VICTORY HAD A SWEET TASTE.

THE GERMAN STRIKE BACK. WE MOVED ANOTHER 100 YARDS AND STUBBORN RESISTANCE THERE WERE MANY OBSTACLES IN OUR PATH. RIVERS, DITCHES, DRAINS, AND SWIFT FLOWING STREAMS AND CHANNELS HAD TO BE CROSSED UNDER HEAVY FIRE TO THE SOUTH, BRITISH UNITS WERE UP AGAINST A WALL OF GERMAN RESISTANCE, AGAINST AN ENEMY FORTIFIED WITH OBSERVATION POSTS AND HEAVY GUN POSITIONS. THE INFANTRY SLOGGED ON TO CAPTURE THE HEIGHTS NEAR ALTA VILLA. WE WERE IN POSITION TO INHERIT ANY RETREAT OF GERMAN TROOPS FLEEING BACKWARD FROM THE ASSAULTS OF THE BRITISH EIGHTH ARMY. THE ENEMY, THX AS THEREFORE, THERE WAS A STRONG COUNTER ATTACK ON SEPTEMBER 13. THERE WERE MANY ANXIOUS TRYING HOURS AT THE HEIGHT OF THE GERMAN DRIVE WHILE GENERAL HANK CLARK REORGANIZED HIS FORCES. THIS WAS THE CRUCIAL HOUR OF THE CAMPAIGN. THE FOOT SOLDIER, BEHINDED AND OX MDGG-TIRED, HELD HIS POSITION REMEMBERING GENERAL CLARK'S FIGHTING WORDS -- "WE HAVE COME TO STAY." THE GERMAN ATTACK WAS BLUNTED AND WE WERE ON THE OFFENSIVE AGAIN.

ON THE MOVED NORTH. THE GERMANS WERE SCATTERING BOOBY TRAPS OVER A WIDE AREA. SUICIDE DEMOLITION SQUADS REMAINED BEHIND TO DESTROY BRIDGES, AQUEDUCTS AND TO MINE THE ROADS AND FIELDS. THE HEAVY EQUIPMENT WAS FORCED ON TO THE NARROW ROADS WHICH SWAMPED THEIR WAY AS WELL AS THE HIGH MOUNTAIN TRAILS. WE HAD TO SCALE CLIFFS THAT WERE NO MORE THAN GOAT TRAILS AND EVEN MULE TRAILS WERE UTILIZED FOR SUPPLY AND TO EVACUATE THE WOUNDED. AT SIX THOUSAND WE WERE STOPPED BY PLACES. THE INFANTRY MOVED FORWARD AND A NIGHTMARE OF EXPLOSIVE MINE WAS ON MOUNTAIN ENGINEERS WORKED AROUND THE CLOCK RECONSTRUCTING OR PUTTING IN NEW BRIDGES THAT HAD BEEN DESTROYED BY THE RETREATING ENEMY. THE HEAVY RAINS TURNED THE LAND INTO A MIRE AND OFTEN WASHED OUT NEW CONSTRUCTION. SEPTEMBER WORE ON AND THE MISTY-FOGGY OCTOBER DAYS ADDED NEW PROBLEMS TO THE TROOPS BUT THEY CONTINUED TO MOVE FORWARD. ON OCTOBER 1ST, NIX NAPLES FELL TO THE FIFTH ARMY, AND WE HAD ACHIEVED A PORT THOUGH BADLY DAMAGED, WHICH WOULD ALLOW US TO BRING IN MORE SUPPLIES THAN WAS POSSIBLE BY LAND.

1. THE ENEMY WAS PLACED UNMEASURABLY BY THE TERRAIN AND VACUOUS WEATHER
IN BUILDING UP STRONG DEFENSIVE POSITIONS NORTH OF THE NOW ANNOUS VOLX
VOLTURNO RIVER. THE SECOND HIGH TIDE IN OVER ONE MONTH FACED THE FIFTH
ARMY. THE FIRST WAS ESTABLISHING THE BEACHHEAD IN THE FACE OF OBSTINATE
ENEMY RESISTANCE AND NOW THE SECOND, A BRIDGEHEAD ACROSS THE VOLTURNO
RIVER AGAINST A BATTLE-WISE FOE FIGHTING FROM WELL PREPARED DEFENSES.
MOUNT VESUVIUS LOOMED HIGH TO THE EAST, THE HUT MOLTEN LAVA SPENDING
FROM ITS PEAK PROVIDED AN ETERNAL BEACON FOR THE OPERATION TO FOLLOW.
THE NIGHTS OF OCTOBER 12TH AND 13TH, AFTER A TREMENDOUS ARTILLERY WAR-
RAGE TO SOFTEN THE ENEMY DEFENSES, FIFTH ARMY TROOPS WADED THE
ICY WATERS OF THE FLOODED VOLTURNO RIVER, STOOD UP AGAINST THE GEARING
FIRE FROM GERMAN DEFENSES, BUT CROSSED THE RIVER. SOLDIERS WADED TO THE
OPPOSITE SHORE ATTACKING HAX ATTACKING HAND LINES TO TREXKX TREES SO THAT
THEIR BUDDIES CROSSING WOULD BE MADE EASIER. BRITISH AND AMERICAN TROOPS
SIDE BY SIDE, WADED AND USED SMALL BOATS TO GET ACROSS WHILE SMALL-
ARMS FIRE WAS WHIPPING THE WATER AROUND THEM INTO AN ANGRY FOM. THE
GERMANS AGAIN WERE FORCED TO RETREAT. BUT THE CHANGING OF THE RIVER WAS
ONLY THE BEGINNING. BEFORE THEM WERE THE APPENINE MOUNTAINS WHICH WERE
FORMIDABLE BARRIERS IN THEMSELVES, BUT MORE DIFFICULT WITH THE ENEMY
STRONGLY ENTRENCHED IN THEM. THE GERMANS DUG DEEP INTO SOLID
ROCK TO ESTABLISH THEIR GUN POSITIONS AND THESE WERE ADDITIONALLY REIN-
FORCED WITH ROCK AND CONCRETE. THE GERMANS HELD EVERY ADVANCEMENT AVENUE
OF APPROACH, POSITIONS THEY BELIEVED WERE IMPREGNABLE. EACH ONE OF THEIR
THEIR POSITIONS WAS SO DEFENDANT BY TRICK HEART THAT ONLY ONE OF THEM
HAD BEEN CLEARED OUT BEFORE THE FIFTH ARMY COULD ADVANCE.
GERMANS EVEN USED SMASHED TANKS AS CONCEALED PILLBOXES. BOoby TRAPS,
MINE FIELDS AND BARBED WIRE EMBLEMENTS WERE SCATTERED AMONG THE GUNS
REACHING FROM THE VALLEYS HIGH UP TO THE MOUNTAIN SLOPES. AGAIN IT WAS
UP TO THE FOOT SOLDIERS TO MOVE UP OVER MUDDY SNOW-

UP TO THE FOUR SOLDIERS. MOVE UP OVER MUDDY SNOW-COVERED PATHS AGAINST AN ICY FREEZING WIND. HIGH IN MOUNTAINS AMERICAN SOLDIERS STAINED THE WHITE SNOW WITH THEIR BLOOD AND FOUGHT IN THE MISTS OF THE CLOUDS. HERE, EVEN THE CLUSTERED MULES COULDN'T MOVE AND HUMAN PACE TRAINS KEPT SUPPLIES MOVING. THE WOUNDED WERE EVACUATED AT NIGHT TO BE SAID FROM ENEMY FIRE. MEDICAL CORPS MEN WORKED ALL NIGHT IN RELAYS TO BRING THE CASUALTIES TO MEDICAL AID STATIONS. BUT STILL THE TROOPS MOVED FORWARD INTO THE WIND, WEATHER AND THE GERMANS.

[illegible]

END OF MES

END OF CA

COLLECTOR WILL DELIVER MESSAGE TO MR

FOR YOUR INFORMATION THE TRAIN IS 2 HOURS KNOWS LATE. THEY WILL
LEAVE TAMPA FOR BOCA GRANDE BETWEEN 4 AND 4 30 P M IN CASE YOU
HAVE ANY FURTHER MESSAGE TO SEND BEFORE THAT TIME. TIME.
END OR CA

LINE DE SW

WILL GIVE INFO TO MR MORGENTHAUS SECRETARY THANK U END MMW
END AM



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



13

February 15, 1944

SECRET

MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

We are attempting to secure fifteen second-hand oil tanks (55,000 barrel capacity) for delivery to Burma in July, inasmuch as new tanks cannot be secured to meet this delivery.

Clifton E. Mack
Clifton E. Mack
Director of Procurement

Attachment

SECRET

LEND-LEASE
TREASURY DEPARTMENT, PROCUREMENT DIVISION
STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND
DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS
AS OF FEBRUARY 9, 1944
(In Millions of Dollars)

SECRET

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous & Undistributed</u>
Allocations	\$4682.3 (4667.4)	\$2287.9 (2287.9)	\$1877.3 (1862.4)	\$113.8 (113.8)	\$11.0 (11.0)	\$392.3 (392.3)
Purchase Authoriza- tions (Requisitions)	\$3500.6 (3477.4)	\$1824.1 (1817.0)	\$1382.3 (1371.8)	\$44.5 (44.4)	- -	\$249.7 (244.2)
Requisitions Cleared for Purchase	\$3418.6 (3388.8)	\$1774.8 (1764.7)	\$1358.4 (1346.4)	\$43.9 (44.1)	- -	\$241.5 (233.6)
Obligations (Purchases)	\$3284.0 (3257.4)	\$1739.7 (1724.5)	\$1327.2 (1318.5)	\$43.8 (43.8)	\$9.9 (9.9)	\$163.4 (160.7)
Deliveries to Foreign Governments at U. S. Ports*	\$1690.3 (1675.6)	\$1142.5 (1136.0)	\$496.6 (491.3)	\$21.3 (21.1)	- -	\$29.9 (27.2)

*Deliveries to foreign governments at U. S. Ports do not include the tonnage that is either in storage, "in-transit" storage, or in the port area for which actual receipts have not been received from the foreign governments.

Note: Figures in parentheses are those shown on report of February 2, 1944.

SECRET**EXPLANATION OF DIFFERENCE**

The decrease in Requisitions Cleared for China is a result of adjustment of requisitions to actual contracts.

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

February 15, 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 2, 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

February 14, 1944.

CONFIDENTIAL

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

I am enclosing our compilation for the week ended February 2, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Faithfully yours,

/s/ L. W. Knoke

L. W. Knoke,
Vice President.

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

C O P Y

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

Week Ended February 2, 1944

Strictly
Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)										BANK OF FRANCE		
	DEBITS				CREDITS						Total Debits (e)	Total Credits (e)	Net, Incr. (+) or Decr. (-) in Funds (d)
	Total Debits	Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Gold	Securities (Official) (b)	Transfers Official Australian Account	Other Credits (c)	Net Incr. (+) or Decr. (-) in Funds (d)			
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
War 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 (l)	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
<u>1943</u>													
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-
November	65.9	42.4	5.9	17.6	89.0	-	-	3.5	85.5	+ 23.1	-	-	-
December	98.1	16.3	-	81.8	134.5	-	-	36.5	98.0	+ 36.4	-	-	-
<u>1944</u>													
January													
February													
March													
April													
May													
June													
July													
August													
<u>Week Ended</u>													
January 12, 1944	7.1	4.1	-	3.0	30.0	-	-	-	30.0	+ 22.9	-	-	-
January 19, 1944	18.1	6.7	0.3	2.9	66.3	-	-	-	66.3	+ 56.2	-	-	-
January 26, 1944	5.1	2.5	-	2.6	6.5	-	-	-	6.5	+ 1.4	-	-	-
February 2, 1944	17.0	2.8	9.6	4.6	15.7 (g)	-	-	6.0	9.7 (g)	- 1.3	-	-	-

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 20, 1940 to March 12, 1941) \$54.9 million
 England (since March 12, 1941) \$20.2 million

See attached sheet for footnotes.

- (a) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this Bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1940 amounted to \$334 million.
- (c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the requisitioning of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.
- (d) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (e) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (g) For monthly breakdown see tabulations prior to April 23, 1941.
- (h) For monthly breakdown see tabulations prior to October 8, 1941.
- (i) For monthly breakdown see tabulations prior to October 14, 1942.
- (j) For monthly breakdown see tabulations prior to September 29, 1943.
- (k) Includes \$ 4.1 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports; \$ 1.5 million in connection with the expense of our armed forces abroad, and \$1.0 million transferred from account of Reserve Bank of New Zealand at this bank.

ANALYSIS OF CANADIAN AND AUSTRALIAN ACCOUNTS
(In millions of dollars)Week ended February 2, 1944
Continued

COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)

CANADA (and Canadian Government)

PERIOD	TRANSFERS FROM OFFICIAL				C R E D I T S				B A N K				D E B I T S			
	Transfers to British A/C	Proceeds of Gold Sales	Other A/C	For Own A/C	Transfers from Official British A/C	For French A/C	Other	Net Incr. Decr. (-) or Credits in \$ (thousands)	Transfers to British A/C	Other	Total	Debits A/C	Other	Total	Debits	
First year of war (a)	23.0	306.4	504.7	20.9	38.7	38.7	32.4	+ 181.7	31.2	3.9	35.1	30.0	6.1	+ 4.9	12.3	
War period through December, 1940	477.2	460.6	707.4	534.8	110.7	41.0	+ 230.2	97.9	14.5	43.4	62.4	50.1	18.3	+ 9.0	95.0	
Second year of war (b)	460.4	460.4	460.4	246.2	3.4	88.5	+ 1.6	107.2	97.4	69.8	112.2	17.2	200.4	+ 3.4	20.0	
Third year of war (c)	525.8	525.5	566.3	198.6	7.7	360.0	+ 40.5	107.2	97.4	69.8	112.2	17.2	200.4	+ 3.4	20.0	
Fourth year of war (d)	723.6	723.6	723.6	958.8	47.1	741.3	+ 235.2	197.0	155.1	47.9	200.4	-	200.4	+ 3.4	20.0	
1943	47.2	47.2	70.1	-	10.6	59.5	+ 22.9	16.8	15.0	1.8	20.0	-	20.0	+ 3.2	20.0	
September	32.1	32.1	77.3	-	5.9	71.2	+ 79.7	6.6	3.5	1.2	27.0	-	27.0	+ 3.2	20.0	
October	15.4	15.4	92.1	-	-	89.2	+ 91.7	39.7	36.5	1.2	27.0	-	27.0	+ 3.2	20.0	
November	146.8	146.8	35.1	-	-	55.1	-	91.7	39.7	36.5	1.2	27.0	-	27.0	+ 3.2	
1944	13.8	13.8	19.7	-	9.6	10.1	+ 5.9	6.3	6.0	0.3	15.9	-	15.9	+ 5.9	15.9	
January 12, 1944	3.1	3.1	16.1	-	0.3	15.8	+ 9.4	0.3	0.3	0.3	0.9	-	0.9	+ 9.6	8.8	
January 19, 1944	6.7	6.7	12.7	-	-	12.7	+ 6.7	0.1	0.1	0.1	0.8	-	0.8	+ 9.6	8.8	
January 26, 1944	6.0	6.0	12.7	-	-	12.7	+ 5.9	0.3	0.3	0.3	0.3	-	0.3	+ 9.6	8.8	
February 2, 1944	13.8	13.8	19.7	-	9.6	10.1	+ 5.9	6.3	6.0	0.3	15.9	-	15.9	+ 5.9	15.9	

Average weekly expenditures for

First year of war 6.2 million.
Second year of war 10.1 million.
Third year of war 13.9 million.
Fourth year of war 12.4 million.
Fifth year of war (through February 2, 1944)

- (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 September 29, 1943.
(d) For monthly breakdown see tabulations prior to October 14, 1942.
(e) For monthly breakdown see tabulations prior to September 29, 1943.
(f) Does not reflect transactions in short term U. S. securities.
(g) Includes \$ 2.6 million received from New York account of Canadian Chartered Bank.
(h) Less than \$50,000.
(i) Includes \$ 15.0 million in connection with the expenses of our armed forces abroad.

BRITISH INFORMATION SERVICES

1336 NEW YORK AVENUE, N. W.

WASHINGTON, D. C.

February 15, 1944

Mr. John W. Paley
Acting Executive Director
President's War Refugee Board
Room 288
Treasury Department
Washington, D. C.

Dear Mr. Paley:

This letter will confirm our telephone conversation at which time I extended our invitation to such members of your organization as might be interested in going next Friday evening at 8.30 p.m. to the Department of Agriculture auditorium, South Building, 14th & Independence to hear Dr. Walter MacLay and see the film "Psychiatry in Action".

Dr. Walter MacLay who is largely responsible for the making of the film came to this country at the invitation of the American Psychiatric Association. I enclose a description of the film.

It would be most helpful to learn after the show what those members of your staff who may be able to attend think of the film. It has been very highly praised by the Office of Vocational Rehabilitation and by the Veterans Administration Rehabilitation Division Director.

Sincerely yours,

NCG:ms

Neville Gardiner

Encl

Film Officer

P.S. Any member of your staff may bring one other person with them.

BRITISH INFORMATION SERVICES
AN AGENCY OF THE BRITISH GOVERNMENT

January, 1944

PSYCHIATRY IN ACTION

This film breaks entirely new ground in the medical field, and shows a particularly interesting aspect of British war-time organisation.

The British Ministry of Health has found that the best way in which to tackle many of the problems which arise in war-time medicine is to set up special centres where teams of experienced workers are concentrated to deal with particular injuries or diseases. Among these special centres are seven devoted to the cure of Neuroses. This film was shot at a neurosis centre, which was one of the first to be set up.

The film is unique from two points of view. First, it gives a picture of an entirely new type of hospital and second, this is the first time that an attempt has been made to show in the film medium the whole working and organisation of any kind of hospital.

The film starts by introducing Britain at war and states briefly the reasons for the setting up of the special centres under the Emergency Medical Service of the Ministry of Health.

Then after a view of the various buildings and departments of the hospital, which is situated in the grounds of a large school from which the pupils have been evacuated, the Medical Superintendent gives an introduction to the work that is being done there.

We pass on to the hospital itself. To the Admission House where all cases spend their first twenty-four hours. Then we follow the patients into the wards where they spend the rest of their stay in hospital. Here we are introduced to some of the doctors in charge of the units, and see them at work planning the investigation and treatment of the patients under their care.

There are sequences devoted to some of the methods of psychological testing which may be used, to the special treatments which may be required, and to the group talks and lectures.

We pass next to the physical rehabilitation of the patients, and to the occupational therapy which plays a large part in their cure. Here we see how the nursing staff and the instructors in the various classes assist the doctors in treatment. Next we see some of the ways in which the normal interests of the patients are revived by means of lectures, discussions, competitive games, and A.R.P.

Then we see how, when the day is over, the patients relax in games of their own choice, and we get a view of a popular feature, the weekly dance, which the patients themselves organize. Finally, the film takes us back to the Medical Superintendent, who explains that the cure of a case cannot end at the hospital; in most cases the patients cannot just go back to the same conditions from which they came without danger of a relapse. The disposal of cases is therefore very important and we see how the War Office and the Ministry of Labor co-operate with the Hospital in the after care of Service and Civilian cases.

DEPARTMENT OF STATE

Washington

February 15, 1944

My dear Mr. Pehle:

I have received your letter of February 10 concerning the desire of the War Refugee Board to obtain the services of Mr. James H. Mann, a Foreign Service Auxiliary officer at Buenos Aires. A telegram has been sent to Buenos Aires to inform the Embassy of the Department's decision to release Mr. Mann to accept an offer from the War Refugee Board, if he wishes to do so. The Embassy has been asked to reply by telegram. If Mr. Mann's reply is in the affirmative, he will be ordered to Washington for consultation, in order to discuss the matter with you; and as soon as your arrangements with him have been completed, I shall be glad to have him released by the Department.

Sincerely yours,

(signed) E. R. Stettinius, Jr.
Acting Secretary

Mr. J. W. Pehle,
Acting Executive Director,
War Refugee Board,
Washington 25, D. C.

American Embassy

Ottawa

February 15, 1944.

Memorandum of Conversation

Subject: War Refugees.

Participants: Mr. R. A. Robertson, Department
of External Affairs;
Mr. Horner.

Copies to:

I called upon Mr. Robertson this morning and delivered the Embassy's Note No. 96 of February 11, 1944, concerning the establishment of a War Refugee Board. Mr. Robertson took over the handling of refugee only about 10 days ago.

Mr. Robertson said that in 1940 approximately 4,000 refugees were admitted to Canada from the United Kingdom, many of these being classified as dangerous. About 1,000 of these have since left Canada and about 2,000 are interned here, leaving only approximately 900 who are at Liberty in Canada. Only a trickle of refugees reached this country in 1941 and 1942. Last October Canada sent an Immigration Agent to Lisbon with authority to admit an initial group of 200 families (this figure is not for publication). The Agent reports that there seemed to be but 600 or so refugees in the Iberian Peninsula who desire to leave and he thinks it doubtful whether Canada will be able to find as many

as

as 200 families. External Affairs recently asked its representative in Algiers to ascertain the refugee situation there, but has not yet had a report. However, it is Mr. Robertson's impression that most of the refugees in North Africa have been absorbed into the British Pioneer Corps, and that the refugee problem is not serious.

Mr. Robertson mentioned that the Canadian Government, on its own initiative, recently asked its High Commissioner in Ireland to obtain the views of the Irish Government with regard to refugees. Ireland, apparently, is the only neutral country which has made no effort to assist in taking refugees. I asked Mr. Robertson whether, in view of the reported shortage of food in Ireland, it might not be necessary, in the event Ireland agreed to take some refugees, that foodstuffs be shipped there from North America. He agreed that it probably would be necessary, but said that the Canadian High Commissioner in Dublin had not been instructed to make any offer. Incidentally, Mr. Robertson said that Canada very recently renewed its offer to the Inter-Governmental Committee to take 1,000 Jewish children from Europe.

External Affairs will reply to our note in the near future, but probably will not be able to add anything of importance to what Mr. Robertson has told me. Generally, it would appear that Canada is fully cooperating with regard to refugees.

EMBASSY OF THE
UNITED STATES OF AMERICA

Quito, Ecuador
February 15, 1944

No. 1093

Subject: Assistance to Refugees from Axis Oppression

The Honorable

The Secretary of State

Washington

Sir:

Referring to the Department's circular airgram of January 26, 7:00 P.M., and with reference also to my despatch No. 1041 of February 7 last regarding the position of the United States Government with respect to the alleviation of the problem of refugees from Axis oppression, I have the honor to enclose a copy, with translation, of a note from the Ministry for Foreign Affairs, dated February 12, 1944. This is a reply to a note which I sent to the Ministry on February 2, in pursuance of the Department's airgram aforementioned.

Respectfully yours,

(Signed)
R. S. Scotten

JWG:ksq
840.1

Enclosures:

- 1/ Copy of Foreign Office Note No. #17-D-19
- 2/ Translation of above-mentioned Note

Original to Department
Copy to Consulate General, Guayaquil

Enclosure No. 2 to despatch No. 1093
dated February 15, 1944, from
American Embassy, Quito

REPUBLIC OF ECUADOR
Ministry of Foreign Relations

#17-D-9

DIPLOMATIC DEPARTMENT

Quito, February 12, 1944

Mr. Ambassador:

I have the honor to acknowledge the receipt of Your Excellency's esteemed communication No. 47, of the second current, in which you were good enough to inform me that His Excellency the President of the United States of America has issued a decree declaring that the policy of the United States Government is "to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war"; a decree by virtue of which there are created governmental departments entrusted with the carrying out of this policy under the direct observation of His Excellency President Roosevelt.

Your Excellency concludes by stating that the illustrious Statesman of the United States would welcome the cooperation of other Governments for effecting this difficult but important task, requesting of me, consequently, a statement of the position of my Government concerning this undertaking of assisting and alleviating the unfortunate victims of Nazi tyranny.

In reply I have the honor to inform Your Excellency that the Government of Ecuador, faithful to the democratic norms and to the humanitarian principles which govern it, views with special sympathy the initiative of the United States Government for alleviating the situation of the victims of the war and of the aggression and the atrocities of the totalitarian powers, because these purposes coincide with those maintained by my Government for endeavoring to solve the grave problems which have been created by the persecution, giving facilities for the establishment in the country to those who, owing to their personal antecedents, have been able to organize their lives under the protection of the laws and sovereignty of Ecuador.

I am waiting to learn the acts of the meetings of the Inter-Governmental Committee of Political Refugees before communicating to Your Excellency the decision which, with respect to the resolutions of the aforementioned organization, my Government will adopt, disposed, as it is, always to collaborate within the scope of its possibilities for the best attainment of these very commendable purposes.

I avail myself of the opportunity to reiterate to Your Excellency the renewed assurances of my highest and most distinguished consideration.

For the Minister, the SubSecretary

(signed) C. Proano Alvarez

TR:JWG

Copied and checked by: KSG

February 15, 1944

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

Attached hereto are proposed cables to the Embassy at Madrid and the Legation at Bern designating David Blickenstaff and Roswell McClelland, respectively, as Special Representatives of the Board and Special Attaches to the Missions.

It will be extremely helpful if these cables are despatched promptly. The cables follow the form approved by the State Department in the Hirschmann case.

(Signed) J.W. Pehle

Attachments

JWPehle:imp 2/16/44

DRAFT
TELEGRAM

AMERICAN EMBASSY

MADRID

Please refer to the Department's No. 207, January 25, in regard to the establishment of the War Refugee Board. The Acting Executive Director of the Board, John W. Pehle, has informed the Department that in conformity with the President's Order of January 22, the Board proposes to appoint Mr. David Blikenstaff, representative of the American Friends Service Committee in Madrid, as the Special Representative of the Board with the designation by the Department as Special Attache to the Embassy on war refugee matters. The President's Order provides that the State Department shall appoint such Special Attaches on the recommendation of the Board, that they shall have diplomatic status, and that their duties and responsibilities shall be defined by the Board in consultation with the State Department.

The American Friends Service Committee has indicated that it has no objection to Mr. Blikenstaff's accepting this appointment.

If, after discussing the matter with Mr. Blikenstaff, the appointment meets with your approval, you should advise him that he is so designated and that he is to have diplomatic status. It is assumed that there will be no objection on the part of the Spanish Government to this designation, although you may in your discretion approach the Spanish authorities informally if you consider it necessary or advisable to do so. You are requested to confirm by telegram Blikenstaff's designation or to advise us promptly if there is any reason why the designation should not be effective at once.

- 2 -

You should advise Blickenstaff that:

- (a) He is charged with the duty and responsibility of carrying out the Board's policies and progress in Spain;
- (b) He is responsible to the Ambassador and should discuss his activities and problems with him regularly and fully;
- (c) The Embassy will provide him with the necessary communications facilities in carrying on his official duties;
- (d) He shall extend all possible assistance to the Ambassador in carrying out the instructions contained in the Department's reference telegram;
- (e) He shall work with and give all possible assistance to public and private agencies operating in Spain in this field regardless of whether such organizations are American, foreign or international;
- (f) He shall develop and assist in the development of programs and implementation of measures for the rescue, transportation, maintenance and relief of refugees;
- (g) He shall forward to the Board recommendations and frequent reports on progress of work and difficulties encountered;
- (h) In so far as the Trading with the enemy Act is concerned, the Secretary of the Treasury has vested in the War Refugee Board and its representatives in the field full authority to communicate with enemy territory to carry out the purposes of the Order. The Secretary of the Treasury has also delegated to the War Refugee Board and its representatives the power to authorize any public or private agencies, who may be subject

- 3 -

to the provisions of our Trading with the enemy Act, to communicate with enemy territory for the purpose of carrying out the Order. Blickenstaff is authorized to act accordingly.

After receipt of confirmation of Blickenstaff's designation further detailed instructions will follow from time to time.

JBF:inp - 2/16/44

TEXTTELEGRAM

AMERICAN LEGATION

BERN

Please refer to Department's No. 251, January 25, in regard to the establishment of the War Refugee Board. The Acting Executive Director of the Board, John W. Pehle, has informed the Department that in conformity with the President's Order of January 22, the Board proposes to appoint Mr. Roswell McClelland, representative of the American Friends Service Committee in Switzerland, as the Special Representative of the Board with the designation by the Department as Special Attache to the Legation on war refugee matters. The President's Order provides that the State Department shall appoint such Special Attaches on the recommendation of the Board, that they shall have diplomatic status, and that their duties and responsibilities shall be defined by the Board in consultation with the State Department.

The American Friends Service Committee has indicated that it has no objection to Mr. McClelland's accepting this appointment.

If, after discussing the matter with Mr. McClelland, the appointment meets with your approval, you should advise him that he is so designated and that he is to have diplomatic status. It is assumed that there will be no objection on the part of the Swiss Government to this designation, although you may in your discretion approach the Swiss authorities informally if you consider it necessary or advisable to do so. You are requested to confirm by telegram McClelland's designation or to advise us promptly if there is any reason why the designation should not be effective at once.

- 2 -

You should advise McClelland that:

(a) He is charged with the duty and responsibility of carrying out the Board's policies and programs in Switzerland;

(b) He is responsible to the Minister and should discuss his activities and problems with him regularly and fully;

(c) The Legation will provide him with the necessary communications facilities in carrying on his official duties.

(d) He shall extend all possible assistance to the Minister in carrying out the instructions contained in the Department's reference telegram;

(e) He shall work with and give all possible assistance to public and private agencies operating in Switzerland in this field regardless of whether such organizations are American, foreign or international;

(f) He shall develop and assist in the development of programs and implementation of measures for the rescue, transportation, maintenance and relief of refugees;

(g) He shall forward to the Board recommendations and frequent reports on progress of work and difficulties encountered;

(h) In so far as the Trading with the enemy Act is concerned, the Secretary of the Treasury has vested in the War Refugee Board and its representatives in the field full authority to communicate with enemy territory to carry out the purposes of the Order. The Secretary of the Treasury has also delegated to the War Refugee Board and its representatives the power to authorize any public or private agencies, who may be subject

- 3 -

to the provisions of our Trading with the enemy Act, to communicate with enemy territory for the purpose of carrying out the Order. McClelland is authorized to act accordingly.

After receipt of confirmation of McClelland's designation further detailed instructions will follow from time to time.

JBF:inp - 2/16/44

INCOMING CABLE

1225

LISBON

Rec'd & Stencilled Feb. 15, 1944

GUSON PGL49 LISBOA VIA RGA 123 7 2155 1/50
 NLT LEAVITT
 JOINT DISTRIBUTION COMMITTEE
 270 MADISON AVENUE NEW YORK CITY

640 WE HAVE BEEN OFFICIALLY INFORMED BY SPANISH AUTHORITIES THAT GROUP 274
 SEPHardic JEWS ARRIVING SPAIN FROM GERMANY NEXT DAYS STOP GROUP CONSISTS FOLLOWING:

152 MEN
 173 WOMEN
 49 CHILDREN

STOP OUR REPRESENTATIVE SAMUEL SEQUERRA PROCEEDING TO BORDER RECEIVE ARRIVALS
 STOP WE ASSUME THIS IS GROUP WHICH LEFT SALONICA SOME MONTHS AGO BUT WERE HELD
 UP IN GERMANY WHILE SPANISH AUTHORITIES WERE EXERTING PRESSURE ON US EVACUATE
 ORIGINAL SEPHardic GROUP FROM SPAIN STOP SPANISH AUTHORITIES SENDING SOME DOCTORS
 AND MEDICAL SUPPLIES TO BORDER AND WE BEING ASKED SUPPLY NECESSARY CLOTHING SINCE
 GROUP SEEMS TO BE VERY BAD SHAPE STOP VIEW THIS EMERGENCY SUGGEST YOU SEND IM-
 MEDIATELY FULL AMOUNT FEBRUARY BUDGET ONE MILLION PESETAS STOP WILL KEEP YOU
 FULLY ADVISED

JOSEPH SCHWARTZ

A I R G R A M

37

FROM American Embassy

Madrid, Spain

Dated February 15, 1944

Rec'd Feb 25 1 p.

CONFIDENTIAL

Secretary of State,
Washington.

A-59, February 15, 1944, 12 noon.

I do not consider this an opportune moment in our relations with Spain to approach Spanish Government in sense suggested in Department's 207 January 25, midnight. Spanish Government has during past year become thoroughly familiar with our policy with regard to rescue of political and racial refugees from Nazi-occupied Europe and Department has been kept informed as to extent to which it has cooperated in this work. In this connection Department's attention is called to my confidential despatch 1967 of January 31 summarizing evacuations of Allied refugees from Spain in 1943 in which it is pointed out that Spanish Government during that year facilitated evacuation of well over 20,000 refugees out of estimated 22,000 who entered Spain, most of remainder being stateless for whom destinations could not be found and of whom 567 have since departed for Palestine as reported in my airgram A-39 of January 27.

Pending receipt of separate report Department's attention is called to following despatches submitted by Embassy during past year which it is believed contain most of information desired: 648 February 16, 960 May 31, 990 June 10, 1165 August 5, 1391 October 1, 1692 December 7, 1943; 1932 January 24 and 1967 January 31, 1944.

When a better opportunity presents itself I shall speak to Foreign Minister along lines suggested in Department's telegram but formal representations at this time would be less helpful than they will be a little later when the present crisis in our relations with Spain has been successfully passed.

HAYE

WL:FB/jf

Copy (in duplicate) to Lisbon

FEB 15 1944

Dear Sirs:

Reference is made to your letter of February 11 requesting our assistance in facilitating a trip to Turkey by a representative of your Committee.

We are taking this matter up with the State Department immediately and will do what we can to expedite your request.

Very truly yours,

(Signed) J. W. Fehle

J. W. Fehle
Acting Executive Director.

Emergency Committee to Save
the Jewish People of Europe,
2217 - 18th Street, N.W.,
Washington 9, D. C.

JWB:elst:car
2/15/44

FEB 15 1944

To: Mr. Stettinius
 From: J. W. Pehle

Attached is a copy of a letter from Representative Will Rogers, Jr., Co-Chairman of the Emergency Committee to Save the Jewish People of Europe, requesting the assistance of the War Refugee Board in facilitating a trip to Turkey by a representative of the Committee.

I feel that it is extremely important to do what we can to take advantage of the situation existing today in Turkey. I believe that the potentialities of evacuating persons to Turkey are great if we act fast. In this connection, in the event that you have not already seen it, I am enclosing for your information a copy of a news item which appeared in the Washington Post yesterday.

We should take advantage at once of the services of any private agency which can be of help to us in this task. Ambassador Steinhardt has already advised your Department that there is no objection to the sending of a representative of the Emergency Committee to Turkey (cable 1536 from Ankara of September 7, 1943).

Accordingly I want to urge that your Department do everything possible to facilitate with all possible speed the proposal of the Emergency Committee.

I understand that Mr. Jabotinsky, who has been recommended by the Committee, filed an application for an exit permit with your Department yesterday. Since Mr. Jabotinsky is a Palestinian citizen, the Committee is also desirous of course of receiving some form of assurance from your Department that he will be able to return to this country when his mission is completed.

I would appreciate it if you will advise me as soon as possible as to what your Department is prepared to do in this matter.

(Signed) J. W. Pehle

JWD:stein
 2/15/44

C
O
P
Y

EMERGENCY COMMITTEE TO SAVE THE JEWISH PEOPLE OF EUROPE
initiated by the Emergency Conference held in
New York - July 20-26, 1943

2217 18th Street, N.W., Washington 9, D. C.

February 11, 1944

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

Dear Mr. Fehle:

We are writing to request your assistance in facilitating a trip to Turkey as a representative of this Committee.

From intimate knowledge of the prevailing situation in Rumania, Bulgaria and Turkey, we believe that it is possible to arrange for the immediate evacuation of a limited number (500 to 1000) of Jews from Bulgaria and Rumania into Turkey, if our representative could reach Turkey within a week or two, while the present situation prevails. We feel that, with the good will of the American Ambassador, we could be of tremendous assistance in the efforts of this Government to save some of those Jews remaining in the Balkan countries.

If this can be done, and we believe it can, it would be of the greatest importance, not only because it would actually save a certain number of lives, but because it would set the pattern for rescue, and it may very well affect favorably the position of the millions who remain inside Nazi Europe.

As you have stated, time is of essence in this matter. With this in mind, our Committee strongly urges that N. Jabotinsky be immediately sent to Turkey as a representative of the Emergency Committee.

Mr. Jabotinsky is exceedingly suitable for the task. His background and vast experience in immigration and refugee problem are particularly well adapted for tackling the problem before us. He has an intimate knowledge of the Balkan countries where he spent several years working with the masses of the Jewish population there and helped with the emigration of many thousands.

He was born in Russia in 1910 and since early childhood has lived in a dozen countries, in none of which he settled until he went to Palest-

- 2 -

time, of which he is now a citizen. In addition to Hebrew, he speaks English, French, Russian, Yiddish and German, fluently. He also has a limited knowledge of Romanian and Polish.

In order that Mr. Jabotinsky may leave immediately, he will need assistance in obtaining:

An exit permit;

A re-entry permit (being a Palestinian citizen, here as a visitor);

Air transportation.

Anything you can do to help us in this matter will be greatly appreciated.

Sincerely yours,

/signed/ Will Rogers, Jr.

Will Rogers, Jr.
Co-Chairman

(2/14-cc Miss Channing, Mr. Gaston, Mr. White, Mr. Paul, Mr. Laxford, Mr. Friedman, Miss Medel, Mr. Lesser, Mr. E. M. Bernstein and Mr. Stewart. (cc)).

WASHINGTON POST
February 14, 1944

TURKEY WILLING TO ASSIST JEWISH REFUGEE TRANSFER.

Ankara, Feb. 13 (AP). - A high government official told the Associated Press today that Turkey is willing to cooperate with the Palestine Commission and Allied diplomatic in assisting Jewish refugees to leave the Balkans.

The problem was brought to the forefront by the arrival of a refugee committee headed by Dr. Isaac Herzog, grand rabbi of Palestine.

"In cases where both the country releasing the refugees and the country receiving them agree to the transfer, Turkey is willing to act as the bridge," this official said.

FEB 16 1944

Dear Mr. Steinhaus:

As disclosed by the files of the State Department, approximately 65,000 refugees in Transilvania, deportees from Rumania, are in imminent danger of extermination at the hands of the retreating German armies. It is probable that if such people are not evacuated immediately, they will be murdered. Although this matter has been under discussion for many months, few if any refugees have been evacuated from Transilvania.

I think the following action should be taken without delay:

1. Ambassador Steinhardt should be requested to approach the Turkish Government in an effort to enlist full cooperation in the evacuation to Turkey of the refugees in Transilvania and other areas adjacent to the Black Sea. As I see it, the Turkish Government should be requested specifically to relax border and other controls and otherwise to encourage the entry of refugees into the country, setting up camps if necessary. In exchange for this cooperation the Turks may be assured that the War Refugee Board will make all efforts to remove refugees from Turkey to other places if such action becomes desirable and, if necessary, will make arrangements for financing the establishment and maintenance of camps in Turkey, as well as the support of the refugees in such camps. I think that it is indispensable to the rescue of the refugees that I have mentioned that we make an extremely forceful approach to the Turkish Government along the lines indicated. Ambassador Steinhardt should also be requested to assist the private agencies now actively interested in this project in formulating and carrying out a program of evacuation from Rumania, including the obtaining of necessary shipping, etc. Attached is a suggested draft of cable to Ambassador Steinhardt.

2. In my opinion, it is equally important that this Government bring forcefully to the attention of the Rumanian Government its view that the latter's failure to permit refugees to be evacuated from Transilvania and other areas under its jurisdiction is criminal participation in Hitler's extermination campaign for which Rumania will be held accountable. It should also be emphasized to the Rumanian Government that the Government of the United States not only desires that such refugees be evacuated as promptly as possible to Turkey, but also that it is willing to take all possible measures to aid and assist this evacuation. This urgent case offers a most practical opportunity for initiating the policy of bringing home to the satellite governments

- 2 -

the implications of their collaboration in Hitler's program of organized murder and the possible consequences of such collaboration. A general campaign of this kind in the case of all satellite governments was suggested in my letter to you dated February 10. Certain efforts along this line may have been made in the past in the case of Rumania.. I think you will agree, however, that the urgency of the situation justifies a new and much more forceful attack. The approach to the Rumanian Government should, of course, be made through all possible channels and at once.

As I view the situation, this approach should not be limited to representations by the United States Government, but in so far as possible, other governments should be asked to take similar action. In particular, I think that it is of greatest importance to approach the Russian as well as the British Government with a view to having them exert all possible pressure upon the Rumanian Government in this matter. Such other assistance as can be obtained from other governments in actually carrying out the evacuation itself will also be extremely valuable.

I would appreciate having your views in this matter as soon as possible, since any action if it is to be effective must be taken almost immediately. If you are in accord with the suggestions made, I will, of course, clear them with the War Department.

Very truly yours,

(Signed) J. V. Pehle

J. V. Pehle
Acting Executive Director

Mr. E. R. Stettinius, Jr.
Under Secretary of State,
Washington, D. C.

JWP:bmk - 2/14/44

CABLE TO AMBASSADOR STERNEBAUM, TURKEY

Refer to Cable No. 68, January 25, concerning War Refugee Board and
No. of February , concerning appointment Special Attache Hirschmann.

Special attention should be given to the following matter.

The War Refugee Board has resolved that one of the projects which should be pushed with greatest speed is an effort to facilitate the evacuation of as many refugees as possible from occupied areas to Turkey.

The Board feels that the most feasible way of accomplishing this extremely urgent task is to obtain from the Turkish Government effective measures to encourage the entry of more refugees. Concretely that government should be requested (a) To relax border and other controls and take such other action as will facilitate the entry of the largest possible number of refugees from Bulgaria, Rumania, and other areas adjacent to the Black Sea, and (b) To make an announcement in as nearly an official manner as possible indicating what is being done, and above all, that entry of refugees into the country is permitted.

The Department is in full accord with the above program and you are instructed at the earliest possible moment to approach the Turkish Government with a view to obtaining their agreement to the plan. The request for immediate action on the part of the Turkish Government should be made in the strongest manner possible. In addition to making clear this Government's determination to do everything within its power to rescue refugees and its expectation of full cooperation from the Turkish Government you may, if you deem it advisable, indicate that (a) The War Refugee Board is prepared to take all possible measures, financial and otherwise, to aid the evacuation of the refugees to Turkey; (b) The Board is prepared to render full assistance in the maintenance of refugees in Turkey; and (c) If the Turkish Government takes necessary steps to facilitate the entry of a substantial number of refugees the Board will make all efforts to move refugees from Turkey to other places if such action becomes desirable. You may wish to discuss specifically the possibility of setting up camps in Turkey in which refugees entering the country could live. The Board would, if necessary, make arrangements for financing the establishment and maintenance of these camps and the support of the refugees in them. This plan may facilitate the removal, on a compulsory basis if necessary, of refugees from Turkey to other places if such action becomes desirable in order to permit the entry of more refugees into Turkey from occupied areas.

In connection with the foregoing, you are, of course, aware of the fact that the refugees remaining in Transylvania are in imminent danger of extermination by the retreating German armies, and that the evacuation of

- 2 -

these refugees is a problem of the greatest urgency. Accordingly, you should do everything possible to aid in the development and execution of measures to effect the evacuation of these people to Turkey. Various private organizations are deeply interested in this problem and are anxious to assist in financing and otherwise carrying out the project. Representatives of at least some of such organizations in Turkey have been requested to get in touch at once with Mr. Hirschmann for the purpose of formulating a plan of action. You have previously indicated that the basic difficulty of evacuation is one of transportation. The private organizations interested in this project are making all efforts to secure ships and you should give them every assistance. In addition, you should advise promptly of any measures which can be taken by the United States Government to see that necessary shipping, neutral or otherwise, is available. Above all, you should attempt to secure the full cooperation of the Turkish Government in this matter.

Efforts should, of course, also be made as soon as possible to increase the flow of refugees from Rumania to Turkey.

You should report to the Department the progress that is being made in this matter, indicating the practical measures that will be necessary to put the plan in operation, obstacles encountered, and such action as you think the Government of the United States should take to facilitate the operation.

JNF:bhk - 2/14/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Chungking
TO: Secretary of State, Washington
DATED: February 15, 1944
NUMBER: 305

CONFIDENTIAL

Following cable from Adler to the Secretary of Treasury.

I have been asked by Kung to transmit the following addendum to the message sent in my telegram of February 8, no. 252.

In the first paragraph of my previous message, attention was brought to the rise in the dollar currency black market rate in the United States, which was caused in part by the rumor that America was asking for a reduction in the official exchange rate.

Since, the position has considerably deteriorated, transactions having occurred at rates up to 195; this increase naturally impairs confidence with the diffusion of the impression that the rate will be reduced and it may be anticipated by us that it will contribute further to the rise in prices. It is my desire to call to your attention the circumstances so that you may be guided accordingly in your consideration of current questions.

GAUSS

OFFICE
SECRETARY OF TREASURY

FEB 16 AM 9 56

BRITISH MOSCOW SECRET
U.S. SECRET

TREASURY DEPARTMENT

NOT TO BE RE-TRANSMITTED

COPY NO. 12

OPTEL No. 53

Information received up to 10 a.m., 15th February, 1944.

1. NAVAL

One of H.M. Submarines damaged by depth charges off NORWAY yesterday. Help sent and air cover provided. On 12th just after sunset an outward convoy was unsuccessfully attacked by 7 enemy aircraft west of CAPS FINISTERRE. Aircraft from one of H.M. Escort Carriers shot down 2 aircraft and damaged another.

One of H.M. Submarines torpedoed and sank a ship, probably S.S. CAPO PINO, Italian, 4,800 tons, off CRETE on 8th. Two of H.M. Australian sloops with one of H.M. Indian sloops report sinking a U-boat off VIZAGAPATAM on 11th.

2. MILITARY

ITALY. To noon 14th. Bad weather continues. In beachhead area small enemy attack repulsed just west of ANZIO-ROME Road.

3. AIR OPERATIONS

WESTERN FRONT. 14th. 92 tons dropped on military constructions Northern FRANCE. Thunderbolts attacked airfield in HOLLAND.

ITALY. 12th/13th. Wellingtons dropped 115 tons on objectives southeast and southwest of ROME. 1 Wellington missing.

13th. Weather poor. 184 fighter bombers attacked objectives in the battle areas. Enemy casualties 4, 0, 8.

Copies of reply to: Mr. Gamble
Mr. Shaeffer
Mr. Collie

49

February 16, 1944

My dear General Eisenhower:

In the absence of the Secretary, who will be away for about two weeks, I am replying to your letter of February 9th.

I have checked back on the story which appeared in the papers that you had presented a War Bond to the Treasury. I found that this information was released as part of a round-up story concerning gifts to the Government, which incidentally have amounted to well over five million dollars since Pearl Harbor. It was a routine report, requested by the press services. In checking over the gifts, your bond was found. For your information, I am attaching a copy of the release.

I have notified both the Division of Bookkeeping and Warrants, where the gifts are handled, and the War Finance Division, where Bonds are sold, to eliminate any mention of your name in the future unless we have your specific permission.

I regret any inconvenience or embarrassment that the publication may have caused you.

Sincerely yours,

(Signed) D. W. BELL

General Dwight D. Eisenhower,
Supreme Commander,
Allied Expeditionary Force,
War Department,
Washington, D.C.

Attachment.



THE UNDER SECRETARY OF THE TREASURY

WASHINGTON

February 16, 1944

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I regret any inconvenience Sincerely yours,

or embarrassment that

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General Dwight D. Eisenhower
Supreme Commander
Allied Expeditionary Force
War Department
Washington, D. C.

Attachment



February 16, 1944

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Sincerely yours,

General Dwight D. Eisenhower
Supreme Commander
Allied Expeditionary Force
War Department
Washington, D. C.

FS:fw
2/16/44

FW

February 16, 1944

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Sincerely yours,

General Dwight D. Eisenhower
Supreme Commander
Allied Expeditionary Force
War Department
Washington, D. C.

FS:fw
2/16/44

FW

Supreme Headquarters
ALLIED EXPEDITIONARY FORCE
Office of the Supreme Commander

9 February 1944.

Dear Mr. Secretary:

Thank you very much for your note of January 28, enclosing a copy of one of the posters run during the Fourth War Loan Drive. I trust that your campaign is a complete success.

Not so long ago some enthusiastic American sent me as a present a war bond registered in my name. I naturally took the attitude that this was merely an expression of the sender's desire to help further the war effort and so returned the bond to the U.S. Treasury through the War Department. A little later I was astonished and distressed to find that this incident had found its way into the newspapers. I do not know, of course, who gave out the story, but may I request that if there should be any similar occasion in the future, you instruct your people to keep the matter completely confidential? I know you will understand the feeling that prompts me to make this request upon you.

Very sincerely,

Dwight D. Eisenhower

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

*P.S. I am making the same request
upon the A.G. of the War Dept.
P.B.*

FEB 16 1944

My dear Mr. Secretary:

Receipt is acknowledged of your letter of February 9, 1944 relating to the action of Argentina in breaking diplomatic relations with the Axis.

I appreciate being informed regarding the policy of your Department concerning Argentina and your assurance that you will advise me further on this subject in the future.

Sincerely,

(Signed) D. W. BELL

Acting Secretary of the Treasury.

The Honorable,

The Secretary of State.

AFL:nrd - 2/12/44

TO:

55

Mrs. McHugh

D

2-18-44

Yesterday I sent you a copy of the letter of February 16, 1944 to the Secretary of State signed by Mr. Bell in the Secretary's absence. However, I don't believe that you have a copy of the incoming letter of February 9, from Secretary Hull; thus the attached.

From: MR. PAUL



DEPARTMENT OF STATE
WASHINGTON

*Original to Mr. Ball
2/10/44 - Then to Mr.
Homer*

CONFIDENTIAL

February 9, 1944

Mr. dear Mr. Secretary:

I refer to the action of Argentina in breaking diplomatic relations with the Axis. While this action is, of course, gratifying, I request that at least for the time being there be no change in the treatment of Argentina. The Department's August 26 policy memorandum, transmitted under cover of my letter of September 15, 1943, remains for the present in full force. The Argentine situation will be constantly reviewed in the Department and after the future course of events shall have become somewhat more clear, I may wish to communicate with you further on this subject.

Sincerely yours,

Cordell Hull

The Honorable

Henry Morgenthau, Jr.,

Secretary of the Treasury.



dictated by Hayden Rayner's office
State Department - 2/18/44

BUENOS AIRES

February 18, 1944

Department of State
Washington

THE EMBASSY RELUCTANTLY AGREES TO MR. MANN'S RELEASE
IN VIEW OF THE POSITION OFFERED MANN GLADLY ACCEPTS.
PLEASE TELEGRAPH THE DATE HE SHOULD REACH WASHINGTON.

/s/ ARMOUR

Memorandum for the File

February 16, 1944

I had an appointment with Admiral Leahy today at 2:30 P. M. We talked about twenty minutes, during which I outlined for him the origin, purposes, and method of operation of the War Refugee Board. Admiral Leahy seemed very sympathetic and said he was delighted to see that someone was actually moving forward to do what could be done on this problem. He said he knew how the Jews were being treated because of his experiences when he was Ambassador to Vichy, France. Admiral Leahy said he doubted whether the Germans would be willing to let any Jews out, but he felt very strongly that it was well worth trying. He did not seem overly awed by the problem of difficulty with the Arabs.

Admiral Leahy said that if there was any point at which he could be helpful on the matter not to hesitate to call him. I told him that if matters came up involving the War Refugee Board in which he did not understand our position I would appreciate it if he would get in touch with me. He promised to do this.

(Signed) J.W. Peble

MEMORANDUM

February 16, 1944

Stettinius called me today at 2:55 and said that Sir Ronald Campbell was in his office discussing the certificate matter. Campbell said discussions had been had on this matter in the past with the State Department when these matters were being handled by Breckinridge Long and that he did not quite understand the gap between the previous discussions and the request now being made. According to Stettinius the British are not disinclined to accede to this request, but want to know whether that is all we want them to do. Stettinius suggested that we have George Warren dig into the background on this in the State Department with Keeley, etc., and then get in touch with Hayter, the British Embassy man, and us and go into the matter thoroughly. I told Stettinius we would do this.

(Signed) J.W. Poble

JWP:mgt 2/16/44

February 16, 1944

Dear Dr. Jones:

In Secretary Morgenthau's absence
I acknowledge herewith your letter of February
15, 1944, with regard to Clarence Pickett.

Your letter will be brought to the
Secretary's attention upon his return.

Very truly yours,

(Signed) J. W. Pehle

J. W. Pehle
Assistant to the Secretary

Dr. Rufus M. Jones,
Haverford College,
Haverford, Pennsylvania.

JWP:mgt 2/16/44

RUFUS M. JONES
Haverford College
Haverford, Pa.

*Orig. to Mr. [unclear]
Feb. 2/14/44.*

February 15th, 1944.

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

Dear Secretary Morgenthau,

In answer to your telegram I would say that it is inconceivable that we could willingly give up Clarence Pickett for anything that would take him away from his present work. He is made in heaven for the far-reaching Quaker constructive tasks. There is unfortunately no one who could in any degree replace him. And I have a feeling that he is so completely dedicated to this work that he would hardly be likely to leave it for anything else, but he is away from home and I cannot consult him.

Unfortunately his health is very precarious and we find it necessary to send him off for occasional periods of rest in order to stave off a break-down.

With warm regards

Sincerely yours,

(Signed) Rufus M. Jones

February 14, 1944

DR. RUFUS JONES
SWARTHMORE COLLEGE
SWARTHMORE, PENNSYLVANIA

JOHN PEHLE OF THE WAR REFUGEE BOARD IS URGING CLARENCE PICKETT TO TAKE AN IMPORTANT POST WITH THE WAR REFUGEE BOARD. PICKETT HAS BEEN MOST HIGHLY RECOMMENDED TO THE WAR REFUGEE BOARD BY OUTSTANDING MEN WHO ARE GENUINELY INTERESTED IN THIS CAUSE. I WANT PERSONALLY TO APPEAL TO YOU TO DO EVERYTHING IN YOUR POWER TO GET PICKETT TO ACCEPT THIS POST NOW FOR AT LEAST THE NEXT FEW CRUCIAL MONTHS. I FEEL THAT THE SUCCESS OF THE BOARD MAY VERY WELL DEPEND UPON THE EXPERT GUIDANCE AND ASSISTANCE WHICH A MAN OF PICKETT'S OUTSTANDING ABILITY AND EXPERIENCE CAN RENDER. I AM ADDRESSING YOU ON THIS MATTER NOT ONLY BECAUSE OF YOUR POSITION BUT BECAUSE I REALIZE HOW DEEPLY YOU FEEL ON THIS ISSUE. WITH PERSONAL REGARDS

H. Morgenthau, Jr.

SECRETARY OF THE TREASURY.

O.K. H.M. Jr.

MEMORANDUM

February 16, 1944

Clarence Pickett called me today from Indiana. He said he was very sorry but that he could not make the necessary arrangements to come to the War Refugee Board although he would be delighted to be of whatever help he could on specific problems and would do everything he could to be available on such problems when we called him. He pointed out that Mr. Vail, his principal assistant, is leaving for India and despite his great interest in the work of the War Refugee Board it is impossible to make arrangements to come with the Board.

(Initialed) J. W. P.

JWP:ngt 2/16/44

AIRGRAM

64

FROM

Jidda

February 16, 1944

Rec'd: Feb-29-44 9 a.

Secretary of State,
Washington

A-10, February 16, 10:00 a.m.

Reference is made to the Department's circular airgram of January 26, 1944, 7:00 p.m. quoting the policy of the United States Government with regard to victims of enemy oppression, instructing this Legation to submit a report on the situation in Saudi Arabia, and directing that the Government of Saudi Arabia be approached to ascertain how far it is ready to cooperate in the policy expressed in the President's Executive Order.

The circular instruction referred to above appears to have no application to Saudi Arabia. There are no Jews in Saudi Arabia, and the nature of the country, the nature of its inhabitants, the tenets of the prevailing religion (Islam) and the local adverse reaction to Zionism, combine to make it certain that no Jew will be permitted to enter Saudi Arabia unless a special reason exists for doing so. Those same reasons make it unlikely that Jews will apply for admission into Saudi Arabia.

In the past two years one Jew is known to have come to Saudi Arabia. He was British, and a salesman of woven textiles. That he ever came to Arabia is believed to have been due to a misconception of where Jidda is on his part, and to ignorance on the part of the Saudi officials that he was a Jew. No refusals of applications for entry of Jews are known.

In view of the special hostility toward Zionism held in Saudi Arabia, both officially and privately, and consequent suspicion of all Jews, it is believed inadvisable for this Legation to explain the President's policy to the Saudi Arabian Government or to confirm that the Saudi Arabian authorities will not cooperate in any such policy. Authorization to take no action in the matter is respectfully requested.

MOOSE

JSM/cjm

AIR MAIL

no. 217

Lisbon, February 16, 1944

Subject: Relief of Victims of Enemy Persecution in Europe.

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

Sir:

In line with the Department's telegraphic instruction no. 200, January 25 midnight, and after consultation with the British Embassy and with members of the several relief organizations in Lisbon, a meeting was held at the Legation on February 9, 1944, at which were present Mr. Garran, Secretary of the British Embassy, Dr. Schnitz of the American Joint Distribution Committee, Mr. Conard, head of the American Friends Service Committee, Mrs. Dexter (in the absence of Mr. Dexter), head of the Unitarian Service Committee, Mr. Spaulen, secretary of the HIAS-JCA Emigration Association (HICHE), and Mr. Crooker, First Secretary of this Legation. The substance of the Department's telegram under reference was conveyed to the meeting and comments were invited.

As a result of this meeting the four relief organizations above mentioned have sent in separate memoranda containing valuable comments and suggestions which would appear to embody the replies requested as to (a) What the United States Government can do to effectuate with all possible speed the rescue and relief of the victims of enemy oppression and (b) What can be done to make the Portuguese Government cooperate more fully in carrying out this policy.

Copies of the memoranda prepared by the Joint Distribution Committee, the Friends and the Unitarian Service Committees and a translation of that prepared by HICHE, are transmitted herewith for the Department's information.

cc: Chaudesey, Abrahamson, Alvin, Bernstein, Cohn, Dubois, Friedman, Gaston, Hodel, Laughlin, Lesser, Luskford, Mann, McCormack, Paul, Pollak, Ratns, Standish, Stewart, H.D. White, Pehle, Files.

The historical report included in the memorandum prepared by the Joint Distribution Committee fully covers the situation as it exists today in Portugal and requires no further elaboration.

In general it can be stated that the conditions under which refugees are at present living in Portugal are perhaps as favorable as those in any other country in Europe. As a matter of fact they are so favorable that it is the opinion of Dr. Schwartz of the Joint Distribution Committee that little if any response would be had to an appeal for volunteers to proceed to the new Reception Center recently established in North Africa were arrangements made to receive them there.

It will be noted by reference to the HITEM memorandum that although the representative who was present on February 9 meeting agreed with the sense of the meeting that at present no useful purpose would be served by the opening of a branch in Portugal of the Intergovernmental Committee on Refugees or of the appointment as Intergovernmental Committee representative of a Portuguese national, Dr. Bernstein, who was absent because of illness, nevertheless adduces certain arguments in favor of opening such a branch office. Nevertheless, after further consultation with the British we still hold to the negative opinion expressed in the Legation's telegram no. 401, February 10, 10 a.m.

As reported in my 468, February 15, 5 p.m., I brought the policy as expressed in the President's Executive Order to the attention of the Secretary General of the Portuguese Foreign Office, who indicated his agreement and sympathy with the problems brought up by the refugees question. He expounded at some length as to the well-known liberal attitude always held by Portugal in this respect and emphasized Portugal's humanitarian policy, which he said would be continued. He brought up the question presented by refugees of Russian origin and explained that an exception had to be made in their case because refugee could not be given to them in Portugal. However, he felt that if it was a matter of small numbers in transit this might be arranged provided they were included in group passports.

In conclusion, it may be stated that the response on the part of the representatives of the various American relief

- 3 -

organisations here to the interest shown by the American Government in the refugee problem was one of extreme gratification.

Respectfully yours,

For the Minister:

Edward S. Crooker
First Secretary

Enclosures:

1. From American Joint Distribution Committee;
2. From American Friends Service Committee;
3. From Unitarian Service Committee;
4. From HIAS-JCA Emigration Association (HICEM).

300
ESC/ajl

Enclosure no. 1, despatch no. 217 dated February 16, 1944,
from the American Legation in Lisbon.

COPY

AMERICAN JOINT DISTRIBUTION COMMITTEE

European Executive
Council

242, Rua Aurora,
Lisbon, Portugal

PORTUGAL AND THE REFUGEE PROBLEM

A) Historical Background and Present Situation.

At the very beginning of the refugee problem in 1933 entry into Portugal was quite easy and involved few formalities. Regular immigration visas were issued by Portuguese consulates in all parts of Germany and Austria and with these visas immigrants came into Portugal, were given residence cards and were permitted to establish businesses of their own without restriction. They were not permitted, however, to compete with Portuguese labor and refugees could accept employment only when the firm offering such employment could prove that there was not a Portuguese national who could fill the position. In August of 1938 the Portuguese authorities stopped issuing residence cards to incoming refugees. Nevertheless some refugees continued to come in. All in all between 1933 and the end of May 1940 several hundred Jewish refugees from Central Europe arrived in Portugal. The great majority settled in Lisbon.

With the fall of France in June 1940, when people began to come here in great numbers, the policy of the Portuguese Government changed. They no longer issued permanent or immigration visas but did issue transit visas to persons who were in possession of an old Visa to an overseas country. The attitude of Portugal was that in this emergency its role would be that of a country of transit and not a place for permanent or even temporary settlement.

As a country of transit Portugal afforded facilities to many tens of thousands of refugees who passed through here from June 1940 to date. Refugees having in their passports visas for an overseas country received the Portuguese transit visa without much difficulty and were able to embark for their ultimate destination. It is estimated that during this period approximately 100,000 people passed through Portugal on their way to North-, South- and Central America, England, South Africa, North Africa, Belgian Congo, Palestine

and other territories. In the beginning the Portuguese authorities did not examine too closely the validity of the end visas which refugees presented and, as a result, many thousands were stranded here because their end visas were found to be not valid and they had no possibility of engraving. Gradually these refugees succeeded in obtaining visas or in finding a haven of refuge, and the great majority have since left this country. As a result, however, the Portuguese authorities began to examine more carefully the individual end visas of people coming here in transit. For some time now transit visas are granted only to those who have a valid end visa and a paid reservation on a steamship leaving on a definite date.

Since 1940 the Portuguese authorities have consistently refused to issue permanent visas to refugees or to permit them to enter the country on anything but a transit visa. A few hundred refugees from Spain did succeed in entering the country illegally without a transit or any other kind of Portuguese visa. After a relatively short period of arrest the Portuguese authorities legalised the entry of these people and have permitted them to remain in the country. This entire group was placed in forced residence in Briceira, a small fishing town and summer resort near Lisbon, where about 125 of these originally illegal entrants still remain.

As a result of the efforts of individual refugees and their families abroad, and also as a result of the activities of private relief agencies, often with Government cooperation, the great bulk of refugees who came to Portugal have now reached a more or less permanent haven of refuge overseas. There now remain in Portugal only 7 - 800 refugees, of whom some 300 are in forced residence in Caldas da Rainha, a spa about 100 kilometers from Lisbon; about 125 in Briceira; about 200 in Lisbon and the rest scattered in the provinces. The great majority of the refugees now in Portugal are being maintained by American relief agencies. Thus, in the month of December 1943, the American Joint Distribution Committee alone had on its relief rolls 551 individuals.

The refugees who arrived in Portugal since 1940 are not permitted to engage in any type of work or business activity. Those who are assigned to forced residence in either Caldas da Rainha or Briceira are not permitted to leave the town without special police authorization. Children of refugees

families

- 3 -

families are permitted to go to schools provided they, or a relief agency, pay the tuition fees. Religious activities are permitted and small synagogues have been organized both in Caldas da Rainha and in Ericeira. Group activity of a recreational or vocational nature is, however, not encouraged although on occasions specific projects may be authorized by the Police. Within the town to which they are assigned, however, the refugees have complete freedom of movement and of choice of residence.

Since Portugal does not border on any occupied territory, it is impossible for people fleeing from these territories to come into the country without first passing through Spain. As a result of this and also because of the Portuguese attitude on visas, the great bulk of refugees who fled "illegally" from France and other occupied countries of Europe in a westward direction, came to Spain and remained there until they were evacuated either through Portugal, when they had obtained a transit visa, or directly from Spain to North Africa or to overseas countries on Spanish steamers leaving from Spanish ports. Because of the fact also that Portugal does not border on occupied territory, the attitude of the Portuguese Government has had practically no effect on the ability of refugees to escape from Nazi territory. There have been no instances in which the Portuguese authorities have turned back people at the border. On the contrary, people who came in illegally were soon legalized and permitted to remain in the country.

- B) How we and the Portuguese Government could help from here in the rescue of Jews and other persecuted minorities from Hitler.
-

Several possibilities exist for enlisting the help of the Portuguese Government on behalf of Jews and other persecuted minorities in Axis or Axis occupied Europe.

1) The American Government could approach the Portuguese authorities and suggest to them that a haven be offered to Jewish and other children now in France, Belgium and Holland, permitting them to come into the country either for a limited time until they are evacuated or for the duration of the war. In this connection it might be necessary for the United States Government, either acting alone or in cooperation with other governments, to guarantee to the Portuguese Government that any children coming into Portugal under this plan will be

evacuated

evacuated either now or at the end of the war. It should be recalled in this connection that the State Department has already authorized some five thousand visas for children in France, and those visas might be utilized if the children were brought into Portugal. The Portuguese Government should be prevailed upon to approach the authorities at Vidhy and ask that these children be permitted to leave for Portugal. In the final analysis the success of this plan would depend upon the ability of the Portuguese authorities to convince the Vichy authorities that these children should be permitted to leave. Without French exit visas these children could not come out.

2) An appeal should be made to the Portuguese Government to make available some of its shipping for the evacuation of refugees from occupied Europe at the present time. A possibility exists of transferring some five thousand children from Transnistria to Palestine. We are informed by our representatives in Turkey that the Roumanian authorities are willing to permit these children to depart if a neutral vessel could pick them up at Constanza and bring them either to Istanbul in transit for Palestine or directly to a Palestine port. The obstacle to the carrying out of this plan is lack of shipping and it is suggested that the American authorities approach the Portuguese Government asking them to make available one of their ships for this purpose.

3) There is some indication that some of the satellite countries, like Slovakia, Hungary and Roumania, would be willing to grant exit permits to Jews provided they had in their possession evidence of an end visa to a neutral country. The Portuguese Government might be asked to issue a number of immigration visas to Jews residing in those countries. In this connection, too, a guarantee might have to be given to the Portuguese Government that those people coming here under this plan would be evacuated after a reasonable length of time.

4) The Portuguese Government has made it a policy not to admit, even in transit, refugees who were born in Russia or the Baltic countries. This has worked great hardship on refugees who had end visas but could not come into Portugal simply because they happened to be born in one of the above mentioned countries. In the beginning, such groups were routed through France and Casablanca to be embarked from there. Now that has become impossible. In view of the fact that we are now preparing to emigrate some hundred families

from

from Spain to Canada on duration visas being issued by the Canadian Government, it is important that this restriction be removed. Otherwise those families in Spain eligible for Canadian emigration but born in Russia or the Baltic countries will find it difficult to reach their ultimate destination.

5) In addition to serving as a country of transit, Portugal has also served in a limited way as a food supply centre for the internees of Nazi occupied Europe. Thus, on licenses issued by the United States Treasury Department and by the British Treasury, refugee relief agencies have been able to purchase food parcels in Portugal and send them to Theresienstadt in Czechoslovakia, to ghettos in Poland and to other points of concentration. The shortage of food has necessarily imposed some restrictions, and only certain types of food, such as sardines, dried fruits and almonds, may now be exported from here. Nevertheless, even within these limitations, this kind of help could be increased if our Government issued additional licenses to private relief agencies for the dispatch of these packages. Licenses are now pending for permission to send food to internment camps in Holland and in other parts of occupied Europe. Speedier action on these licenses would be most helpful.

6) The position of refugees in Portugal would be improved if evidence could be furnished that steady progress is being made in their removal from Portugal. In this connection the issuance of United States visas or visas to other countries in the Western Hemisphere to families who are eligible under the Immigration laws and whose presence in the Western Hemisphere would not be detrimental to the war effort, would be of great assistance not only to the individual refugees involved but in creating a more favorable attitude on the part of the Portuguese Government towards refugees in general. In recent months the number of United States visas issued to refugees now in Portugal has been negligible. It is suggested that some way be found to simplify present procedures in the issuance of visas and to increase the number of visas issued.

Enclosure no. 2, despatch no. 217 dated February 16, 1944,
from the American Legation in Lisbon.

COPY

AMERICAN FRIENDS SERVICE COMMITTEE

Lisbon Office:
Rua de D. Pedro V. 7-1º.
14 February 1944

Mr. E.S. Crocker,
Counselor of the American Legation,
Rua a Lapa 106,
L I S B O N

Dear Mr. Crocker:

With reference to the matters discussed in the conference you so kindly arranged for representatives of the American Legation and British Embassy with Delegates of the Welfare Agencies dealing with refugees, and in accord with your suggestion that we prepare a memorandum on the several questions, we beg to present the following:

First let me say that we appreciate very much the suggestion that a branch office be established here of the International Committee on Refugees (there have been times during the past three or four years when such an office would have been a veritable godsend), but the refugee situation as it stands at present does not seem to warrant the setting up of such an office.

The number of refugees in Portugal is very small. Those who have good chances of emigration are in general of nationalities which have their own official representatives here to look after the needs of their own people.

For those who are "stateless", or for other reasons lack such protection, the private agencies now here are meeting their needs, so far as those are concerned who seem to come within the purview of the proposal.

While

- 2 -

While we do not think the situation would warrant the creation of a new office, we do believe it would be very advantageous to have some one in the Legation and the Embassy to whom we may address such matters as would be advanced by official help. And your own generous offer and that of Mr. Peter Garraan will certainly cover this need.

On the specific questions you raised and on which we might venture an opinion we may comment as follows:

1 - What the United States Government can do for the rescue and relief of refugees in danger:

In Portugal refugees are not in imminent danger in the sense evidently referred to. So that the intent of the proposal would seem not to apply to this field. However, if such an office were established, such problems of the relatively small number here, as now vex the Relief Committees would certainly be referred to it. The following are suggestive:

a) The great problem is migration.

The Government might speed up the process on consideration of visa applications. The process is in itself so complicated as to make it almost prohibitive to immigration.

The Legation might be given certain discretionary powers to act in certain cases, as such an office as is proposed would certainly be given to act quickly to save those in immediate danger. This would be particularly valuable where the uniting of families is involved.

Certain facilities might be offered for joining the armed forces or working for them direct from here. Visitors or non-quota visas might be granted at once to worthy cases, unable for lack of family in America, to get the immigration visa.

b) Transit visas. This process is now so complicated and slow that persons with valid visas for other American nations are unable to get through before the expiration of such visas.

c) Repatriation.

- 3 -

- c) Repatriation. There is a considerable burden on private agencies in the repatriation of American citizens. Even their passports must be paid for. As was done for those who went on the Exchange ships, a promissory note might be taken for expenses and passages. Since those of military age will soon be in the armed forces, they can soon pay their debts.

2 - Where helpful influence might be brought to bear on the Portuguese Authorities:

- a) For the relatively small numbers now in Portugal.
- 1) The handicaps are usually due to police measures. For those who are in forced residence outside of Lisbon, (which, it should be said, is immeasurably better than any kind of concentration camps) the process of securing permission to come to Lisbon when necessary is slow, the time allowed is often insufficient and legitimate reasons for extensions are often not convincing. This situation may be due to abuses of privileges by the refugees in general, but it is a problem that such an official office as is suggested would probably have to deal with.
 - 2) Residence visas. There are some refugees who have slight chance of emigrating until after the war and whose families might have a chance to join them if they could secure visas other than transit.
 - 3) Work. The numbers are now so small that it would not affect the economy of the country to allow them to undertake some useful occupation. Some have special skills which would not put them into competition in any case with nationals. This would not only relieve the Committees of financial burdens, but much more important, it would save the refugees from the degeneration of stagnation.
- b) For others.
- 1) Saving Children. Thinking of larger problems of the victims of war, Portugal might, as a neutral on the very rim of the battle field, take in a large number of children from France, for a vacation and feeding program, by bringing

/then

them in by groups for a period of several months each. This could be done with or without cost to the Government. Switzerland did a magnificent service in this regard. It could be handled by the Portuguese Red Cross and financed, if necessary, by funds raised for the purpose. Non-French children, once here could be evacuated to other countries. The USCOM had 1000 visas for such children when the Germans came into "un-occupied" France and closed the frontier. At the time Canada offered to take 1000 and Argentina 1000. Portugal might succeed in getting these out.

- 2) Increasing numbers. As the war comes into France the stream of fleeing refugees will doubtless increase. Portugal probably will not open doors for their entry unless some provision is previously agreed on to evacuate them. Some plan like that which took so many from Spain to North Africa, might be worked out so that Portugal could be assured of their evacuation.
- 3) Transit visas denied certain persons. Persons born in Russia, of whatever political position, or of none, are denied transit through Portugal. Some other nationalities are also denied transit, though our Committee has not had cases other than Russian. With proper guarantees, this rule might be eased.
- 3 - Special obstacles:
The obstacles have been implied in each case presented. We believe that, in establishing such a branch office of the I.G.C. as is being considered, such facilities as those required in our suggestions under No. 1, would probably be contemplated, and could therefore be solicited by the regular diplomatic representatives. And such an office would certainly be expected to use its influence in dealing with the local authorities in the questions mentioned in Section No. 2.
- 4 - Recommendations for overcoming such obstacles:
 - a) That representation be made to the United States Government on such of the suggestions of Section No. 1 as the Legation thinks proper.

- 5 -

- b) That representations be made to the competent Portuguese Authorities as may be necessary on cases as they arise and can be presented concretely and from which may be established certain rules or principles of procedure.
- c) On the suggestion of bringing children to Portugal, the question be raised with the Red Cross or directly with the Government.

Discussion will doubtless bring out other proposals, but these are presented as a basis for study.

Sincerely yours,

(Sgd.) Philip A. Conard
Commissioner

Enclosure No. 3, Despatch No. 217 dated February 16, 1944,
from the American Legation in Lisbon.

COPY

UNITARIAN SERVICE COMMITTEE

Lisbon, Portugal
Rua Marques de Fronteira 111, 1º

Dr. Elisabeth A. Dexter
Associate Director

February 14th 1944

Mr. Edward S. Crocker,
American Legation,
Lisbon.

Dear Mr. Crocker,

I have discussed the questions posed by Mr. Hull's cable with the members of our staff, and here are the suggestions which occur to us:

I. What can the United States government do to aid refugees?

(1) Transit visas could be speeded; and pending applications for residence visas could be cleared more rapidly.

(2) Some provision should be arranged for single refugees. At present, Canadian visas are available for most suitable family groups now in Portugal. It is particularly demoralizing for a young person alone to live year after year as a refugee. If the present restrictions on work in Portugal could be modified (see II-5 below) this problem would be less pressing.

(3) A representative in Lisbon might be permitted to grant visas, within certain categories, without reference to Washington. This was done until July 1941, and is now being done by the Canadian government. It would greatly diminish the present delays.

(4) The question of visas for the duration might be considered. At present the problem is so small that such visas may hardly be necessary, but the possibility of a considerable increase after landings in Europe, as has happened in Switzerland, should be borne in mind.

(5) The U. S. government ought to provide for repatriation of American citizens. Most of these are war victims, if not technically refugees. The private agencies here are now carrying quite a burden which is shouldered by the government of most countries.

II. How may the Portuguese government be asked to help refugees?

(1) It might explore possibilities of getting some children, orphaned or separated from their parents, out of France.

(2) It might furnish ships for transporting refugees who can leave the danger zone.

(3) In Portugal, it might facilitate the transfer of refugees, arrested merely for lack of proper papers, from prison to residence forces. Such transfers occur less easily now, at any rate for Christian refugees, than was the case a year ago.

(4) Protest should be made against brutality in the treatment of imprisoned refugees, and against persecution of refugees for the expression of pro-allied sympathy -- a persecution which has sometimes stood in sharp contrast to lenient treatment of refugees who obtained German protection.

(5) In view of the small number of refugees now in Portugal, the rule forbidding them to work might be, if not modified, at least interpreted in a more lenient way. For example, a really distinguished violinist was sent to prison for giving a few lessons. Qualified students are not allowed to attend university lectures. And so forth. Enforced idleness is the most demoralizing factor in refugee life, and is responsible for most of the problems of behavior.

Cases to illustrate the need of the actions suggested above can be furnished for every point.

A considerable majority, both those in and out of enemy territory, are Jews, but there are still Christians who are equally victims of the present War and the Nazi philosophy. There is a tendency in Portugal to regard non-Jewish refugees as *ipse facto* communists. It appears to be more difficult now for a non-Jew than for a Jew to receive an American visa or a British navicart. I completely approve of care in issuing either of these, but believe that the care should be given indiscriminately to all applicants and that the non-Jews, although fewer in numbers, should not be forgotten.

- 3 -

In conclusion, may I say how greatly encouraged I feel by this proposal on the part of the government, and by the very sympathetic attitude shown by you and by Mr. Garran. It seems to me the most cheering development which has occurred for a long time -- aside from Allied victories, of course. I have some appreciation of how heavily burdened you and Mr. Garran must be. I hope that you will be able to make some arrangement so that not all the work will fall on you two personally. I am sure that this proposal gives promise of great usefulness.

With great appreciation, I am

Yours sincerely,

(Sgd.) Elisabeth A. Dexter.

Enclosure No. 4, Despatch No. 217 dated February 16, 1944,
from the American Legation in Lisbon.

HIAS - JCA Emigration Association

TRANSLATION

(HICEM)

49, Rua Rodrigo da Fonseca, 2º,

Lisbon, February 14, 1944

MEMORANDUM

Attention of Mr. Crocker.

Following a meeting which took place at the American Legation on the 9th instant, permit me to address you the following memorandum:

- 1) A - Concerning the assistance which the American Legation could give us in cooperating on the refugee problems of our organization, we feel that the Legation might wish to draw the attention of the State Department upon the necessity of shortening the delay for the authorization of visas, which would result in facilitating immigration into the United States insofar as such facilities would be compatible with the national interest and the security of the country.
- B - Our Secretary, who was present at the meeting, in which I could not participate for reasons of health, informed me of the adjournment of the question of the establishment in Lisbon of an office of the Intergovernmental Committee.

However, the questions which pre-occupy our organization in the sphere of its activities in connection with emigration are intimately bound up with a representation of this kind in Lisbon which would appear to me to be desirable

Although it appears that Portugal does not participate in the agreement which created the Intergovernmental Committee, our experience has proven that its efforts even in Lisbon, where the Deputy High Commissioner Mr. Kullmann worked for a certain length of time,

proved to be useful. Furthermore, even when certain requests have been made by cable to the Intergovernmental Committee, which in turn is connected with the League of Nations, its interventions in favor of stateless persons and bearers of Hansen passports, of which it is the legal and recognized representatives, have borne fruit and have given satisfactory results. We shall touch below on the question of stateless bearers of Hansen passports.

This is why it seems to us that the representation of the Intergovernmental Committee, desired and indicated in the cable of the State Department, which is always interested in the Committee, to judge by the effective collaboration which personalities like Mr. Myron Taylor, its head, and M. Malin, trying to it, could be extremely useful in Lisbon as well as the other cities mentioned, and it is to this end that we would like to ask that our mission be facilitated by its support in many questions. Besides, the Intergovernmental Committee has been up to the present the only organization which recognizes the value of its efforts and work and already, as the result of the activities of Mr. James McDonald and Mr. Malcolm and later of Sir Eason, has come to our aid.

2) Concerning your requests for general information which you were asked:

A - Portugal does not permit the entrance into the country of refugees excepting in the case where the interested individuals are bearers of valid visas of ultimate destination or where proof can be furnished of their immediate departure (steamship reservations, etc.). The only restriction is applied to stateless bearers of Hansen passports and those originating in the Baltic States, that is to say persons born in former Russian territory, but in view of the small number of refugees of this category we have not deemed it necessary to ask the Intergovernmental Committee's intervention as a solution has been found by embarkation from Spain.

B - Portugal even applies this line of conduct to its own nationals since it has confined at Garia and at Colabra groups of refugees of Portuguese nationality recently arrived from France, preventing them by forced residence in a pre-determined spot from even earning their living in the country whose passport they nevertheless hold.

- 3 -

- C - The number of refugees in the country is reduced and we have the impression that only the departure of those who are now here will permit new entries, always, however, under the same conditions.
- D - As to the immigration of children, we are authoritatively informed that Switzerland has accepted a rather large number of them within its territory; furthermore, the Argentine, since its break in diplomatic relations with the Axis countries, has authorized the entry of 1,000 children originating in the occupied countries. The realization of these projects has been prevented only by the question of exist visas, which the occupying authorities have not granted.

If Portugal would make a similar gesture to that of Switzerland and the Argentine, it would represent an important moral factor even though there is no great hope that the children in question could be gotten out.

- E - We attach to this memorandum certain statistical information concerning the refugees at present in Portugal.

APPROXIMATE STATISTICAL INFORMATION1) Foreign Jewish population in Portugal February 1, 1944:

(In these figures are included foreign Jews forced to reside either in Caldas-da-Rainha or in Ericeira.)

A - STATELESS.

(Ex-Germans and ex-Austrians form the majority) about 445

B - POLES.

(Including those originating in Poland not actually recognized by their national authorities, therefore stateless) about 487

C - VARIOUS.

(Belgians, French, Dutch, Czech, Yugoslavs, Hungarians, etc.) about 193

TOTAL

1125

composed of the following:

1. War refugees, 44 pc. 495

2. Refugees because of Hitler's pre-war persecutions, 32 pc. 360

3. Normal immigrants, 24 pc. 270

Total 100 pc. 1125

2) Note:

A - Portuguese recently arrived forced to reside in Curia or Coimbra until definite decision is made regarding their nationality, really also war refugees, about

150

- 2 -

B - Jewish population of Portuguese nationality, about	<u>525</u>
TOTAL	<u>675</u>
TOTAL OF JEWS RESIDING IN PORTUGAL:	1800

In these figures we have not taken into account whether these people were assisted or not.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMERICAN EMBASSY, MADRID
TO: SECRETARY OF STATE, WASHINGTON
DATED: FEBRUARY 16, 1944
NUMBER: 548

CONFIDENTIAL

Given below is the substance of a cable sent to Algiers February 16, 1944 as no. 61.

Regardless of the understanding of the British and ourselves that prior to the departure of refugees from Spain security screening of these refugees applying for admission to Fedhala Center would be kept to an absolute minimum, it is stated by the French representative now in Madrid to participate in this screening that his superiors have instructed him on behalf of American, British and French Intelligence Services to submit six copies of all applications with photographs and thumbprints to Algiers for prior approval and certain supplementary information which was not requested in application forms and which neither we nor the British consider essential for the type of preliminary check envisaged is being demanded by the French representative.

At the best this procedure would be most cumbersome and especially unfeasible as regards those refugees still detained in Spanish camps and prisons and who would stand to benefit most from the project.

It is implied that detailed scrutiny in North Africa will be given to all cases before refugees are allowed to depart from Spain

and this

-2-

and this is contrary to our previous understanding and recommendations as well as to information given by G-Z Algiers to Belkelman before his departure for Spain. It would seem to be essential that Allied and French authorities agree to forego all but preliminary screening until after their arrival in North Africa unless the actual evacuation of these person is to be delayed indefinitely.

HAYES

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMERICAN LEGATION, BERN
TO: SECRETARY OF STATE, WASHINGTON
DATED: FEBRUARY 16, 1944
NUMBER: 952

CONFIDENTIAL

From Vaidie for the attention of Valensi.

We refer herein to the message transmitted in the Legation's 841, February 10.

The question of obtaining regular monthly transfers of 100,000 Swiss francs for needs of our refugees here has been taken up by me with the Swiss authorities. The Swiss are willing to consider purchase of pounds sterling against Swiss francs through intermediary of Bank of England and Swiss National Bank, but they decline to take blocked dollars against Swiss francs in Switzerland.

It would be appreciated by me if I could be informed whether there is a possibility of monthly transfers of dollars into pounds at Bank of England for the above stated purpose. Additional resources will soon be needed for our requirements here and advances by American and British Legations must be reimbursed from the present million francs credit.

HARRISON

dated 2/18/44 by
S. Harmon, State Dept.

ANKARA
DATED February 16, 1944

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

Secretary of State

Washington

ETO, February 16 10 a.m.

Ira Hirschmann arrived Ankara February 14.

Department's 120 February 12 8 p.m. I also delighted with
his selection of (*) as the acting special representative of
the War Refugee Board to be assigned to the Embassy as Special
Attache in connection with war refugee matters. I have
acquainted him fully with the Department's instruction under
reply.

Mr. Hirschmann is prepared to assume the responsibilities
described and is familiarizing himself with the situation. His
only reservation is the time element as he has a commitment with
Bloomington Area regarding his return within a limited period
of time. He believes however that his leave of absence can be
extended if necessary.

Please inform John Fehle of the foregoing and Mrs. Hirschmann
of his arrival here.

/s/ STEINHARDT

NOT TO BE RE-TRANSMITTED

COPY NO. 12

U.S. SECRET

BRITISH MOST SECRET

OPTEL No 54

NAVAL

One of H.M. Submarines sank or damaged 5 cargo ships off Norwegian Coast. On 10th another of H.M. Submarines probably torpedoed a cargo ship escorted by two trawlers. Two Norwegian M.T.B.'s sank two small cargo ships south of KRISPIANSUND on 13th.

Early yesterday M.T.B.'s torpedoed an enemy trawler and seriously damaged another off Dutch Coast. Later, they engaged a number of E-boats, 4 of which were damaged. Weather favourable at ANZIO past 3 days and unloading resumed at full rate, nearly 4,200 tons discharged 14th. Enemy shelling and air activity has persisted, but no naval damage. Coastal forces damaged an escorted Southbound convoy of lighters South of LECORON on 13th/14th. KONGULA ISLAND, ADRIATIC, shelled by our destroyers on 12th/13th.

2. MILITARY

Italy to noon 15th. 8th Army. Aggressive patrolling by Canadians; enemy raid supported by artillery and tanks against 8th Indian Division broken up by our artillery.

5th army. Regrouping of our forces has been taking place in CASSINO Area and the bridgehead.

Burma Our operations on the road South of BAWLI BAZAAR are progressing slowly against determined opposition.

3. AIR OPERATIONS

Western Front. 15th 52 heavy, 359 medium and 77 light and fighter bombers with fighter escort attacked military constructions in Northern FRANCE: 2 bombers and 4 fighters missing from these and other operations. 15th/16th. 1,025 aircraft despatched: BERLIN 893 (44 missing); FRANKFURT-ON-ODER 24; Dutch Airfields 19; AACHEN 2; Sea-mining 59; Intruders 22 (1 missing); Leaflets 6; Thick cloud over BERLIN moderate concentration of sky markers achieved. Mosquitoes after main attack report fires and dense smoke.

Italy 13th. Marauders dropped 74 tons at BUCINE VIADUCT. 13th/14th. Wellingtons dropped 84 tons on roads in ROME/ANZIO area. 14th. 241 escorted Fortresses and Liberators bombed railway and other objectives in NORTHERN ITALY. 45 Mitchells bombed PERUGIA railway centre. 71 light and 276 fighter bombers (3 missing) attacked objectives in the battle areas. Enemy casualties: 20:8:6; Ours 4 Fortresses, 2 fighters missing.

Yugoslavia 14th. Kittyhawks set fire to a 5,000 ton ship off SPALJ.

THE NATION

U. S. A., as in 1917, May Lose Seized German Properties

Action to Hold I. G. Farben
Subsidiary Delayed Two Years

By I. F. STONE

(Copyright, 1944, by Field Publications)



The Government of the United States is headed straight for the same mistake it made after the last war, when it permitted key German properties in this country to slip back into German control.

Two years ago the U. S. seized I. G. Farben's giant American subsidiary, General Aniline & Film, as enemy-owned.

But in those two years Alien Property Custodian Leo T. Crowley has failed to take the steps necessary to ensure that this company shall not resume its ties with I. G. Farben after the war and again be used to restrict production of basic materials essential to the defense of this country.

General Aniline & Film is the lineal descendant of the German dyestuffs and pharmaceutical firm whose production of explosives, poison gas and medicine in this country as we entered World War I.

General Aniline Film was the principal corporate instrument through which the Nazis, in collaboration with American monopolists, restricted and discouraged the production of aluminum, magnesium, synthetic rubber, aviation gas, synthetic quinine and many other necessary defense materials on the eve of World War II.

Unless public attention is sharply focussed on the dangerously dilatory handling of this key German property, it may slip back into German hands again after this war more easily than it did after the last.

This series of articles is an attempt to explore the behind-the-scenes facts and to place them on the record, though it would take a Congressional investigation with power to subpoena business records to bring the full inside story to light.

American I. G. Set Up in 1929

General Aniline Film was originally known as American I. G. Chemical Corporation, the I. G. like that in I. G. Farben, standing for "Interessen Gesellschaft," a German term for a certain type of business combination. On Oct. 31, 1939, after the European war began but before the United States became a participant, American I. G. was discreetly renamed General Aniline Film.

I. G. Farben established American I. G. in 1929 to handle its extensive American interests and cartel ties and it was the inner citadel of the great Ger-

man chemical combine's imperial power in American chemicals, light metals, films, dyestuffs and drugs.

General Aniline was taken over by the U. S. Treasury on Feb. 16, 1942 and shortly thereafter passed to the newly established Office of Alien Property Custodian under Leo T. Crowley.

So far General Aniline has been treated, not as a captive enemy agency of economic warfare, whose past activities sabotaged defense and still hamper the war effort, but with the consideration a conventional trustee would give an ordinary business property entrusted under normal circumstances to his care.

Should the company slip back into German hands, the Germans would find that their key property in America, far from languishing in custody, was more prosperous and better established than ever, particularly in Latin America, which was the Reich's domain in drugs, films and chemicals before the war and may be after.

The Germans would find the basic contracts binding General Aniline to I. G. Farben still in existence.

Still a Powerful Instrument

They would again find General Aniline a powerful instrument of economic warfare, well suited anew to the stealthy restriction of American defense preparations should the Germans make a third try at world conquest.

This is not the mere alarmist discovery of a reporter who strayed into a complex situation. These are facts that have key officials in Washington seriously worried, though there is hardly one who will consent to do more than venture an off-the-record sigh and shake of the head.

These officials know the failure to make the most of wartime possession of General Aniline is more than an economic problem. They realize that it is fraught with the gravest political and military significance.

Today, after two years of possession, the U. S. Government:

Has yet to try the three anti-trust indictments returned against General Aniline 12 days after Pearl Harbor; indictments accusing it of taking part in a world conspiracy in dyestuffs, heavy chemicals and films.

Has yet to hail General Aniline into court and force it to accept stringent consent decrees forever barring it from resuming the cartel ties with I. G. Farben which are involved in those three indictments.

Has yet to merge with General Aniline its key sales subsidiary, General Dyestuffs, which continues to get a 10 per cent rake-off on all General Aniline's sales, though virtually all the materials go to the Government and require no salesmanship.

Has yet to make General Aniline's precious patents freely available to American industry.

Has yet to determine which of those 4000 patents are actually patents used by General Aniline in its diverse business activities and which are patents passed on to General Aniline by other German concerns for safekeeping during the war.

The man on whose shoulders rests the responsibility for the little accomplished in those years of possession is the Alien Property Custodian of the United States, Leo T. Crowley.

Crowley's attitude and tangled personal relations will be the subject of tomorrow's story.



Leo T. Crowley

Crowley, Alien Custodian, Has Too Many Other Jobs

Foreign Economic Administrator Delays Action Against I. G. Farben

By I. F. Stone

(Copyright, 1944, by Fald Publications)

Why, after two years in possession of General Aniline & Film, has Alien Property Custodian Leo T. Crowley failed to take vigorous action to break the ties that bind this key German concern to its parent, I. G. Farben?

Let us inquire into the outlook and private business ties of the

official in whose hands the government has placed General Aniline, the most important German property in America and the main avenue of the sinister influence the Nazis exerted in stifling production of key war materials in America before Pearl Harbor.

Too Many Jobs

The first fact about Leo T. Crowley is that he has more jobs than any one man can handle well.

For the government, Crowley is chairman of the Federal Deposit Insurance Corp., Alien Property Custodian and Foreign Economic Administrator.

In private business, he is still, though on leave of absence with pay, chairman and president of Standard Gas & Electric, one of our greatest public utility holding companies, a giant concern now being put through the reorganization wringer under the Public Utility Holding Company Act. According to Crowley's office, he still devotes some attention to Standard Gas affairs.

An Idea of One Job

Some conception of the magnitude of Crowley's responsibilities may be gathered if one remembers what his job as Foreign Economic Administrator involves. The FEA is a merger of every agency of the government dealing with foreign economic matters, including the old Board of Economic Warfare, Lend Lease and the State Dept.'s OPEO (Office of Foreign Economic Operations).

This is only one of Crowley's many jobs but this one alone combines duties formerly imposed on a number of able administrators, including Milo Perkins, Edward N. Stettin and Dean Acheson.

A man with so many jobs should be an outstanding administrator, but in Washington today you can find few people who think Crowley a good administrator. The FEA is a badly disorganized and demoralized agency, many of its key officials have resigned in disaffection since Crowley took over.

In justice to Crowley, it must be said that there is good reason to believe his complaint that all these jobs have been wished on him rather than sought out, that he'd like to get rid of some of his duties and that he is badly overworked.

The second important fact about Crowley is that he has the shrewdness and insight of a likeable small

town politician, but lacks much that is required to cope with the highly complicated legal and technological problems involved in the handling of foreign properties and patents as Alien Property Custodian.

The Germans are old masters at entangling their enemies in legalistic processes. To cope with alien property and patent problems in such a way as to free American industry from alien and monopolistic controls requires not merely technical knowledge but an unconventional and original mind.

'Elects' Own Directors

Were Crowley such a man he would have staffed foreign properties with boards of directors containing outstanding men capable of attacking alien property and patent problems from a fresh and public point of view. As Alien Property Custodian Crowley "elects" these directors himself.

But Crowley's choices have been as conventional as the trustees most courts appoint in railroad and other types of bankruptcy. These trustees usually are picked from men closely associated with past management and only occasionally and under pressure or in response to specific Congressional legislation is an independent trustee chosen.

Crowley's Directors

The directors Crowley has chosen for General Aniline are the conventional type of banker or big business man, whose respect for property rights is well developed but whose conceptions of public interest is often rudimentary. Most of them are drawn from ranks in which close partnerships with German entities were accepted business practice, not from any sympathy with Nazism or lack of patriotism, but because these dealings were profitable and an effective way of holding domestic competitors.

To men of this type, a directorship in General Aniline is not a far cry into economic warfare but just another trusteeship. The whole interlocking system of patent rights, exclusive licenses and restrictive agreements, of which General Aniline was a part, is an essential part of their own way of doing business. They are unlikely to disturb it by the way they handle enemy patents, since not a few men of this type used foreign patents before the war and expect to use them again as weapons in the familiar game of monopolistic restriction.

The third important fact about Crowley is that he is a small town banker taken into the big time. Not only is he impressed by the big business men now cultivating him but he is obligated to one of them for his livelihood.

Though Crowley has three government jobs, he has only one government salary, \$10,000 a year

The Colonel Bestows a Kiss



Col. Oveta Culp Hobby, director of the WACs, bestows a kiss on Capt. J. C. Lorne after his marriage to WAC Maj. Mary Durr at the Walter Reed Chapel at Washington.

from the Federal Deposit Insurance Corp. His office says he turns this back to the government after paying income taxes on it.

The only salary Crowley is still drawing is his salary as chairman and president of Standard Gas and this salary, according to its latest report to the SEC, is \$75,000 a year. Crowley told this correspondent that he is "a poor man" and, though a bachelor, needs this salary to take care of his many brothers and sisters.

As head of Standard Gas, Crowley is, in a sense, a subordinate of Victor Emanuel, president of Standard Light & Power, the holding company which controls Standard Gas, and for many years the dominant figure in the Standard Power-Standard Gas network.

Emanuel, in turn, owes his dominant position in Standard Power-Standard Gas and his powerful position as head of Aviation Corp. at least in part to the financial support of the Schroeder banking interests of London and New York.

These banking interests, which were by far the largest stockholders in the Standard Power-Standard Gas setup when Crowley was appointed chairman and president in December, 1939, were conspicuously helpful in the German financial interests before Pearl Harbor, and were themselves involved in two of the German cartels whose ultimate fate may be in Crowley's hands.

The parent London firm, J. Henry Schroder & Co., was linked by blood and business ties with powerful Nazi bankers in Hamburg and Cologne. One of them, the famous Karl von Schroder, brought Hitler and the Reichsland industrialists together and has been reorganizing the banking system of Occupied Europe to preserve German control after Hitler's defeat.

Emanuel became a leading figure in American defense industry and utility finance in 1937 and 1938 with the support of the Schroeder interests. In August, 1937, Emanuel succeeded in taking over Card Corp. from E. L. Card and becoming chairman of its board. This concern, now known as Aviation Corp., is probably the leading holding company in the

field of war industry. It owns American Propeller, holds majority control of New York Shipbuilding and American Central Manufacturing Corp., and has large interests in Consolidated-Vultee, American Airlines, and Pan American Airways. Emanuel is now president of Aviation Corp.

Emanuel obtained control of this company after his own banking firm, Emanuel & Co., and 13 other companies and individuals entered into an agreement in August, 1937, to buy 500,000 shares of Card Corp. common from E. L. Card. The SEC last year called attention to the fact that J. Henry Schroder & Co. of London bought the largest part, 300,000 shares, in this 500,000 share consortium.

The Schroders disposed of this stock late in 1939 but Edward E. Donovan, a director of their New York security affiliate, Schroder, Rockefeller, remained a director of the top company in the Aviation Corp. setup until 1941.

With the backing of the Schroder banking interests Emanuel also became the dominant figure in Standard Power-Standard Gas, becoming chairman of Standard Gas in October, 1938.

During this period the Schroder banks were playing a part in helping the Nazis obtain raw materials and market their wares despite the world boycott. In March, 1937, German interests with the aid of \$500,000 subscribed by the J. Henry Schroder Banking Corp. of New York, and several German private industrial companies, formed the "Continental Export and Import Corp." to arrange the barter of German goods for American cotton.

The latter corporation did a sizeable business until it attracted the unfavorable attention of the then Attorney General Murphy in 1939 and the new obstacle of the countervailing tariff duties imposed in March of that year after the Nazis took Prague.

In March, 1938, J. Henry Schroder & Co. of London helped to organize a firm called "Compensations Brokers, Ltd." to enable the Nazi regime to buy raw materials with blocked marks. The company presented itself, according to the

London Economist of Jan. 2, 1937, as a scheme "to obtain for Germany orders from the Dominions which would otherwise go to such countries as the United States."

I am indebted for certain details on these two companies to an excellent prize undergraduate Yale essay by Edward Trounbaum, of Yale '42, now in the armed forces. It is called "National Socialism vs. International Capitalism and was published in 1942 by the Yale University Press.

Used Blocked Marks

The Schroeder banking house in New York dealt in several types of blocked marks, including the Ash and the Buckwheat marks, and was linked by financial ties with firms involved in iron and-iron cartels.

I do not intend by these ascriptions to imply that either Crowley or Emanuel are in any way pro-Nazi. On the contrary I know that this is not true of either man. Crowley told me that Emanuel has two sons in the Army, one of them was badly wounded. Emanuel is a loyal lieutenant of the President.

The Schroeder Role

Emanuel says he knew nothing of Schroeder activities helpful to the Nazis, that he regarded the heads of the firm in Britain as patriotic Englishmen. All he could recall was that they seemed excited over the dangers of Communism in Germany. Emanuel himself is an American, born in Dayton, Ohio, and educated at St. Mary's and Cornell.

Crowley is as far from being a Nazi sympathizer as your average politician. He represents the right wing of the Democratic party in Wisconsin and says he is in no way controlled by Emanuel.

Since becoming Alien Property Custodian, Crowley has put Emanuel on the board of General Dye-stuffs, key sales subsidiary of General Aniline, and several of Emanuel's close associates on the board of General Aniline.

The question is: Can men whose corporations had old financial ties to an Anglo-German banking firm, a firm which was helped to the Nazis before the war and did a large business with Nazi enterprises, be expected vigorously to break the ties that bind General Aniline and General Dye-stuffs to I. G. Farben? Those ties remain unbroken after two years.

We will see tomorrow what one agency of the Government has to say in answer to the questions I have raised.

Crowley Still Hopes to Resign

F.M. Bureau

WASHINGTON, Feb. 18.—A published report that Leo T. Crowley would soon resign as Alien Property Custodian today brought no denial from his office.

Crowley's office said he asked the President last July to let him resign as Alien Property Custodian at the time he took over the Board of Economic Warfare. It was explained that this request still stood and that Crowley still hoped the resignation would be permitted.

How Crowley's Standard Gas Pals Boss Alien Property

Victor Emanuel and Associates Act as Trustees Under Custodian

By I. F. STONE

(Copyright, 1944, by Field Publications)

Little more than a year ago, on Jan. 19, 1943, the SEC (Securities and Exchange Commission) ruled formally that the relations among the Schroder banking interests of London and New York, Victor Emanuel, and the Standard Power-Standard Gas holding company system were such that they could not be trusted to bargain "at arm's length" with each other.

The decision was handed down under the Public Utility Holding Company Act, which seeks to protect investors from situations in which there may be an absence of real bargaining between a utility and its bankers.

Unfortunately no such law exists to maintain "arm's length" relationships in the handling of alien property. The Alien Property Custodian of the United States receives a salary from Standard Gas, last reported as \$75,000 a year. Were a similar rule applied, Victor Emanuel and his associates would be debarred from acting as trustees and directors for properties taken over by Leo T. Crowley.

Instead we find at least five of Emanuel's business associates on the board of General Aniline & Film, and we find Emanuel himself and one of his associates among the four directors named by Crowley to the board of its key sales subsidiary, General Dyestuffs.

SEC Ruling

The SEC ruled that "Emanuel is the dominant personality in Standard Power and still is one of the most important officers in Standard Gas" and it held that "the Schroder interests in London and New York have worked with Emanuel in acquiring and maintaining a dominant position in Standard affairs."

Had there been an "arm's length" bargaining rule applied to alien property, Gerald E. Donovan, vice president and director of Schroder, Rockefeller & Co. could hardly have served until recently under the Alien Property Custodian as vice president and director of Schering Corp.

For Schroder, Rockefeller, is the security affiliate of the J. Henry Schroder Banking Corp. of New York and the latter was harder for the Schering Corp. The Schering Corp., indicted in the international hormone cartel, was taken over by the Government in February, 1942, as enemy-owned.

Donovan, formerly a director of Victor Emanuel's Aviation Corp., became vice president and director

FDR Says Crowley To Quit One Job

FBI's Bureau

WASHINGTON, Feb. 19.—At his week-end news conference, President Roosevelt announced that Leo T. Crowley would soon resign as Alien Property Custodian. He said that acceptance of Crowley's resignation had been in the cards for a long time, but that Crowley would continue as Foreign Economic Administrator. The President also indicated that Crowley might also give up his job as head of the Federal Deposit Insurance Corp.

of Schering Corp. just about the time the Government took it over. I was unable to learn whether he was normally elected or was appointed to that position by the Alien Property Custodian.

'Poor's' Listing

Donovan lists himself in the 1943 Standard & Poor's Registry of Directors as vice president and director of Schering. The latest Government report I could find, dated Nov. 19, 1943, also lists him in the same position. But the offices of Schering in New York claim that he no longer is on the board.

A similar "arm's length" bargaining rule would bar Emanuel or Schroder nominees from the board of General Aniline. The Schroder firm was also banker for one of the firms in the international nitrogen cartel, a cartel in which I. G. Farben played a strategic role.

Nevertheless Emanuel and his associates are influential directors of General Aniline or General Dyestuffs under the Alien Property Custodian.

These relationships may have nothing whatsoever to do with the fact that after two years of possession the Government, through Crowley, has yet to force General Aniline to break its cartel ties with I. G. Farben, to make its patents freely available to American industry, or to merge its sales subsidiary, General Dyestuffs, in the parent corporation.

Financing System

It can also be said that the relationships between the Schroders and Emanuel and Standard Power-Standard Gas do not necessarily mean that they would take advantage of the holding system in handling its financing.

But the rule embodied in the Holding Company Act is that free bargaining cannot be expected where the same interests are a controlling influence on both sides of the table. The same common sense rule would seem to be a safe guide in alien property matters as well.

Here are a few items that an "SEC" would find pertinent in judging whether or not there could be "arm's length" bargaining between Crowley and Emanuel, Emanuel and the Anglo-German banking-house of J. Henry Schroder.

Emanuel and his associates would have lost control of Standard Power-Standard Gas in 1936 if the Schroder interests, in return for a 75 per cent share of future financing by the holding company system, had not raised half of the \$3,500,000 needed to pay off bank loans for which the controlling stock was the collateral.

Aviation Corp. Control

Emanuel could not have taken over Aviation Corporation from E. L. Carl in 1937 if the Schroder firm in London had not bought 300,000 of the 500,000 shares that



Victor Emanuel

put Emanuel into control of that aircraft and shipbuilding holding company.

When Crowley was appointed chairman of the board and president of Standard Gas on Dec. 8, 1939, the Schroders were by far the largest stockholders in Standard Gas, which controlled Standard Power.

Schroders and the other banking firms of the Emanuel consortium unloaded their securities after the SEC began its action in the Standard Gas case. Had they not done so the Schroders would have been held to be a "holding company" within the meaning of the Holding Company Act and debarred from all profitable dealings with Standard Power-Standard Gas.

The SEC held that there were "indications" that the influence of these banking firms had "diminished" since Crowley became head of Standard Gas in December, 1939. Yet ruling three years later, in January, 1943, the SEC held that "nevertheless" it "could not conclude that they (these indications) have been sufficient to wipe out the influence acquired . . . during the nine years of financial domination of the Standard system."

'Moral Obligations'

With this background of historical associations, promises, representations, and moral obligations, the SEC decision said, "we conclude that there is liable to be an absence of arm's length bargaining in transactions between respondents and Standard Power and/or Standard Gas."

Yet despite these associations Crowley has put Victor Emanuel and associates of Emanuel on the boards of directorships of General Aniline and General Dyestuffs.

According to a story in the financial pages of the New York Times last April 15, Emanuel was at one time slated to be head of General Aniline as part of the new 15-man board appointed by Crowley last Spring.

Also named as prospective appointees to the board, the Times reported, "were several other associates of Mr. Emanuel in the Aviation Corp. and Standard Gas, including Thomas A. O'Hara, Louis A. Johnson, Henry Lackhart, Jr., and John Hertz."

Louis Johnson was named by Crowley to be president of General Dyestuffs, reportedly at \$60,000 a year, and a director of General Aniline. Hertz and O'Hara were made directors of General Aniline. Emanuel has been a director for

many years of Republic Steel and is also a member of its executive committee. W. H. Coverdale, of Coverdale & Colpitts, a fellow member of the Republic Steel board, was also named to the board of General Aniline and George W. Barrow, another partner in Coverdale & Colpitts, was appointed president of General Aniline, and a director, Johnson, Hertz, O'Hara, Coverdale and Burpee are regarded as part of the "Emanuel group" on the board.

Of the other directors, two are from companies under Standard Oil influence, Robert E. Wilson of Pan American Petroleum (originally appointed a director by the U. S. Treasury), and E. G. Williams, technical adviser and director of U. S. Industrial Alcohol, who was named vice president and chemical director of General Aniline by Crowley. Standard Oil had many links with both General Aniline and I. G. Farben before the war and at one time wanted to "swap" its German properties for General Aniline so both would avoid seizure as alien property during the war.

Emanuel's exact relationship with General Aniline and General Dyestuffs has been a mystery for some time, although he has been reported active in discussing their affairs in Washington. Though I have this on good authority, it is denied by Emanuel.

Conflicting Stories

In a long talk with Crowley recently this correspondent was told flatly that Emanuel was not a director of either General Aniline or General Dyestuffs. The next morning in New York telephone calls to General Dyestuffs and to Emanuel's office elicited the information that he is a director of General Dyestuffs. Col. Johnson, head of General Dyestuffs, declined to say whether Emanuel was or was not a director and referred all questions to Crowley.

That afternoon this correspondent received a wire from Crowley's press representative, saying, "Mr. Emanuel asks I advise you he was in error yesterday. Victor Emanuel is on the board of General Dyestuffs." By phone he later said that Emanuel was appointed last Spring.

Curiously enough General Dyestuffs in a report submitted to Standard & Poor's Registry of Directors last Aug. 12 omitted Emanuel's name from the list of its directors but Emanuel himself, reporting on Sept. 23 for the forthcoming 1944 edition, listed General Dyestuffs among his directorships.

Crowley's office was asked why Emanuel's name was omitted in the General Dyestuffs report but no answer has ever been received.

NEXT: How the Germans got their properties back last time and how much more easily they may do it this time.

Arnold Warns Against Cartels

Thurman W. Arnold, former U. S. Attorney General and currently a Court of Appeals judge, told the Federation of Protestant Welfare Agencies at an annual meeting in New York that if international cartels are allowed to dominate postwar economy, a depression as serious as that of 15 years ago will result.

Suit Asks Return of Stock Seized Because of Farben Ties

Duisberg Claims His Shares in General Dyestuffs as U. S. Citizen

By I. F. STONE

FM's Bureau

(Copyright, 1944, by Fitch Publications)

WASHINGTON, Feb. 21.—The son of the first chairman of the I. G. Farben has filed suit in the Federal courts to recover his stock in General Dyestuffs, sales subsidiary of General Aniline & Film, I. G.'s potent and disloyal American offspring. The stock was seized by the Government after Pearl Harbor.

This suit was filed by Eugene L. Carey, counsel for the Cox Committee investigating the Federal Communications Commission. Carey has been counsel in a series of suits brought since the European war began to coerce American directors of General Aniline and to recover stock seized by the government.



Eugene Carey

Family Connections

This latest of the series was filed on behalf of Walter H. Duisberg, a naturalized American born in Germany and the son of the first chairman of I. G. Farben. He was vice president of General Aniline & Film from 1935 to 1939, and his stock was seized not because of his German origin but because of his long and close association with General Aniline, his past family connections with I. G. Farben, and the peculiar restrictions on the stock he held in General Dyestuffs, which was sales agent in this country for both General Aniline and its parent, I. G. Farben.

Duisberg was named as co-conspirator but not indicted in the dyestuffs conspiracy indictment returned against General Aniline, General Dyestuffs and I. G. Farben 12 days after Pearl Harbor.

The Duisberg suit, brought on the ground that he is an American citizen and not an enemy alien, is only one of several possible developments

which endanger government control of seized German properties as the war in Europe moves to a climax while the Office of the Alien Property Custodian still delays action to cut General Aniline's postwar contractual ties with I. G. Farben.

Would Be Precedent

A victory by Duisberg would establish a precedent for the recovery of stock in German-controlled corporations which were held by American citizens or by Swiss and Dutch dummy corporations.

General Aniline & Film, of which Duisberg was a leading executive during the years in which the Government alleges conspiracy with I. G. Farben, is a monument to our tragic incapacity to keep under our own control properties we took from the Germans in the last war.

General Aniline's origin is in the dyestuffs and pharmaceutical business and patents of the famous Bayer Co., taken over by the Alien Property Custodian in the first World War. The history of General Aniline and of the Bayer company testify to the prophetic insight of the warning Woodrow Wilson addressed to Congress on May 20, 1919.

Fruit of Experience

"German chemical industry," Wilson told Congress, "was and may well be again a thoroughly knit monopoly, capable of exercising a competition of a peculiarly insidious and dangerous kind."

President Wilson's warning was the fruit of World War I experience when German control of dyestuffs and pharmaceuticals crippled out-

put of explosives, poison gas and medicines. He could hardly have dreamed how quickly his prophecy would come true, or just how great a monopoly the Germans would succeed in establishing.

In 1925, the Bayer Co. joined with 10 other German chemical and drug companies to form the giant I. G. Farben, the greatest chemical combine the world had ever seen. This combine, by resuming control of properties and patents seized in the last war, was soon powerful enough again to cripple the production of important war materials in the U. S. A., as the Germans prepared for a second attempt at world conquest.

It is in the light of this history that one must read the pledges given by Leo T. Crowley as Alien Property Custodian. General Aniline & Film, in its first annual report under directors appointed by Crowley, said it had been advised by Crowley "that it was the Government's policy that the company never should return to German ownership, German control of operations or German influence."

Similar Pledges

But it takes more than a statement of policy to make that policy work. Similar pledges were made during the last war. At the end of the first World War the Bayer properties were sold to the company formerly known as Sterling Products, now Sterling Drug, Inc. The old Sterling company promised that these properties would not be allowed to return to German ownership or control.

Wilson's Alien Property Custodian himself investigated Sterling and reported that he found "no taint of German ownership—direct or contingent—and no trace of German influence—near or remote—in the Company."

But the indictment returned after Pearl Harbor reveals that by 1924 the dyestuffs and chemical business and patents sold to the old Sterling Company were back under the control of Bayer. The Senate Kilgore Committee, in its recent anti-trust report on international cartels revealed that the Germans were back

in the drug end of the business even more quickly.

According to the Kilgore report the old Sterling Company, one year after its solemn promise to the Government, had secretly undertaken to pay the Bayer Co. 50 per cent of Sterling's profits on drug sales in Latin America. In 1920 the German percentage of those profits was raised to 75 per cent, "and the Latin American market for all drug products other than aspirin was surrendered to the German company."

Fought Blockade

By the time the second World War began, German influence in the company since reorganized as Sterling Drug, Inc., was so strong that the American concern arranged in December, 1939, to help its German partner beat the British blockade by shipping pharmaceutical products to Latin America in bulk and letting I.G. agents put German labels on it for resale there. Thus in drugs as well as dyestuffs the Germans came back to power after the last war in the companies the American government had taken over.

General Aniline's drug interest was embodied in its 50-50 stock ownership of Winthrop Chemical with Sterling. The Alien Property Custodian has taken over that 50 per cent interest, but Winthrop Chemical has been allowed to go on doing business as usual. Sterling escaped seizure by reorganizing, as Sterling Drug, Inc., and is now dominated by one of Crowley's closest advisers, Tom Corcoran, ex-New Dealer turned Washington corporation lawyer.

What concerns us here is that the Germans learned something from their experience in the last war, a doubtful conclusion as regards ourselves. They put control of their American properties in (1) the hands of American citizens who were trusted employees or naturalized German associates and (2) had their controlling interest in Swiss and Dutch corporations.

It is one thing to seize such stock under wartime conditions. It is another to keep control of it when peace comes. If General Dyestuffs is merged in General Aniline, if General Aniline is broken up and its patents thrown open to the public, there is nothing these stock owners can do about it after the war except claim monetary damages.

But so long as the Government permits General Aniline, and Gen-

eral Dyestuffs to remain intact, these owners may succeed in recovering their properties as easily as if they had been left in the hands of a trustee for the duration. And these, as Government revelations indicate, were not managed by the Germans as private property in any ordinary sense, but were used in this war as in the last as instruments of economic warfare.

An Editorial:

Crowley's Resignation Is Not Enough

At his news conference last Friday, the President announced that Len T. Crowley would soon resign as Alien Property Custodian. We welcome that announcement.

The day before that announcement, PM began publication of a series of articles on Crowley and the Office of Alien Property Custodian. The facts in that series were discussed with Crowley the week before publication, and with Victor Emanuel, his associate in Standard Gas & Electric.

The President has made it clear again and again that he does not propose to let Nazi-controlled patents and properties slip back into German hands. We know how deeply he feels on that subject.

President Wilson felt as deeply and sincerely opposed to permitting the Germans to resume a position in the American chemical and pharmaceutical industries which could again be used to cripple America's defenses. In today's story we present a few facts to indicate how easily President Wilson's wishes were frustrated. We think the history of what happened to alien property after the last war should be a warning to us in this one.

We hope that, in picking a new Alien Property Custodian, the President will pick a man who, unlike Crowley, is not dependent on private salaries for the bulk of his income. An Alien Property Custodian is

subject to peculiar pressures.

On the basis of its own investigations, PM suggests that the new Alien Property Custodian be instructed:

- ¶ To merge General Dyestuffs into General Aniline & Film, thus ending the 10 per cent profit the former is making on Government contracts and eliminating I. G. Farben's principal sales agent in the U. S. A.

- ¶ To remove from the Board of General Aniline & Film any men associated with Victor Emanuel, the Schroder banking interests, Standard Oil, or any company linked by business ties with I. G. Farben before the war.

- ¶ To negotiate a consent decree with the Attorney General which will bind General Aniline and its constituent, subsidiary or successor companies not to enter into any cartel agreements after the war with I. G. Farben or any other European trusts.

- ¶ To change the policy under which Crowley exempted two classes of alien enemy patents from free licensing. One class is made up of those patents under which exclusive licenses were already outstanding; such exclusive licenses are monopolistic, the very foundation of cartels and a frequent obstacle to full war production. The other class is made up of patents used in the operations of a business taken over by the Alien Property Custodian: to leave these patents untouched in the

hands of an alien enemy enterprise is to preserve its principal assets intact for the enemy alien owners.

Both these classes of patents should become part of the public domain, freely available to all American business.

Example: Throw open to American business all the dyestuffs, chemical, pharmaceutical and other patents owned by General Aniline directly or through its subsidiary, Winthrop Chemical.

- ¶ To break up General Aniline into smaller companies under permanent American ownership, each handling a different one of General Aniline's many business interests, so that we may be rid of the monopolistic power this German-controlled firm exercised in so many different types of products.

- ¶ To put a representative of the anti-trust division of the Dept. of Justice on the board of directors of every company taken over or supervised by the Office of Alien Property Custodian to act as watchdog against the resumption of cartel ties and monopoly practices.

We hope the President will pick, as successor to Crowley, a man with no ties to cartel companies, either directly or through academic institutions controlled by them, and that he will be paid a sufficient salary to make it unnecessary for him to serve two masters while in public office. —I. F. STONE

P. M.
2-22-44

How Crowley's Private Pay Soared After He Got U.S. Job

State Tax Returns Show Rise From \$23,225 to \$89,690

By I. F. STONE
PM's Bureau

WASHINGTON, Feb. 22.—The salaries of Leo T. Crowley, who is about to resign as Alien Property Custodian but will remain Foreign Economic Administrator, rose from \$23,225 in 1939 to \$89,690 in 1942.

His private salary as chairman and president of Standard Gas & Electric, a job he still holds, rose from an initial \$50,000 a year at the time of his appointment in December, 1939, to \$65,625 in 1941 and then to \$75,000 in 1942.

At the same time, his private indebtedness has risen sharply. His State income tax returns, on file at Madison, Wis., show that his annual payments of interest on his borrowings rose from \$11,296.78 in 1939 to \$19,436.40 in 1942. At 4 per cent, the latter sum is enough to carry loans of almost \$500,000.

Crowley's Excuse

Although Crowley has sought to create the impression that he receives no Government salary, and offers that as his excuse for accepting a salary from Standard Gas & Electric while in public office, his State income tax returns show that he has been receiving \$10,000 a year regularly from the FDIC (Federal Deposit Insurance Corp.) of which he is chairman. The FDIC is the Government agency which handled Federal insurance of bank deposits.

Although the President announced last Friday that Crowley would soon resign as Alien Property Custodian, there has been no indication that Crowley will give up his job with Standard Gas & Electric. Crowley will retain his Government jobs as head of the FEA (Foreign Economic Administration) and FDIC.

The State income tax reports also reveal that while Crowley used to draw \$10,000 a year from his own business, the General Paper & Supply Co., of Madison, he ceased to do so after obtaining his job with Standard Gas & Electric.

Various Salaries

These are Crowley's various salaries for the years 1939-42:

1939	
General Paper & Supply Co., Madison	\$10,000
Federal Deposit Insurance Corp.	10,000
Standard Gas & Electric	3,225
Total	\$23,225
1940	
Federal Deposit Insurance Corp.	\$10,000
Standard Gas & Electric	65,625
Total	\$75,625
1941	
Federal Deposit Insurance Corp.	\$10,000
Standard Gas & Electric	65,625
Fox River Paper Co., Appleton, Wis.	1937
Pan-American Air Lines	40
Total	\$77,602
1942	
Standard Gas & Electric	\$75,000
Federal Deposit Insurance Corp.	10,000
Fox River Paper Co.	4,690
Total	\$89,690

The \$40 from Pan-American in 1941 presumably represented director's fees, since Crowley was at that time a director. Victor Emanuel, Crowley's principal associate in Standard Gas & Electric, is regarded in informed circles here as one of the moving spirits in Pan-American's postwar plans for a giant western hemisphere combination covering both airlines and communications.

'42 State Tax

Crowley's last available State income tax return, that for 1942, indicates the businesses, banks and insurance companies to which he was personally indebted and the amounts paid in interest on those loans, though the size of the loans themselves is not revealed:

Goodall-Crowley Oil Co., Beloit, Wis.	\$4970.37
Mutual Life Insurance, N. Y.	4227.84
General Paper & Supply Co., Madison	3320.01
Northwestern Mutual Life	2361.87
Yates Estate, Continental Illinois Nat'l Bank	1600.00
New York Life Insurance	1335.90
Commercial State Bank, Madison, Wis.	1161.25
H. E. Purcell Estate, Madison, Wis.	197.27
State Bank of Lodi, Wis.	139.79
Guardian Life Insurance Co.	122.10
Total	\$19,436.40

AN EDITORIAL

Why PM Is Publishing Crowley's Tax Returns

In the adjoining column today we reveal the salaries and the debts of Leo T. Crowley, as disclosed by his State income tax returns in Wisconsin, where State income tax returns are made public.

In the case of a private person, these figures would be none of our business or yours.

We print them because:

¶ Crowley is a public official and the public has a right to know whether he has other sources of income and what they are, whether he is heavily indebted, and to whom.

¶ Crowley has been reluctant to discuss these facts, and this is the first time it has been possible authoritatively to report them.

¶ Crowley, though his forthcoming resignation as Alien Property Custodian has been announced by the President, will remain head of the FEA (Foreign Economic Administration) and the FDIC (Federal Deposit Insurance Corp.).

¶ As head of the FEA and the FDIC, Crowley may be required to pass on matters involving financial interests with which he is associated in Standard Gas & Electric, or involving corporations whose directorships interlock with Standard Gas & Electric or its many subsidiaries.

¶ Both of Crowley's remaining public jobs are of great importance. FDIC has supervision over the entire banking system of the U. S. A. The FEA, a merger of the old Board of Economic Warfare, Lend-Lease and the State Dept.'s Office of Foreign Economic Operations, controls all foreign trade matters today. It is important that both jobs be handled by a man who is completely independent of all financial ties to private banking and industry.

¶ Crowley says he is returning his \$10,000 a year FDIC salary to the Government after paying income taxes on it, and needs his Standard Gas & Electric salary (last reported as \$75,000 a year) in order to live.

¶ A Federal statute passed in 1918 and still on the books, though widely ignored in Washington today, says: "No Government official or employee shall receive any salary in connection with his service as such from any source other than the Government of the United States . . . And no person, association or corporation shall make any contribution to, or in any way supplement the salary of, any Government official or employee for the services performed by him for the Government."

¶ If Crowley's salary from Standard Gas & Electric is necessary to pay his living expenses, then Standard Gas would seem not only to be supplementing but paying the salary of a Government official "for the services performed by him for the Government."

¶ We think the rule that no man shall serve two masters is a sound one, in Government as in private life.

¶ We think Crowley owes it to the Government to resign his job with Standard Gas and live on his \$10,000 a year salary from FDIC.

¶ If that salary is not enough to cover his commitments, which seem to be heavy ones, the Government owes it to Leo T. Crowley to pay him an adequate salary as head of the FEA.

That is why we are disclosing Leo T. Crowley's State income tax returns today.

—I. F. STONE

February 17, 1944

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○ Original to Mr. D. W. Bell

Copies to:
Mr. White
Mr. Paul
Mr. Haas

OFFICE OF ECONOMIC STABILIZATION

WASHINGTON, D. C. 25



February 17, 1944

TO THE MEMBERS OF THE
BOARD OF ECONOMIC STABILIZATION

A meeting of the Board of Economic Stabilization
is called for:

11:00 a.m., Thursday, February 24, 1944

It will be appreciated if you will advise whether
or not you will be in attendance.

For your convenience, the form below may be used
for this purpose, and also the self-addressed envelope en-
closed, the use of which requires no postage.

Very truly yours,

Edward F. Richard Jr.

Secretary
Board of Economic Stabilization

To the Secretary
Board of Economic Stabilization
1206 Federal Reserve Building
Washington 25, D. C.

will not

I will attend the meeting of the Board of Economic
Stabilization called for 11:00 a.m., Thursday, February 24, 1944.

BRITISH MOST SECRETU.S. SECRETOPTEL No. 55

Information received up to 10 a.m., 17th February, 1944:

1. NAVAL

Yesterday aircraft from one of H.M. Escort Carriers, escorting an outward convoy 140 miles west of ARRAN ISLAND, shot down a JU 290 (4 engined transport type). Later a Beaufighter destroyed a second JU 290. During mine laying off SOMME ESTUARY on 15th/16th a Norwegian-manned motor launch was sunk and another damaged, probably by enemy moored mines. 5 missing, 10 wounded.

ANZIO. 15th. In continued favourable weather 5,830 tons discharged, bringing total to 81,000 tons. In air attacks a U.S. Liberty Ship was set on fire while unloading and a U.S. Destroyer slightly damaged by 2 glider bombs. 5 enemy aircraft destroyed by our fighters.

2. MILITARY

ITALY. To noon 16th. German attacks renewed against U.S. troops in the bridgehead. No details yet available.

RUSSIA. Russians have made some progress south of GDOV and LUGA and have further enclosed Germans north of ZVENIGORODKA, but Germans claim some progress in their counter-attacks from West.

BURMA. ARAKAN. Japanese have occupied hills to north and south of NGAKYEDAU PASS, but one of the hills to the south has been regained by a counter attack.

KALADAN. A Japanese strong point in KALADAN has been captured.

3. AIR OPERATIONS

WESTERN FRONT. 15th/16th. BERLIN. 2,490 tons dropped including 1,170 H.E., 1,320 incendiary, 18 8,000 pound and 446 4,000 pound bombs in 38 minutes. Complete thick cloud made observation of results very difficult but glow of fires reported towards end of attack. Mosquitoes after attack reported huge pall of smoke to 20,000 feet. A/A fire chiefly directed at marked flares tended to decrease. Not many fires met over BERLIN or en route.

FRANKFURT-ON-ODER. 94 tons dropped including 24 4,000 pound bombs. Very little A/A and no fighters.

ITALY. 14th/15th. Wellingtons dropped 128 tons on roads near ROME.

15th. Fortresses dropped 256 tons at MONTE CASSINO demolishing monastery. Liberators attacked a railway centre near FLORENCE and objectives at CAMPOBASSO dropping total 152 tons.

1944 FEB 18 AM 9 34



THE UNDER SECRETARY OF THE TREASURY

WASHINGTON

February 18, 1944.

MEMORANDUM ON CABINET MEETING

Mr. Stettinius said they hadn't any more news on the Argentine situation. The President then said "Well you saved my life the other day when the new Argentine Ambassador came in to see me." Just about a minute and a half before he came in, he said, he had Mr. Stettinius' note advising that the Argentine Government had again fallen. He said he told the Argentine Ambassador he was lucky to be here as his foreign minister and a lot of other ministers had been kicked out. The Ambassador was rather surprised. It made a rather peculiar situation - he was there to present his credentials and his own Government had fallen in the meantime.

Mr. Stettinius said they are having quite a bit of difficulty with Spain; that the news is rather discouraging at the moment; that our Ambassador isn't making very much headway.

Mr. Ickes remarked at this point that he had a message for the President from the King of Saudi Arabia. It came through a representative of the American Arabian Oil Company out there and said "Tell the President that I am relying upon him to save my people. If he doesn't do this they are lost, as they cannot depend upon the British." Apparently he told the same story to Stettinius and Jimmie Byrnes and there was some discussion as to the damage this would do if this man should tell the story around too much.

The President then told a story about the signing of an agreement regarding Iran in Teheran. He said when he arrived there was a document already prepared for the signatures of Churchill, Stalin and himself. There was a clause in the agreement to the effect that the signatory powers would respect the sovereignty of the Iranian Government. He said the first day



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he was there he talked to the British about it and they refused to sign it unless the Russians signed. Next day he talked to the Russians and Stalin wouldn't sign it. He asked Stalin what he wanted and he said he wanted a warm water seaport for his country. The President suggested that he try to get the Iranian Government to set up a free port on the Caspian Sea of about ten miles square and that they declare all of those ports open to commerce of the world. After thinking a few minutes, Stalin said he liked the idea and he would sign the document. Next day they signed it.

I gave the President the new figures on the results of the Fourth War Loan. He wanted to know how individuals were doing and I told him we had \$4 billion from individuals up to this time and we probably would get close to \$5 billion, but that we were certainly going to be \$500 million short of our goal. He asked if I had heard what he was contemplating on the tax bill. Although the Secretary had told me, I said No, I had not, but I could draw some conclusions from the remarks he made at his press conference this morning. He said "I don't see how you could do that; all I said was that I would send a message to Congress the first of the week and that I didn't want to give out the contents of it as that would be discourteous." I said "Yes, that's true, but if you were really interested in the revenue and were going to sign the bill, today or tomorrow would be the proper time to sign it." There was some mention by the President of some figures which Fred Vinson had furnished him and his draft of a message. It was indicated that Mr. Vinson's draft was used as a basis for the President's message. The President said he made it more or less of a personal message. Jimmie Byrnes remarked that the message he sent up today vetoing the Subsidy Bill was also personal and the House sustained his veto.

Mr. Stimson had nothing.

Mr. Biddle discussed the question of the resolution in Congress concerning the treaty with Mexico now before the Senate for approval.

Mr. Walker had nothing.

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Mr. Knox said there was not much news from the Pacific; communications had been bad for the past few days. An unusual thing about the strike against Truk was that the Japs had told their home people there was a landing. Knox said he didn't know why this had been stated unless tomorrow they will announce they have driven us into the sea. There was no landing and they had no intention of landing. Just a strike and get out. Apparently there is some other place they are headed for. So far as they knew everything was going quite well.

Mr. Ickes had nothing.

Mr. Wickard reported on the livestock population on the farms at this time. Reports indicate that the farms are well stocked with livestock except sheep; that is down below what it was last year.

Mr. Jones had nothing.

Mrs. Perkins had nothing.

Mr. Crowley said he had worked out what he thought was a good working arrangement between the UNRRA and FEA. The Congress had passed the UNRRA bill last evening and he wanted to ask the President whether he should go after the full amount, \$1,350 million, or just part of it, say \$500 million. The President thought probably he ought to ask for no more than he needed, say \$500 million. It would last six or eight months, although there might be an advantage in putting it up to the Congress in two ways - one to appropriate the \$1,350 million or let them decide whether they wanted to give us less.

Mr. Crowley also said he had the matter concerning the British dollar position in the United States. He had been discussing the matter with the State Department and the Treasury but had not been getting very far with the British. We were all of the opinion that the dollar position was too high and that something should be done to bring it down to the level fixed by the memorandum which the President approved about a year ago. That memorandum set between \$600 million and \$1 billion. The President

said that the three agencies interested in this matter, namely State, Treasury and FEA, should prepare for his signature a letter to Churchill and that he would send a copy of it to Eden to see if he couldn't get some action on it.

General Fleming reported on the burden which the Civil Service regulations impose on the Department in asking them to report on personnel problems. He didn't get very much sympathy around the Cabinet table.

John Blandford reported on the drive in Congress by Senator Byrd to dispose of the good assets of the HOLC.

Mr. Byrnes had nothing.

Mr. Vinson had nothing.

Nelson had nothing.

Vice President Wallace reported on his trip throughout the country. He said that the West Coast was producing a lot of bombers and a lot of ships. He was amazed to find they were putting out many more bombers than they did last year at this time with about half the personnel. Some of the people with whom he talked, representing the companies, indicated that they have hired people during this war that they never would have thought of hiring in peace time, and they have been amazed at the job they have done. He thought this was a good omen. The American people can learn to do most any job. He was particularly impressed with the number of women that have been used in these plants.

swB

MEMORANDUM FOR THE SECRETARY.

February 18, 1944.

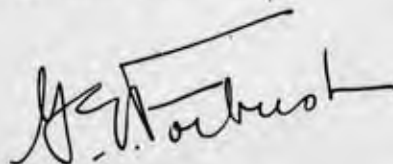
Mail Report

Neither so heavy nor so interesting as the mail of recent weeks, our receipts this past 7 days furnished poor copy for a report. The few communications about taxes fell into two general classes -- questions about personal liabilities and comments on the new forms. For the first time Form 1040 had concerted defense, several correspondents warmly commending it as concise and intelligible. These favorable letters, however, were outnumbered by unfavorable ones in a ratio of 3 to 1.

The decrease in bond mail was uniform throughout the various fields it usually covers. Only 40 bonds were sent directly to the Secretary for redemption, about one-third of these being postmarked from Puerto Rico. Of 30-odd complaints about delays, only 19 came from employees of the War Department.

Every mail brought in slogans, songs, and other promotional material for both the Fourth and Fifth Drives. There were also the usual reports of local successes in the current campaign.

Chief targets of an unusually large number of demands for economy on the part of the Government were the Canol project, the proposed Arabian pipeline, and publicized instances of food waste. Too generous treatment of war prisoners or the population of captured territory brought in several statements that the writers would refrain from future bond purchases if their money went to such expenditures.



General Comments

Chaskiel Nowomiejski, New York, N. Y. I am a Polish citizen and arrived in this free and happy country in July 7, 1941. I came here as an immigrant with my son. I am 45 years of age and my son is 19. On November 27, 1941, I received my First Papers for citizenship and my son received his on November 18, 1942. Since I have been in this country, I have participated in all the War Bond Drives. Of course, I haven't been able to contribute very much because of the short while that I am in this country, but I always try my best to help. For the present Fourth War Loan Drive, I am enclosing herewith applications for bonds and checks to cover them. May I take the liberty, at this occasion, to appeal to you as a member of the recently established War Refugee Board. Though I succeeded in coming to this country with my older son, my wife and second son, aged 16, were left behind. I am sure you can realize how desperate and unhappy my plight is. I suffer constantly with the thought that my family is in Poland, suffering under the cruelties of Nazi oppression. I have always known that it was the policy of the United States to reunite families that have been torn asunder. Isn't there anything you can do to help me? Please help me in my greatest need.

Matthew Thomas, New York, N. Y. Enclosed please find two War Bonds: C59521181E for \$100.00, and Q73363442E for \$25.00. This is the amount due persons for old debts, over many years' standing, and whom I cannot find. Therefore, because I am a follower of FATHER DIVINE, who advocates that all old debts must be paid if I am a true follower, and because I cannot find these persons, there is no nobler purpose than to have you use these in the interest of winning the war, and by adding same to the 4th War Loan Drive. * * *

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John L. Neighbours, Baltimore, Md. I have written to the Treasury Department twice for information, but they have ignored my letters so I am writing this to you. I had 2 War Savings Bonds which were cashed in and the check issued at the Federal Reserve Bank here in Baltimore, the sum - \$37.50. The Treasury Department made and sent to one Louis Sugner, 110 East Lexington Street, this city, a photostatic copy of this check. I have asked your Department to let me know on what authority this was issued to another party. If this information was given by court action, I want to know it. If not, I want to know why they did give this information without my consent. I have tried for over a month to get this information but I have not even been afforded the courtesy of an acknowledgment of my letters. * * *

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Favorable Comments on Bonds

Gregory Pervelis, N.Y.C. Enclosed find Money Order for \$101.24 and six \$25.00 Series E Bonds, all to be deducted from the national debt. The \$101.24 represents my two weeks' vacation money, and you will receive this amount every year until these expenses of the war are paid. This is my war -- therefore I want to pay for it. * * * I do not see any sense in buying bonds because I lend you the money and you pay me back with interest. You will tax me to pay me back, but the real losers will be the very poor who cannot buy bonds, but are taxed directly and indirectly to pay me the interest.

Raymond J. Roche, President, Printing Pressmen's Union No. 1, Washington, D. C. About two weeks ago I received the information that the Secret Service was being used in the Bureau of Engraving and Printing to intimidate pressmen employed there into buying more War Bonds. I made a very limited investigation and had hoped the matter would be taken care of and forgotten. I have recently been advised that members of this Union, employed in the pressrooms, have been investigated and the word "treason" has been used. I want you to understand that the Pressmen's Union advocates the buying of bonds by its members to the limit of their ability, and the Union has purchased Government Bonds to the limit of its ability. This is not only the patriotic thing to do, it is the sensible thing to do. * * * I feel sure that no employee of the Bureau of Engraving and Printing is guilty of treason, but if there is a condition that creates any approach to treason, that condition should be thoroughly investigated by an agency of the Government outside the Treasury Department. * * * I will be very glad to use my office, and I will be at your service in an effort to adjust this matter in a fair manner to all concerned, and to the benefit of those we serve.

Unfavorable Comments on Bonds

S. Vernon Mann, Jr., Shower Sales Corporation, N.Y.C. I have just read an article by Murray Davis, appearing in one of the New York evening papers Friday, February 11, 1944. The first paragraph reads as follows: "Treasury officials were worried today, as the Fourth War Loan individual bond sales continued to fall behind the average necessary to meet the state's quota of \$911,000,000 by next Tuesday. The same situation appeared to prevail throughout the country." As the head of a very small business, I am wondering if our situation may not be identical to other small businesses and whether this may not account for the situation as reported by Mr. Davis. We have very nearly completed a contract with the Government for approximately \$603,000. A substantial part of the money due us by the Government remains unpaid for shipments made in the months of April through December 1943. The Government is completely satisfied with our product and there is no reason why we should not have received payment for goods delivered. My family and myself have bought bonds to the absolute limit of our financial resources but equally obviously, some of the bonds previously bought will have to be disposed of as the money tied up in our Government accounts receivable makes the continued payment of salaries impossible. Although, of course, without definite knowledge, I am of the strong opinion that this situation faces many of the other small concerns, who have had dealings with the Government and may very likely account for the falling behind of individual subscriptions to the Fourth War Loan.

E. M. Brown, Albany, N.Y. Great stress is given to the energies exerted by various organizations for their efforts in the sale of War Bonds. But there is one class that do not get any credit for their efforts. I mean the newsboys' sale of War Stamps. These kids consistently sell War Stamps the year around and nothing

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is said about it. Why not get next to yourself and give them some credit in the papers? If they get some public credit, their sales will increase. What do you say?

Mrs. Antionette B. Hewitt, New Haven, Connecticut. This is a protest against the red tape and cost of transferring U. S. Bonds. Recently in settling my mother's estate, I had transferred from myself as executrix to myself personally, \$2,125 Series E. Bonds and \$1,000 Series G Bonds. It would have been to my advantage to have sold these bonds to help pay the inheritance taxes, but I decided that it was my patriotic duty to keep them, not realizing that I would be penalized by more than a half year's income from them. These are the steps I was compelled to take: (1) Bonds to investment broker, (2) Investment broker to U. S. Treasury, (3) Letter from Treasury to broker, (4) Letter from broker to me, enclosing various official papers, making necessary the following: (5) Take 2 papers to busy bank vice-president for signature and seal, to confirm my signature (a notary is not sufficient), (6) Make copy of Will, (7) Letter to broker returning these three papers, (8) Visit to Probate Court to have the legal Treasury Form copied and bond numbers added, (9) Second visit to sign same, (10) Obtain "Certificate of Appointment" from Probate Court, bill \$1.00, (11) Probate Court mails certified copy of papers to me, (12) Letter from me to broker forwarding certified copy, (13) Probate Court sends bill of \$10.45 for making out the application according to the Treasury Form and filing it, (14) Probate Court sends bill of \$3.00 for sending me a certified copy of application, (15) Letter from me to Probate Court with check to pay these bills, (16) Investment broker returns all papers to Treasury. * * *

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A. M. Adams, Denver, Colorado. While \$500.00 for an individual is a small amount to put into Series E War Bonds, I wanted to do so today, but I wanted to name my (Catholic) Church as beneficiary on the bonds because for very definite reasons I cannot make a will, as advised by my attorney. I am told by the Federal Reserve Bank that the Treasury has made no provision for naming other than an individual as beneficiary. Many others might like to name Churches, Missions, Societies, Institutions or the like -- either as such or by giving the name of Pastor, President, or Officer as agent or trustee -- any such term to designate that the bonds are not for the individual but for the Church or Institution. * * *

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Favorable Comments on Taxation

William A. Fisher, Dallas, Texas. I hope I am not speaking out of turn, but I have felt a bit indignant at the abuse which has been heaped upon the Treasury Department in the last few weeks. I feel that I just have to get this off my chest, so if it is of any comfort to you to hear one man's opinion, read on. I have since the first of the year, carefully read and studied Form 1040 and the code of instructions at least a half dozen times so I am quite familiar with it and it seems a most complete, exhaustive and informative document as could be devised to make the best of a bad mess of legislation, and I don't believe those who have criticized it publicly have given it more than a cursory reading. A week or so ago a number of our Members of Congress took occasion to rip this form to tatters and to express their denunciation in the most vituperative terms. The whole joke was on themselves, though they probably did not realize it, for the body of which they are members are solely responsible for the mess of absurdity known as the pay-as-you-go tax bill, which to make it plain as possible to the taxpayer is embodied in Form 1040. It seems to me that there are plenty of taxpayers who don't want to try to understand the form, just take it for granted from what they hear in abuse from those who make a business of criticizing it. * * *

Edward W. Ohrenstein, Minister, All Souls' Church, Greenfield, Mass. This may be a case of man biting dog, and so what follows may shock you. But among all the letters I know you receive from people who threaten to kill you for putting out such income tax forms, and in view of all the public derision which

your Department has undergone because it is responsible for said income tax forms, I want to include a letter commending your staff for the fine job they have done. Most of our citizens do not realize that your Department is given a patch-work of laws that even the Congressmen themselves do not fully understand, and told to "go ahead and collect" from the taxpayers. In view of the maze of tax laws Congress has given us, I think you have done amazingly well in your preparation of forms. The inclusiveness of Form 1040-A, its painstaking explanations and examples, is a marvel. I congratulate your staff!

Rollin H. Jennings, Collingswood, New Jersey. There seem to be many critics of the 1943 income tax returns, but having already made up about 60 myself, it is convincing to me that you have made a wonderful job of it, because I have been able to make them all feel satisfied, pointing out to them the fact that they are paying two years' tax, and emphasizing the amounts that they are "forgiven", which seems to hit the spot! Even though there are several unavoidable calculations to compute, the sequence of the work is easy to perceive, even in its complexity. The strings of my heart are pulled when the people assure me of their satisfaction in the results, and their eagerness to pay what they should. I am confident that they have answered the questions with conscientiousness. These people are not the stuffed-shirt type, but most of them are hard-working shipworkers or workers in other war industries, and my contact with them makes me proud to be an American. * * *

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Wm. B. Klein, Brooklyn, N.Y. * * * Yesterday I visited the local office seeking assistance in making out my Form 1040 for the year of 1943, and was duly impressed with the efficiency and courtesy displayed there. My net income for last year was \$4,622.23, and the amount of tax to be paid - \$448.83 -- a matter of about 9 6/10%. I retired at 68 years of age in 1938 and my income is not half of what it used to be, and I am too old to go out and earn any money. * * * We're at war and yet I do believe that old pensioners unable to earn anything should receive some consideration. * * * I believe the public would be better satisfied to have to pay a certain designated rate of their net income instead of the present method, and if that be done, it would seem to me that great savings could be made to the Department in not employing an army of experts whose duty it is to aid the public in computing their tax form.

Unfavorable Comments on Taxation

Carl Greenberg, Los Angeles, Calif. * * * I am the owner of United States Treasury Notes of Tax Series A-1944 and A-1945. Today I attempted to obtain certification of my signature so that I may cash the Notes rather than use them for income taxes. I sought to do so through the Post Office, and I made several telephone calls to Post Office personnel in this city. In some cases they were completely ignorant regarding their powers to certify such Notes. In one case I was advised any branch Post Office was empowered to so certify. When I proceeded to a branch Post Office, the Superintendent advised me that because the Notes specifically refer to the "Postmaster" he had no authority to certify. I then went to a sub-office of the Los Angeles branch of the Federal Reserve Bank of San Francisco, which issued the Notes to me. A clerk there advised me to try another branch Post Office, and further, that the Los Angeles branch of the Federal Reserve Bank would not certify, even though said bank was the issuing agent. I failed at the second branch Post Office. I then learned by telephone from the Federal Reserve's Los Angeles branch that they would certify, although the sub-office would not. Further, they advised me they accept certifications from any branch Post Office. I re-checked the Post Office and spoke to a high official whom I know personally and was advised that the Post Office has no official information indicating that anyone other than the Postmaster in person has authority to certify. After all this, I proceeded to a branch bank. I obtained the certifications without any difficulty except that I was advised I would have to pay a fee of five cents for each Note certified--which I finally had waived. * * * In view of the fact that the Treasury has provided for this alternative method of certification, I would like to

suggest that some method be worked out with the Postmaster General so that all employees concerned would be fully acquainted with their rights and duties in such matters. I consumed two full hours of valuable time trying to have something done that should have taken five minutes. Additionally, I crossed and criss-crossed most of the streets in the downtown district in my peregrinations. Probably, if I weren't somewhat hot under the collar, both literally and figuratively, I wouldn't be writing this too long letter. * * *

Congressman John Z. Anderson (California) forwards a letter he has received from Arthur H. Samish, San Francisco, Calif. We respectfully direct your attention to the anomalous situation which will prevail when the new tax bill becomes effective on or about March 1, 1944, which will increase the excise tax on beer from \$7 to \$8 per barrel while the import duty on beer manufactured in Mexico and Canada will remain at \$7.75 per barrel. As of February 15, 1935, the import duty on beer was established by Presidential Proclamation at 50 cents per gallon or \$15.50 per barrel. By trade agreement with Mexico - T.D. 50797 dated January 30, 1943 - this import duty was reduced to 25 cents per gallon or \$7.75 per barrel. Imported beer is subject to import duty only and is not affected by the excise tax. * * * We submit that unless this inequity be corrected not only will the domestic brewing industry be penalized and be discriminated against in favor of brewing companies operating in foreign countries, but that the very purpose of increasing the Federal excise tax on beer - providing additional revenue for the war effort - will be defeated.

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Mrs. Mary L. T. Tufts, New York, N. Y. October 25, 1943, I wrote as per the attached copy to the Collector of Internal Revenue for New York City, and asked how I should treat from a tax standpoint some Japanese bonds which I have owned for several years. To date no reply has reached me, and while I realize of course that the Revenue Office must be very busy, I am greatly worried since apparently any action must be taken in the next two or three weeks. * * * I feel sure that in ruling that enemy bonds should be held worthless as of the date of Declaration of War, it was not your intention to impose any such injustice as would result in my case if the entire loss is applied to 1941. It will be greatly appreciated if you will kindly tell me how the matter should be handled from a tax standpoint in the existing circumstances. It is obvious that I need to know promptly in order to avoid being too late with any action taken.

AIRGRAM

Despatched:

FROM:

Cairo Legation

February 18, 1944

Rec'd. Feb. 26 - 5 p.m.

Secretary of State
Washington.

A-84, February 18, 1944, 11 a.m.

With reference to the Department's Circular Airgram of January 26, 1944, 7 p.m. I have the honor to report, as directed in the fourth paragraph thereof, on the situation existing in Egypt in regard to the assistance given by this country in the rescue of Jews and other persecuted minorities from the dangers of Hitlerism.

(a) Extent to which refugees are permitted to enter Egypt.

In my telegrams 1229 of July 13, 1942 and 1283 of July 19, 1942, 8 p.m. and in dispatch 489 of July 17, 1942, there was reported and set forth a military order issued by Nahas Pasha, in his capacity as military governor, regarding the entrance and sojourn of refugees in Egypt, of which the principal purport was the temporary character of admissions contemplated, the restriction of movement and abstention from gainful employment of any refugees admitted and their evacuation from Egypt when the conditions which had caused them to leave their places of habitual residence had been cleared away. In any case their stay should not last beyond the duration of the war.

Up to the present the Government of Egypt has adopted a benevolent attitude towards the refugee

problem

-2-Cairo/A-84

problem in the Middle East by permitting the entry of various groups of Poles, Greeks and Yugoslavs, sponsored by the Middle East Relief and Refugee Administration. It at one time also agreed to permit the entry of several thousand Greek children whose evacuation from Greece was, however, blocked by the Italian Government and whom it has not been possible subsequently to rescue. In all these groups there were Jewish members.

The Government has made clear, nevertheless, that the sojourn of the refugees in Egypt was to be "in transit" although it has not raised the question of defining the period meant by this term. It has also not officially engaged the resources of Egypt beyond allotting camp sites; the care and feeding of the refugees having been taken care of by the M.E.R.R.A. mentioned above. Further, in view of the critical food supply situation in Egypt during the past two years, the Egyptian Government has not allowed the Refugee organization to purchase foodstuffs in the local market, these supplies having been procured by adding to Army indents.

(b) Extent to which Egypt encourages and cooperates in entry of refugees.

In my dispatch 1519 of January 11, 1944, the adherence of Egypt to the Intergovernmental Committee for Refugees was discussed on the basis of a note addressed by the Prime Minister to the Council which recited the difficulties which Egypt would encounter in doing any effective work in this regard, although it showed an interest on her part in the problem.

It should be borne in mind that Egypt, geographically, is not contiguous with any territory where there are minorities in danger from Hitler. A transportation problem exists to bring any rescued peoples to Egypt and they cannot slip across the border in small inconspicuous groups. Not only that, but the habitable portion of Egypt is limited and overcrowded and famine and malaria are raging in Upper Egypt at this moment, the Government having only recently considered the allocation of large funds for relief of its own inhabitants whose plight is incredibly miserable in the affected districts.

As

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As contrasted with the xenophobia of certain half educated young intellectuals of Egypt whose employment is always a current problem, the governors of the country have shown comprehension of the pitiable plight of uprooted minorities but their cooperation has been passive rather than active. While, as stated, there have been Jews among the groups which have found a temporary shelter in Egypt, it is doubtful whether the Egyptian government could, in view of present economic, demographic and political considerations, particularly its commitments to other Arabs or Moslem States of the Near East, undertake to permit the entry of large groups of stateless Jews, as such, without the cover of being introduced as part of groups of determined nationality.

Add to the above existent jealousy of foreigners and the latest antisemitism, due to the unsettled problem of Palestine which has continuously come to the fore as the principal obstacle to a union of the Arab States, and it becomes obvious that any Egyptian politician expecting to remain in political life could not risk advocating openly the admission of large or even moderate numbers of refugees to this country, or the allocation of funds badly needed at home.

(c) Extent to which refugees are not permitted to enter

To confirm the present attitude of Egypt regarding new refugees, there is quoted in full below, the question of Senator Ahmed Ramzy in the Senate on February 15 and the answer of Fouad Serag Ed Dine Pasha, Under Secretary for Foreign Affairs:

"Senator Ahmed Ramzy: Certain papers on February 4th last, published a Reuter Dispatch from London announcing that Egypt, Czechoslovakia, India, Luxembourg, Poland, South Africa and the U.R.S.S. had accepted the invitation of the Refugee Executive Committee of London to participate in its task.

"Has Egypt accepted or does it expect to accept refugees on her soil when the country complains of its unceasing increase of population and life is becoming more and more expensive?

"If

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"If this news is correct what will be the number of refugees the Egyptian Government will accept?

"Will these refugees be admitted before the publication of the law on immigration?

"H. E. Fouad Serag Ed Dine Pasha: In conformity with the policy followed by this Ministry, and which is directed towards affirming the international position of Egypt and its participation in the various realms of world activity, the Council of Ministers, on December last, approved the adherence of Egypt to the International Committee formed at London to study the problem of refugees, at the same time maintaining as such the policy of the Egyptian Government as its representative had defined it before the League of Nations in 1938 to wit: that our country cannot receive new refugees.

"This policy was communicated to the president of the Committee on January 4th last. There was annexed thereto, on the other hand and as a measure of precaution, the text of the declaration made by the delegate of Egypt to the League of Nations 1938 and in which it was clearly and precisely stated that Egypt could not be a refuge for emigrants and that it declared it would not accept new refugees.

"Therefore, it appears that the government has not accepted and does not intend to accept any new refugees in addition to those already received. For this reason the other questions of the Senator do not require an answer."

In view of the foregoing it is not believed that the Egyptian Government can be successfully induced to go beyond the attitude which they have manifested, that of tacitly ignoring the presence of present sponsored refugee groups so long as they do not become a charge on Egypt's monetary or food resources. Indeed to raise the question of more admissions in a pressing manner might even bring about a revision of their present passive benevolence.

Mr.

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Mr. Ira A. Hirschmann of the War Refugee Board recently passed through Cairo and although part of his stay in this region was taken up by a visit to Palestine, he indicated that his conclusions were approximately the same as those set forth above. Assisted by the Legation, he has now left for Turkey, where, in his belief, the principal efforts towards rescue of the endangered minorities should be made as Turkey's contiguous frontier with the Balkans States permits a type of work not possible in Egypt.

The Middle East Relief and Refugee Administration has been requested to prepare a report giving details of the refugees under its charge and the information will be forwarded when received. In the meantime the Legation is approaching the Egyptian Government in the sense of the Department's airgram under reference.

Kirk

HAD/lw

EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, February 18, 1944.

No. 16011

Subject: Refugee Relief in Mexico

The Honorable

The Secretary of State,
Washington, D.C.

Sir:

Reference is made to the Embassy's despatch number 15781 of February 3, 1944, being a preliminary report as to the possible Mexican attitude with respect to the affording of relief to European refugees, in accordance with the program envisaged by the President in establishing the War Refugee Board.

This entire question was informally discussed with Senor Manuel Tello, Official Mayor of the Ministry for Foreign Affairs, at which time a personal memorandum was left with him, explaining the duties of the Board and inquiring as to the extent to which Mexico might be prepared to cooperate in giving haven or rendering other assistance to European refugees at this time and in the future. Sr. Tello, in turn, took up the question with the Foreign Minister and he has now informed an officer of the Embassy that while Mexico is entirely in sympathy with the proposed activities of the War Refugee Board, it nevertheless cannot take any active part in the transportation of refugees to this Continent, nor can it assume any responsibility for the maintenance and care of such refugees in Mexico. He stated, in this connection, that, as is well known to the Embassy, Mexico is affording hospitality to large groups of Spanish refugees, as well as to large numbers of other refugees from Europe, many of them of the Jewish faith, in addition to cooperating in the settlement in Leon, Guanajuato, of approximately 1500 Polish refugees.

Sr. Tello likewise remarked that Mexico was stinting itself in order to make its financial contribution to UNRRA, despite the fact that large sections of the Mexican population were themselves in an impoverished condition.

So far as the question of Mexican hospitality to Jews is concerned, it may be stated that there is no particular problem here. As has been pointed out previously, Mexico has afforded refuge to large numbers of refugees without question as to their religion. Included among these refugees are Jews from many countries of Europe who have settled into Mexican life and are active in small business. Likewise there is a large number of Spanish, Italian and Levantine Jews in Mexico,

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many of whom are intimately identified with the Mexican picture and are active and prominent in business, banking and industrial circles. Practically all of these individuals, many of whom are in the second and third generation of life in Mexico, have become and are considered as Mexicans.

Reports from the several consular officers in Mexico indicate that the Jewish families settled in their districts suffer no discrimination and in fact are active and, in some cases, prominent in local business circles.

I may add that during the course of an interview, last October, which Dr. Padilla, the Foreign Minister, granted to Mr. Jacob Landau, the Managing Director of the Jewish Telegraphic Agency, he stated that Mexico had never discriminated against individuals of the Jewish faith but has accorded them the same hospitality accorded to all people desirous of living peaceably in Mexico and in accordance with its laws. He added that there were many Jews in Mexico and that they had been helpful in the national economy.

Respectfully yours,

George S. Messersmith.

SEOD:LC

In duplicate to the Department - original in ozalid

848 War Refugee Board

AIRGRAM

SECRET

FROM
BaghdadDATED
February 18, 1944.

RECEIVED Feb. 8:45.

Secretary of State
Washington.

A-8, February 18, noon.

Department's circular airgram of January 26,
1944, 7 p. m.

1. So far as the Legation has been able to ascertain no Jewish or other refugees from Nazi persecution desire or have desired to find a refuge or to establish a domicile in this country. The only refugee problem which has faced Iraq, therefore, has been that of refugees in transit. The Iraqi Government has in general pursued a policy of permitting these refugees to pass through the country unless they happened to be Jews traveling to Palestine to settle there. Although the Legation does not know that there are any Jews awaiting permission to cross Iraq to Palestine it is possible that there are some at present in Iran.

2. It will be recalled that my predecessor on October 20, 1942, under instructions from the Department discussed this matter with the Prime Minister who explained to him why the Iraqi Government would not permit Jews to cross Iraq in order to settle in Palestine (see Legation's telegram no. 246 of October 20, 1942, 9 p. m.) and that the Counselor of the British Embassy under instructions from his Government also mentioned the matter several days later to the Prime Minister and received a rather sharp rebuff (see Legation's telegram no. 248 of October 23, 1942, 5 p. m.).

3. The considerations which prompt the Iraqi Government to refuse visas to Jewish refugees bound for Palestine appear to be based on national policies of so vital a nature that in my opinion no approaches of the character suggested in the penultimate paragraph of the airgram under reference could alter them. The main objective of Iraqi foreign policy is to

promote/

-2-

A-8, Baghdad, February 18, noon.

promote closer Arab cooperation with a view to the formation in the not distant future of some kind of a union of Arab states in this area. The Iraqi Government is convinced that if the Zionists are able to achieve their goal of setting up a national Jewish State in Palestine this objective cannot be accomplished and that the success of the Zionist program would mean the non-realization of Arab hopes for the future. They also believe that the settlement of additional Jews in Palestine would serve to strengthen the Zionist cause and to weaken their own. They take the view that the Zionists are taking advantage of the sympathy which Nazi atrocity has aroused for the Jews in order to introduce great numbers of Jews into Palestine and thus to ensure the success of their program, at a time when the Arabs, because of wartime limitations upon communications and transportation are not able fully to present their side of the case. It is believed that unless backed by foreign armed forces it would be almost impossible for any Government to survive in Iraq just now which could take steps to facilitate the travel of Jewish settlers to Palestine, and it would be difficult to convince local Arabs that Jewish refugees bound for Palestine will not eventually settle there.

4. Increased Zionist activity in the United States has served to strengthen suspicions which the enemy is propagating by every means available to it that the American Government has some kind of an understanding with the Zionists and intends following the termination of the war to support the Zionist program. Nazi propagandists in particular have exploited to the full certain statements made recently by prominent American politicians in favor of the Zionists and as a result the sensitiveness of the Iraqi Government with regard to American support of Zionism has grown (see my telegram no. 21 of February 14, 7 p. m., 1944.).

5. Since the only refugee problem which might become active here is that of the transit of Jewish refugees to Palestine, and since any approach which I might make with regard to that problem is not likely to alter the attitude of the Iraqi Government towards it, I shall not make the approach suggested unless I receive further instructions from the Department. I am convinced that such an approach by me would be of help to no one except to the enemy.

The/

-3- A-8, Baghdad, February 18, noon.

The Legation will continue to observe any developments which might take place in the situation with regard to refugees and will not hesitate to approach the Iraqi Government in case it would appear that by so doing it could assist any of them. The Legation will also keep the Department informed of developments or of cases of refugees who appear to be in need of our aid.

Henderson

LWH/dcb

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMERICAN EMBASSY Madrid
DATED: February 18, 1944, midnight
NUMBER: 463

CONFIDENTIAL

The foregoing is for the Ambassador's attention.

Please refer to the Department's telegram of January 25, 1944 no. 207 with reference to War Refugee Board.

The Board has resolved, in formulating a program of immediate action, that an ~~attempt~~ to facilitate the evacuation from occupied areas to Spain of as many Jewish refugees and others as possible is one of the projects which should be pushed with the greatest of speed. It is understood by the Board that French refugee movement is well organized and functioning and that some thousands have already been transferred to North Africa. Furthermore the Board understands that arrangements are being made at the present time to transfer to North Africa stateless refugees and those lacking protection of their own government.

It is felt by the Board that the most feasible way of accomplishing this extremely urgent task is: (a) to remove refugees now in Spain from there as rapidly as possible, thus making room for more and (b) to obtain
from

- 2 -

from the Government of Spain the greatest possible relaxation of the border and other controls and other action designed to encourage the entry into Spain of refugees.

The Board has agreed upon the following concrete proposals with the object of increasing the movement of refugees from occupied areas through Spain to refuge elsewhere. (1) A substantial number of refugees now in Spain can be moved to a camp in North Africa which is now established and which is ready to receive refugees and the transfer should be facilitated. (2) In order to care for new refugees who will arrive in the future, especially stateless refugees and those lacking the protection of their government, and to effect their removal from Spain, if necessary on an involuntary basis, the government of Spain should be requested to maintain reception camps in which future arrivals may remain until they are transferred to North Africa. As a basis for obtaining the necessary action by the Government of Spain, they should be informed (a) that necessary arrangements will be made by War Refugee Board to finance the maintenance and support of such stateless and unprotected refugees as arrive in Spain in accordance with these arrangements until they can be removed to North Africa and (b) that responsibility for arranging for the transfer of stateless and unprotected refugees

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refugees to North Africa as rapidly as possible will be assumed by War Refugee Board. The Government of Spain may be reminded in this connection of the recent evacuation of refugees to Palestine and of arrangements being made at the present time for the removal of stateless refugees to the North African camp which has already been established. (3) You should request the Spanish Government in the strongest manner possible to take effective steps to encourage the entry into Spain of more refugees. Besides relaxation of border control and the taking of other actions, it will be extremely helpful if steps will be taken by the Government of Spain to facilitate the spread of information to the occupied areas that Spain is ready to grant asylum to refugees until they are removed to another country.

The commitments given above are not intended in any way to replace the French Committee of National Liberation's activities or responsibilities with respect to the flow through Spain of French refugees.

We anxiously desire to support the Board's program given above and it is requested that you approach the Spanish Government at the earliest possible moment with a view to obtaining their agreement to the plan. It is requested that you report as soon as possible regarding
practical

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practical measures that would be necessary, including the requirements of funds, to put the proposed plan into operation in Spain.

Of course it will be appreciated by you if these negotiations with Spain are on an entirely different level than the political and economic negotiations being carried on with that Government. This Government is simply addressing to the Spanish Government a humanitarian appeal rather than a request to take certain action favorable to us at a sacrifice to them. Therefore we desire that the proposed negotiations with respect to refugees should be carried rapidly and effectively to a conclusion without becoming entangled in other pending problems being discussed with the Spanish.

Furthermore it is important to remember that it is this Government's policy to move to Camp Lyautey promptly as many stateless and unprotected refugees as facilities allow. Consequently you should make every attempt to encourage the voluntary migration to the camp of the greatest possible number of eligible persons in Spain at the present time. Of course this evacuation operation should be executed as rapidly as possible.

The progress being made in this matter should be reported to the Department as soon as possible.

STETTINIUS

Acting

COPY.

FOREIGN OFFICE,
(Refugee Department),
3, Cleveland Row,
St. James's,
S.W.1.

No. W 1586/134/48.

18th February, 1944.

Dear Bucknell,

Your letter of 29th January about the Swiss application to Germany at the request of the Inter-governmental Committee to allow Jewish children to leave France.

Before replying I thought it best to explain our position at greater length to Coville, and I should now like to confirm this as follows:-

Our understanding is that the Swiss Government has been requested to try to obtain exit permits for Jewish children from France. If these are given the children will receive hospitality in the United States (5,000), in Canada and elsewhere, and there will be negotiations with the Spanish and Portuguese Governments to get the children in question through those countries in order that they may proceed overseas. The Swiss Government will be asked to grant temporary asylum to some of the children, but it seems more practicable, in view of the number of visas offered elsewhere, that the children should be directed through Spain and Portugal.

So far the Swiss Government has not obtained any promise of exit permits. They have also made, so far as I am aware, no representations to the Inter-governmental Committee or to us regarding conditions on which they would receive children in their own territory. The question of the children going eventually to Palestine is therefore entirely hypothetical, and the feeling of our authorities is that in these circumstances it would be undesirable to freeze any substantial number of certificates for cases which may never arise, as this would reduce the stock available for the regular allocations which are made in agreement with the Jewish Agency. Of course, if the German Government agreed to give exit permits and if asylum offered in countries other than Switzerland proved insufficient or it proved impracticable to transport the children to those

Mr. Howard Bucknell, Jr.,
United States Embassy,
1, Grosvenor Square,
W.1.

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countries, and if the Swiss Government then agreed to take a certain number of children themselves only on the condition that the children in question were received elsewhere at the end of the war, it would be open to the Swiss Government then to go to the Intergovernmental Committee, which would have the duty of seeing how far the Swiss Government's condition could be met. In this concrete case, the British Government could be approached in respect of Palestine or other territories for which it is responsible in exactly the same way as other members of the Committee could be approached. The mere existence of the Intergovernmental Committee and the fact that Switzerland is a member of it would appear to be a sufficient assurance to the Swiss Government that they will not have to shoulder the present or future burden of refugees in Swiss territory with no prospect of international assistance, but the assurances your Government and mine have given the Swiss Government of sympathetic consideration over any obstacles to a continuance of the Swiss Government's humanitarian action surely makes all apprehensions rather unreal.

In the light of the above, I hope you will agree that our reluctance to freeze Palestine permits in a purely hypothetical case where no concrete action or objection has been raised by the Swiss Government should, if properly understood, prove no hindrance to the efforts which are now being made by the Intergovernmental Committee and the Swiss Government to persuade the German Authorities to allow children to depart, and I should be grateful if this explanation could be conveyed to the State Department. We are very anxious that the balance of immigration permissible into Palestine should be used as far as possible for refugees from Nazi terror; our concern is to secure that it is used to the best advantage and that permits should not be frozen for people who may not be able to use them.

Yours sincerely,

A.W.G.Randall

P.S. Since writing the above I have heard that the Swiss Government have undertaken to receive 1500 children from France if they can reach the frontier, and no conditions so far as I know have been attached to this offer.

COPY

February 18, 1944

TO: Mr. Stettinius
FROM: Mr. Pehle

Attention: Mr. Warren

Attached hereto is a proposed cable from the War Refugee Board to Ambassador Steinhardt and Mr. Hirschman in Ankara requesting confirmation of a press report that Turkey is prepared to cooperate in assisting Jewish refugees to leave the Balkans.

It will be appreciated if this cable is dispatched at once.

(signed) J. W. Pehle

Enclosure.

COPYC A B L E

CABLE TO AMBASSADOR STEINHARDT IN ANKARA.

TO STEINHARDT AND HIRSCHMAN FROM THE WAR REFUGEE BOARD.

It is reported here in the papers that a high government official in Turkey told the Associated Press on February 13 that Turkey was willing to cooperate with the Palestine Commission and Allied diplomats in assisting Jewish refugees to leave the Balkans. We would appreciate immediate confirmation of this report. Please give us full information at once on the present position of the Turkish Government on this matter.

The War Refugee Board is desirous of making public the cooperative attitude of neutral countries on this matter, and unless you perceive some objection, we would like to be in a position to publicize at once the attitude of Turkey.

It is extremely important that we be kept currently informed of all developments in Turkey relating to the activities of the Board. We have received numerous inquiries from private agencies concerning the above mentioned press report and have been awaiting advice from you as to its accuracy.

FEB 22 1944

BE-220

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

Ankara

Dated February 18, 1944

Rec'd 1:42 a.m., 20th

Secretary of State

Washington

286, February 18, 8 p.m.

FOR LEAVITT OF AMERICAN JEWISH JOINT DISTRIBUTION
COMMITTEE FROM IRA HIRSCHMANN.

Referring to your cable of February 18 regarding boat to evacuate Jewish refugees from Constanza I have been working with Barlas on this situation. Ambassador Steinhardt and I have sent detailed message to John Fehle War Refugee Board with recommendations for action on this and other related matters.

STEINHARDT

EEC

NOT TO BE RE-TRANSMITTED

COPY NO. 12

BRITISH MOST SECRET
U.S. SECRET

OPTEL No. 56

Information received up to 10 a.m., 18th February, 1944.

1. NAVAL

MEDITERRANEAN. At ANZIO on 16th unloading was slowed down by increased and more accurate enemy shell fire but 3,586 tons were discharged.

ATLANTIC. 15th. U-boat southwest of AZORES probably sunk by aircraft from a U.S. Escort Carrier.

2. MILITARY

ITALY. To noon 17th. On main front heavy inconclusive fighting took place N.W. of CASSINO. In ANZIO bridgehead a strong enemy attack made slight gains on the ANZIO-CAMPOLEONE Road.

RUSSIA. 17th. Russians completed annihilation of ten German Divisions encircled in KURSUN area and made further advances S.W. and south of LUGA.

BURMA. 16th. In ARAKAN steady progress was made on all fronts. In NGAKYEDAUK Pass area the Japanese maintained their position against our attack from the southwest, but lost some features east of the Pass. The area of Japanese penetration was reduced and heavy casualties were inflicted on the Japanese on our southward facing front.

3. AIR OPERATIONS

ITALY. 15th. Fighters and fighter bombers flew 365 sorties over battle area. Four enemy fighters destroyed.

16th. About 300 tons dropped on railway targets north of ROME and at CAMPOLEONE. 170 light and fighter bombers attacked enemy targets in battle area.

February 19, 1944

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Meeting in Mr. Bell's Office
February 19, 1944
10:30 A.M.

Present: General Clay of War Department
Messrs. Gelland, Hiss, Stanton, Holbrooke of State
Messrs. Bell, White and Friedman of Treasury
Subject: China

Meeting was called at the request of General Clay. General Clay indicated that he had requested the meeting to bring the Treasury and State Departments up-to-date on discussions in the War Department. He indicated that a memorandum had been presented by General Marshall to the Secretary of War and to the Joint Chiefs of Staff indicating that the Army had three alternatives with regard to the problem of its present program in China.

- a. To have a message sent from the President to the Generalissimo indicating that unless the Chinese are willing to make some accepted financial arrangements, the Army would reduce its program in China.
- b. To continue the present program on the basis of the best rate obtainable.
- c. To continue the present level of expenditures at the best rate obtainable. This presumably was that the State Department would consider most preferable.

The memorandum went on to suggest strongly the first alternative and had appended to it a possible message from the President to the Generalissimo. The memorandum indicated that, if the message was sent, the Army would give the Chinese two weeks to reply before they began to implement their decision.

The General then read the suggested message to the President which went along the lines of telling the Chinese that unless better financial arrangements were made the President felt that it would be necessary for the United States to renege its military activities in China and change the present contemplated program and strategy for that area.

Mr. White indicated that he felt that, if it was decided to send such a message to the President, there should be greater emphasis on lack of cooperation rather than on financial considerations. General Clay indicated agreement with this and said that, of course, the message could be changed, if and when the Joint Chiefs of Staff decided that this alternative was desirable.

General Clay then read a letter from General Arnold on the matter. (He professed his receding with the remark that of course General Arnold had the greatest special interest in maintaining this project.) General Arnold's letter seemed to indicate a desire to continue the project but with the

suggestion that the necessary currency should be obtained by the use of American dollars in the black market.

General Clay then indicated that, at the present price level, as between a rate of 20 to 1 and 100 to 1, the continued use of 20 to 1 would give the Chinese a premium during the next year of more than \$1 billion. This was based on anticipated expenditures at the present price level of about \$1 1/2 billion per month. This figure might well, of course, increase as prices rose. He indicated, however, that the current expenditures were not at this level because practically no work was being done on the air fields.

General Clay indicated that the recent events in the Pacific might have greatly altered the strategic picture. Thus, with the recent operations in the Marshall Islands and the attack on Iruk it might be that the anticipated attack on occupied China for the purpose of obtaining a Chinese coastal port had been advanced a number of months, in which case the importance of having large air fields to conduct simultaneous air bombardment from the interior of China might be more important than as of a few weeks ago.

Mr. White indicated strongly that the question of speeding up operations, and the question of expenditures were not commensurate; that, for example, it was not possible to measure in financial terms the value of six months of speeding up of operations and that this point must always be kept in mind when making a decision on this problem.

General Clay then indicated that the Army had a cable February 26 from Chungking which raised certain specific questions which needed reply and which he would like to discuss with the group. The cable requested

- a. That instructions be given immediately that the U.S. Government rejects the proposal of the Chinese Government to give, in effect, 20 to 1.
- b. That the United States place immediately \$25 million to the account of the Chinese Government since the Chinese had already put up the \$500 million and these funds had been drawn on. Army had taken the position that the currency was being given at a rate of 20 to 1 but this position had been rejected by General Hensley.
- c. Arrangements to be made by the Army for continued shipments of Chinese currency into China.
- d. Decision regarding ownership of air fields and pipe lines and whether U.S. Government would want to ask for a gold rent rate before giving up their claims.

Division of Monetary
Research

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It was agreed that no answer should be given to (d) but that answers should be made to (a), (b) and (c). It was decided that State Department would send a cable indicating the refusal of this Government to accept a rate of 30 to 1 and also having the Ambassador inform Kung simultaneously that he, the Ambassador, understood that the Army had made arrangements for having \$25 million placed in the account of the Chinese Government. It was agreed that the shorter the message from State the better. It was decided that the cable should also contain an instruction to the Ambassador that the problem was being given further study here, taking into consideration all related matters and that further instructions would be sent on.

It was also decided that the Army would send a similar cable to General Hearn in which General Hearn would be informed of the action to be taken by the Ambassador and in which he would be instructed to inform the Chinese of the placing of \$25 million to the account of the Chinese, making it clear that this action did not imply in any way acceptance of the Chinese position. The cable would also inform General Hearn that arrangements were being made to continue shipments of currency into China.

Some discussion was then held regarding the economic feasibility of the War Department's air field projects, in which State Department representatives indicated that they felt it was not economically feasible. War and Treasury representatives indicated that it was their feeling that there was no question of economic feasibility in building these projects, but rather, what was chiefly involved as indicated on many previous occasions, was the Chinese desire to get as much foreign exchange as possible from the building of these bases.

General Clay said that he would report back the attitude of the Joint Chiefs of Staff and the War Department on this matter, indicating that on discussing this matter with Secretary Stimson this morning, the Secretary of War had said that a very firm attitude was desirable. State Department representatives indicated that they would get out their cable today.

I. B. Friedman

ISFurl 2/19/44

TELEGRAM SENT

February 19, 1944

RP

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

4 p.m.

AMEMBASSY,

CHUNGKING.

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FOR ADLER FROM THE SECRETARY OF THE TREASURY

DEPARTMENT OF STATE
DIVISION OF
FEB 20 1944
COMMUNICATIONS
AND RECORDS

CONFIDENTIAL

For security reasons the
transmission of this message must
be kept confidential.

It was reported that in a conversation with Ambassador Gauss and others with Dr. Kung, Dr. Kung indicated that the Chinese Government through expenditures of CN\$10 billion for United States military forces had repaid the \$500 million United States credit extended to China (your 236, February 4).

Unless you or Ambassador Gauss perceive objections, please inform Dr. Kung that the United States Government regards the \$500 million credit as an outstanding obligation of the Chinese Government and that fulfillment of this obligation is governed solely by Article II of the March 21, 1942 Agreement. We do not wish to leave unchallenged the assertion of Dr. Kung that the Chinese Government has repaid this credit.

Please inform Treasury if the Ambassador or yourself feel that such action should not be taken including the reasons therefor and take no further action until so instructed.

FMA:JSH:ja

2/19/44

FE

STETTINIUS
(Acting)
(JSH)

EXECUTIVE OFFICE OF THE PRESIDENT

WAR REFUGEE BOARD

WASHINGTON 25, D. C.

OFFICE OF THE
EXECUTIVE DIRECTOR

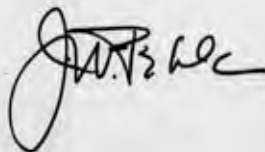
February 19, 1944

MEMORANDUM FOR THE SECRETARY:

Pursuant to your request I am attaching hereto a brief memorandum on the developments since Sunday, February 13.

I am also attaching a declaration which we propose that the President issue, dealing specifically with the Nazi extermination of the Jews. At this stage of the war, if we can convince the people in Germany and particularly in the satellite countries, of the seriousness with which we view this matter, we have a chance of saving many of these people from death. It would be our recommendation that the President issue this declaration immediately and we would then request the other members of the United Nations to issue similar declarations. It is our considered judgment that the issuance of this declaration by the President, followed by an intensive campaign designed to make the people in German-controlled Europe understand its meaning, may result in the saving of untold lives.

If you are in agreement with this declaration, and with our view that it should be issued by the President at once without prior consultation with other members of the United Nations, I would appreciate it if you would telegraph me immediately to that effect. I will then attempt to get the approval of Stettinius (Hull will be away for about two more weeks) and thereafter the clearance of the War Department. The declaration would then be submitted to the President over the signatures of the three Board members or their alternates.



Report of Accomplishments for Week of
February 14-19, 1944

1. Declaration on the Nazi Atrocities to the Jews,

Drafts of a declaration to be issued by the President and of a memorandum to the President have been prepared.

2. Cooperation with other Governments.

(a) British

1. A cable was received from Winant concerning his conversations with Eden who affirmed the British Government's "earnest desire and practical intention of associating themselves with the United States Government and with the War Refugee Board in particular, in endeavoring to carry out the aims which the President has set before it." Eden also said that the British do not consider it necessary to set up any additional organization.

2. A cable was received from London quoting the text of a very strong editorial in the Manchester Guardian praising the action of the President in establishing the War Refugee Board and urging the British to take similar action.

3. Palestine certificates. The Emergency Committee to Save the Jews of Europe has asked the British for allocation of 10,000 Palestine immigration certificates by their consuls in Turkey and Spain. This matter was discussed with Stettinius who in turn discussed it with Halifax. Arrangements were made for Mr. Hayter of the British Embassy to discuss the proposal with members of the War Refugee Board staff.

(b) The Neutrals

1. Sweden.

A long report was received from our Minister in Stockholm setting forth what the Swedish Government has been doing with respect to refugees from Denmark, Norway, Estonia, etc. It is apparent that the rescue of thousands of refugees from these areas was facilitated by the liberal attitude of the Swedish Government and its willingness to receive the refugees.

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2. Portugal.

A report was received from Minister Norweb that the Portuguese Foreign Office has signified its agreement and sympathy with our policy on refugees and will continue its liberal attitude toward refugees along broad humanitarian lines.

3. Spain.

No report has yet been received from Minister Hayes. We have finally cleared with State our cable to Hayes on the Spanish refugee situation. The cable urges that the appeal for Spanish cooperation be based on humanitarian grounds, not to be connected with the pending economic negotiations between Spain and the United States.

4. Turkey.

The report on the Turkish reaction to the Board's program which was requested in the cable of January 25th has not yet been received from Steinhardt.

5. Switzerland.

A cable has been received from Harrison reporting that he has notified the Swiss Government of this Government's new action on the refugee question. A further report on the Swiss reaction is expected.

6. Latin American countries.

Reports have been received from our Missions in Honduras, Venezuela and Paraguay. Venezuela and Paraguay have indicated their willingness to cooperate with this Government. The report from Honduras indicates that the entrance of Jewish refugees into Honduras is not encouraged. The report suggests that it would be embarrassing to ask the Honduran Government to cooperate by admitting additional refugees into that country if the United States does not expect to do likewise.

3. Propaganda.

A conference was held with Elmer Davis in order to arrange for the adequate handling of War Refugee Board material for dissemination abroad by O.W.I. Davis arranged for us to discuss

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the matter on Monday, February 21st, with his regional chiefs. Davis didn't seem too excited about this matter.

4. Special Projects.

(a) Evacuation of Jews from Transnistria.

A letter was sent to Stettinius with a proposed cable to Steinhardt asking him to approach the Turkish Government at once and to obtain from them effective measures to encourage the entry of more refugees into Turkey. In addition, the serious situation of the Jews in Transnistria was pointed out to Steinhardt and he was requested to do everything possible to aid in the development and execution of measures to evacuate these people to Turkey. Since some refugees have already escaped from Transnistria into Rumania, Steinhardt was also requested to make efforts to increase the flow of refugees from Rumania to Turkey. *Cable being dispatched. Note comments in case (copy attached) on shipping.*

(b) Jews in Slovakia.

Several private organizations brought to our attention recent reports from Sweden indicating that the Slovakian Government has undertaken the registration of all Jews in Slovakia as a prelude to their deportation. It is said that there are about 15,000 Jews still remaining in Slovakia and that their deportation is being pressed on the Slovakian Government by Germany. A memorandum was sent to Stettinius suggesting that, since Dr. Josef Tiso, the President of Slovakia, is a Roman Catholic priest, the Vatican might be requested to communicate with Dr. Tiso to persuade the Slovaks to desist permitting the deportation of Jews. State has prepared and is now clearing a very strong letter to the Apostolic Delegate on this matter.

(c) Evacuation of refugees from France into Switzerland.

Further steps were taken to facilitate the operations of private organizations in this evacuation. Licenses were issued permitting the International Rescue and Relief Committee to send \$60,000 and the Selfhelp of Emigres from Central Europe, Inc., \$3,000 to Switzerland to be used by their representatives for relief and evacuation of refugees from France. The Swiss francs were obtained at the official rate and the remittances have been made.

(d) Relief of Spanish refugees in France.

The International Rescue and Relief Committee approached the Board for permission to send \$7,500 a month for the next

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six months for the relief of Spanish republican refugees presently in concentration camps in Southern France and in dire need of food. This program was approved and the appropriate license has been issued.

(e) Relief of Jewish refugees in the Netherlands.

Some 15,000 Jews still remain in concentration camps in the Netherlands. Their lives are in danger because of insufficient food. The JDC recently applied for a license to send \$12,000 a month to Portugal for the purchase of food there for distribution to the Jewish internees in these Dutch concentration camps. After certain delays encountered at FEA were brought to our attention, we cleared the matter with FEA and the Dutch Embassy and arranged for the immediate issuance of the appropriate license.

(f) Relief of Jewish refugees (mainly children) in Rome.

A cable was received from London reporting that, in view of the JDC's willingness to provide \$20,000 immediately for the relief of these refugees in Rome, the British Minister at the Vatican had been authorized to spend \$20,000 worth of lire for this purpose. The Foreign Office requested that the JDC send the British pound equivalent of \$20,000 to its Finance Officer. Arrangements have been made for this remittance to be made at once. The British Foreign Office requested that there be no public disclosure of the fact that they are financing relief in Rome until after Rome is occupied by the Allies, because of the possibility that they might be subjected "to all sorts of demands from Allies and from Jewish organizations to permit remittances to enemy territories of a kind which we have always felt bound to refuse." They add that "it might be very difficult for us to explain the special circumstances of this case." A cable to Tittman is being prepared by us asking for further details on this problem so that in the future needed remittances may be made direct from the United States.

(g) State Department projects.

Five of our staff have been investigating and studying the State Department files on refugee matters. It is contemplated that, as a result of these investigations, many delayed projects will now get under way.

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5. Designation of Special Attaches on War Refugee problems.(a) Turkey.

A cable was sent to Ankara designating Ira Hirschman our special representative in Turkey. He is to receive diplomatic status. Steinhardt has replied that he approves and is delighted with the appointment. (A cable from Hirschman from Cairo stated that he expected to arrive in Ankara on February 14th.)

(b) Switzerland.

A cable has been sent to Bern designating Roswell McClelland of the American Friends Service Committee our special representative in Switzerland.

(c) Spain.

A cable has been sent to Madrid designating David Blickenstaff of the American Friends our special representative in Spain.

6. Liaison with State.

George Warren, refugee expert and head of the President's Advisory Committee on Political Refugees, for the time being, has been designated to handle refugee work at State and liaison with the War Refugee Board. Warren ~~has been carrying the ball very well and~~ is working out much better than we had expected.

7. Cooperation with Private Agencies.(a) Private Messages.

We have worked out a procedure for prompt clearance with Censorship and State of messages to and from the private organizations working on the refugee problem.

(b) Representatives abroad.

We facilitated the departure of Robert Pilpel for Lisbon where he will work for the JDC on refugee matters. We are pushing for priorities for two men whom the Emergency Committee desires to send to Turkey.

(c) Proposals and suggestions from private organizations.

Reports and statements are coming in every day in response to our letter to 92 organizations asking for specific proposals and suggestions.

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8. Personnel

Clarence Pickett could not make the necessary arrangements to come with the Board. We received a letter from Rufus Jones saying that Pickett could not be made available to us.

James Mann, who was formerly on the Treasury General Counsel's staff, has been recalled from Argentina by State for work with the Board. He is expected to arrive in Washington within two weeks.

9. Morris Ernst dinner.

Morris Ernst gave a dinner on February 17th for Pehle. Among the commentators and other interested persons present were Mrs. Ogden Reid, Bruce Bliven, Shaw of Newsweek, George Fielding Eliot and Quincy Howe, and later Dorothy Thompson. The policies and programs of the Board received an excellent reception.

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, Karkov and Hanking. 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. All who knowingly take part in the deportation of Jews to their death in Poland are 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 inhuman 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

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upon all the peoples of 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.

FEB 19 1944

Letters to The Times

Allies Could Exploit Jew Hatred

TO THE EDITOR OF THE NEW YORK TIMES:

Hitler's fanaticism against the Jews could be exploited by the Allies. The Three Powers should send a proclamation to the German people through leaflets and to the German Government through neutral countries: threatening that further murdering of Jews would involve terrible retaliation after victory.

This would drive a new wedge into the already existing dissension of the generals and the Nazis, and also between ultra-Nazis and other Germans. For although neither the Junkers nor the German people are in love with the Jews they might be inclined in the fatigue of beginning defeat to give in to demands of an advancing foe who may be their ruler tomorrow. To leave off Jew-baiting would not cost the Germans any sacrifice, not even a military one.

Only one single man will fanatically

oppose this: Adolf Hitler, who will in no case give up his demonic hate. He would surely stigmatize such an Allied demand as a personal humiliation.

Here the generals, industrialists and other influential Germans who are already inclined to forsake Hitler might make use of this proclamation, to begin an active opposition, saying to the people that it would be disastrous for the nation not to make a concession to a powerful enemy. In this way Hitler as a person could be easier separated from the nation as a whole.

EMIL LUDWIG

New York, Feb. 12, 1944.

Enclosure No. 1 to Despatch No. 122
dated February 22, 1944 from Algiers

February 19, 1944

MEMORANDUM

For the purposes of discussing the refugee problem in North Africa one must begin as far back as the early part of 1939 when large numbers of Spanish Republicans came across the border from Spanish Morocco to get away from France's troops. A good number also came by ship to the Department of Oran and into Morocco and Tunisia. Figures on these can only be estimated, but from subsequent developments it is believed that there were some three or four thousand Spanish Republicans in Morocco; perhaps more than that number around Oran; about 1,500 or 2,000 around Algiers; and about a thousand (mostly Spanish naval personnel) reached Tunisia. Besides these it is estimated that about 5,000 joined the French Foreign Legion early in 1939. It is expected that these may be released from the Legion at the end of their five year period of enlistment during the first half of 1944 and so will be added to the Spanish refugee community in North Africa, unless they re-engage in the Legion, immigrate to Mexico, go back to Spain or some other disposition is made of them. A good number of Spaniards also went across the Pyrenees into France about the end of the Civil War and subsequently managed, individually or in small groups, to get to North Africa after the fall of France. At the time of writing, by far the greatest part of these Spanish refugees have been incorporated, temporarily at least, in one way or another into the economy of North Africa, either working for French industry or for the allied armies. In the latter case they may be used either as civilians or as members of the British Pioneer Corps. For the miscellaneous refugees who need charitable assistance, there have been established in principal centers, i. e., Algiers, Casablanca, Oran and Tunis, amicales, or mutual aid societies under the auspices of the Joint Commission for Political Prisoners and Refugees in French North Africa, which have been receiving funds from the United States under Treasury Licenses to help needy Spanish refugees.

There is also a group of stateless refugees, most of them former enemy nationality, the greatest part of whom are Jewish. It is estimated that there are perhaps 5,000 persons in this group in all of North Africa. Some of these people had served in the French army during the war and had been interned following the fall of France. They were later transferred to internment camps in North Africa and were subsequently released after the Allied landings, largely through the activities of the above-mentioned Joint Commission. Since that time most of these people have secured employment with the American or British armies, and approximately 900 of them are enlisted in the British Pioneer Corps. Early in 1944 a group of about 125 of these persons were sent to Palestine through the efforts of the Joint Distribution Committee.

The small number of persons in this stateless group who are unemployable are being maintained through funds made available by the American Joint Distribution Committee. Included in this group are former Poles, Czechs, Rumanians, Hungarians, Germans, Yugoslavs and Greeks. The majority are in Morocco and Algeria with a small additional group in Tunisia.

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There is in North Africa another group of refugees, most of them Jewish, who came from Libya and were expelled by the Italians in 1940 by virtue of the fact that they were French subjects. Of the 2,500 persons in this group, approximately 2,000 have been living in Tunisia under the most primitive conditions, the rest being scattered throughout the back country in Algeria. Recently it was arranged with the French authorities and the British to transport approximately 1,000 of these persons from Tunisia back to their homes in Tripoli. It is expected that this transfer will be effected within the next few weeks. It is hoped, too, that the balance of this group will be returned to their homes in the near future. These Libyans have been assisted during their stay in Tunisia by the accours National and the American Joint Distribution Committee.

The United States Army has made available a campsite near Casablanca to be administered by UNRRA, this camp to house and care for 2,500 refugees. An agreement had been reached with the French authorities to allow 2,500 stateless peoples now in Spain to enter Morocco and to be housed temporarily in these quarters. We find that comparatively few of this 2,500 will avail themselves of this opportunity (the latest information we have is between 600 and 800 are prepared to come to the camp). The reason for this much smaller number is that (1) the refugees now in Spain have either heard of, or have had bad experiences with the French, and are fearful of their future in North Africa, even though the camp is to be run by the United Nations' personnel; (2) inasmuch as change of situation which is being offered does not seem to be sufficiently different from that to which they have been subjected and because no assurance can be given them as to their ultimate destination or fate they seem to prefer to remain where they are. However, our Madrid Embassy and Mr. David Blickenstaff, the representative of American relief organizations in Spain, can doubtless provide more specific information on the present attitude of the refugees in Spain.

The above group totals about 3,000 persons of which probably more than 95% are Jewish. Because of the geographic location of Morocco, Algeria, and Tunisia, only infrequent calls upon this office for assistance have been made to bring displaced persons out of Europe.

By and large the French Committee of National Liberation has neither encouraged nor discouraged the entrance of displaced persons but rather has put the whole question on an individual case basis subject to the real decision being made by American, British and French military security offices, working in cooperation.

With regard to refugees being turned back at borders, this is not currently likely to happen inasmuch as the decision as to whether or not a given individual is going to be permitted to enter is usually made in Algiers and transmitted to the point where the visa is, or is not, issued. Mr. Blickenstaff, representative of the American relief organizations in Madrid, may better be in a position to indicate cases where permission to enter North Africa has been refused.

It is believed that in order to encourage the French Committee to allow people or displaced persons to enter North Africa more freely, a plan must be established by which we can tell the displaced persons, as well as the French Committee, what their ultimate destination is: i.e., how long displaced persons will be allowed to remain in French territory after the cessation of hostilities. Will they be allowed to return to their native lands? Will they be allowed to immigrate to the United States or some other country of their choice? It is understood that the ultimate

destination

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destination of many of these refugees, and particularly the stateless, will be the responsibility of the Intergovernmental Commission for Refugees of which Sir Herbert Emerson in London is Chairman. It should be mentioned at this time that Mr. Patrick Murphy Malin, Vice-director of the above committee is in this theater making a survey of the conditions of the refugees in this part of the world. At the moment it is not known what the I.G.C. has been able to develop in the way of places for these refugees ultimately to settle.

Inasmuch as the Mexican Government has offered to accept immigrants from the Spanish Refugee Community in North Africa, it is felt that the French authorities would be more willing to receive additional refugees in French North Africa if this Spanish refugee emigration project is expedited and carried through as soon as possible. Lists of those who have expressed a desire to go have been sent to Mexico City through our own State Department channels and are now being considered by the Mexican Government. If similar arrangements for certain refugees can be arranged with other countries, the attitude of the French Committee of National Liberation would probably be correspondingly more receptive to additional refugees.

The French administration, whenever asked, has expressed a desire to cooperate in all matters pertaining to rescue and relief, but because of the limited supplies and because of the internal strife which always exists in a country that has been drained by the Axis Armistice Commissions, they find themselves today in a reluctant frame of mind insofar as additional persons to feed, house and clothe are concerned. Very little can be done to change this state of mind until sufficient clothing, foodstuffs, etc. are either sent into the country or the economic life of the country has been restored.

It should be pointed out that one of the great difficulties that the Department is faced with is the question of the French administration's policy on internment of refugees. There have been several cases brought to the attention of the Department where refugees had been previously interned, by the French under Axis pressure, and had been liberated, and who now are either re-interned or threatened with re-internment, even though demonstrably anti-Axis. The reasons given by the French authorities, when these cases have been discussed with them, have either been that the individual dossier contains some often nebulous charges which we are unable to verify, or simply that the individuals in question were once enemy nationals.

PFW:mcm

From Office of the Representative of the United States,
Algiers.

AIDE MEMOIRE

The President of the United States has recently instructed the Secretaries of State, Treasury and War to take action for the immediate rescue and relief of the Jews of Europe and other victims of enemy persecution. In an executive order issued January 22, the President declared:

"It is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war."

The order establishes **special** governmental machinery for executing this policy. It created a War Refugee Board consisting of the Secretaries of State, Treasury, and War. The Board is charged with direct responsibility to the President in seeing that the announced policy is carried out. The President indicated that while he would look directly to the Board for the execution of this policy, the Board would cooperate with the Intergovernmental Committee, UNRRA, and other interested international organizations. The President stated that he expected the cooperation of all members of the United Nations and other governments in carrying out this difficult but important task. We stated that the existing facilities of the State, Treasury and War Departments would be employed to furnish aid to Axis victims to the fullest extent possible. We stressed that it was urgent that action be taken to forestall the plot of the Nazis to exterminate the Jews and other persecuted minorities in Europe.

The Office of the Representative of the United States of America in common with other representatives of the Government of the United States stationed abroad has been instructed to do everything possible to effectuate the above outlined policy. It has also been instructed to approach the appropriate authorities of the French Committee of National Liberation to explain the policy expressed in the President's executive order above referred to and in requesting the cooperation of the French Committee of National Liberation to ascertain to what extent it is prepared to assist in this high humanitarian program.

Algiers, February 5, 1944.

EGG

AIRGRAM

Reykjavik

Dated February 19, 1944

Rec'd 5 p.m., 22nd

Secretary of State,
Washington.

A-19, February 19, 10 a.m.

Reference Department's circular airgram of
January 26, 7 p.m.

The actual situation in Iceland as it exists today with respect to the rescue and relief of the Jews of Europe and other victims of enemy persecution is as follows:

1. According to official records, some 40 persons, most of whom are Germans and most of which Germans are thought to be Jews, have migrated to Iceland since the beginning of 1937, 13 coming in 1938, 15 in 1939, 6 in the first part of 1940 and none since. Prior to the outbreak of war there were no visa requirements for entry into Iceland, though permission of the Ministry of Industry to work on one's own account or to accept employment was required then as it is now. Since the outbreak of war, war refugees are permitted to enter Iceland on an equal footing with all other immigrants or non-immigrants, subject, of course, to special security considerations deriving from Iceland's strategically important military position.

2. According to the Permanent Undersecretary for Foreign Affairs, there are "no Icelandic Jews" and no reason has ever existed for Iceland actually to encourage the entry of the Jews of Europe, or other victims of enemy persecution, into Iceland. The same official stated that he is unaware of any specific international plan covering this important, tragic and difficult matter, and that since Iceland has never been approached in connection with any such plan it has not been in a position to "cooperate" in their entry. He said that he did not know of any approach by official bodies or protective associations to the Iceland Government or to its representatives abroad looking to the acceptance of any numbers of refugees.

3. As far as this mission is concerned, it is
not

-2- A-19, February 19, 10 a.m., from Reykjavik

not in a position to ascertain the extent to which refugees are not able to enter Iceland because of the country's failure to cooperate in their entry. From what can be learned locally, it appears that Iceland has never had any reason to encourage such immigration; whether it has failed to cooperate might better be ascertained by discreet inquiry at the various points such as Lisbon, London, New York, et cetera, where there are understood to be large concentrations of refugees.

4. PERSONAL FROM THE MINISTER: I talked at length with Mr. Vilhjalmur Thor, Icelandic Minister for Foreign Affairs. As a result Mr. Thor is aware of the grave import of the problem presented which, to tell the truth, is one that Iceland has been separated from and only knows of by hearsay. Mr. Thor said that he was not in a position to state at the present time what the attitude of his government and people would be towards cooperation and participation in the solving of the problem. He felt that governmental and national reaction could only be ascertained if concrete proposals were made to the Icelandic Government. He said that anything received would be examined attentively, as is always the wish of the Icelandic Government concerning any proposal received from the United States. Mr. Thor remarked that Iceland was a country of poor economical resources with a small homogeneous population who had lived in a state of semi-exclusion from other Europeans for centuries. It therefore could not be expected that the Icelanders could quickly adjust themselves to a basically different viewpoint in respect to foreignness. On the other hand, he felt that there was no anti-Semitic feeling here and that Icelanders in common with other decent free people sympathized with and deplored the fate of Jewish and other victims of Nazi and Fascist mistreatment.

MORRIS

HEM/LEM:wgg
711 811.11

NO. 2458 (R - 2285

AMERICAN CONSULATE GENERAL

Istanbul, Turkey, February 19, 1944.

SUBJECT: Conditions in Greece as Reported by a
Recent Arrival.

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

SIR:

I have the honor to submit information concerning conditions in Greece obtained in the course of two interviews with a Turkish subject who recently arrived in Istanbul from Athens. The information is discussed under the following headings: Travel from Athens to Istanbul (schedule of the trip, description of the train, delays in the journey); the bombing of Piraeus (extent of the damage caused, removal of factory installations; influx of refugees to Athens; relief given by the International Red Cross, airraid precautions); the condition of the Jews in Athens (registration with the authorities, confiscation of property, assignment to forced labor, plight of the Spanish Jews); events following the rupture of relations between Argentina and Germany; financial activities (stock exchange transactions, speculation in gold, value of the Drachma, premium for cash payments, control of savings accounts); labor and wages (increase of salaries, granting of supplementary food allowances, sit-down strikes; assassination of Minister Kalyvas);

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

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living conditions in Athens (increase of rents, reduction of electric and water consumption, increases in street car fares, bus and taxi fares, distribution of food by the International Red Cross and German authorities, rationing of cigarettes, prices of newspapers, fee for radio permits, food prices).

* * *

Travel from Athens to Istanbul

My informant, a well-to-do Jewish rug merchant, left Athens February 8 and arrived in Istanbul February 12, travelling by military train as far as Nish, thence by the regular express. The schedule was as follows: Left Athens 7:36 A.M. February 8, arrived Salonica 5 A.M. February 9, left Salonica 8:15 A.M. February 9, passed Gevgeli about noon, arrived Skoplje 5 P.M., left Skoplje in the evening, arrived Nish 5 A.M. February 10, left Nish 3:50 P.M. February 10, arrived Sofia 1:05 A.M. February 11, left Sofia 11:15 P.M., arrived Istanbul February 12.

The military train consisted of eleven cars: one first-class car reserved for officers and ten third-class cars for German troops. Four German guards were assigned to each car. Of eight seats in the first-class car which were reserved for civilians, three were occupied by my informant and his wife and child, four by Greek workers returning to Germany, and one by a Greek traveling to Salonica. The Athens-Salonica line was intact and no changes had to be made at any point. (My informant stated that there is a regular train for civilians leaving Athens once a week, Mondays at 8:30 A.M., and occasionally an extra train later in the week. This train makes the trip more slowly, within 48 to 60 hours). The journey was accomplished without incident. There were only two delays of any length: a stop at Skoplje to permit the soldiers to be served hot meals, and a halt of six hours between Skoplje and Nish, which was rumored to have been caused by the necessity of awaiting a special train carrying Marshal List on his way southward.

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The Bombing of Piraeus

My informant, who was in Athens at the time of the Allied raid on Piraeus the night of January 11, gave the following account of damages sustained. Both the Peloponneaus and Larisea railway stations SPAP and SEK railways) were seriously damaged. The terminal station of the Electric Subway was also hit, as a result of which there is subway service now only between Athens and New Phaleron. Among the buildings destroyed in the business center, a section which was heavily hit, were the Bank of Athens on Miaculis Street, the Bank of Greece, the Ionian Bank, the Electric Company's building near the Municipal Theatre, and the building housing the Scandinavian Near East Agency. In the port a number of small craft and barges were sunk. The Retsina Cloth Factory and the Papsutsania Soap Factory were both reported to have been seriously damaged. Following the bombing, part of the machinery of the Papastratos and Keranis cigarette factories was said to have been shifted from Piraeus. The Keranis installations were moved to the so-called Kapnokaptirian in the suburb of Kolokyntos.

On the day after the raid there was a steady stream of refugees, estimated by two sources to have numbered about 200,000, fleeing toward Athens; they ignored all official orders to return to their homes. Workers, however, were obliged under penalty of application of the sabotage law, to appear at their posts in Piraeus daily. Those refugees who reached Athens were billeted with Greek families. According to my informant, the International Red Cross immediately set up soup kitchens in Piraeus and distributed milk to children. Contrary to the propaganda reports given over Athens Radio (see Section II of my despatch No. 2311 (R-2149) of January 27, 1944) the Germans gave no aid whatsoever, but simply prohibited the citizens of Piraeus from blocking the main roads to Athens in their flight.

Concerning airraid precautions my informant stated that, in accordance with announcements in the press reported in my despatch No. 2410 (R-2237) of February 11, 1944, measures have become much more

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stringent with regard to circulation during alerts, but he knew of no instance in which a severe penalty had been imposed. No steps are being taken to improve airraid shelters in Athens; the only adequate public shelters are those in the Metochikon Tamsion building and in the Bank of Athens on Stadium Street. It is reported that a tunnel connects the Ministry of War and the Grande Bretegne Hotel.

The Condition of The Jews in Athens

With regard to the 7,000 Jews that he estimated to have been living in Athens, my informant stated that only about 200 of the poorest reported to the authorities following the order of October 3, 1943 (reported in Section VI of my despatch No. 1601 (R-1483) dated October 22, 1943), and that a further 200 presented themselves within the last four months. The others, who possessed funds with which to purchase their safety, went into hiding. All the homes and movable property of those who left were immediately confiscated and the Jewish shops were completely looted. Those Jews who reported to the authorities, as well as a number who were later betrayed by people who had given them refuge, have been assigned to work in the gunpowder factory at Baydari on the road to Eleusis. Jews of foreign nationality, the number of whom my informant estimated at 800 - 900, registered on October 18 (according to the order reported in the above-mentioned despatch). The Spanish Jews, about 150 in number, who had escaped to Athens from Salonica, are in a serious predicament. The Spanish Government has refused to accept them on the ground that they are Communists, and they are now making desperate efforts to obtain transit visas for Turkey in order to proceed to Palestine.

Events Following the Rupture of Relations Between Argentina and Germany

It was stated by my informant that immediately following the breaking off of diplomatic relations between Argentina and Germany, on the night of January 29 between 11 P.M. and 2 A.M. the SS arrested twenty Argentine subjects, including the Messrs. Pition, Benardut, and Moses. Despite demarches by the Argentine Charge d'Affaires, Juan Faquis,

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assisted by the Swedish Consul Riseberg, no information has as yet been received concerning the whereabouts of these individuals.

The archives of the Argentine Consul have been sealed and are under the protection of the Swedish Consul. My informant reported that the Germans had advised Consul Riseberg that they had not as yet been informed that the Swedes were charged with Argentine interests. This detailed information had been given my informant by the Argentine Charge d'Affaires, with the request that he communicate it to the Consul General in Istanbul so that it might be telegraphed to Buenos Aires.

Financial Activities

In reference to stock exchange transactions, my informant stated that speculation is heavy both in company shares and in Government bonds. The rise in the value of company stocks and bank stocks, he stated, has been more rapid than in Government bond shares, since the speculators feel that company and bank assets in the form of property, buildings and equipment are actually rising in value, more or less on a par with the cost of living index.

My informant added that although the Greek Government requested all companies to turn in up to 50 percent of their security holdings (see page 18 of my despatch No. 1732 (R-1605), dated November 9, 1943) only 10 percent were actually delivered following a strong protest at the time by the late George Merkeuris, Governor of the Bank of Greece.

Transactions in gold are now made freely on the stock exchange, which is open daily for one half hour between 11:30 and 12 noon. The bourse price for the gold pound determines the outside market price of the day, the latter usually being about 100,000 Drachmas higher. The dollar follows the gold pound at a ratio of 20 to 1. The Germans, using Greeks in the banks as intermediaries, are speculating heavily by importing gold from other occupied countries as well as from neutral countries. My informant's estimate of the quantity imported was over 100,000 gold pounds a month. The gold quotation for the day

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depends largely upon whether the stock exchange is delivering the gold within one or two days, or delays delivery. Between January 10 and 15, for example, the Germans did not make delivery of any gold for five days, and the pound soared from 2,200,000 to 4,500,000 Drachmas, only to drop abruptly over the weekend, following the gold delivery, to 3,000,000 Drachmas. In late January the price of the gold pound fluctuated between 3,000,000 and 3,500,000 Drachmas, and on February 1 stood at 3,200,000. By February 7 the rate had increased to 4,250,000, and the corresponding rate for the dollar was 210,000 Drachmas.

There is a 15 percent premium for payments made in cash as against check or draft payments, i.e., an individual is usually given the option of paying, for example, one million Drachmas in the form of a draft on an Athens bank, or 850,000 Drachmas in cash.

All savings accounts are controlled, and the maximum amount which may be withdrawn during any week has been fixed at 300,000 Drachmas. This, however, is largely an academic matter, since most people, who hold bank deposits dating from before 1941 have left them in the banks, as their purchasing power has so greatly decreased.

Labor and Wages

With regard to wage scales in general, my informant stated that all salaries had been increased as of February 1, and that a Government cler, for example, now earns between 1,500,000 and 2,000,000 Drachmas a month. In addition employers are obliged to provide each employee with an allowance of flour, dried vegetables, dried fruit, and soap, to a value of 20,000 Drachmas a day. My informant stated that the employees both of the Bank of Greece and of the National Bank receive sufficient cash allowances, calculated on the basis of the average monthly prices of staples such as beans, olive oil, eggs, macaroni, flour, et cetera. The employees of the Agricultural Bank likewise receive cash allowances and grants in kind through the provincial branches.

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A sit-down strike commenced at the Bank of Athens on January 25. No announcement of this trouble appeared in the Athens press; the bank authorities simply explained to the Germans that certain individuals were missing from their posts and that the situation was well in hand. One week later the striking employees received small increases in their food allowances. Encouraged by this result, on February 5 the employees of the Commercial Bank began a sit-down strike which was still in progress at the time of my informant's departure.

Asked regarding the assassination of Nicholas Kalyvas, Minister of Labor, my informant confirmed reports that he had been killed by alleged Communists as he entered his car in front of his home. On the following day fifty hostages were shot in reprisal. It was said that Kalyvas, who worked very closely with the Germans, had intended to propose a law involving the dismissal from factories of a large number of workers who would then be compelled to accept positions in Germany.

Living Conditions in Athens

According to my informant the increase in the population of Athens has caused great aggravation of the housing problem. Although rents were raised by law, on January 1 of this year, to fifteen times the pre-war rates for residences and thirty times the pre-war rate for stores and offices, the actual rent now being paid for a four-room apartment ranges from 100 million to 120 million Drachmas a year. The law protecting tenants does not apply to anyone earning more than six million Drachmas a year, and in consequence it is largely academic.

The consumption of electric current has been reduced to a minimum. Since October it has been banned for cooking purposes, and each family is allotted six kilowatt hours per month. At present electric current is available only between six and nine in the morning and from sunset until midnight. The water supply has also been cut down; since January 25 water has been turned on only three times a week, on Tuesday, Thursday and Saturday between 6 and 10 A.M.

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With regard to local transportation facilities, my informant stated that street car fares were increased as of January 15 to 3,000 Drachmas for trips within the city, and to 4,000 Drachmas from Athens to Phaleron. A considerable number of dilapidated buses installed with gasogene engines serve the suburbs. The fare to Hippiessia is 15,000 Drachmas; to Piraeus 20,000 Drachmas. Yellow Power Company buses still run to Psychiko; the fare is 12,000 Drachmas. In view of the small demand, the number of taxis is adequate. Each one is permitted to circulate only in one ten-day period each month, a uniform rate is charged: 100,000 Drachmas per kilometer. The passenger is obliged to pay for the round trip.

During January the International Red Cross distributed 140 drams of dehydrated soup per person at a cost of 1,000 Drachmas, and one oke of flour at a cost of 3,000 Drachmas. Furthermore, 200 drams of beans had been promised from the International Red Cross shipments, but distribution had not taken place by February 7. The German authorities distributed 100 drams of sugar at a price of 25,000 Drachmas during January, and 200 drams of lentils have been promised. My informant pointed out that whereas the nominal charges of the International Red Cross were used simply to defray freight and handling charges, the price of the German sugar was arbitrarily determined by the DEGRIGES.

During January each individual received three boxes of matches at 1,000 Drachmas. The cigarette ration, which in December was reported to be 300 cigarettes a month (see page 5 of my despatch No. 2410 (R-2237) dated February 11, 1944), was reduced during January to 300 and actually, according to my informant, only 200 were distributed to each person. The price per box of twenty, reported as 3,000 Drachmas in my above-mentioned despatch, was increased fivefold on February 1. Ordinary cigarettes sold officially at 15,000 Drachmas per box and the de luxe variety cost 50,000 Drachmas. On the black market a box of ordinary cigarettes sold at 50,000 Drachmas and the de luxe cigarettes at 80,000 Drachmas.

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On January 20 the official price of newspapers was increased to 4,000 Drachmas; however, 5,000 Drachmas was the price actually demanded by newsboys. E.A.M. publishes a secret daily news bulletin including the Cairo, London and Moscow communiques. This is sold at 20,000 Drachmas.

The regular monthly fee for the use of a radio is 15,000 Drachmas; only the Athens broadcasting station can be heard.

The following list of food prices provided by my informant shows, when compared with December quotations (see my despatches No. 2239 (R-2082) of January 18, 1944 and No. 2321 (R-2138) of January 28, 1944) approximately a threefold increase in the cost of food. Prices are given in Drachmas per oke.

<u>ITEMS</u>	<u>PRICES - February 5</u>
Bread	100,000
Potatoes	100,000
Flour	160,000
Sugar	500,000 - 550,000
Eggs (each)	20,000
Rice	450,000
Corn	55,000
Wheat	82,000
Coffee	250,000 - 300,000
Cognac (small bottle)	350,000 - 400,000
Macaroni	100,000 - 200,000
Beans	160,000
Lentils	130,000
Oil	550,000 - 600,000
Butter	1,000,000
Meat	420,000
Pork	480,000
Fat	700,000
Fish	350,000
Olives	220,000
Figs	80,000
Raisins	66,000 - 72,000
Onions	35,000
Milk	85,000 - 100,000
Cheese: white	360,000 - 500,000
" : Esseri	900,000
Fuel wood	15,000
Charcoal	40,000

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<u>ITEMS</u>	<u>PRICES - February 5</u>
Electricity (Jan. 20)	10,000
Gas (cubic meter)	3,000
1 suit	18,000,000 - 20,000,000
	(6,500,000 for sewing)
1 shirt	2,000,000
1 Pair of shoes (men)	6,000,000
1 " " " (women)	5,000,000
1 " " socks	400,000
1 " " stockings	400,000
Toothpaste (Kolynos)	100,000
House soap (per oke)	400,000 - 420,000
Toilet soap (cake)	70,000
Matches	6,000

Respectfully yours,

Barton Y. Berry
American Consul General

File No. 820.02

HDB:GGW:vis

To Department in Original and Hectograph.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: February 19, 1944
NUMBER: 1055

CONFIDENTIAL

Reference is made herein to my 823, February 10.

It is reported by Riegner that he has arranged for 1 million French francs to be turned over to W.J.C. representative in France. Because of his Jewish faith, the Supplier of France who is a Swiss citizen was compelled to return to Switzerland in November 1942. Until that time, he had resided in France. This person had considerable wealth in France which was recognized by the Swiss clearing office as his property, according to documents presented to Riegner. Swiss francs 1.85 per hundred French francs was the rate at which Riegner purchased francs.

HARRISON

FEB 20 1944

REFUGEE AID CHIEF AT WORK IN TURKEY

Hirschmann Cuts Red Tape
as He Maps Plans to Help
Oppressed Europeans

By JOSEPH M. LEVY

By Cable to THE NEW YORK TIMES.

ANKARA, Turkey, Feb. 19.—From his bed to which he was confined by an attack of influenza, Dr Isaac Herzog, chief rabbi of Palestine, at present in Ankara in connection with plans for the rescue of Jews from Europe, rose to greet Ira A. Hirschmann, vice president of Bloomingdale Brothers, Inc., who has just arrived here to take up his duties as official representative of the newly formed War Refugee Board.

Mr. Hirschmann went to work within half an hour of his arrival in Ankara. He is invested with full responsibility of implementing the board's program and policy in Turkey.

One of his main tasks will be to develop the plans for the rescue and transportation as well as relief and maintenance of refugees. No American diplomat of this war has received such extraordinary powers in carrying out his duties as those granted to Mr. Hirschmann. Under the authority vested by the Treasury in the War Refu-

gee Board, Mr. Hirschmann will be the first and only United States citizen in Turkey to be allowed to disregard the Trading With the Enemy Act.

Asked whether he had an idea of the enormous difficulties that would confront him, Mr. Hirschmann said:

"Certainly, no one more than I realizes how complex and intricate is the task undertaken by the Refugee Board. A cursory glance at the position makes it clear that a full mobilization of every resource at our command will be necessary if we are to attain any measure of success. I fully expect to encounter great obstacles in my work, but how could we ever justify ourselves before the bar of history if we did not probe every avenue and left no stone unturned to try to save all that can be saved of those unfortunate human beings regardless of race or creed faced with annihilation in Europe.

"I expect help not only from individuals and organizations but from the entire civilized world. Let us pray that all other nations will follow the example of the United States and give us their unstinted aid in this great humanitarian undertaking."

To Rabbi Herzog's appeal not to waste time on red tape Mr. Hirschmann replied that the Refugee Board, headed by its dynamic director, John Fehle, was an instrument tempered for immediate and unreserved action, untrammelled by party restrictions and that it would be a grievous crime to allow this work of mercy salvation to be impeded by any formalities.

COPY

AHC-170

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

Ankara

Dated February 19, 1944

Rec'd 10:39 p.m.

Secretary of State,
Washington.

299 February 19, 9 p.m.

FROM HIRSCHMAN FOR JOHN PEHELE

Referring to my telegram of February 18 regarding the desperate need for a boat immediately to evacuate refugees from Constanza to Istanbul further explorations indicate that Turks are consistently slow in making decisions or taking action even though we hope to secure from you authority to offer to replace the ship VATAN in the event of loss.

While I would not under any circumstances suggest that you relax your efforts in trying through every means to help us secure this boat I now believe that our best immediate hope is to get a boat through the Swedish Government and I would urge that to put more emphasis on your efforts in this direction than indicated in my previous telegram. I am seeing the Swedish Minister here with Red Cross official and trust you will push action through Washington to Sweden with all vigor also you will be interested to learn that Ambassador Steinhardt had a talk on February 18 with the British

-2- #299, February 19, 9 p.m., from Ankara

the British Ambassador who has agreed to send a note to the Foreign Office concerning the plight of Jews in France of Turkish origin. The note will be presented to one of the higher officials of the Foreign Office by a member of his staff who in discussing the subject with him will indicate that the British Government supports the request made by Ambassador Steinhardt on two previous occasions on the Foreign Minister to make the necessary representations to the Vichy Government that Jews of Turkish origin be not expelled from France.

As you undoubtedly know the 10,000 Jews were allegedly divested of their Turkish nationality by operation of Turkish law. We are importuning the Turkish authorities to interest themselves to the point of protecting these 10,000 Jews of Turkish origin now in France to save them from being deported to Poland.

Also I have asked the Soviet Embassy here to help in the matter of securing detailed information regarding the causes of the bottleneck situation in Bulgaria.

STEINHARDT

EDA

NOT TO BE RETRANSMITTED

U.S. SECRET
BRITISH MOST SECRETCOPY NO. 14OPTEL NO. 57

Information received up to 10 A.M. 19th February 1944.

1. NAVAL

Mediterranean. Weather continued fine at Anzio and on 17th 2,685 tons were discharged. On 17th one of H.M. Cruisers was damaged in collision and on 18th another British Cruiser was sunk by U-boat off Naples, approximately 250 survivors. One of H.M. Submarines sank a 3,000 ton ship off Toulon.

Pacific. 16th. Coastal Craft damaged a 1,200 ton enemy ship and five barges in Bougainville Strait. Anti Submarine operations. 17th. Aircraft sank a U-boat in New-Hanover Area. On 18th a British Frigate sank a U-boat off Cape Clear.

2. MILITARY

Italy. 4th Indian Divisions are attacking through Northern outskirts of Cassino. Strong enemy attacks were maintained in Anzio Beachhead, Allied Forces held their own and are counter attacking.

Russia. Northern sector. 18th. Russians made progress South and S.W. of Luga and S.W. Novgorod occupying railway station Shimsk and Staraya Russa.

Crimea. An unconfirmed report states that Germans have begun evacuation of Crimea using small ships.

3. AIR OPERATIONS

Western Front. 18th/19th. About 90 enemy Aircraft crossed East coast and majority attacked London. First reports indicate five enemy Aircraft brought down by A/A fire, two in combat over enemy territory and one destroyed, two damaged on the ground. Damage was fully to residential property and included 12 large fires and nearly 400 small fires all under control by 6 A.M. Some interruption to railway communications. Total casualties all natures reported about 500.

Italy. 16th/17th. 54 Wellingtons (1 missing) bombed San Stefano and targets S.E. of Rome. 17th. 790 Bomber Sorties flown against targets in Anzio bridgehead and main battle area. 7 Heavy 1 Medium and 1 Fighter Bomber missing.

TREASURY DEPARTMENT

Regraded Unclassified

No. 574

Ankara, February 20, 1944

Confidential

Subject: Evacuation of Jews from Axis Europe.

The Honorable
The Secretary of State,
Washington.

Sir:

Referring to the Department's telegrams No. 68 dated January 25, and No. 118 dated February 11, 1944, requesting a report concerning the actual situation as it exists today in Turkey in respect of what is being done to rescue the Jews and other persecuted minorities from Hitler, including particularly (a) the extent to which these war refugees are not permitted to enter Turkey; (b) the extent to which Turkey actually encourages and cooperates in their entry, and (c) the extent to which such refugees are not able to enter Turkey because of Turkey's failure to cooperate in their entry, and requesting my recommendations as to what the United States Government can do to effectuate with all possible speed the rescue and relief of the victims of enemy oppression, including particularly what can be done to make the Turkish Government cooperate more in carrying out this policy. I have the honor to submit the following information and recommendations:

Over a period of the past two years the Embassy has made every effort to facilitate the transit of Jews from the Axis countries through Turkey en route to Palestine. Its efforts have been hampered by (1) the unwillingness of the Axis countries to permit Jews to depart therefrom, and (2) the difficulties of transportation. Further details with regard to these points are given below:

With reference to the specific points referred to above, under (a), (b) and (c), I may say that the Turkish Government has repeatedly given evidence of its willingness to grant a larger number of transit visas to Jewish refugees to pass through Turkey than the number of refugees who have been able to reach the Turkish frontier due to the fact that refugees have been unable to depart from Axis territory. Although willing to grant more visas than have been utilisable, the Turkish Government has thus far declined to authorize the charter of a Turkish boat to be used to bring refugees from Rumanian or Bulgarian ports to Turkey, fearing such vessel would be sunk in the Black Sea.

My recommendations as to what the United States Government can effectively do in this situation are (1) immediately promise the Turkish Government that should the latter permit a Turkish vessel to carry refugees from Rumanian or Bulgarian ports to Istanbul and should such vessel be lost, the vessel will be immediately replaced; and/or (2) arrange immediately to make a

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vessel available for the purpose in question; and (3) bring to the notice of the Axis governments and peoples, by use of the radio, the issuance of public statements and other means, that they will be held accountable in the final settlement for their mistreatment of the Jews and other minorities. In this connection reference is made to my telegram No. 282 dated February 18, 1944, containing a similar recommendation from Mr. Ira Hirschmann to the Director of the War Refugee Board.

I submit for the Department's further information in connection with the foregoing the following data in respect to the problem of rescuing Jews and other persecuted minorities from the Axis countries:

The movement of Jews into Palestine from Axis countries has been divided in general into two categories: (1) legal immigration into Palestine from the Axis countries; and (2) illegal immigration into Palestine from such countries.

Legal immigration into Palestine

The British Government at the beginning agreed to admit into Palestine from Axis countries two classes of persons:

(a) Persons who were granted immigration certificates before the rupture of diplomatic relations between Great Britain and Rumania, Hungary and Bulgaria but were unable to depart therefrom for Palestine.

(b) Relatives of persons actually resident in Palestine.

Subsequently, in 1942, a third category was added, namely, 4,500 children plus 500 adults coming from Bulgaria, Rumania and Hungary, whose admission into Palestine was agreed upon. The plan involved the issuance of 5,000 immigration certificates which would be distributed as follows:

	<u>Children</u>	<u>Adults</u>
Bulgaria	1800	200
Rumania	1800	200
Hungary		
(including Slovakia)	<u>900</u>	<u>100</u>
	4500	500

The proposal also included the issuance by the Swiss Consulates in the three capitals of visas to persons approved by the representative in each capital of the Jewish Agency for Palestine.

Later, in 1943, the British Government announced that 29,000 Jewish refugees from Europe would be admitted into Palestine. This figure was to include the 4,500 children and 500 adults referred to above.

The British Government some time ago agreed to admit into Palestine during the period 1940-44 not in excess of approximately 75,000 Jews; very recently it announced that the period of time during which this number would be admitted would be extended.

In so far as Turkey is concerned, the problem has been one of transit across Turkey en route to Palestine.

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discussions between the American and British Embassies with the Turkish authorities concerning the transit of refugees across Turkey to Palestine, the Turkish Government declined to permit the proposed refugees to be carried on Turkish vessels (by reason of lack of coal and space, and other technical reasons). It agreed, however, to permit a limited movement by rail across Turkey. The question of the refugees being carried on other Turkish flag vessels was also raised but no definite decision has been reached due to the total lack of such vessels.

In April 1943 the Turkish authorities agreed to attach every ten days to a train from Haydar Pasa (Istanbul) to Aleppo one coach, on which a group of 75 refugees would be carried. It was stipulated that each such group must have departed from Turkey before the second group could be admitted. Subsequently, as the result of a conference between the American Ambassador and the Turkish Minister for Foreign Affairs, this stipulation was withdrawn. However, under this arrangement no single group of 75 persons has to date reached Haydar Pasa, because it has been impossible to arrange for the refugees to be released from Axis territory.

Endeavors were subsequently made, through the Swiss authorities, to arrange for the emigration from Bulgaria and Rumania of a considerable number of Jews who were about to be expelled to Poland. Since the collapse of Italy there has been a diminution in the movement to Poland.

Since late 1942, a system has been in force whereby lists of names of immigrants in the approved categories mentioned under (a) and (b) above are submitted to the Turkish Government with the request that transit visas be granted to these persons in Hungary, Rumania and Bulgaria. The Turks have made a restrictive limit of nine "persons" per country per week in order not to overload the Turkish trains, but this restriction has been so liberally interpreted as to constitute each "person" a family of not more than five individuals, or a total of 45 persons. The Hungarian and Rumanian Governments have allowed out a modest number of families under this scheme, but very few have come out of Bulgaria, the Bulgarian Government having, in April 1943, prohibited the exit from or transit through that country of Jews, thus bringing to an almost complete stop the emigration of Jews from Axis Europe, in view of the fact that the only means of exit by land to Turkey from Axis countries north of Bulgaria is through that country.

At the present time two groups of 75 children each in Rumania are being prevented from starting their journey because of the refusal of the Bulgarian authorities to allow them to transit Bulgaria. Consequently, efforts are now being made to have these two groups sent to Istanbul by boat from Rumania. The International Red Cross is working on this matter. Palestine has agreed to accept them. The Turkish authorities have assured the Embassy that they will furnish two railway cars if these children succeed in reaching Istanbul. The SS BELACITTA, now at Constanza, is being considered as a vessel on which these children might be brought to Istanbul.

There is also under consideration a proposal for the departure of 300 children from Hungary under the Turkish transit scheme of 75 people every 10 days but their departure is also being prevented by Bulgarian transit difficulties.

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The Turkish Ministry of Communications has recently agreed with the Embassy to furnish two cars per week over a limited period of time to transport a limited number of refugees through Turkey.

In general, the German authorities have prevented the departure of large groups although small groups leave either with their consent or by means of bribery.

Illegal immigration into Palestine

The illegal immigration began about 1940 when the Palestine immigration quota was very small. Bulgarian and Rumanian promoters obtained the use of unseaworthy vessels and sold space on them at extortionate prices. The boats would start out for Palestine, passing through the Straits, which they could do without interference by the Turkish authorities. If the vessels succeeded in reaching Palestine, the passengers, not being admissible under the quota, were destined to be deported to the Island of Mauritius. One of the vessels, the S.S. PATRIAS, was sunk in the harbor of Haifa. The cause was never determined. A number of the ships which started from Bulgaria and Rumania for Palestine were wrecked on the Turkish European coast of the Black Sea. Others were wrecked in the vicinity of Mersin.

At this time the British Legations in Rumania and Bulgaria asked the respective governments to put a stop to the emigration but the governments in question refused or failed to do so. The Turkish authorities threatened to return to the country of origin such of the refugees as had landed in Turkey. The British Government requested the Turkish authorities to delay such action. Eventually many of the refugees were sent to Cyprus where some are still living; however, the absorptive capacity of Cyprus was soon exhausted and it soon became impossible to send more there.

This illegal immigration ceased some time ago. It is possible it may be resumed, particularly should the procedure for legal immigration break down. Confidential information indicates the possible use for such illegal immigration of the following vessels; the S.S. MILKA, now understood to be at Varna, which can carry about 200 passengers; and the S.S. MARITZA, now understood to be at Constanza, which can carry about 250 passengers. These vessels are of about 200 and 250 tons, respectively, and would, of course, be very overcrowded, were the number of passengers indicated taken aboard. Furthermore, their seaworthiness is in doubt.

In this connection, I may add parenthetically that as a result of the Struma disaster (February 24, 1942), I have approached with caution any proposals for the use of questionable vessels for the further evacuation of refugees from Rumanian or Bulgarian ports and have insisted as a ginequa non that any vessel in Turkish waters which might be available must receive the prior clearance of the American or British naval authorities in Istanbul as to its seaworthiness.

Number of persons actually moved

Late in 1942 two groups of children transited Turkey en route to Palestine, 50 from Hungary and 50 from Rumania.

According to information furnished by Mr. Barlas, the representative in Turkey of the Jewish Agency from Palestine, the total number of Jews to transit Turkey in 1943 en route from

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Axis Europe to Palestine was 1,165. Details as to points of origin are set forth below:

January-September 1943

Children up to 16 years of age and accompanying adults from Hungary	125
Children up to 16 years of age and accompanying adults from Rumania	<u>74</u> 199
Refugees from Bulgaria	<u>150</u>
Total	349

October-December 1943

Individually from Budapest	125
" " Bucharest	50
" " Sofia	82
" " Athens	<u>312</u>
Total	564

Refugees sent to Cyprus from:

Rumania	180
Bulgaria	<u>72</u>
Total	<u>252</u>
	1,165

The Jews listed above as coming from Athens consisted of persons who had escaped from Greece in small boats, most of which landed their passengers at Izmir where they were able to obtain visas for Palestine under the Schedule of the Jewish agency and to cross into Syria en route to Palestine.

In addition to this movement of Jews in transit through Turkey, 2,138 Jews left Turkey for Palestine during 1943, according to information supplied by Mr. Barlas.

The situation appears to be that the German control over the exit of Jews from the various countries in southeastern Europe is more stringently exercised in respect of the countries more remote from Germany than those nearer to Germany. Thus at the present time there are practically no Jews permitted to leave Greece, although a few escape illegally. Occasionally, despite the general prohibition, a few are permitted to depart from or transit Bulgaria (53 Jews arrived in Istanbul on or about February 15 from France); the Rumanian authorities appear to be willing to allow Jews to depart from Rumania in some numbers; and the Hungarian Government's attitude appears from here to be more liberal than that of the Rumanian Government (although Transit to Turkey from both Rumania and Hungary is hampered by the Bulgarian attitude and the lack of transport).

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According to information furnished me by Mr. Darlas, the number of Jews in the Balkan countries at the beginning of the war is estimated as follows:

Bulgaria - 82,000 (of whom about 40,000 still remain in Bulgaria);
 Rumania - 800,000 (of whom about 266,000 are still living in "Old Rumania");
 Yugoslavia - 75,000;
 Greece - about 72,000 (of whom the vast majority were deported to Poland).

With further reference to the Jews in Rumania, it is understood that of the 180,000 who were expelled to Transnistria (mostly from Bessarabia and Bukowina) only 75,000 remain alive. The present distribution of the balance of the 266,000 mentioned above is estimated as follows:

Bucharest	100,000
Gelatz	25,000
Jassy	25,000
Bukowina	16,000
Elsewhere	25,000

Various efforts made by the Embassy to assist in the matter

On April 23, 1942, I received the Department's telegram No. 164, April 22, 4 p.m., requesting, at the solicitation of an interested organization in the United States, that I endeavor to obtain permission from the Turkish authorities for certain Jewish refugees who had arrived in Istanbul from Rumania on the SS MICHAEL on March 18 to land in Turkey in order to obtain visas to enter Palestine. I ascertained, as reported to the Department in my telegram 326, April 27, 12 noon, that the vessel mentioned had already sailed from Istanbul for Haifa with her refugee passengers on board and all her papers in order. I subsequently telegraphed that it had been impracticable to comply with the Department's request, contained in its telegram above referred to, that the Embassy inform it of the names of the refugees in question, as the names were unknown at Istanbul (Embassy's 327, April 27).

In February 1943 the Department telegraphed to me regarding a story which had appeared in The New York Times of February 13 to the effect that the Rumanian Government had, according to neutral sources, advised officials of the United Nations that it was prepared to cooperate in transferring 70,000 Rumanian Jews from Transnistria to any Mediterranean ports selected by the Allies. (Department's 145, February 17.) I replied to the Department on February 27 (my 337) that a representative of the Jewish Agency for Palestine, Mr. Joseph Golden, had informed me that the New York Times despatch above mentioned was based upon the following:

Mr. Golden was visited on December 6, 1942, by a Dutchman who resided in Bucharest and who was temporarily visiting in Istanbul. This Dutchman, whose name was Schmitt and who was the Balkan and Turkish Director-in-Chief for Philip's Radio, had stated that he brought a proposal from a person named Lecca who was said to be the Rumanian Government official in charge of Jewish matters in Rumania. This proposal was to the effect that the Rumanian Government was prepared to consent to the departure of and provide ships

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for the transportation to Palestine or other Allied ports of the 72,000 Rumanian Jews who remained from those previously transported to Transnistria, provided that the American and British Governments agreed to a safe conduct for the vessels and to issue the necessary visas. According to Schmitt, the representative of the Jewish community in Bucharest who was appointed by the Gestapo, stated that the Catholic Bishop of Bucharest had expressed his readiness to permit the use of the Vatican flag on the ships and would endeavor to obtain permission to use the International Red Cross emblem. Golden forwarded the proposal on December 6 to the Jewish Agency for Palestine in Jerusalem.

I reported subsequently (my 382, March 2, 1 a.m.) that I questioned the bona fides of the proposal described if for no other reason than that the Rumanian Government obviously did not possess the shipping facilities with which to transport 72,000 individuals.

On April 5, 1943, I called upon the Minister for Foreign Affairs and informed him that the American and British diplomatic representatives in Ankara had been requested by their governments, in view of the reported persecution of the Jews in Bulgaria and the intention of the Bulgarian Government to deport them to Poland, to address an urgent appeal to the Turkish Government to permit approximately 30,000 Jews to enter Turkey provided the Bulgarian authorities would permit them to leave Bulgaria. These Jews, the Minister was informed, represented that part of the Jewish population of Bulgaria which was concentrated in towns and it was suggested that they be accommodated in temporary camps in a suitable area in Turkey, acquired and set aside for the purpose. The Minister was informed that the American and British Governments were ready to assure the Turkish Government that all costs connected with the entrance of these refugees and their maintenance in Turkey would be defrayed by the two governments, which, in addition, would supply to Turkey any additional food required to feed them. It was stated further that the two governments also would undertake to repatriate the refugees upon the conclusion of the war.

In July 17, 1943, I telegraphed to the Department my telegram No. 1245, July 17, 1 p.m.) that a representative of the Embassy had contacted Mr. Jacob Griffel who stated that he was an official representative of the Agudas Israel Organization in Palestine and also the representative of that organization to the Associated Jewish Rescue Committee. Mr. Griffel informed the Embassy representative that the main purpose of his mission was to rescue Jews from Europe; he added that he was interested in two projects:

(1) To locate 700 Jews, families of persons already in Palestine for whom the organization which he represented had received a blanket visa for Palestine. He stated he intended to work through the Swiss Government and the International Red Cross with a view to locating these families and endeavoring to bring them to Palestine; and

(2) To assist about 20,000 Jewish families concentrated in Transnistria. He thought that the best way to help these people was to send them money. He said that his organization in New York would like to send funds to Switzerland either for the purchase of food and clothing to be sent to Transnistria or for the obtaining of money to be sent there.

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In October 1943 the Embassy received information from the American Embassy in London of a rumor indicating that a ransom traffic in refugee children through Turkey existed. Upon investigation of this rumor it was ascertained that there was no foundation for it. I had confirmation of the lack of foundation for this rumor from Dr. Golden of Istanbul, head of the Jewish Relief Organization charged with assisting all Jewish refugees who enter Turkey. Dr. Golden suggested that this rumor might be the result of certain exasperating delays which were being experienced in negotiations with the Bulgarian authorities for permission for Jewish children to leave Bulgaria.

Turkish Jews in France

Another category of Jews in whom the Department and the Embassy have been interested is the large number of Turkish Jews in France.

It appears that Mr. Barlas, local representative of the Jewish Agency for Palestine, received about the middle of December, 1943, a telegram from Mr. Weizman, Jewish Agency representative in Lisbon, stating that 10,000 Jews of Turkish origin in France, having lost their nationality owing to the provisions of Turkish law, were in danger of deportation to Poland. Mr. Barlas was asked to appeal to the Turkish authorities not to withdraw recognition from these Jews. Mr. Barlas stated, upon going onto the matter, that the Jews in France fall into two categories:

(A) Jews whose Turkish nationality is uncontested; these Jews have been given full Turkish protection and have either been repatriated to Turkey or have escaped persecution.

(B) Jews descended from Jews who emigrated from Turkey several generations ago and whose Turkish nationality has been annulled as a result of the provisions of a Turkish law adopted in 1928 providing that Turkish nationals residing abroad who fail to register with the Turkish consulates for a period exceeding five years may be deprived of their citizenship by the Turkish Government (see NATIONALITY LAWS by Flourney and Hudson, Oxford University Press, New York 1929, page 571).

This second category of Jews (B) to whom it is understood Turkish representatives in France have so far accorded a certain measure of protection, is now threatened with deportation to Poland.

In view of the fact that these Jews no longer have Turkish nationality and in view of the Department's recognition (Department's telegram No. 67 dated January 25, 1944) of the fact that as a consequence the Turkish Government is in no position to extend protection to them, it is not to be expected that the Turkish Government can officially make representations to the Vichy Government on their behalf. It is understood, however, that an official appeal is being made to the Vichy authorities by the Turkish Ambassador to Vichy France, Sevki Berker, who has shown himself sympathetically disposed in the past in regard to Jewish matters. Possibly as the result of Mr. Berker's representations a party of 53 Jews arrived in Istanbul on or about February 16th from France, having travelled by rail by way of Milan, Vienna, Nish and Belgrade.

On January 10, 1944, the Department was informed (my telegram No. 49, January 10, 3 p.m.) of an informal conversation

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which I just had with the Turkish Minister of Foreign Affairs regarding several thousand Jews of Turkish origin reported to be in jeopardy in France. The Minister informed me that he would take whatever steps he found possible to afford protection to these Jews and that, in so far as concerns those who were able to establish Turkish citizenship, he would demand the same treatment for them as is accorded other Turkish citizens. With respect to those who were unable to establish Turkish citizenship, he said that he was doubtful that the Vichy authorities would recognize his right to intervene on their behalf.

In compliance with the Department's instructions of January 25, 1944 (Department's telegram 67, January 25, 11 a.m.) that I express to the appropriate Turkish officials the Department's hope that for humanitarian reasons they would be able to afford protection to as many as possible of these Jews of Turkish origin in France and would be liberal in defining their citizenship status, I discussed this matter with the Minister of Foreign Affairs (as reported in my telegram No. 151, January 18, 10 p.m.) and urged him to extend to them the maximum protection of the Turkish Government. He assured me that of humanitarian grounds the Turkish Government would exert itself to the utmost to afford protection in these cases.

It may be mentioned in this connection that the American Consulate General at Istanbul received an inquiry from the Department in December 1943 (Department's 319, December 29, 10 p.m.) regarding reports that Paraguayan Jews confined in the concentration camp at Vittel, France, were threatened with deportation to Poland because of a report that the Paraguayan Government had revoked their citizenship. In reply the Consulate General telegraphed (its telegram No. 4, January 4, 1944) that the local Jewish representatives of Agudas Israel and of the Jewish Agency had been notified that the Paraguayan Government had agreed not to revoke the citizenship of Paraguayan internees in this concentration camp.

Unavailability of vessels to carry
refugees from Rumanian or Bulgarian ports

As has been indicated above, one of the principal obstacles to the movement of Jews from the Axis countries to Turkey has been the problem of transport.

The Bulgarian authorities since April 1943 have practically prohibited the departure of Jews across the Bulgarian-Turkish frontier, presumably as the result of German action. As a consequence efforts have been made to arrange for the transportation of Jews from the Rumanian port of Constantza to Turkey by boat. Efforts which have been made in this direction have to date been without result. Two Rumanian flag vessels, the S. S. TRANSYLVANIA and the S. S. Bessarabia, which have been lying idle in the harbor of Istanbul for nearly three years, have been considered in this connection but to date their use has been precluded either by the attitude of the Rumanian Government--in fact, the German Government--or more recently by the unavailability of funds to effect the proposed purchase.

As a result of a request made of the Turkish Ministry of Foreign Affairs by the British Ambassador and myself, the Turkish Government took up with the Rumanian Government the matter of obtaining these two vessels on charter for the purpose indicated. In due course the reply was received that the Rumanian Government

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was not willing to permit the vessels to be chartered for this purpose and the Embassy was given to understand that the refusal was the result of action by German authorities in Rumania.

I have recently been informed by Mr. G. E. Simond, International Red Cross delegate in Turkey, that Colonel Teoldorescu, Rumanian Military, Naval and Air Attache in Ankara, came to see him early in February 1944 to propose that the International Red Cross purchase for the sum of 1,700,000 pounds sterling the two Rumania vessels in Istanbul, the SS TRANSYLVANIA and SS Bessarabia; that he had submitted the matter to the International Red Cross Headquarters in Geneva by telegraph and that he has subsequently received a reply stating that funds for their purchase are not available.

The question of obtaining ships from the Anglo-American shipping pool, possibly by transfer to the UNRRA for donation to the International Red Cross which could man the ships with neutral crews, has been raised and Mr. Murray Gurfein of the Office of Strategic Services cabled from Istanbul the suggestion, as a personal one, to Mr. Edwin Goldwasser, New York, at the end of January 1944. He suggested that such ships, the property of the International Red Cross under Swiss registry, could perform many errands of mercy in addition to the specific one of assisting in the proposal to evacuate 5,000 Jews, principally children, from Rumania, Hungary and Bulgaria.

It may be pointed out in this connection that the question of the nationality of the crews of vessels proceeding to a Rumanian or Bulgarian port to evacuate Jews is likely to present difficulties unless the crews of such vessels are citizens of neutral countries. The British authorities, for example, might object to a Rumanian crew bringing a vessel into Palestinian waters and it is to be expected that the Rumanian and Bulgarian authorities would similarly object to a crew of Allied nationality entering their waters.

On January 29, 1944 (my telegram No. 153) I advised the Department of receipt of information from the representative of the Jewish Agency for Palestine in Turkey, Mr. Oh. Barlas, that a Portuguese flag vessel under charter to the Joint Distribution Committee was then en route from Lisbon to Palestine with approximately 700 Jewish refugees and I suggested that the Department might wish, in view of the fact that the principal difficulty in rescuing more than a limited number of Jews from Transnistria is being occasioned by the lack of transportation, to suggest to the Joint Distribution Committee that efforts might be made to continue the charter of the vessel with a view to its proceeding from Palestine to Constanza in order to evacuate from Transnistria the Jewish refugees there.

Recently there has also been under consideration a proposal to obtain the use of a Turkish vessel for the purpose indicated. The vessel under consideration has been the SS VATAN. The possibility of obtaining the use of this vessel was discussed with me on February 8, 1944, by Dr. Isaac Herzog, Chief Rabbi of Palestine, Dr. Mordecai Eliash, who accompanied him from Palestine, and Mr. Barlas, the representative in Turkey of the Jewish Agency for Palestine. I suggested to them that they attempt to see both the Minister for Foreign Affairs and the Minister of Communications with a view to obtaining the use of the boat,

stating.....

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stating that I thought the most feasible means of obtaining the use of the boat for a limited period would be to start with a request that it be made available for only one trip to Constanza. The Turkish Minister for Foreign Affairs was unwilling to see the Chief Rabbi, stating that as a matter of principle he could not receive him or any other ecclesiastical dignitary. The Foreign Minister suggested, however, that a call be made on Mr. Feridun Cemal Erkin, Assistant Secretary General of the Ministry, upon whom Mr. Eliash and Mr. Barlas called on February 11. When they first broached the matter of obtaining the use of a Turkish vessel for this purpose, Mr. Erkin's attitude was negative, the gentlemen named informed me, on the ground of the transport difficulties with which the Turkish Government is faced, and he suggested that they seek to obtain the use of a suitable vessel used by the Red Cross. Mr. Erkin's attitude was, however, somewhat more favorable when the proposal was made to him that the vessel be made available merely for one trip and he then promised to give a definite decision on this matter on February 15. In the course of his discussion with these gentlemen Mr. Erkin indicated, they informed me, that he is worried by the delays at Istanbul of refugees in transit because of a failure on the part of the British authorities there to issue promptly the necessary entry visas for Palestine. The Embassy has checked on this point and found that there have been very few cases of delay at Istanbul and these few have been for purely personal reasons on the part of the individuals concerned. Nevertheless, as a result of the statement made by Mr. Erkin to Mr. Eliash and Mr. Barlas and his suggestion that the British Embassy inform the Ministry for Foreign Affairs that visas for Palestine would be granted within 24 hours on arrival at Istanbul, an officer of the British Embassy has subsequently informed me that an oral statement to the effect indicated would be made to the appropriate official of the Ministry. As a result, it is expected that the number of visas granted by Turkish consular officers in Bulgaria, Rumania and Hungary will be increased and that the number arriving in Turkey will consequently increase, provided the Bulgarian bottleneck can be broken or provided evacuation by sea can be effected.

On February 14, 1944, a member of my staff interviewed the official in the Ministry for Foreign Affairs who is handling this whole question and, in the course of their conversation, informed him of the Embassy's interest in a Turkish vessel being made available—the VAFAN was mentioned—for this purpose. The official in question said he thought, in view of the shipping shortage and the risk of loss involved, it was unlikely that a Turkish vessel could be made available. He raised the question of whether the American Government or Allied Governments could not make a vessel available to some international relief organization to carry out the proposed voyage.

The Turkish decision in the matter was in the negative. The Department will recall from my telegram No. 159 dated January 31, 1944, that a lack of transportation facilities rather than an unwillingness on the part of the Turkish authorities to cooperate was the chief difficulty in effecting the rescue of Jews from the Axis countries. The statement was also made in the telegram under reference that in my opinion unless the transportation facilities were augmented by vessels especially chartered for the purpose it was most unlikely that in present conditions the rail facilities could be materially increased. I reported also that the Turkish authorities had repeatedly assured me of their desire to cooperate but that they insisted that under existing conditions they were unable to increase rail facilities.

It will.....

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It will be seen from the foregoing that despite the most strenuous and continuous efforts on the part of the Embassy to facilitate the movement of oppressed Jews from the Axis countries to Palestine, these efforts have to date met with only limited success, primarily because the persons whom it is desired to move are on territory controlled by the enemy who does not permit them to leave for abroad, and secondarily because of transportation difficulties. With regard to this second factor it may be remarked again that the Turkish authorities have been willing to grant more visas for persons to transit Turkey than have been utilized by persons able to leave enemy territory. Approximately three-fourths of the Jews arriving in Turkey from enemy territory have come by rail; the remainder have escaped from Greece by boat. (See page 5, supra.) If a vessel or vessels become available for the transportation of Jews by water from Rumanian or Bulgarian ports to Turkey, it is not improbable that last minute difficulties will arise in connection with their actual departure from enemy territory, since as yet there is no guarantee that they will be allowed to depart from such territory for Turkey.

It is to be remembered, in considering the Turkish attitude with regard to this matter, that Turkey's transportation system has never been adequate from the western viewpoint and is far from being adequate in the present situation when Turkey's entry into the war has until very recently been increasingly imminent. There is only one through single track main line from Haydar Pasa (Istanbul) to Aleppo via Ankara and this line has been overburdened with British and American (mostly Lend-Lease) shipments, consisting largely of war materials, moving in a northerly direction and of Turkish exports, consisting largely of Turkish products bought by the United States and the British Empire both for supply and preemptive reasons, moving in a southerly direction. The load which the locomotives have been carrying through the Taurus mountains, through which this line runs, has consistently been the maximum possible, with the result that the addition of even one extra car filled with refugees to a particular train has presented a difficult mechanical problem. Notwithstanding, as has been pointed out before, the Turkish authorities have actually agreed to furnish one car every 10 days to transport 75 children and accompanying adults from Haydar Pasa to Aleppo. With all rolling stock bargained to the maximum, it has been impossible—and in fact unnecessary since the small number of refugees arriving in Turkey has been readily handled—to increase the number of trains to haul refugees.

Should it become possible to move a large number of refugees from Rumanian or Bulgarian Black Sea ports to Istanbul their further transit beyond Istanbul will, of course, present difficulties but it is hoped that such difficulties can be overcome either by providing transportation by vessel beyond Istanbul to a Palestinian port or by moving them gradually by rail from Istanbul via Adana and Aleppo to Palestine.

If some scheme is eventually worked out by which the refugees can be moved by water from the ports in question, it may be found desirable to discharge them from the vessels at Haifa, rather than at Istanbul, thereby avoiding the difficulties which would arise out of a stay in Istanbul and the necessity of arranging rail or water transport beyond Istanbul. Any plans that may be drawn up for the use of vessels only as far as Istanbul should include provision for furnishing the refugees food and shelter while in Turkey.

Aside from present

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Aside from the Jews who have managed to reach Turkey from Axis countries (some legally and some illegally as set forth above) a considerable number of Greeks have succeeded in reaching Turkey from nearby Greek islands. The exact number is not known but it is considerable. Most of them have proceeded from Turkey to Syria. The movement of persons of this category is more or less continuous, although the number moving at any one time is small. The number of refugees of other national or racial groups reaching Turkey is negligible.

In the many discussions which I have had on this subject with the present Prime Minister and former Minister for Foreign Affairs, Mr. Saracoglu; with the present Foreign Minister and former Undersecretary for Foreign Affairs, Mr. Menemencoglu; and with other high Turkish officials, I have invariably endeavored to persuade them to lend every possible assistance to achieve the desired end, emphasizing the vital humanitarian principles involved and referring to the self-interest involved (in that any assistance granted would tend to present Turkey in a favorable light abroad). The expressions and attitude of these officials have invariably been one of the desire to cooperate and aid in every way, despite the many and unavoidable difficulties with which their country has seen and is faced.

As I informed the Department in my telegram No. 270 of February 16, 1944, I am delighted with the assignment to my staff in the capacity of attache of Mr. Ira Hirschmann for the special purpose of handling matters pertaining to these refugees. I am most favorably impressed with his initiative and quick grasp of the situation, as well as with his general qualifications and personality. I shall of course extend every possible assistance to him in this work.

Respectfully yours,

Laurence A. Steinhardt

File No. 840.1
LAS/mp

To Department in original and hectograph

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COPY NO. 12

BRITISH MOST SECRET
U.S. SECRET

OPTEL No. 58

Information received up to 10 a.m., 20th February, 1944.

1. NAVAL

HOME WATERS. One of H.M. Submarines sank a 6,000 ton ship in BOKN FJORD on 7th and possibly damaged a 3,000 ton ship in BOMMEL FJORD on 12th, as well as another ship in SANDESNES. 20th. One of H.M. Sloops damaged by U-boat S.W. of IRELAND. 19th. One of H.M. Frigates and one of H.M. Sloop each sank U-boat off USHANT.

MEDITERRANEAN. 18th. Port of ANZIO temporarily closed for minesweeping, but 3,179 tons discharged.

EAST INDIES. One of H.M. Submarines sank a small vessel north of SUMATRA on 5th and a 7,000 ton ship (possibly a warship) on 12th.

2. MILITARY

ITALY. To noon 19th. Gains in CASSINO area were consolidated and held against counter attack except for a hill feature lost by 4th Indian Division and CASSINO Railway Station where 2nd New Zealand Division were forced to withdraw. In ANZIO Beachhead battle front remains intact after heavy enemy attacks but there has been a slight withdrawal by British troops south of CARROCETO.

BURMA. In ARAKAN localised fighting continues. Advances have been made by our troops down the KALADAY VALLEY.

3. AIR OPERATIONS

WESTERN FRONT. 19th/20th. Aircraft despatched: LEIPZIG 823 (80 missing), BERLIN 15 (one missing), AACHEN 3, airfields in HOLLAND 16, Military objectives in N. FRANCE 3, sea-mining 49, Intruders 30.

ITALY. 18th. 216 Allied fighters patrolled battle area.

BURMA. 18th/19th. Liberators dropped 46 tons on MANDALAY Railway Yards.

TREASURY DEPARTMENT

1944 FEB 21 PM 2 25

SECRETARY OF TREASURY

Regraded Unclassified

MEMORANDUM

FEB 21 1944

TO: Mr. Bell

FROM: Mr. Paul

Attached hereto is a memorandum dealing with the desirable provisions of the pending tax bill. The memorandum points out that if the President vetoes the tax bill, there is no vital need for any immediate legislation. If, however, conditions are such, after a veto, as to make immediate legislation feasible, there are a number of provisions which the Treasury could suggest be handled in such fashion.



MEMORANDUM

PROVISIONS IN THE PENDING TAX BILL
AS RESPECTS ANY IMMEDIATE NEED FOR LEGISLATION

- I. If the President vetoes the tax bill, there is no vital need for any immediate legislation with respect to any of the desirable technical provisions of the bill.
- II. There are, however, a number of desirable technical provisions in the bill with respect to which it would be helpful if they could be enacted into law as early as possible:
 - A. Powers of Appointment -- Section 505 of the bill extends from March 1, 1944 to January 1, 1945 the time within which a power of appointment may be released without the release constituting a taxable transfer of the property. This extension is necessary as taxpayers have relied upon it. While it would be helpful to have the extension become law prior to March 1, the extension may be made retroactively by legislation subsequent to that date. The taxpayers' worries with respect to the possibility of an extension may be allayed by an announcement.
 - B. Statute of Limitations -- Section 513 of the bill extends the statute of limitations in the case of various corporate taxes in certain cases. This provision was inserted at the request of the Treasury. While it would be helpful if the extension became law prior to March 15, 1944 (at which time the statute of limitations with respect to the year 1940 would otherwise expire), the extension could be made retroactively by legislation after March 15. In such a case, it would be desirable that notice be given that the Treasury would request such legislation.

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- C. Provisions Affecting the 1944 Declaration Forms -- A number of the provisions of the tax bill affect the declaration forms to be filed on April 15, 1944. These are: Disallowance of deduction for Federal excise taxes; repeal of the earned income credit; establishment of a flat three percent Victory tax rate; establishment of July 1 as the date to determine the taxpayer's status for exemption purposes; revision of the penalty provisions respecting the estimated tax. If these provisions are ultimately to become law for the year 1944, it would be helpful if the declaration forms could reflect the changes. However, this would require immediate legislation since otherwise the printing of the forms would be delayed too long. The prospects of sufficient immediacy of such legislation are so slight that it is desirable to proceed with the printing of the declarations on the basis of existing law. The change in tax burden in each individual case that would result from the enactment of these provisions is not very large. Consequently, it would be all right to adopt these provisions later in the year and enactment now is not essential. The revision in the penalty provisions would have permitted taxpayers to avoid any penalty for underestimation by relying on last year's income. It would be helpful if taxpayers could fill out their 1944 declarations on the basis of such a provision. While legislation prior to April 15, 1944 would be helpful in this regard, it is possible that an announcement that such legislation would be requested later by the Treasury would serve just about the same purpose.
- D. Social Security Increase -- While the short period elapsing between a veto and March 1, 1944, when the two percent rate would go into effect, might cause employers some difficulty

- 3 -

in adjusting their payroll procedures to the higher rate, it is not believed that the difficulties are such as to warrant the Department's suggesting a statutory extension of the one percent rate until April 1, 1944.

- E. Repeal of the Second Windfall Provision -- The bill contained a provision repealing "the second windfall provision" under the Current Tax Payment Act. If the second windfall is to be repealed, it would be desirable that the repeal occur prior to March 15, 1944 so as to make it unnecessary for taxpayers subject to the provision to fill out the portion of the 1943 return relating to the second windfall. However, if no legislation is desired at this time, the repeal could be postponed until later in the year.
- F. General Technical Provisions -- There are a number of technical provisions in the bill which represent desirable improvements in the present law. However, their adoption could safely be postponed until later in the year. The provisions in which the Treasury are principally interested are: Treatment of 1941-1942 and 1943-1944 fiscal years; change of the withholding rate for aliens brought in by the War Manpower Commission; relief from double taxation on estates and trusts; treatment of mutual fire insurance companies issuing perpetual policies; proper treatment of 80 percent credit in connection with public utility dividends, and revision of credit against preferred tax; administrative corrections in the operation of the post-war credit under the excess profits tax; termination of Governmental exemption in connection with certain excise taxes; revision of credit against Federal unemployment taxes for late payments to State funds; operation of renegotiation provisions under Current Tax Payment

- 4 -

Act; provision dealing with acquisitions of property to evade taxes (there is a question as to the desirability of this provision).

- III. There are a number of provisions in the bill which combine to produce an increased revenue yield of over two billion dollars. These are: repeal of the earned income credit, disallowance of deduction for Federal excise taxes, increase in excess profits rate, various excise tax increases. The first two are not only revenue but simplification provisions, so that their enactment is desirable. The desirability of securing additional revenue from the other sources is in the most part dependent upon the contents of a veto message.
- IV. As indicated in Point I, there is no vital need for any immediate legislation, so that if the desirable policy is to avoid immediate legislation, there is no obstacle to such a policy. If, however, conditions are such after a veto as to make immediate legislation feasible, there are a number of provisions, as indicated in Points II and III, which we could urge should be enacted now. Whether or not we would urge that all of these provisions be enacted now in such a situation depends upon time factors and other considerations which can only be determined after the reaction to a veto message.

TO:

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THE SECRETARY:

Here are two memoranda from Sullivan and Paul on the situation with respect to the Revenue Bill. I have an understanding with every one here that there will be no discussion of this problem until your return, or, if it becomes necessary to discuss it, until we contact you by telephone.

I expect to write you tonight giving some idea as to the financing.

swB

February 21, 1944

Office of the Under Secretary

MEMORANDUM

February 21, 1944.

TO: Mr. D. W. Bell
FROM: Mr. Sullivan

JLS

You will recall that at luncheon on Friday you and I discussed with Mr. Graves and Mr. Cann the arrangements the Bureau of Internal Revenue was making for the printing and distribution of forms.

The Bureau made its plans on the assumption that the Revenue Act of 1943 would become law, and the printing of the Estimated Declarations has already been started. These forms will be in the hands of the taxpayers in ample season for filing on April 15th. It has been agreed that this Estimated Declaration and the accompanying quarterly installment would be sent to the collectors by April 15th rather than March 15th.

To protect the taxpayers and itself in the event that the Revenue Act of 1943 did not become law, the Bureau has prepared plates for the printing of Estimated Declarations based on the Revenue Act of 1942. These plates are all ready for shipment, and if the Revenue Act of 1943 is vetoed, these plates will be sent immediately to the printers. We hope that we will be able to distribute these forms to the taxpayers for filing on April 15th, but the length of time the taxpayers will have them will necessarily be shorter than the time they would have the Declaration forms based on the Revenue Act of 1943.

You will recall that Mr. Graves and Mr. Cann agreed with us that it would be unfortunate to postpone the filing of the Declaration beyond April 15th and that Mr. Graves told us he thought it would be possible to stick by the April 15th date.

February 21, 1944

MEMORANDUM FOR THE SECRETARY

From: Mr. Paul

We are continuing to work closely with the Bureau of Internal Revenue on tax simplification proposals. Mr. Stam served a subpoena on the Bureau asking for their simplification suggestions. The response to this demand has been postponed until Thursday, February 24, to make sure that there will be no conflict between the suggestions made and the President's message to Congress on the tax bill.

We have arranged with the Bureau that the Treasury will submit an objective analysis of the simplification problem and of various possible ways of meeting it, indicating the effects on tax burden distribution and other considerations. This would be sent to Mr. Stam with copies to Chairman Doughton and Senator George at the same time that the Bureau submits its suggestions. Reference would be made in both the Treasury and the Bureau memoranda to the fact that the Treasury and the Bureau had worked together closely on the problem and that the memoranda reflected their combined views.

The Bureau suggestions are to be couched in tentative form and are not to be submitted as recommendations. This will hold the matter open for further study and analysis and avoid too much of a commitment at this stage.





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THE UNDER SECRETARY OF THE TREASURY
WASHINGTON

February 21, 1944.

MEMORANDUM TO THE SECRETARY:

1. REFUNDING

Haas, Murphy and I conferred this morning with Eccles, Smroul, Rouse and Piser on the refunding of the \$4,700 million of bonds and notes maturing between March 14th and June 16th. We all agreed that we should refund this entire lot in one operation, to be offered about March 2nd; that we would leave the books open for the larger subscribers for a period of about a week and leave them open for the balance of the time up to March 15th for those holding \$100,000 or less. There was one suggestion which we want to further explore -- that the books be left open for the small holder of, say, \$10,000 for the entire period up to the maturity of the security. We all agreed, subject of course to changes in the market between now and the date of the offering, that there should be offered in exchange for these outstanding securities a 1-1/2% note maturing either in June or September 1948, and the 2-1/4% bond of 1956-59 and the 2-1/2% bond of 1965-70 offered in the drive. We agreed that there should be no indication to the market regarding this refunding until possibly Monday, the 28th, at which time you can announce at your press conference that we intend to offer a refunding operation on the 2nd. Table of securities to be refunded is attached.

2. FIFTH WAR LOAN

Present cash position estimates indicate that we will have a cash balance going out of April of about \$9,500 million, and going out of May of about \$4,700 million. This means that we should have some financing in June. I have scheduled a Fifth War Loan for June of \$14 billion. If we do not have another loan drive until after election, it would be necessary to raise at least \$10 billion through bank financing in, possibly, August and October. Even with this our balances would get down to between \$5 and \$6 billion in September and possibly below \$5 billion in October and may even go below \$2-1/2 billion if the drive doesn't start until the middle of November. At any rate I am certain that the Fifth War Loan Drive shouldn't start later



- 2 -

than June 15th and preferably June 1st and it should not be for less than \$14 billion and if we can make it more, it would reduce our bank financing.

3. ALTERNATIVE

I have been turning this possibility over in my mind -- We have maturing on May 1st a certificate of indebtedness in the amount of \$1,600 million. When we roll this over we could add another \$1,500 million, which would give us some additional cash. Then make the Fifth War Loan a \$20 or \$22 billion operation with the right in every subscriber who subscribes for \$100 or more to pay for those securities in installments over a period of, say, five months. This should materially increase the purchases from individuals, insurance companies and others. If we could be successful in a War Loan Drive of this size and raise as much as \$22 billion, I believe that we could, with about the same amount of bank financing as under 2 above, go into December and possibly January before we have the Sixth War Loan. It would have the advantage also of putting the drives on a basis of three a year. I talked a little about it last night with Ted Gamble and he thought it had great possibilities, if we could work out the installment feature. I am working on that and am not quite ready yet, but I hope by the time you get back to say whether the mechanics can be developed.

Mr. Paul didn't get his memorandum on the Tax Bill to me in time to include with my note of today. I am therefore attaching it to this letter. (detached Paul's memo on Tax Bill 2/2/44)

SWB

SECURITIES (EXCLUDING CERTIFICATES
OF INDEBTEDNESS) MATURING OR CALLABLE
BETWEEN MARCH 1 AND JUNE 30, 1944

(In millions of dollars)

Issue	Callable or maturity date	Total outstanding
Treasury notes, 1% Series B-1944.....	March 15	\$ 515
Federal Farm Mortgage Corporation bonds, 3-1/4% 1944-64	March 15	95
Reconstruction Finance Corporation Notes, 1% Series W	April 15	571
Treasury Bonds, 3-1/4% 1944-46	April 15	1,519
Home Owners Loan Corporation Bonds, 3% 1944-52	May 1	779
Federal Farm Mortgage Corporation Bonds, 3% 1944-49	May 15	835
Treasury Notes, 3/4% Series A-1944	June 15	415
		<u>\$4,729</u>

February 21, 1944

EXECUTIVE ORDER

9425

ESTABLISHING THE SURPLUS WAR
PROPERTY ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes of the United States, particularly the First War Powers Act, 1941, as President of the United States and as Commander in Chief of the Army and Navy, it is hereby ordered as follows:

1. There is hereby established in the Office of War Mobilization, the Surplus War Property Administration (hereinafter referred to as the "Administration"), the powers and functions of which, subject to the general supervision of the Director of War Mobilization, shall be exercised by an Administrator (hereinafter referred to as the "Administrator"), to be appointed by the Director of War Mobilization.

2. With the assistance of a Surplus War Property Policy Board, composed of a representative from each of the following: State Department, Treasury Department, War Department, Navy Department, Justice Department, Reconstruction Finance Corporation, Smaller War Plants Corporation, United States Maritime Commission, War Production Board, Bureau of the Budget, War Food Administration, Federal Works Agency, Civil Aeronautics Board, and the Foreign Economic Administration, it shall be the function of the Administration, to the full extent that such matters are provided for or permitted by law:

(a) To have general supervision and direction of the handling and disposition of surplus war property.

(b) To have general supervision and direction of the transfer of any surplus war property in the possession of any Government agency to any other Government agency whenever in the judgment of the Administration such transfer is appropriate.

(c) Unless otherwise directed by the Director of War Mobilization, to assign, so far as it is deemed feasible by the Administration, surplus war property for disposition, as follows: consumer goods to the Procurement Division of the Department of the Treasury; capital and producers' goods, including plants, equipment, materials, scrap and other industrial property, to a subsidiary of the Reconstruction Finance Corporation, created pursuant to Section 5d (3) of the Reconstruction Finance Act, as amended; ships and maritime property to the United States Maritime Commission; and food to the War Food Administration; provided that surplus war property to be disposed of outside the United States, unless otherwise directed by the Director of War Mobilization, shall be assigned, so far as it is deemed feasible by the Administration, to the Foreign Economic Administration.

3. All functions, powers, and duties relating to the transfer or disposition of surplus war property, heretofore conferred by law on any Government agency may, to the extent necessary to carry out the provisions of this order, be exercised also by the Administration.

4. The Administrator may prescribe regulations and issue directions necessary to effectuate the purposes of this order; and no Government agency shall transfer or dispose of surplus war property in contravention thereof. Each Government agency shall submit

such information and reports with respect to surplus war property and in such form and at such times as the Administrator shall direct. When requested by the Administration, a Government agency shall execute such documents for the transfer of title or for any other purpose or take such steps as the Administration shall determine to be necessary or proper to transfer or dispose of surplus war property or otherwise to carry out the provisions of this order.

5. The Administrator may perform the functions and exercise the powers, authority, and discretion conferred on the Administration by this order by such officials and such agencies and in such manner as the Administrator, subject to the provisions of this order, may determine. In carrying out the purposes of this order, the Administration may utilize the services of any other Government agency. The Administration, within the limit of funds which may be made available, may employ necessary personnel and make provision for supplies, facilities, and services necessary to discharge the responsibilities of the Administration.

6. As used in this order:

(a) "Government agency" means any executive department, independent establishment, agency, commission, board, bureau, division, administration, office, service, independent regulatory commission or board, and any government-owned or government-controlled corporation.

(b) "Surplus War Property" means any property, real or personal, including but not limited to plants, facilities, equipment, machines, accessories, parts, assemblies, products, commodities, materials, and supplies in the possession of or controlled by any Government agency, whether new or used, in use or in storage, which are in excess of the needs of such agency or are not required for the performance of the duties and functions of such agency and which are determined, subject to the authority of the Office of War Mobilization, to be surplus by such agency.

7. All prior Executive Orders, in so far as they are in conflict herewith, are amended accordingly.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

February 19, 1944.

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

February 21, 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 9, 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.

Em B

FEDERAL RESERVE BANK
OF NEW YORK

February 18, 1944.

CONFIDENTIAL

Dear Mr. Secretary:

Attention: Mr. H. D. White

I am enclosing our compilation for the week ended February 9, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Faithfully yours,

/s/ L. W. Knoke

L. W. Knoke,
Vice President.

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

C O P Y

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

Week Ended February 9, 1944 Strictly Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)										BANK OF FRANCE		
	D E B I T S				C R E D I T S					Net Incr. (+) or Decr. (-) in £ Funds (d)	Total Debits (e)	Total Credits (e)	Net. Incr. (+) or Decr. (-) in £ Funds (d)
	Total Debits	Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Gold	Securities (Official) (b)	Transfers from 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
War 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
<u>1943</u>													
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-
November	65.9	42.4	5.9	17.6	89.0	-	-	3.5	85.5	+ 23.1	-	-	-
December	98.1	16.3	-	81.8	134.5	-	-	36.5	98.0	+ 36.4	-	-	-
<u>1944</u>													
January	44.8	22.2	10.6	12.0	127.5	-	-	1.0	126.5	+ 82.7	-	-	-
February													
March													
April													
May													
June													
July													
August													
<u>Week Ended</u>													
January 19, 1944	10.1	6.9	0.3	2.9	66.3	-	-	-	66.3	+ 56.2	-	-	-
January 26, 1944	5.1	2.5	-	2.6	6.5	-	-	-	6.5	+ 1.4	-	-	-
February 2, 1944	17.0	2.8	9.6	4.6	15.7	-	-	6.0	9.7	- 1.3	-	-	-
February 9, 1944	61.4 (1)	7.1	-	54.3 (1)	32.8 (k)	-	-	15.0	17.8(k)	- 28.6	-	-	-

Expenditures Since Outbreak of War

1940 \$19.6 million

1941 \$27.6 million

England (through June 30, 1940 to March 12, 1941) \$54.9 million

England (since March 12, 1941) \$20.5 million

See attached sheet for footnotes.

Regraded Unclassified

- (a) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this Bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1940 amounted to \$334 million.
- (c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the requisitioning of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.
- (d) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (e) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (g) For monthly breakdown see tabulations prior to April 23, 1941.
- (h) For monthly breakdown see tabulations prior to October 8, 1941.
- (i) For monthly breakdown see tabulations prior to October 14, 1942.
- (j) For monthly breakdown see tabulations prior to September 29, 1943.
- (k) Includes \$ 14.4 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports.
- (l) Of which \$50.3 million represents cost of gold purchased for export.

ANALYSIS OF CANADIAN AND AUSTRALIAN ACCOUNTS
(In Millions of Dollars)

Week Ended February 9, 1944

Strictly
Confidential

PERIOD	BANK OF CANADA (and Canadian Government)									COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)							
	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		Other Credits	Net Incr. (+) or Decr. (-) in \$Runds	Total Debits	Transfers to Official British A/C	Other Debits	Total Credits	Proceeds of Gold Sales	Other Credits	Net Incr. (+) or Decr. (-) in \$Runds	
						For Own A/C	For French A/C										
First year of war (a)	323.0	16.6	306.4	504.7	412.7	20.9	38.7	32.4	+ 181.7	31.2	3.9	27.3	36.1	30.0	6.1	+ 4.9	
War period through December, 1940	477.2	16.6	460.6	707.4	534.8	20.9	110.7	41.0	+ 230.2	57.9	14.5	43.4	62.4	50.1	12.3	+ 4.5	
Second year of war (b)	460.4	-	460.4	462.0	246.2	3.4	123.9	88.5	+ 1.6	72.2	16.7	55.5	81.2	62.9	18.3	+ 9.0	
Third year of war (c)	525.8	0.3	525.5	566.3	198.6	7.7	-	360.0	+ 40.5	107.2	57.4	49.8	112.2	17.2	95.0	- 5.0	
Fourth year of war (d)	723.6	-	723.6	958.8	47.1	170.4	-	741.3	+ 235.2	197.0	155.1	41.9	200.4	-	200.4	+ 3.4	
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	+ 39.2	42.8	40.5	2.3	26.5	-	26.5	- 16.3	
November	13.4	0.1	13.3	95.1	-	5.9	-	89.2	+ 79.7	6.6	3.5	3.1	18.2	-	18.2	+ 11.6	
December	146.8	0.3	146.5	55.1	-	-	-	55.1	- 91.7	39.7	36.5	3.2	27.0	-	27.0	- 12.7	
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																(b)	
January 19, 1944	6.7	-	6.7	16.1	-	0.3	-	15.8	+ 9.4	0.3	-	0.3	0.3	-	0.3	+ 5.7	
January 26, 1944	6.0	-	6.0	12.7	-	-	-	12.7	+ 6.7	0.1	-	0.1	8.8	-	8.8	+ 9.8	
February 2, 1944	13.8	-	13.8	19.7	-	9.6	-	10.1	+ 5.9	6.3	6.0	0.3	15.9	-	15.9	+ 9.8	
February 9, 1944	2.7(f)	-	2.7	44.4(f)	23.1	-	-	21.3(g)	+ 41.7	16.1	15.0	1.1	1.0	-	1.0	- 15.1	

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 9, 1944)

12.0 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 or maturing in one year.

(f) Does not reflect transactions in short-term U.S. securities.

(g) Includes \$ 15.1 million received from the Canadian Chartered Bank.

**BRITISH AIR COMMISSION**

1785 MASSACHUSETTS AVENUE

WASHINGTON, D. C.

TELEPHONE HOBART 9000

PLEASE QUOTE

REFERENCE NO.

With the compliments of British Air Commission
who enclose Statements Nos. 124 and 125 — Air-
craft Despatched — for the weeks ended February
8th and February 15th respectively.

The Honourable Henry Morgenthau, Jr.
Secretary of the Treasury
WASHINGTON, D. C.

February 21, 1944.

Aircraft Despatched from the United States
Week Ended February 8, 1944

TYPE	DESTINATION	ASSEMBLY POINT	BY SEA	BY AIR	FLIGHT DELIVERED FOR USE IN CANADA
<u>BOEING</u>					
Fortress III	U.K.	U.K.		13	
Catalina IV B	U.K.	U.K.		2	
<u>CONSOLIDATED</u>					
Liberator B VI	M.E.	M.E.		3	
Liberator B VI	India	India		8	
Liberator GR VI	U.K.	U.K.		5	
Liberator GR VI	Bahamas	Nassau		2	
<u>GLENN MARTIN</u>					
Marauder II	M.E.	M.E.		2	
Baltimore V	M.E.	M.E.		23	
<u>NORTH AMERICAN</u>					
Mitchell II	U.K.	U.K.		13	
Mustang	N.W. Africa	Casablanca	14		
Mustang	U.K.	U.K.	3		
<u>VEGA</u>					
Ventura GR V	U.K.	U.K.		1	
Ventura GR V	U.K.	U.K.		3	
Ventura GR V	S. Africa	S. Africa		3	
<u>DOUGLAS</u>					
Dakota III	U.K.	U.K.		41	2
Dakota III	Canada	Canada			
<u>BEECH</u>					
Beech C45 B	Canada	Canada			11
<u>FAIRCHILD</u>					
Cornell I	Canada	Canada			5
Cornell PT26 B	India	Karachi	19		
Argus	N.W. Africa	Oran	10		
<u>STINSON</u>					
Reliant	India	Cochin	9		
Reliant	U.K.	U.K.	8		
<u>GRUMMAN</u>					
Wildcat	U.K.	U.K.	4		
Hellcat	U.K.	U.K.	1		
Avenger	U.K.	U.K.	8		
<u>VULTURE</u>					
Vengeance	U.K.	U.K.	10		
Vengeance	Australia	Sydney	7		
<u>CURTISS</u>					
Kittyhawk	N.W. Africa	Casablanca	17		
TOTAL: 110				119	18

Movements Division
British Air Commission
February 14, 1944

STATEMENT NO. 125
Aircraft Despatched from the United States
Week Ended February 15th, 1944

<u>TYPE</u>	<u>DESTINATION</u>	<u>ASSEMBLY POINT</u>	<u>BY SEA</u>	<u>BY AIR</u>	<u>FLIGHT DELIVERED FOR USE IN CANADA</u>
<u>BOEING</u>					
Fortress III	U.K.	U.K.		7	
<u>CONSOLIDATED</u>					
Liberator B-VI	M.E.	M.E.		2	
Liberator B-VI	India	India		1	
Liberator GR VI	U.K.	U.K.		3	
Liberator GR VI	India	India		3	
<u>NORTH AMERICAN</u>					
Mitchell II	U.K.	U.K.		1	
Mitchell II	Bahamas	Nassau		1	
Mitchell II	Canada	Canada			2
Harvard	S. Africa	Capetown	7		
Mustang	U.K.	U.K.	2		
<u>VEGA</u>					
Ventura GR V	U.K.	U.K.		1	
tura GR V	M.E.	M.E.		1	
Ventura GR V	S. Africa	S. Africa		6	
<u>GLENN MARTIN</u>					
Baltimore V	M.E.	M.E.		2	
<u>DOUGLAS</u>					
Dakota III	U.K.	U.K.		49	
<u>BERGE</u>					
Expediter	Canada	Canada			6
<u>FAIRCHILD</u>					
Cornell PT 26A	S. Rhodesia	Capetown	70		
<u>VULTEE</u>					
Vengeance	U.K.	U.K.	22		
<u>NOORDUYN</u>					
Harvard	U.K.	U.K.	21		
<u>GRUMMAN</u>					
Helicat	U.K.	U.K.	5		
Avenger	U.K.	U.K.	15		
<u>STINSON</u>					
Reliant	U.K.	U.K.	8		
TOTAL:				150	77
					8

Movements Division
British Air Commission

February 21, 1944
mmh

COPY

WU37 17 GOVT COLLECT

TDVY BOCAGRANDE FLO FEB 21 255P 1944

SECRETARY OF TREASURY

ATTENTION JOHN PEHLE, YOUR LETTER OF 19TH AT HAND
APPROVE YOUR SUGGESTION CONTAINED IN SAID LETTER
HENRY MORGENTHAU JR.

420P.

(Re proposed declaration by President)

Quincy Howe CBS World News 12:00 noon 2/21/44

There are not many items in today's war news that can give much satisfaction to our enemies. The Japanese have taken beatings in the Central and southwest Pacific. The German retreat in Russia continues; in fact, the Germans admit that they have begun to withdraw in two regions on the central and southern fronts where the Russians have not yet claimed any gains. In Italy, the American and British troops on the Anzio beachhead just south of Rome have stopped the heaviest German attack yet - inflicting big losses on the enemy. And American and British bombers are steadily stepping up their attacks on Germany's vital aircraft industry.

The final defeat of Germany and Japan never looked so certain as it does right now. But it is equally certain that we cannot hope to make that defeat complete without still greater efforts and sacrifices. Our fighting forces have now gained the initiative and gone onto the offensive almost everywhere. But any offensive is a costly, risky business. It's therefore none too soon to begin asking what we expect to gain and accomplish as a result of our efforts and sacrifices - past, present, and future.

A short time ago, President Roosevelt made clear to all the world at least one of the things that this country proposes to do. He set up a new organization known as the War Refugee Board. The purpose of this War Refugee Board will be to save the lives of some two or three million persons in Europe whom the Germans are going to try to exterminate before the war ends. As you know, Hitler has already made it the settled policy of Germany to kill every one of the five million or more Jews who were living in various parts of Europe when the war began. So far he has gotten rid of nearly half of them. But it is not only the

- 2 -

Jews that Hitler is after. The Germans have also exterminated hundreds of thousands of Poles - and in every country that the Germans have occupied, thousands of men, women, and children are marked for annihilation at the hands of the Nazis.

Now that the fortunes of war have swung our way, President Roosevelt has decided that the time has come when the United States of America can do something to save all these people - who number several millions. He therefore selected an extremely able young administrator - John Poley - to set up a small, efficient organization with wide powers to get these intended victims of the Nazis out of Nazi hands. Most of the intended victims live outside Germany in the various satellite countries - especially Rumania, Hungary and Spain. The satellite countries do not persecute the refugees from Germany as ruthlessly as the Germans do - and as the satellites begin to lose faith in a German victory they will want to get in well with the winning side by refusing to play Hitler's game. In some cases, the leaders of the satellite countries are only too glad to break away from the Germans; in other cases, they are reluctant. But the determining factor will not be their own preferences, but our power and our policy.

This is where the War Refugee Board comes in. From now on it is going to be the policy of the United States to use its power to get some millions of helpless persecuted people in Europe out of the hands of the Germans. It is to be a life-saving expedition - nothing more and nothing less. For the storm that the Nazis released over Europe has worked like a natural catastrophe - an earthquake, a flood, or a famine - and it has always been the policy of the

United States Government and the desire of the American people to save human lives. We have done the same thing again and again - for the Chinese, the

Armenians, the Belgians, the Russians. Twenty years ago at the time of the Tokyo earthquake we even sent relief to the Japanese.

Yesterday's New York Times contained a dispatch from Ankara, the Turkish capital, showing how the War Refugee Board has begun to operate. It seems that Mr. Ira A. Hirschmann, vice president of Bloomingdale's big department store, here in New York, arrived in Turkey to see what he can do to get people out of nearby countries to places of safety. Mr. Hirschman will be the first and only United States citizen in Turkey to be allowed to trade with the enemy - and the enemy includes the satellite countries as well as the Germans - if he can get them to release some of the men, women, and children whom the Germans have worked for extermination.

Once these unfortunate people get out of Hitler's clutches, the responsibility of the United States Government ends. From that point on, private charities and relief organizations will take over. Camps are available in which the refugees will be able to live in safety. As for their future - where they will go and what will become of them when the war is over that will be a matter for all the nations who take part in the final peace settlement to decide. This new War Refugee Board has only one concern - to save lives now.

The program of the War Refugee Board is one of which all Americans can be proud. It shows that as the climax of the greatest war in history draws near, we are preparing to use our growing power and our coming victory for humane purposes. And it has great practical importance, too. This move to help those who have suffered most from Nazi oppression reassures everyone who wants to see the Nazis crushed that we are not fighting for ourselves alone.

- 4 -

And this is an important idea to get across - if only as a means of saving American lives. For we have in Europe many millions of allies - far more numerous and far more powerful than the two or three million helpless refugees whom the Nazis want to exterminate. And there is no better way for us to show our determination to help the victims of the Nazis help themselves than this move to help those who stand in the greatest need. A year or two ago, a War Refugee Board could have accomplished little or nothing. We did not have the power then to bring any pressure to bear on Rumania, Hungary, Spain, and other countries more or less in the Axis camp. But the approach of victory changes all that. The time has therefore come for us to make some positive move that will weaken our enemies where they are weakest and to strengthen ourselves where we are strongest. Our enemies have used cruelty and oppression for all they are worth - and defeat has now begun to overtake them. We are preparing to use our power in behalf of the humane purposes for which we fight. And an investment in humanity is also an investment in victory.

FEB 21 1944

My dear Mr. President:

The attached memorandum presents the position of Treasury and State, respectively, on the question whether we should commit ourselves now to place dollars to the credit of governments-in-exile for their currencies furnished to us during liberating operations to the extent that such currencies are used for troop pay.

State Department prepared the portion of the memorandum setting forth its position and has agreed that I should present the question to you in this manner. Would you please indicate which position you favor?

Faithfully yours,

(Signed) D. W. Bell

Acting Secretary

The President

The White House

LCA:meu
2/21/44

(C O P Y)

FEB 21 1944

MEMORANDUM FOR THE PRESIDENT:

Re: Positions of State and Treasury Departments
on Negotiations with Exiled Governments
Concerning Use of Their Currency for Military
Operations.

There have recently been discussions between State, Treasury, War and Navy Departments and informal talks with the Belgians concerning a proposed agreement governing the use by our armed forces of Belgian currency during liberating operations. Such agreement would serve as a model for similar arrangements with other exiled governments.

All parties agree that, in general, the question of final settlement for the currency furnished by the governments-in-exile should be postponed to a later date. The main point of difference is whether we should make an exception to this policy in the case of troop pay and commit ourselves now to place dollars to the credit of Belgium to pay for the Belgian francs used for troop pay in Belgium and expended by our troops in the Belgian market.

The War and Navy Departments indicate that their primary concern is obtaining the Belgian francs and that it is immaterial to them how or when the francs are paid for. It is believed that the Belgian government will probably abide by any decision which our government makes although they would, of course, prefer a present payment of dollars.

Treasury Position:

Treasury favors making no present commitment to pay dollars to Belgium for Belgian francs used for troop pay. It is unnecessary and undesirable to discuss now such difficult questions as are obviously inherent in any discussion of the ultimate settlement of expenditures involved in these military operations. Settlement of claims and counterclaims should be postponed until it is possible to get a clearer

- 2 -

picture of the over-all situation. For the present it is important only that careful records of all such expenditures be maintained for future reference at a time mutually satisfactory to ourselves and the government of the country concerned. An agreement now to pay dollars to Belgium for francs used for troop pay would constitute a piece-meal settlement. It would lead into immediate discussions as to the eventual status of other items of expenditure. Unless at the outset we take a clean-cut position in favor of postponement of all settlement questions, we will be faced with the likelihood of time-consuming discussions and controversy with the exiled governments at the expense of the war effort and of our future bargaining position.

We should not too lightly proceed upon the assumption that we are under a legal or moral obligation to compensate Belgium for items of this character. Historically, and under international law, a strong case can be made out that the U.S. has no obligation for these expenditures and--on the contrary--we are entitled to full compensation from the countries liberated to cover all of our costs in such areas. Under these circumstances, the voluntary assumption of liability by the Executive at this time may justifiably make us the target for "hind-sight" criticism. Postponing settlement will give us the advantage of being able to make settlements and adjustments in the light of all pertinent information and also make possible appropriate consultation with Congress if that should be deemed necessary or desirable.

Postponing settlement of the item of pay of troops at this time in no sense is inconsistent with our policy of bearing the burden of the pay of our own soldiers. Obviously the War Department appropriation would be charged with the whole amount of troop pay--just as it always has. The only point would be that the Army would buy the local currency needed for this purpose from the United States Treasury rather than from some bank or foreign government. The Treasury in turn would hold the proceeds in a special account pending over-all settlement with the countries involved. This is precisely the arrangement now in effect in connection with the Italian campaign.

State Department Position:

The proposal to defer until some indefinite future date the question of what, if anything, we will do about the pay of our own troops involves a discrimination against certain of our allies based upon the fact that they have been unfortunate enough to have their territories overrun by the enemy. In every other allied country, we pay our troops. The proposal, in effect, is that we treat our allies in Europe the same way we are treating Italy, a defeated enemy.

The Department of State feels that such a discrimination would involve serious political difficulties, particularly in view of the fact that the British propose to follow a different policy. Even though we may be more generous than the British in terms of any ultimate settlement regarding the financial cost of reoccupation, the fact that we are not paying currently for our troops and that the British are paying for theirs will inevitably be contrasted to our disadvantage.

The political disadvantages are increased by the fact that troop pay in itself will undoubtedly be an irritating factor in our relations with the countries where our troops are stationed. American troops are well paid and are free spenders. They are not limited in the proportion of their pay which they may spend in overseas areas (as the British are), although the Army makes every effort to encourage savings. The spectacle of American troops spending in the impoverished countries of Europe great quantities of the newly printed money of the exiled governments is not going to improve our relations with those countries or foster popular confidence in accepting the new currencies the troops are spending freely if it is supposed that this is all at the expense of the governments they are bringing back. The course of action which has been proposed smacks of the practices of our enemies and comes close to making mercenaries of our troops.

The Department doubts that deferring settlement of troop pay would give us any real advantage in the settlement of

- 4 -

other financial questions arising out of liberation. The allied governments will feel strongly that they are entitled to receive the money, particularly in view of our practice in other areas and of the British practice. It is difficult to see how we can expect to derive bargaining power, when we come to a settlement, from agreement to pay something which our Allies will regard us as morally bound to pay.

(COPY)

February 21, 1944

Dear Mr. Stettinius:

Attached is a copy of a letter to the President and memorandum enclosed therewith, which I have just sent to the White House. The letter and memorandum were cleared with Mr. Reinstein of the State Department.

Sincerely yours,

s/ D. W. Bell

Honorable E. R. Stettinius, Jr.
State Department
Washington, D. C.

Enclosures

LCA:ew
copy:ka

OM-670

PLAIN

Algiers

Dated February 21, 1944

Rec'd 2:43 a.m., 22nd.

Secretary of State,

Washington.

564, twenty-first

FROM FRYER FOR LEHMAN NO. 9.

Reference Lehman 14 and FEA 233 January 24. Distribution of relief monies transferred here for use of Friends stymied. Have recommended that Thomas P. Cope, agent cashier now UNRRA, be authorized to act for FEA. Better and immediately practical way to utilize this money for relief of refugees is to authorize disbursing officer Algiers to reimburse Friends for expenditures made from their private funds upon presentation of properly certified subvouchers covering their disbursements for relief. If such authority can be granted Friends will use nearly all twenty thousand before June 30 and JDC representative could use allotment you propose to make. Otherwise present disbursing procedure too inflexible and cumbersome to permit use of monies for relief purposes and Friends will have great difficulty in expending allotment made in their behalf before end fiscal year.

EMB

CHAPIN

FEB 21 1944

TO: Mr. Stettinius

FROM: Mr. Pehle

Attention: Mr. Warren

Attached hereto are proposed cables to Ambassador Wilson in Algiers and to Mr. Michael L. Hoffman, Senior United States Treasury Representative in Algiers, designating Mr. Leonard E. Ackerman, United States Treasury Representative in French Africa, as Special Representative of the War Refugee Board. You will note that this designation has been made with the approval of the Treasury Department.

You will note that we are not requesting at this time that Mr. Ackerman be accorded diplomatic status as Special Attaché. For the present he will retain his status as United States Treasury Representative under assignment of the War Refugee Board. It is planned he will continue with his duties as Treasury Representative in so far as they do not interfere with his work for the Board.

(Signed) J.W. Pehle

Enclosures.

JWB:steer
2/18/44

TABLE

CABLE TO AMBASSADOR WILSON, ALGERIA, FROM THE STATE DEPARTMENT

Please refer to Department's airmail of January 26 in regard to the establishment of the War Refugee Board.

The Acting Director of the Board, John W. Pehle, and the Treasury Department have worked out an arrangement whereby Leonard B. Ackermann, United States Treasury Representative in French Africa, has been designated as Special Representative of the Board. It is understood that he will continue with his duties as United States Treasury representative in so far as they do not interfere with his work as Special Representative of the Board.

You should advise Ackermann that as representative of the War Refugee Board -

- (a) he is charged with the duty and responsibility of carrying out the Board's policies and progress in French North Africa;
- (b) he is responsible to you and should discuss his activities and problems with you regularly and fully;
- (c) you should provide him with the necessary communications facilities in carrying on his official duties;
- (d) he shall extend all possible assistance to you in carrying out the instructions contained in the Department's reference communications;
- (e) he shall work with and give all possible assistance to public and private agencies operating in French Africa in this field regardless of whether such organizations are American, foreign, or international;
- (f) he shall develop and assist in the development of programs and implementation of measures for the rescue, transportation, maintenance and relief of refugees;
- (g) he shall forward to the Board recommendations and frequent reports of progress of work and difficulties encountered;
- (h) in so far as the Trading with the Enemy Act is concerned, the Secretary of the Treasury has vested in the War Refugee Board and its representatives in the field full authority to communicate with enemy territory to carry out the purposes of the Order. The Secretary of

- 2 -

the Treasury has also delegated to the War Refugee Board and its representatives the power to authorize any public or private agencies, who may be subject to the provisions of our Trading with the enemy Act, to communicate with enemy territory for the purpose of carrying out the Order. Ackermann is authorized to act accordingly.

Further instructions will follow from time to time. Meanwhile it is suggested that Ackermann immediately contact the UNRRA representative in the North African area with a view toward familiarizing himself thoroughly with the program under which it is contemplated that certain refugees in Spain will be transported to Camp Marechal Lyautey near Casablanca.

JAD:Kols:cew
2/12/44

CABLE

CABLE TO AMBASSADOR WILSON, ALGIERS, FOR HOFFMAN FROM THE SECRETARY OF THE TREASURY.

FOR WILSON FOR HOFFMAN FROM SECRETARY MORGENTHAU.

Reference is made to Telegram No. 330 of January 29, your No. 433 of February 10, and Department's Airgram of January 26. State Department's cable of (take in number, etc. of cable to Ambassador Wilson, Algiers, designating Ackermann) designates Leonard H. Ackermann, United States Treasury representative in French Africa as Special Representative of the War Refugee Board. This designation has my full approval. It is understood that Ackermann may continue his duties as United States Treasury representative in French North Africa in so far as they will not interfere with his work as representative of the Board.

As Senior Treasury Representative you will of course cooperate fully with Ackermann in the important task which has been assigned to him.

JHM:Bois:ccr
2/12/44

O
P
Y
EGC-479

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

Casablanca

Dated February 21, 1944

Rec'd 8:20 p.m.

222

Secretary of State

Washington

44, February 21, noon

Banque d'Etat du Maroc informed me that it has received from Federal Reserve Bank of New York, through its central office Rabat, 100,000 dollars to be turned over to myself and Moses W. Beckelman. This is presumably connected with similar transaction whereby my British colleague has received equivalent of same sum towards cost of refugee center. British Consul is instructed as soon as same amount is forthcoming from the United States Government to deposit amount in bank account on which Director of the Center (the above Mr. Beckelman) is authorized to draw. Consul says he is then completely disassociating himself from all further responsibility in the matter.

I have received no instructions as to the above joint account with Beckelman and request authorization to turn over sum to him against receipt thus relieving me of any financial responsibility for his acts as Director of Center. Consulate should not be involved further in my opinion.

RUSSELL

WTD

FEB 22 1944

LFB-466

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

Ciara

Dated February 21, 1944

Rec'd 6:47 p.m.

Secretary of State,

Washington.

397, February 21, 6 p.m.

FOR FEA SHORT

Reference our cable 1616 of September 8, 1943,
dealing with markings for Lease-Lend shipments to
Middle East medical reserve stock (civilian).

Please discontinue marking "In transit to Palestine,"
as stock is now being stored in Egypt.

KIRK

EJH

O
P
Y
MJB-362

PLAIN

London

Dated February 21, 1944

Rec'd 1:02 p.m.

Secretary of State,
Washington.

1439, Twenty-first.

Reference last sentence Department's telegram
626, January 25.

Foreign Office has replied to our letter in the
matter as follows:

"His Majesty's Government welcome the proposal
that a representative of the Inter-Governmental
Committee should be attached to MERRA and if the
latter is merged in UNRRA then it would appear that there
would be scope for cooperation between the latter and
the Inter-Governmental Committee to be extended to
that territory in accordance with the general agree-
ment recently reached regarding the relations between
UNRRA and the Inter-Governmental Committee. If you
agree we can jointly inform Emerson accordingly so
that he can proceed with necessary arrangements in
Cairo."

Please inform us when Cairo is instructed.

REP

WINANT

cc: Pehle, Lesser, Luxford, Friedman, DuBois, E.M. Bernstein, Pollak,
Chauncey for the Secretary, Gaston, Paul, White, Bundy, Stewart.

FEB 21 1944

To: Mr. Stettinius

From: J. W. Pehle

Attached is a proposed cable to Bern relating to the precarious position of Polish Jews interned in France as citizens of the United Nations because they hold passports issued to them by various Latin American countries, and of the persons in Switzerland who were instrumental in securing such passports for them. Unless action is taken promptly, there is danger that the Germans will no longer recognize such passports and will deport their holders to Poland, and that the Swiss Government may take punitive action against the people in Switzerland who enabled the internees to procure such passports.

This matter was first raised by our Embassy at London (No. 12822 from London, December 18, 1943) but there have been other sources of information (see No. 8114 to London, December 23, 1943; No. 319 to Istanbul, December 29, 1943) including the Polish Embassy at Washington (Memorandum of the Polish Embassy, December 24, 1943) and the Polish Legation at Lima (No. 8655 from Lima, December 29, 1943). The most recent information on the subject is contained in a letter addressed to Assistant Secretary Long by the Agudath Israel Youth Council, dated January 27, 1944. The matter was referred, through London, to the Intergovernmental Committee for investigation with the Swiss Government (Nos. 8114, 8190, and 281 to London, December 23 and 28, 1943, and January 11, 1944, respectively). Apparently, however, no word has as yet been received from the Intergovernmental Committee.

On January 11, 1944, the Department of State informed the Polish Embassy by memorandum that it had been advised by the Government of Paraguay that Paraguay had not cancelled and did not intend to cancel the passports it had issued to Polish Jews, and further, that the Department had referred the matter to the Intergovernmental Committee with the request that it endeavor to stay the deportations of persons

- 2 -

involved. This memorandum concluded with the statement that the Department of State proposed to take any further steps which it could.

In view of the lapse of time since the matter was referred to the Intergovernmental Committee and the apparent absence of any response, I feel that the attached cable should be transmitted to Bern with all possible speed.

(Signed) J.W. Pehle

CC: Messrs. Pehle, DuBois, Luxford, Friedman and Miss Hodel

LSLesserials 2/16/44

PROPOSED CABLE TO MINISTER HARRISON AT BERN

The Polish Embassy at Washington has advised the Department that information has been received by the Polish Minister at Bern to the effect that the Spanish Ambassador at Berlin, acting upon alleged instructions of the Government of Paraguay, intends to revoke passports issued by the Paraguayan consul at Bern to Polish Jews, who, by reason of having such passports, are interned only as citizens of one of the United Nations. The Polish Embassy has further advised the Department that on December 12, a German commission arrived at the camp where these Polish Jews are interned and picked up, for verification, all passports of allied governments in the possession of Jews. The Polish Embassy stated that the Polish Government was taking steps to persuade the interested governments to maintain the validity of the passports in question during the war and suggested that the intervention of this Government would be helpful.

Mr. Michael G. Tress, Chairman, Agudath Israel Youth Council, has submitted a memorandum to the Department dated January 27, 1944, the substance of which is as follows:

"(1) The Swiss Government is maintaining a negative attitude to the problem of Jewish internees in French camps who possess South American or Latin American passports. It is, therefore, necessary that intervention be made with the Swiss in an endeavor to have them take a positive viewpoint of the problem and to get the Swiss Government to give positive answers especially when they come from German authorities. (2) It is essential that the Swiss Government be informed that the Government of Paraguay has not cancelled the passports of Jewish internees in Camp Vittel and is not considering such cancellation. (3) It is necessary that special intervention be made for the recognition of the passports of Jewish families interned in Camp Vittel who possess the following passports:

Honduras	30 families
Peru	18 "
Costa Rica	28 "
Ecuador	18 "
Nicaragua	4 "
Haiti	4 "
Venezuela	Several families

(4) The Swiss Government is creating many difficulties for our Committee (Agudath Israel Youth Council) in Switzerland because the Committee was instrumental in obtaining passports to save the lives of Polish Jews. The Swiss are threatening to punish these religious leaders for this action.

- 2 -

It is, therefore, essential that intercession be made with the Swiss Government to influence the Justice Department to deal with this problem in a humanitarian manner."

Refer Bern 251, January 25, 1944. You are requested to take all steps necessary to ascertain actual situation. In this connection, you might find it helpful to consult with the Polish Minister at Bern. It might also be advisable to contact Sternbuch, St. Gall, and advise him of contents of the Tress memorandum above quoted and secure such information on the subject as he can supply. It is also suggested that you might find it desirable to contact Kullmann of Intergovernmental Committee if he has arrived in Bern and ascertain the results of his investigation into the matters raised by the Tress memorandum and the nature of any conversations or communications he may have had with the Swiss Government with respect to subject matter thereof. The Department is of the view that this Government should take appropriate action calculated to induce the Swiss Government to take active steps to avoid the seizure or other non-recognition by the Germans of the Latin American passports held by internees at Vittel and elsewhere and itself to desist from taking any action against those who may have been instrumental in securing such passports for such internees. The Swiss Government should be advised that the Government of Paraguay has informed this Government that it has not cancelled and has no intention of cancelling passports held by such internees. Please report all developments fully.

CC: Miss Hodel, Messrs. Luxford, DuBois, Pehle and Friedman

LSLesserials 2/18/44

February 21, 1944

My dear Archbishop Cicognani:

The Swedish press has recently reported that the present regime in Slovakia headed by Dr. Josef Tiso has undertaken the registration of all Jews preliminary to their deportation. It is further reported that there are about 15,000 Jews remaining in Slovakia whose deportation is being pressed by the German Government.

President Roosevelt in establishing the War Refugee Board clearly announced the intention of the United States Government to take every action within its power to preserve the lives of those who suffer at the hands of our enemies and to rescue those whose lives are in imminent danger. In furtherance of these humanitarian objectives we earnestly seek your good offices in presenting to the Holy See the request of the War Refugee Board which has the full support of this Department that efforts be made to persuade Dr. Tiso and his associates to refrain from further aiding and abetting the Nazis in their persecution of the Jews.

This Government views most seriously and will take into account in the future any part which Dr. Tiso or his associates may play in the deportation and persecutions of the Jews in Slovakia.

In view of the urgency of the matter it is possible that the Holy See may wish to express simultaneously its own views on the threatened deportations.

Very sincerely yours,

/s/ EDWARD R. STETTINIUS, JR.

His Excellency

The Most Reverend

Amleto Giovanni Cicognani,

Archbishop of Laodicea di Frigia,

The Apostolic Delegate,

Washington.

WRB:GLW:KO

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: February 21, 1944
NUMBER: 584

CONFIDENTIAL

It is requested that you inform Dr. B. Tochlenov of the International Red Cross in Geneva, and Dr. L. Hersh, Professor at the University of Geneva, that the Treasury Department has issued license No. W-2126 to the Jewish Labor Committee giving it authority to carry on communications with enemy or enemy-occupied territory for the purpose of carrying on in such territory relief and evacuation operations. This license is in all respects identical with those issued to the World Jewish Congress, the Joint Distribution Committee, and the Union of Orthodox Rabbis, the substance of which licenses are contained in Department's telegrams of January 20, January 5, and January 22, Nos. 197, 39, and 229 respectively, and further referred to in the Department's cables of February 2 and 8, 1944, Nos. 341 and 411, except that the Jewish Labor Committee's license specifies in paragraph B that the total amount authorized for the half year beginning January 1, 1944 shall not exceed 214,320 Swiss francs or the dollar equivalent.

The operation covered by this license has been approved by the Department, the Treasury, and the War Refugee Board.

HULL

WAR REFUGEE BOARD
Executive Office of the President
Washington

FOR IMMEDIATE RELEASE,
Monday, February 21, 1944.

RELEASE NO. 4

John W. Pehle, Acting Executive Director of the War Refugee Board, today announced that Ira Hirschmann, vice-president of Bloomingdale Brothers, Inc., New York City, has been designated as the Board's special representative in Ankara, Turkey, assigned as Special Attache to the Embassy in connection with war refugee matters.

Mr. Hirschmann arrived in Ankara February 14, and is now engaged in the development of programs and the implementation of measures for the rescue, transportation, maintenance and relief of Jews and other persecuted minorities in Europe.

Mr. Hirschmann has spent considerable time in western and central Europe. In 1938 he attended the Evian Conference as an observer for the United States Government. Later he went to Austria where with the cooperation of friends he arranged for several hundred refugees to leave the country.

Mr. Hirschmann's most recent government service was as special assistant to William Davis of the War Labor Board. He is interested in civic activities and serves as a member of the Board of Higher Education of the City of New York.

oOo

February 21, 1944

To: Mr. Bundy
From: J. W. Pehle

In accordance with our conversation of this morning, there is attached hereto a copy of a cable to Steinhardt in Ankara. This cable has been cleared by us and by the State Department. Please call me on this as soon as possible.

J. W. Pehle

JWP:ngt 2/21/44

AMERICAN EMBASSY,

ANKARA

For the Ambassador and Hirschmann

Department's 68, January 25, concerning War Refugee Board and 120 of February 12, 8 p.m., concerning appointment Special Attache Hirschmann.

Special attention should be given to the following matter.

The War Refugee Board has resolved that one of the projects which should be pushed with greatest speed is an effort to facilitate the evacuation of as many refugees as possible from occupied areas to Turkey.

The Board feels that the most feasible way of accomplishing this extremely urgent task is to obtain from the Turkish Government effective measures to encourage the entry of more refugees. Concretely that government should be requested (a) To relax border and other controls and take such other action as will facilitate the entry of the largest possible number of refugees from Bulgaria, Rumania, and other areas adjacent to the Black Sea, and (b) To make an announcement in as nearly an official manner as possible indicating what is being done, and above all, that entry of refugees into the country is permitted.

The Department desires to support the above program of the Board and you are requested at the earliest possible

moment

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moment to approach the Turkish Government with a view to obtaining their agreement to the plan and immediate action on their part. In addition to making clear this Government's determination to do everything within its power to rescue refugees and its expectation of full cooperation from the Turkish Government you may, if you deem it advisable, indicate that (a) The War Refugee Board is prepared to take all possible measures, financial and otherwise, to aid the evacuation of refugees to Turkey; (b) The Board is prepared to render full assistance in the maintenance of refugees in Turkey; and (c) If the Turkish Government takes necessary steps to facilitate the entry of a substantial number of refugees the Board will make all efforts to move refugees from Turkey to other places if such action becomes desirable. You may wish to discuss specifically the possibility of setting up camps in Turkey in which refugees entering the country could live. The Board would, if necessary, make arrangements for financing the establishment and maintenance of these camps and the support of the refugees in them. This plan may facilitate the removal, on a compulsory basis if necessary, of refugees from Turkey to other places if such action becomes desirable in order to permit the entry of more refugees into Turkey from occupied areas.

In connection

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In connection with the foregoing, you are, of course, aware of the fact that the refugees remaining in Transnistria are in imminent danger of extermination by the retreating German armies, and that the evacuation of these refugees is a problem of the greatest urgency. Accordingly, you should do everything possible to aid in the development and execution of measures to effect the evacuation of these people to Turkey. Various private organizations are deeply interested in this problem and are anxious to assist in financing and otherwise carrying out the project. Representatives of at least some of such organizations in Turkey have been requested to get in touch at once with Mr. Hirschmann for the purpose of formulating a plan of action. You have previously indicated that the basic difficulty of evacuation is one of transportation. The private organizations interested in this project are making all efforts to secure ships and you should give them every assistance. In addition, you should advise us promptly of any measures which can be taken by the United States Government to see that necessary shipping, neutral or otherwise, is available. Above all, you should attempt to secure the full cooperation of the Turkish Government in this matter.

Efforts

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Efforts should, of course, also be made as soon as possible to increase the flow of refugees from Rumania to Turkey.

The Department appreciates that your own activities regarding this matter may be somewhat restricted by the terms of the Department's LGS, February 7, 7 p.m., and that it may be necessary for you to arrange for Hirschmann to take the principal initiatives. You should use your best judgment in this regard. You will realize, however, that these negotiations are on an entirely different level than those relative to Turkey's role in the war; and that this Government is simply addressing a humanitarian appeal to the Turkish Government, as to other governments, rather than a request that they take certain action favorable to us at some sacrifice to them.

Please report to the Department the progress that is being made in this matter, indicating the practical measures that will be necessary to put the plan in operation, obstacles encountered, and such action as you think the Government of the United States should take to facilitate the operation.

GEM-513

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

Ankara

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Dated February 21, 1944

Rec'd 9:50 p.m.

Secretary of State,

Washington.

306, February 21, 8 p.m.

FROM HIRSCHMANN FOR PEHLE

In a conversation today with Modig, Swedish Minister here, he agreed to telegraph today to his Government in Stockholm recommending the use of a Swedish ship to evacuate 800 to 1000 children from Constanza to Istanbul or better still to Haifa, Palestine. He is requesting Stockholm to give him specific information on the first ship which could be available for this purpose. He mentioned that SS BARDALAND is now enroute to Salonika to tow the Swedish ship CAMELIA, which was damaged as result of accidental bombing by English, to Janakera in the Dardanelles for repairs. All Swedish ship movements are scheduled in advance from Stockholm and rerouting must be authorized from there. Modig states he will recommend as an alternative first available shipplying from Canada to Greece to be rerouted to Constanza and then to Haifa.

Haifa. He refers to the possibility of a reaction from the Greek relief when they learn of this monetary change of schedule. I told Modig that Washington unquestionably was energetically taking up the matter of the charter of this ship with the Swedish Minister in Washington and through Stockholm so that we may synchronise our efforts. This begins to look like a real possibility and I eagerly await further instructions from you on this subject. When the question of financial compensation to the Swedes for the use of boat arises I am confident that the joint distribution committee, Paul Baerwald in New York will be immediately helpful if funds are not otherwise available.

Ambassador Steinhardt has arranged for me to be received by the Russian Ambassador tomorrow morning when we will press for assistance in breaking the Rumanian and Bulgarian bottlenecks.

STEINHARDT

WSB

BRITISH MOST SECRET
U.S. SECRET

OPTEL No. 59

Information received up to 10 a.m., 21st February, 1944.

1. NAVAL

One of H.M. Submarines damaged off NORWAY on 14th has arrived safely. 20th. One of H.M. Destroyers sunk off TREVOSE HEAD probably by U-boat. Captain and 92 survivors so far reported.

MEDITERRANEAN. 19th. Port of ANZIO reopened and 2,381 tons discharged. Shelling of area by enemy artillery continued. One of U.S. Cruisers bombarded ANZIO area with good results.

19th/20th. Allied Coastal craft from BASTIA attacked northbound enemy convoy east of ELBA. Enemy last seen firing at each other.

2. MILITARY

ITALY. To noon 20th. In ANZIO beachhead Allied counter attacks in centre have made some ground, taking prisoners.

BURMA. In ARAKAN our troops have made further advances from both east and west towards enemy positions in NGAKYEDAU PASS.

3. AIR OPERATIONS

WESTERN FRONT. 19th/20th. 2,291 tons dropped on LEIPZIG. Fires believed concentrated and well established. Our losses now reported 78 missing and enemy casualties 4, 1, 2.

20th. 952 U.S. heavy bombers despatched escorted by 1125 fighters. 569 tons dropped by 184 on LEIPZIG; 215 tons by 100 on TUTOW (Baltic Coast); 380 by 163 on GOTH and BRUNSWICK. 349 aircraft attacked other targets in GERMANY. Casualties 76, 22, 47. Allied - 21 bombers and 4 fighters. 33 medium bombers and 19 Mosquitoes attacked HAAMSTED airfield and military objectives in NORTHERN FRANCE.

20th/21st. Aircraft despatched - STUTTGART 598 (18 landing reports outstanding). Other targets 78 (one missing), 73 enemy aircraft operated over southeast ENGLAND, 25 reaching LONDON area. Fighters destroyed 2 and damaged 2.

ITALY. During 17th/18th and 18th/19th, 87 Wellingtons bombed targets in ANZIO area. On 19th 96 Marauders and 218 fighter bombers attacked similar targets shooting down 21 enemy aircraft.

4. HOME SECURITY

In enemy attack 20th/21st, bombs were dropped in home counties where damage and casualties slight and in LONDON area where many fires, including 3 large ones, were caused. Damage mainly to residential property and numerous Government buildings in Whitehall by blast. Some interruption to railway communications. Casualties so far report 148 killed, 263 seriously and 199 slightly injured.