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1220

SYMBOLS

DL = Day Letter
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

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IMPJ50 247 GOVT 1/155=WUX WASHINGTON DC 22 1133A

) RAPID HONORABLE HENRY MORGENTHAU JR=

BOCAGRANDE FLO

2/22/44

COLUMBIA BROADCAST WAS FROM ASSOCIATED PRESS STORY QUOTING BOSTON HERALD AS SAYING JOE KENNEDY HAS BEEN INVITED TO BECOME SECRETARY OF COMMERCE; THAT ON RELIABLE AUTHORITY JESSE JONES WOULD BECOME SECRETARY OF TREASURY AND THAT YOU WERE ABSENT RECUPERATING FROM A HEART ATTACK STOP SHAEFFER WAS QUESTIONED ON BASIS OF AP AND UP STORIES QUOTING BOSTON HERALD AND IS QUOTED BY AP AS REPLYING QUOTE IN THE FIRST PLACE SECRETARY MORGENTHAU HAS NOT SUFFERED A HEART ATTACK AND IN THE SECOND PLACE HE HAS NO INTENTION OF RESIGNING UNQUOTE STOP I TALKED TO PAUL WHITE CHIEF OF NEWS SERVICE FOR COLUMBIA SYSTEM WHO AGREED TO PUT STOP ORDER ON THE STORY AND WOOD OF COLUMBIA BROADCASTING HERE AGREED TO DO THE SAME STOP BOTH THOUGHT IT UNWISE TO PUT OUT DENIAL WHICH WOULD GO TO MANY MORE STATIONS THAN FEW WHICH BROADCAST ORIGINAL STORY AND I AGREE STOP THIS WOULD SIMPLY PROMOTE FURTHER SPECULATION STOP=

AP UP

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

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MPJ50 2/92 K WASHDC

RAPID HONORABLE HENRY MORGENTHAU JR BOCAGRANDE FLO

BOTH WILL MAKE NOTE OF OUR DENIAL FOR USE IN CASE SIMILAR
STORY POPS UP AGAIN UNDER SUCH CIRCUMSTANCES THEY FEEL
COMPELLED TO USE IT STOP UP ALSO QUERIED AND GOT SIMILAR
DENIAL TO AP STOP I HAVE TALKED TO DR. LEONARD BUT I
DON'T BELIEVE DOCTOR'S STATEMENT WOULD BE DESIRABLE SINCE
IT WOULD GIVE GREATER CURRENCY TO STORY STOP WE ARE ASKING
AP AND UP TO SEND KILL ON STORY AS MERE SPECULATION
BASEED ON DREW PEARSON BROADCAST BUT DOUBT THIS WILL BE
DONE SINCE IT HAS BEEN OUT SEVERAL HOURS

GASTON

1155A

AP UP

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

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WESTERN UNION

1201

SYMBOLS

DL=Day Letter
NT=Overnight Telegram
LC=Deferred Cable
NLT=Cable Night Letter
Ship Radiogram

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

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XVMPJ54 18 GOVT=WUX WASHINGTON DC 22 1217P

RAPID HON HENRY MORGENTHAU JR=

✓ 12/21/44

JESSE JONES INFORMED AP THERE WAS QUOTE NOTHING TO UNQUOTE
STORY HE WAS TO BE SECRETARY OF TREASURY=

=GASTON=

= 1230P

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

2/22/47

THE TREASURY DEPARTMENT

Last week Secretary Morgenthau telephoned me that he was not ill but was merely leaving for a short rest. I am delighted to hear that, and I would like to add that most people who work as hard as Mr. Morgenthau selling War Bonds and collecting taxes would have been worn out long ago.

DUDLEY & SMITH, PERVEYORS TO THE SECK

D'ARCY ADVERTISING COMPANY

INCORPORATED

515 MADISON AVENUE • NEW YORK CITY

MISSOURI PACIFIC BUILDING, ST. LOUIS, MO.

310 NORTH AVENUE, N. W., ATLANTA, GA.

1142 TERMINAL BUILDING, CLEVELAND, OHIO

90 BROADVIEW AVENUE, TORONTO, ONT., CANADA

AVENIDA OAXACA NO. 60, MEXICO, D. F., MEXICO

RADIO PROGRAM

PLANNED AND PRODUCED BY D'ARCY ADVERTISING COMPANY

Tuesday, Feb 22, 11 pm.

Dear Boss —

Here is the first draft on the show, which we are now trying to schedule Monday March 6th; the reason being that you are busy on Friday & Saturday, Thursday & Sunday are bad nights, and before Thursday we would run into possible trouble getting figures, according to Tickton.

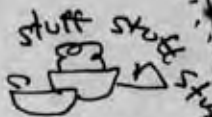
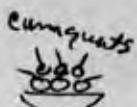
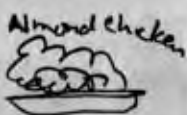
There is a lot of Spittin & polishin to be yet done (keep that split infinitive from Mrs M & Joan) but the idea seems to be sound and will give us an opportunity to give you some strong talk here & there.

We will go ahead, mostly Dudley, on the script & try to fax it up, so it will be another bell ringer. The music drama of Italy will be a humdinger.

You are not yet a Grandpop but you are sitting on the edge and the ground is giving away under you. It is so close (on a maybe basis) that maybe when Dudley & I go downstairs we will find 2 in the car where only 1 grew before.

*TRD
P. Dudley*

PS The Dudleys & Smiths just had dinner in Chinatown while the gals mimeographed the script. I hope your mouth is watering.



THE UNITED STATES TREASURY

presents

"A LETTER FROM HOME"

ANNCR: (COLD) THE UNITED STATES TREASURY PRESENTS ..

"A LETTER FROM HOME".

YOU WILL HEAR THE FINAL REPORT FROM THE FOURTH
WAR LOAN DRIVE. ~~GENERAL JACOB L. DEVERS, COM-
MANDER OF THE MEDITERRANEAN THEATRE OF OPERATIONS~~

.. ~~WILL SPEAK FROM HIS HEADQUARTERS.~~ GENERAL

JOHN _____ HERSHEY, NATIONAL DIRECTOR, WILL SPEAK
FROM THE NATION'S CAPITOL. YOU WILL ALSO HEAR
AMERICA'S MUSIC FOR MARCHING MEN, PLAYED BY THE
BAND OF THE ARMY AIR FORCES TRAINING COMMAND,
UNDER THE DIRECTION OF CAPTAIN GLENN MILLER.

THE DISTINGUISHED AMERICAN ACTOR, FREDERIC MARCH,
WILL APPEAR IN A MUSIC DRAMA WRITTEN BY FORREST
BARNES AND DAVID BROEKMAN, WHO ALSO DIRECTS THE
TREASURY ORCHESTRA AND CHORUS.

AND NOW ... THE SECRETARY OF THE UNITED STATES
TREASURY.

(PAUSE)

SEC. MORGENTHAU: THIS IS HENRY MORGENTHAU, JR.

TONIGHT, I HAVE A REPORT FOR OUR
FIGHTING FORCES. "A LETTER FROM HOME".

EVERY AMERICAN IN UNIFORM DESERVES ALL
THE SUPPORT WE CAN GIVE HIM. AND THAT
INCLUDES LETTING HIM KNOW JUST HOW MUCH
SUPPORT HE IS GETTING.

A SOLDIER WHO KNOWS HE IS BEING BACKED UP
CARRIES AN EXTRA SUPPLY OF CONFIDENCE ...
AND CONFIDENCE IS A MIGHTY IMPORTANT
PIECE OF FIGHTING EQUIPMENT.

THIS LETTER IS BEING BROADCAST TO OUR
BOYS OVERSEAS. IN IT, AMONG OTHER
THINGS, THEY WILL HEAR A REPORT OF THE
RESULTS OF THE FOURTH WAR LOAN DRIVE.

EVERY ONE ~~OF~~ THE 50 MILLION AMERICANS
WHO BOUGHT BONDS DURING THAT DRIVE ..
HAS HAD A HAND IN WRITING THIS LETTER.

MUSIC: ENTER SOFTLY .. "LETTER THEME" ..B.G.

- 3 -

(BRING IN OMAHA, NEBRASKA .. MIKE-LINE)

MRS. DUNCAN: THIS IS MRS. WILBUR M. DUNCAN .. SPEAKING
FROM OUR HOME AT THREE-TWENTY-ONE HART
STREET, HERE IN OMAHA, NEBRASKA.

OUR SON, ROBERT, HAS BEEN SERVING IN THE
ARMY AIR FORCES FOR THREE YEARS. HE IS
AN AERIAL GUNNER, STATIONED IN ENGLAND.

DURING THE FOURTH WAR LOAN DRIVE, WE
BOUGHT ONE WAR BOND FOR EACH MONTH ROBERT
HAS SERVED HIS COUNTRY.

(RETURN TO NEW YORK)

- 4 -

(BRING IN NASHVILLE, TENNESSEE ..MIKE-LINE)

MR. BRONNER: THIS IS MICHAEL A. BRONNER .. SPEAKING
FROM OUR HOME AT NUMBER ELEVEN MAPLE
STREET IN NASHVILLE, TENNESSEE.
OUR BOY, JIM, HAS BEEN AWAY FOR MORE THAN
TWO YEARS NOW.
HE IS IN THE NAVY .. AND WAS DECORATED
LAST WEEK FOR HEROISM AT TARAWA.
MY WIFE AND I WORK IN A WAR PLANT. DURING
THE FOURTH WAR LOAN DRIVE, WE BOUGHT EVERY
SINGLE BOND WE COULD AFFORD.
IT'S OUR JOB .. AS PARENTS .. AND AS
AMERICANS .. TO BACK JIM'S ATTACK.
(RETURN TO NEW YORK)

- 5 -

(BRING IN MASON CITY, IOWA)

MR. MILLER:

THIS IS HERMAN MILLER, SPEAKING FROM
MASON CITY OUT HERE IN IOWA.

RUNNING A FARM IS A PRETTY HARD STRUGGLE
THESE DAYS. HELP IS HARD TO GET.

EQUIPMENT IS HARD TO GET. MY WIFE AND TWO
GIRLS ARE DOING MORE THAN THEIR SHARE TO
KEEP THINGS GOING. BUT, WE KNOW THAT WE
MUST DO MORE THAN OUR SHARE TO SUPPORT OUR
ARMY AND NAVY. WE HAVE A BOY OF OUR OWN ..
JOHN .. WHO IS OVERSEAS TODAY.

THAT'S AN EXTRA REASON WHY WE'LL GROW MORE
THAN OUR QUOTA OF FOOD .. AND BUY MORE THAN
OUR QUOTA OF BONDS .. UNTIL THIS WAR IS WON.

(RETURN TO NEW YORK)

MAINTAIN MUSICAL B.G.

SEC. MORGENTHAU: PARENTS OF THREE AMERICAN BOYS IN UNIFORM.
THEIR BOYS .. BOB AND JIM AND JOHN .. ARE
THREE AMONG THE MANY MILLIONS OF AMERICAN
BOYS TO WHOM WE ADDRESS THIS .. LETTER
FROM HOME.

IT IS A LETTER TO BOB AND JIM AND TO HARRY
AND FRED AND TO MAX AND TO BILL. A LETTER
FROM THEIR NATION .. FROM THEIR UNCLE SAM..
AND IT STARTS "DEAR NEPHEW" ...

EVERY AMERICAN HEART IS FILLED WITH LOVE
FOR YOU .. AND PRIDE IN YOU. WE WANT YOU
TO KNOW THAT, EVEN THOUGH WE'RE HAVING
OUR TROUBLES BACK HERE, BY AND LARGE, WE'RE
GETTING ALONG PRETTY WELL. MORE THAN
ANYTHING ELSE, WE WANT TO GET THIS WAR
OVER WITH .. AND BRING YOU HOME ..
VICTORIOUS.

(over)

SEC. MORGENTHAU: IT IS A BIG JOB .. BUT THIS IS A BIG
NATION. AND WORKING TOGETHER .. WE CAN
GET THE JOB DONE.

HERE AT HOME, WE ALWAYS FEEL STRONGER
AND HAPPIER, WHEN WE RECEIVE WORD OF
YOUR PROGRESS ON THE FIGHTING FRONT.

SO, IN THE HOPE THAT IT WILL MAKE YOU
FEEL STRONGER AND HAPPIER .. WE WOULD
LIKE TO REPORT TO YOU .. SOME OF OUR
PROGRESS ON THE HOME FRONT.

ONE THING .. THE FOURTH WAR LOAN DRIVE
IS OVER. IN THIS LETTER, WE'LL TELL
YOU THE RESULTS. TRUE .. WE HAVE
SUCCESSFULLY TAKEN ONE MORE STEP CLOSER
TO VICTORY.

YOU, G. I. JOE, HAVE FOUGHT YOUR WAY
TO MANY INSPIRING VICTORIES.

(over)

- 8 -

SEC. MORGENTHAU: BUT, YOU KNOW, BEST OF ALL, THAT ONLY FINAL VICTORY CALLS FOR A LETDOWN .. A REST FROM THE RELENTLESS RESPONSIBILITY OF FIGHTING THIS WAR.

YOU DON'T RELAX AFTER YOU HAVE TAKEN HILL NUMBER FOUR .. IF YOU KNOW THAT THE ENEMY IS ENTRENCHED BEHIND HILL NUMBER FIVE.

SO IT IS WITH THOSE OF US HERE AT HOME.

WITH THE COMPLETION OF THE FOURTH WAR LOAN DRIVE .. ONE JOB IS DONE. BUT OUR FIGHT IS FAR FROM WON. WE KNOW THAT. WE KNOW IT IS OUR RESPONSIBILITY NOT TO LET DOWN.

MUSIC OUT

WE KNOW WE MUST CONTINUE TO BACK YOUR ATTACK ON ALL HOME FRONTS. BOND BUYING .. MILITARY TRAINING .. PRODUCTION .. ALL MUST CONTINUE AT FULL SPEED ... AT FULL STRENGTH.

(SWITCH TO WASHINGTON, D. C.)

- 9 -

GENERAL HERSHEY: THIS IS GENERAL JOHN ____ I. HERSHEY,
SPEAKING FROM WASHINGTON, D. C.
OUR MILITARY FIGHTING STRENGTH

(INSERT ONE AND ONE-HALF MINUTE STATEMENT
OUTLINING PLANS FOR KEEPING MILITARY
MANPOWER AT FULL STRENGTH)

(SWITCH TO NEW YORK)

MUSIC: "LETTER THEME" ... B.G.

SEC. MORGENTHAU: YOU MEN AT THE FIGHTING FRONTS WHO RECEIVE THIS "LETTER FROM HOME" SHOULD FIND, IN GENERAL HERSHEY'S STATEMENT, REASSURANCE IN THE FACT THAT NEW FIGHTING MANPOWER IS CONSTANTLY BEING DEVELOPED TO HELP BACK YOUR ATTACK.

THE MEN BEING INDUCTED AND TRAINED TODAY ..

WILL BE OUT THERE FIGHTING BY YOUR SIDE

TOMORROW. THRU YOUR EXPERIENCE, YOU HAVE

SENT MANY VALUABLE LESSONS IN COMBAT TECHNIQUE BACK HERE TO THE TRAINING CENTERS.

MUSIC OUT

AND, AT THOSE TRAINING CENTERS, YOU WILL FIND AMERICANS LIKE YOURSELVES MAKING READY TO HELP DO THE INSPIRING FRONT-LINE JOB YOU ARE DOING.

FOR, JUST AS THE SELECTIVE SERVICE PROGRAM

CARRIES ON PROCURING MEN .. OUR GREAT SYSTEM

OF MILITARY EDUCATION CARRIES ON TRAINING THEM.

(SWITCH TO NEW HAVEN, CONN.)

COLONEL: (INSERT FORTY-SECOND STATEMENT BY COLONEL IN
CHARGE OF ARMY AIR FORCES TRAINING AT NEW HAVEN)

....IMPROVING THEIR INBORN PHYSICAL, MENTAL
AND SPIRITUAL EQUIPMENT FOR THAT DAY .. SOON
TO COME .. WHEN THEY SHALL EMBARK ON THE
JOURNEY WHICH CARRIES THEM TO THE BATTLE-FRONT
TO FIGHT BY YOUR SIDE. AND DOING IT WITH THE
SAME SPIRIT ... THE SAME INTENT OF PURPOSE ..
AND THE SAME RUGGED GOOD HUMOUR WITH WHICH
YOU ... "MARCHED AND MARCHED AND MARCHED".

MUSIC: "WHAT DO WE DO IN THE INFANTRY" .. AIR FORCE
ORCHESTRA
(500 CADETS MARCHING IN TIME)

(SWITCH TO NEW YORK)

MUSIC: "LETTER THEME" ...B. G.

SEC. MORGENTHAU: G. I. JOE, HERE'S ANOTHER PAGE IN YOUR
"LETTER FROM HOME".

PEOPLE ARE BUYING WAR BONDS. MEN ARE BEING
TRAINED FOR THE FIGHTING FRONTS. BUT,
HERE'S ANOTHER THING: WHEN I WAS OVER THERE
WITH YOU .. IN ITALY AND AFRICA .. I SAW, AS
YOU SEE, THE TOWERING MOUNTAINS OF INEVITABLE
WAR WRECKAGE PILING UP, AND I WONDERED, AS
YOU MUST WONDER, HOW WE CAN EVER HOPE TO
REPLACE THE THOUSANDS OF TONS OF WRECKED
EQUIPMENT.

I REMEMBER HOW YOU BOYS HATED TO LOSE A HALF-
TRAC. I REMEMBER HOW YOU DEPEND ON THAT SIX-
WHEELED HALF-TRACTOR, HALF-TRUCK TO TAKE YOU
WHEREVER YOU HAVE TO GO .. AND TO HELP YOU DO
YOUR JOB WHEN YOU GET THERE. YOU MUST ASK
YOURSELF WHERE ENOUGH OF THESE HALF-TRACS ARE
COMING FROM.

MUSIC OUT

13 -

SEC. MORGENTHAU: ENOUGH TO KEEP DOING THE OLD JOBS ...
AND MORE TO HELP DO THE NEW JOBS THAT
WILL BE A VITAL FACTOR IN THE SUCCESS
OF THE COMING INVASION.

(SWITCH TO DETROIT, MICHIGAN)

MR. X:

G. I. JOE, I'D LIKE TO TAKE OVER THIS "LETTER FROM HOME" FOR A FEW SECONDS. I'M THE GENERAL MANAGER OF ONE OF THE MANY PLANTS THAT ARE TURNING OUT THOSE HALF-TRACS.

(INSERT STATEMENT CONTAINING
ENCOURAGING PRODUCTION FIGURE)

...RIGHT NOW, I'M STANDING BY THE DOOR AT THE END OF THE PRODUCTION LINE. TAKE A LISTEN TO THIS ...

(SOUND: HALF-TRAC ROLLING OFF LINE)

...DO YOU HEAR THAT? KNOW WHAT IT IS? YOU SHOULD RECOGNIZE IT. YOU HEAR IT ON THE ROADS TO ROME ... YOU HEAR IT IN AUSTRALIA AND THE SOUTH PACIFIC OR WHEREVER YOU HAPPEN TO BE FIGHTING. BECAUSE THAT'S THE SOUND OF A HALF-TRAC AND THIS PARTICULAR HALF-TRAC HAPPENS TO BE NUMBER _____ PRODUCED AT THIS ONE PLANT!

(SWITCH TO NEW YORK)

MUSIC: "LETTER THEME" ... B. G.

SEC. MORGENTHAU: THAT'S WHERE YOUR HALF-TRACS ARE COMING FROM,
G.I. JOE. AND THERE ARE MORE AND MORE COMING.
THERE IS MORE AND MORE OF ALL THE THINGS YOU
NEED COMING FROM ALL THE PRODUCTION LINES
THROUGHOUT THE COUNTRY. JUST AS YOU MUST
HEAP BATTLE VICTORY UPON BATTLE VICTORY ...
AMERICAN INDUSTRY MUST KEEP MEETING PRODUCTION
GOAL AFTER PRODUCTION GOAL.
YES, THE WAR-BOND FRONT .. THE MILITARY
TRAINING FRONT AND THE PRODUCTION FRONT ARE
ALL IN ACTION, BACKING YOUR ATTACK.
AND YOUR ATTACK TAKES A LOT OF BACKING,
G. I. JOE. THE ACCOUNTS OF YOUR DEEDS IN
THIS WAR WILL LIVE FOREVER UPON THE PAGES OF
AMERICAN HISTORY.

(SWITCH TO TRUK PICK-UP)

(INSERT EYE-WITNESS ACCOUNT OF BATTLE OF TRUK)

(THIS CAN EITHER BE A NAVY MAN OR CORRESPONDENT)

(TWO-MINUTE STATEMENT)

(SWITCH TO NEW YORK)

MUSIC: "LETTER THEME" ... B.G.

SEC. MORGENTHAU: IN THIS "LETTER FROM HOME", YOU MEN STATIONED IN THE EUROPEAN AND MEDITERRANEAN THEATRES OF WAR HAVE JUST HEARD ABOUT THE JOB BEING DONE IN THE SOUTH PACIFIC.

THE GREAT VICTORY AT TRUK STANDS AS A GLOWING ACHIEVEMENT IN OUR AMERICAN NAVAL LOG. IT WAS THE RESULT OF CAREFUL PLANNING AND THE STRATEGY OF SURPRISE. THAT IS ONE KIND OF BATTLE WE KNOW HOW TO FIGHT. ANOTHER KIND IS BEST ILLUSTRATED BY THE KIND OF WARFARE BEING WAGED BY OUR ARMY AGAINST A STRONGLY ENTRENCHED ENEMY PLUS MUD AND HEARTBREAKING WEATHER AND MOUNTAINOUS TERRAIN.

MUSIC OUT

SLOWLY BUT SURELY ... FIGHTING A MASTERFUL FIGHT ., OUR ARMY IN ITALY IS WINNING THE BATTLE FOR ROME.

(INSERT TEN MINUTE MUSIC-DRAMA STARRING
FREDERIC MARCH ... TELLING THE STORY OF
MARK CLARK'S OUTFIT ... AS OUTLINED IN
THE DIGEST TAKEN FROM HISTORIAN'S NOTES).

(NOTE: THIS WILL FOLLOW THE SAME TECHNIQUE
AS USED ON THE KICK-OFF BROADCAST.)

MUSIC: "LETTER THEME" ... B. G.

SEC. MORGENTHAU: THIS IS "A LETTER FROM HOME" ...WRITTEN TO
YOU MEN OF THE ARMED FORCES BY YOUR UNCLE SAM.
A LETTER OF ASSURANCE THAT YOUR NATION IS
KEEPING STEP WITH YOUR GALIANT MARCH TOWARD
THAT DAY WHEN YOU WILL COME HOME ... TO SHARE
THE BOUNTIES OF LIBERTY .. THE FRUITS OF THE
FREEDOM FOR WHICH YOU FIGHT. TONIGHT, AS
YOU SLEEP, YOU WILL DREAM OF YOUR MOTHERS,
AND WIVES AND YOUR CHILDREN.

MUSIC IN

TONIGHT, AND EVERY NIGHT AND EVERY DAY,
AMERICA WILL CONTINUE TO BUY WAR BONDS, AND
TRAIN RECRUITS, AND BUILD EQUIPMENT AND FIGHT
BY YOUR SIDE TO HASTEN YOUR JOURNEY BACK TO
THE ARMS OF YOUR LOVED ONES.

(SWITCH TO REST CAMP)

OVERSEAS

(TWO-WAY CONVERSATION)

* "
- 20 -

(INSERT PICK-UP WITH SOLDIER AT REST CAMP IN ITALY
TALKING TO HIS CHILDREN HERE IN THE UNITED STATES.
CHILDREN WILL TALK FROM NEW YORK STUDIO)

(TWO MINUTES)

MUSIC: "LETTER THEME" ... B. G.

SEC. MORGENTHAU: ONE SOLDIER TONIGHT HAS HAD THE THRILL OF HEARING "VOICES FROM HOME". THE VOICES OF HIS OWN CHILDREN. ONLY ONE THING COULD BE BETTER. AND THAT WOULD BE TO BE HERE BY THEIR SIDE. TOWARD THAT REUNION, THE AMERICAN PEOPLE HAVE DEDICATED THEIR EFFORTS ON THE TRAINING AND FIGHTING FRONTS .. DN. THE PRODUCTION LINES .. AND .. ON THE FOURTH WAR LOAN DRIVE.

AND THIS "LETTER FROM HOME" .. ADDRESSED TO EVERY FIGHTING SON OF FREEDOM .. IS HAPPY TO REPORT ITS RESULTS.

THE FOURTH WAR LOAN DRIVE'S JOB WAS TO SELL BONDS TO THE INDIVIDUAL .. TO MR. AND MRS. AMERICA. IT DID THE JOB .. BETTER THAN THE JOB HAS EVER BEEN DONE BEFORE.

- 22 -

MUSIC OUT

SEC. MORGENTHAU:

(INSERT PARAGRAPH OF FACTUAL DETAIL ..
FIGURES ON FOURTH WAR LOAN)

AND THAT'S THE WAY WE SHALL CONTINUE OUR
FIGHT. NECESSITY SHALL SET THE GOALS ...
AMERICA SHALL MEET THEM.

THE JAPS AND THE GERMANS SHALL BE DEFEATED.
DEFEATED BY ALLIED VICTORIES LIKE THAT AT
TRUK IN THE SOUTH PACIFIC.

BY VICTORIES LIKE THAT BEING WON NOW BY
OUR ARMY IN ITALY.

AND BY VICTORIES LIKE THAT BEING WAGED
AND WON IN WAR BOND SALES AND WAR LOAN
DRIVES RIGHT HERE ON THE HOME FRONT.

- 23 @

SEC. MORGENTHAU:

G. I. JOE ... THIS IS YOUR "LETTER
FROM HOME".

A HUNDRED AND THIRTY MILLION AMERICANS
HELPED TO WRITE IT. OUR DESTINATION
IS ... VICTORY. ONE HUNDRED AND THIRTY
MILLION AMERICANS MUST HELP TO WIN IT.
THE FOURTH WAR LOAN DRIVE IS OVER ...
OUR JOB IS FAR FROM DONE.

MUSIC UP FULL ... DOWN FOR:

- 24 -

ANNOUNCER: YOU HAVE HEARD .. "A LETTER FROM HOME".
A REPORT TO OUR ARMED FORCES. WITH SECRETARY
OF THE UNITED STATES TREASURY, HENRY MORGENTHAU,
JR., NATIONAL DIRECTOR OF SELECTIVE SERVICE
GENERAL _____, HERSHEY: COLONEL _____
_____: CAPTAIN GLENN MILLER AND THE
BAND OF THE ARMY AIR FORCES TRAINING COMMAND:
AND FREDERICK MARCH IN A MUSIC-DRAMA BY FORREST
BARNES AND DAVID BROEKMAN, WHO ALSO DIRECTED
THE TREASURY ORCHESTRA AND CHORUS.
THIS IS LIEUTENANT DONALD BRIGGS.

-END-

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE
February 22, 1944

CONFIDENTIAL: To be held in STRICT CONFIDENCE and no portion, synopsis or intimation to be published or given out until the READING of the President's Message has begun in the House of Representatives. Extreme care must therefore be exercised to avoid premature publication.

STEPHEN EARLY
Secretary to the President

TO THE HOUSE OF REPRESENTATIVES:

I return herewith, without my approval, H. R. 3687, entitled "An Act to provide revenue, and for other purposes".

I regret that I find it necessary in the midst of this great war to be compelled to do this in what I regard as the public interest.

Many months ago, after careful examination of the finances of the Nation, I asked the Congress for legislation to raise \$10,500,000,000 over and above the existing revenue system. Since then persons prominent in our national life have stated in no uncertain terms that my figure was too low.

The measure before me purports to increase the national revenue by a little over \$2,000,000,000. Actually, however, the bill in its net results will enrich the Treasury by less than \$1,000,000,000.

As a tax bill, therefore, I am compelled to decide that it is wholly ineffective toward that end.

More specifically the bill purports to provide \$2,100,000,000 in new revenues. At the same time it cancels out automatic increases in the Social Security tax which would yield \$1,100,000,000. In addition it grants relief from existing taxes which would cost the Treasury at least \$150,000,000 and possibly much more.

In this respect it is not a tax bill but a tax relief bill providing relief not for the needy but for the greedy.

The elimination of automatic increases provided in the Social Security Law comes at a time when industry and labor are best able to adjust themselves to such increases. These automatic increases are required to meet the claims that are being built up against the social security fund. Such a postponement does not seem wise.

The clause relating to renegotiating of war contracts terminates the present renegotiation authority on December 31st of this year. This seems unwise at this time because no person can at present determine what a renegotiation time limit should be. More experience is needed. The formal right of appeal to the Tax Court that is granted by this bill is an inept provision. The present Tax Court exists for a wholly different purpose and does not have the personnel or the time to assume this heavy load.

The bill is replete with provisions which not only afford indefensible special privileges to favored groups but sets dangerous precedents for the future. This tendency toward the embodiment of special privileges in our legislation is in itself sufficiently dangerous to counterbalance the loss of a very inadequate sum in additional revenues.

Regraded Unclassified

Among these special privileges are:

(a) Permission for corporations reorganized in bankruptcy to retain the high excess profits credit and depreciation basis attributable to the contributions of stockholders who are usually eliminated in the reorganization. This privilege inures to the benefit of bondholders who, in many cases, have purchased their bonds in the speculative market for far less than their face value. It may open the door to further windfall profits in this market because of the undeserved benefit received by reorganized corporations.

(b) Percentage depletion allowances, questionable in any case, are now extended to such minerals as vermiculite, potash, feldspar, mica, talc, lepidolite, barite and spodumene. In the case of some of these minerals the War Production Board refused to certify that current output was inadequate for war needs.

(c) The lumber industry is permitted to treat income from the cutting of timber, including selective logging, as a capital gain rather than annual income. As a grower and seller of timber, I think that timber should be treated as a crop and therefore as income when it is sold. This would encourage reforestation.

(d) Natural gas pipelines are exempted from the excess profits tax without justification and in a manner which might well lead oil companies to request similar treatment for their pipelines.

(e) Commercial airlines are granted an unjustifiable extension of the tax subsidy on their airmail contracts.

It has been suggested by some that I should give my approval to this bill on the ground that having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust. I might have done so if I had not noted that the small piece of crust contained so many extraneous and inedible materials.

In regard to that part of the bill which relates to wholly unobjectionable tax increases, may I respectfully suggest to the Congress that the excise taxes can easily and quickly be levied. This can be accomplished by the passage of a simple Joint Resolution enacting those provisions of the bill which increase the excise taxes. I should be glad to approve such a measure. This would preserve the principal revenue provisions of the bill without the objectionable features I have criticized.

In another most important respect this bill would disappoint and fail the American taxpayers. Every one of them, including ourselves, is disappointed, confused and bewildered over the practical results of last year's tax bill. The Ruml Plan was not the product of this Administration. It resulted from a widespread campaign based on the attractive slogan of "Pay-as-you-go". But, as was said many years ago in the State of New York in regard to that same slogan "You don't pay and you don't go".

The Nation will readily understand that it is not the fault of the Treasury Department that the income taxpayers are flooded with forms to fill out which are so complex that even Certified Public Accountants cannot interpret them. No, it is squarely the fault of the Congress of the United States in using language in drafting the law which not even a dictionary or a thesaurus can make clear.

The American taxpayer has been promised of late that tax laws and returns will be drastically simplified. This bill does not make good that promise. It ignores the most obvious step toward simplifying taxes by failing to eliminate the clumsy Victory Tax.

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For fear of dropping from the tax rolls those taxpayers who are at the bottom of the income scale, the bill retains the Victory Tax — while at the same time it grants extensive concessions to many special interest groups.

The suggestion of withholding at graduated rates, which would relieve millions of people of the task of filing declarations of estimated income, was not adopted.

I trust, therefore, that the Congress, after all these delays, will act as quickly as possible for simplification of the tax laws which will make possible the simplification of the forms and computations now demanded of the individual taxpayers. These taxpayers, now engaged in an effort to win the greatest war this Nation has ever faced, are not in a mood to study higher mathematics.

The responsibility of the Congress of the United States is to supply the Government of the United States as a whole with adequate revenue for war time needs, to provide fiscal support for the stabilization program, to hold firm against the tide of special privileges, and to achieve real simplicity for millions of small income taxpayers.

In the interest of strengthening the home front, in the interest of speeding the day of victory, I urge the earliest possible action.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

February 22, 1944



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



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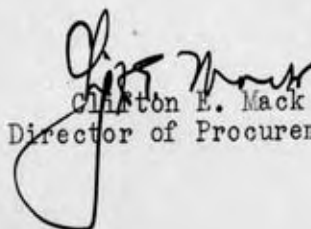
SECRET

February 22, 1944

MEMORANDUM TO THE SECRETARY:

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

At the present time we are purchasing 3,360,000 pounds of Magnesium Bomb Alloy for the production of Incendiary Bombs in the United Kingdom.


Clinton E. Mack
Director of Procurement

SECRET

LEND-LEASE
TREASURY DEPARTMENT, PROCUREMENT DIVISION
STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND
DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS
AS OF FEBRUARY 16, 1944
(In Millions of Dollars)

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous & Undistributed</u>
Allocations	\$4683.3 (4682.3)	\$2288.7 (2287.9)	\$1877.3 (1877.3)	\$113.9 (113.8)	\$11.0 (11.0)	\$392.4 (392.3)
Purchase Authoriza- tions (Requisitions)	\$3495.7 (3500.6)	\$1810.8 (1824.1)	\$1389.1 (1382.3)	\$44.7 (44.5)	- -	\$251.1 (249.7)
Requisitions Cleared for Purchase	\$3435.5 (3418.6)	\$1780.8 (1774.8)	\$1366.1 (1358.4)	\$44.0 (43.9)	- -	\$244.6 (241.5)
Obligations (Purchases)	\$3301.9 (3284.0)	\$1750.4 (1739.7)	\$1332.6 (1327.2)	\$43.9 (43.8)	\$10.0 (9.9)	\$165.0 (163.4)
Deliveries to Foreign Governments at U. S. Ports*	\$1698.7 (1690.3)	\$1146.8 (1142.5)	\$500.4 (496.6)	\$21.4 (21.3)	- -	\$30.1 (29.9)

*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 9, 1944.

SECRET

EXPLANATION OF DIFFERENCE.

The decrease in Purchase Authorizations for United Kingdom is a result of the cancellation of Requisition No. 19614.

February 22, 1944

My dear Mr. President:

As requested in your memorandum for the Secretary of the Treasury, dated February 14, 1944, we shall continue to exert every effort to comply with the terms of the Third Russian Protocol. We will also cooperate with all agencies in meeting the delivery conditions and requirements of the Fourth Russian Protocol for the period from July 1, 1944, to June 30, 1945.

Faithfully yours,

D. H. Bell

Acting Secretary of the Treasury

The President,

The White House.

L. S. Agent 2/23/44 10:25

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CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

February 14, 1944

MEMORANDUM FOR THE SECRETARY OF THE TREASURY.

Russia continues to be a major factor in achieving the defeat of Germany. We must therefore continue to support the U.S.S.R. by providing the maximum amount of supplies which can be delivered to her ports. This is a matter of paramount importance.

The U.S.S.R. has been requested to state requirements for a Fourth Protocol, to cover the period from July 1, 1944 to June 30, 1945. It is desired that, within the limitations of available resources, every effort be made to meet these requirements.

Pending the formulation of the Fourth Protocol, it is my desire that every effort be made to fulfill the provisions of the Third Protocol, which terminates June 30, 1944.

Franklin D. Roosevelt

CONFIDENTIAL

Strictly Confidential

February 22. (1944)

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Letter V.

Dear Dr. White,

Chungking has been quite lively of late, in fact more so than for a long time, and there are quite a number of developments to report.

1. Internal Political Situation.

There has been a slight relaxation of tension in Kuomintang-Communist Party relations, which improvement is due to a considerable extent to the lively interest shown in them by foreign public opinion in general and by foreign correspondents in Chungking in particular. So exciting was last week's press conference on the subject that I am enclosing a verbatim stenographic report which I am sure you will enjoy reading. Have also attached addenda on background and on points arising out of the conference. The same subject will be discussed at today's press conference too, and if news of it reaches me before this letter catches the pouch it will of course be appended. It will be noted that the Central Government while deploring foreign interest in, is extremely sensitive to foreign opinion on, the subject. One must give credit to the foreign press corps in Chungking for playing a most constructive role in the present situation.

With respect to possible trips by foreigners to Yen-an:

- (a). The President has sent a message to the Generalissimo through the War Department asking for permission to send military observers to North China and the North China fronts in order to obtain military information on Manchuria, to which the Generalissimo has replied that he is willing to allow American military observers to go anywhere in North China where there are Central Government troops and where Central Government authority extends, adding that there is no need for such observers to go to Yen-an as no information on Manchuria can be obtained there.

Even this is a concession, as previously movements of our military people have been strictly limited. In any case, the President's request is regarded by our military people as the first move towards a flat request for permission to send military people to the Border areas.

- (b). The War Department is about to ask outright for permission to send people to the Border areas, and the State Department is going to do likewise, so that it will probably take the form of a joint request.

2. U. S. Army Expenditures in China.

- (a). According to latest USAAF confidential estimates, current and planned projects will cost CN\$6 billion per month for the next four months for their execution. While no specific information is available for plans after June, it is known that the maintenance of operations at the level it is planned to reach in June will cost CN\$3 billion per month afterwards and it is assumed that the Army will not subsequently be content with merely maintaining operations at the level attained in June but rather will be anxious to expand them.

The objections to such heavy expenditures are obvious:

- (1) Government note issue (monthly figures for which have been withheld from me since November) is now at least CN\$5 billion per month and may well be 6; while estimated Chinese Government expenditures for 1944 are CN\$80 billion and estimated revenue CN\$35-40 billion, it is more likely that expenditures will approximate CN\$100 billion and revenues CN\$25 billion, leaving a deficit of CN\$75 billion which will inevitably be met by recourse to the printing press. Clearly USAAF expenditures

- 3 -

in China which have to be financed by expansion of note issue will if they attain the scale contemplated lead to a doubling of the current monthly expansion of note issue. The dislocation of the Chinese economy resulting from such a huge increase in the note circulation, from the consequent rise in prices, and from the diversion of labor and resources necessary to carry out the projects will be of the gravest kind, to put it mildly. The U. S. Army, and therefore the United States Government, would be assuming a tremendous responsibility if they risked subjecting the Chinese economy to so severe a strain. It is certainly arguable whether the military advantages accruing from so large a volume of expenditures would more than counterbalance the damage ~~xx~~ to the Chinese economy, the possible collapse of the Chinese war effort resulting therefrom, and the general internal dislocation in China.

- (2) From a political point of view, from our experience of Sino-American financial relations it is hardly likely that the Chinese would be content with merely ascribing the moral responsibility for such economic dislocation as would ensue to us. It is much more on the cards that they would say: "You got us into this mess. Now get us out of it." And we should have no pat answer to their claims. The political and financial responsibility for the economic reorganization of China is not one we can lightly assume. It must be remembered that firstly the present Chinese Government is a past master at seeking alibis and looking for someone other than itself to blame and to shoulder the burden which it should carry

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and that secondly the economic situation is already sufficiently critical without the imposition of so heavy an additional strain on it. In fact such large expenditures which in all probability would lead to an inevitable economic denouement would give the Central Government just the out it is looking for. Kung is already hollering to high heaven about the black market rate, and we don't have to have a vivid imagination to picture the squawks he would raise in the situation which would ensue.

Another point worth making in this context is that such expenditures would have political repercussions within China of an undesirable character.

- (3) From a military point of view it is also arguable whether the results would be worth the cost. Many military experts in the China theater are skeptical as to whether the military outcome would be all that is expected. Naturally this is a matter of high military policy and the layman cannot see the problem in its grand global perspective. But many informed people believe that as the war draws closer to Japan, the Japanese will strengthen their inner bases and lines of communication and that as part of this policy they will make a determined effort to capture the whole of Eastern China in which if our Army projects go through we shall have built several most costly air bases. As most observers believe that the Japanese efforts in this direction would be successful, our expenditures on such bases would most probably have been in vain. To digress for a moment, there seems to be a considerable divergence of

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opinion in the highest quarters as to the appropriate objectives in the China theater. Chennault and his school believe that we should concentrate on continuing and expanding the kind of work the 14th Air Force is performing now. Stilwell believes that while we should maintain some air activity we should concentrate on building up Chinese ground forces in India and Yunnan and Kwangsi for an eventual offensive against Burma which may never materialize, it being no secret that for political reasons the British would much rather prefer a flanking movement against Thailand, Malaya, or the Dutch East Indies, with the conquest of Burma to be made subsequently with predominantly Empire forces. The Generalissimo while also desiring the maintenance of some air activity would prefer to see our efforts concentrated on the strengthening of the Chinese Army-for reasons of his own. Finally the Combined Chiefs of Staff in Washington would, judging from the fact that they are asking for the construction of extra-large bases in China, appear to be contemplating using China for the bombing of Japan proper; in fact I am confidentially informed that it is intended to bomb hydroelectric projects in Japan proper in order to hit Japanese war production. People of the Chennault school are inclined to believe that the results of the Combined Chiefs of Staff policy would be more showy than permanent.

- (4) From the point of view of the American taxpayer, expenditures on such a large scale would entail enormous US\$ outlays which of course would be justifiable if they appreciably shortened the war and saved lives. While it is probable that we can

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attain a more reasonable adjustment for our fapi expenditures - it must be remembered that the President has made the commitment that we will pay for all US Army disbursements in China - than the Chinese have yet shown any willingness to accept, the Chinese are extremely hard bargainers, and the more we want to go through with such projects, the harder they will bargain.

The above is given as background material for problems in the discussion of which the Treasury will most certainly be involved. The position as it now stands is as follows. The Army in China has notified Washington of the scale of expenditures demanded by the operations now contemplated; it is awaiting Washington's reaction before taking up the matter with Kung, who however in an informal conversation with Acheson indicated that China would not like to see us spending more than CN\$3 billion per month. The Embassy has informed the State Department of the contemplated magnitude of expenditures and has advised it that the matter should be discussed by State, Treasury and War in consultation with the President before any final decision is reached. Therefore the matter may have already come to your attention before this letter reaches you.

(b) Acheson informs me that Kung in informal conversations is already taking a more reasonable line. No definite progress has yet been made, however. State has cabled the Embassy to reject the ludicrous Chinese offer that our expenditures in China be financed at 30 to 1. Kung has already asked Acheson that part of our outlays in China be financed by the sale of gold and US Govt. bonds in China for the account of both China and the US, and it is not unlikely that he will agree to similar

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sales of US currency here. Acheson has consulted me on the matter, and while he agrees that part of our payments to the Chinese Government should take the form of US Government bonds and gold shipped into China, he is not sure that such sales as the Chinese Government makes should be on joint account. While it is an open question, for myself I incline towards the view that there is more to be gained by having the sales on joint account for the following reasons:

1. If the sales in China of US bonds, gold, etc., are on joint account, we can reasonably ask that an American-presumably the Treasury Representative-should be on the Committee determining selling policy. His presence on the committee would ensure both greater efficiency and less "monkey business." That greater efficiency is an important consideration is attested to by the ultra-conservative policy the Chinese Government is at present adopting with respect to gold sales. In the face of an extremely sharp rise in black market rates (see below) and a substantial general rise in prices since Chinese New Year, the Chinese Government is still putting only small amounts of gold on the market though the price of gold has approximately doubled since the beginning of the Year.
2. We would get a much better rate for our US\$ by participating in sales of gold etc. on joint account than if we depended solely on an arrangement to get fapi we need from the Chinese Government at a rate which will necessarily undervalue the US\$.

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(c) Last Tuesday the 15th Dr. Kung asked me to accompany him to Chengtu to inspect the construction of airports there. We left the same afternoon and found Acheson already there. Next morning we flew over two airfields where 50,000 men were at work (each) and stopped off at an airfield where 90,000 men were at work. As you can imagine, it was quite a spectacle. The immediate problem facing Kung and Acheson is the provision of sufficient fapi to enable work on the projects to continue. Kung agreed to rush CN\$ $\frac{1}{2}$ a billion there immediately - on U.S. Army planes - and to have another CN\$ $\frac{1}{2}$ a billion sent there in the near future. Chengtu provides a laboratory specimen of the impact of heavy military expenditures on a regional economy in China. Chengtu as you know is the center of one of the richest agricultural and most densely populated areas in China. Yet our Chengtu projects have already resulted in:

1. The dispossession of farmers from land needed for the airfields. Owing to the nature of the existing set-up many of the farmers have received no compensation whatsoever for the loss of their source of livelihood. The Chinese Government has undertaken to bear the cost of the land and has paid the landlords 50% of the land value, but as the majority of displaced farmers are tenants - the percentage of tenants to cultivators being higher in Szechuan than anywhere else in China - it didn't help the majority of the farmers any. In one place there was a riot and the local magistrate responsible for enforcing the farmers dispossession was killed.

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2. The conscription of 250,000 laborers withdrawn from agricultural labor and paid far below the prevailing rates of wages. Eventually it is expected that 300,000 laborers will be at work. The conscription of so large a labor force may interfere with the harvesting of winter crops -- Chengtu has 3 crops a year -- and more serious will interfere with the spring sowing if the projects are not completed by May 1, a deadline which though desirable both from a military and an economic point of view may well be exceeded.
3. One month's work on the projects has already resulted in a substantial increase in prices in the Chengtu area. While we only spent one day in Chengtu and did not therefore have time ^{make} to/more than a most cursory of surveys and while the data immediately available are none too reliable, it would appear that the price of rice -- in the richest rice-bowl in China, mind you -- has gone up from 50 to 100%, and other prices are going up accordingly. The price of construction materials has trebled; the American military officer in charge of construction work complained that as a result of the delays in our getting the necessary fapi from the Chinese Government we would have to pay a CN\$1 billion for construction material more than we would have otherwise had to, owing to the cornering of the market for such material. There is much hoarding of rice and other commodities, and we shall in any case have to pay through the nose.

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The magnitude of the evil repercussions of our heavy expenditures is of course partly due to the inefficiency of the Chinese Government and of the existing set-up. On the other hand, it must be remembered as an extenuating circumstance that its political control has never been really effective in this particular area of Szechuan and that it must tread lightly in dealing with the Szechuan landlords and militarists, given its methods of operation and its political base. In fact Chang Chun, the Governor of Szechuan, is already unpopular in Chengtu because he symbolizes the Central Government. I should not be surprised if the Szechuan militarists are lukewarm at the prospect of the encroachments of the power of the Central Government on their preserves resulting from the construction of such large airports in their bailiwick and if they consequently manufacture "incidents" at the expense of American soldiers. Incidentally our military plans envisage the presence of 10,000 American soldiers in Chengtu by April 15, which of itself entails a sizeable economic burden on the area for grounds on which there is no need to expatiate. I hope to have the opportunity to visit Chengtu at greater leisure and to report more fully than my one day's trip allows me to. Dr. Kung may go to Kunming next week and I may have the chance to go along; if possible I shall also try to stop off in Kweilin. Chengtu, Kunming, and Kweilin are the chief centers of U.S. Army activity, and it would be worthwhile getting a first-hand impression of problems in which the Treasury has an immediate interest.

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3. The Black Market

The black market rate for US\$ currency which was 88 on February 3 in Chungking leapt to 130 on February 7, 170 on February 11, at which level it remained until the beginning of this week. Today it is over 200; in Kunming where prior to this month the rate was 10-20 points higher than in Chungking the rate began to lag behind the Chungking rate when the first flurry occurred, the rate is now again more than 20 points higher than in Chungking. Some of the bidding up has undoubtedly been speculative but the trend is unmistakeably upwards. The sharp turn can be attributed partly to the market's making an adjustment toward the real value of the US\$ particularly after the rise in general prices after Chinese New Year, partly to the rumor that the Government was going to change the official exchange rate to 100 to 1 as a result of American pressure and was about to take action to close the black market, and partly as a result of the influx of balances on account of Shanghai. With respect to the latter, as a result of the Japanese taking over of all available supplies of cotton in Shanghai, there have been heavy shipments of dyestuffs from occupied to Free China, payment for which has taken place in Free China, with a consequent intensification of the demand for US\$ currency in Free China.

Kung is now extremely worried about the black market and wants at least to bring existing rates down (rupees have risen commensurately with US\$). Accordingly he has approached Acheson about the possibility of importing US\$20 million of US currency in the immediate future for the Chinese Government in order to hit the black market. As the matter will come before the Treasury in any case, I may as well give my reactions here.

The black market rates undoubtedly have some effect on prices (and vice versa) though Kung tends to exaggerate them. Nevertheless, given the psychology of the moneyed classes here and the gravity of the economic situation, not to mention the Chinese tendency to blame as many things as possible on our Army expenditures and the incursions of our Government personnel into the black market, it is only natural that the Chinese merchants will give some weight to the black market and that we should show our willingness to cooperate in Chinese Government attempts to control it. Therefore I recommend that we should accede to Kung's request to the extent of sending US\$10 million in currency out and agreeing to send another US\$10 million in currency out should the first US\$10 million prove insufficient to bring the market under some degree of control. My first tentative opinion is that US\$10 million will be sufficient, as the black market has probably not absorbed more than US\$5 million in the last two years though it must be admitted that the rate of absorption is increasing. Of course Kung's request weakens his bargaining position with respect to the current negotiations for an arrangement for U. S. Army expenditures.

* * * *

You must be wondering why I have not sent a "weekly economic" cable for so long a time. The reason is simple. Whether by accident or design, the officials who usually give me the note circulation data have not come through; I shall wait another couple of days and if they still hold out shall send my cable anyhow. Similarly, have not yet answered your cable on the note reserve situation because to date have not received sufficiently comprehensive information for a reply; I hope to get out a cable on the matter before the

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end of the week and to enclose detailed data in my next letter to you.

As for the political implications of the loan, which I hope has become a dead issue though I fear the Generalissimo will raise it again at a convenient opportunity, right now its sole effect would be to strengthen the Kuomintang. I do not know whether I have already told you that Kung informed me that it was unlikely that he would go to America in the near future, adding that while there would be a point in his going to negotiate a loan, there are no other outstanding Sino-American financial questions which would justify his leaving China at this juncture.

With regard to the air bases, the Secretary's telegram undoubtedly helped a lot. Work on the Chengtu projects is going ahead at full steam (an inappropriate metaphor) but nothing has yet been done on the East China projects which were approved by the Generalissimo some time ago and on which the Combined Chiefs of Staff are equally keen (for the differences of opinion in military circles on how best to utilize the China Theater see my letter to Dr. White). The scale of contemplated Army expenditures is much greater than any of us had realized; again I refer you to my accompanying letter for a detailed discussion of the subject.

Have been too busy in the last few weeks - what with the financial negotiations on Army expenditures - to get down to the promised report on the currency situation in Occupied China, but shall turn to it at the first free opportunity. I, of course realize that the newer Government agencies in particular are especially petty when it comes to the release of information. But there is no reason why the State Department should not make available its reports on economic conditions in the occupied areas. (Incidentally if the Generalissimo allows us to send people into North China, as he has promised, we should be able to learn much more about financial conditions in North China and Manchuria.) By the way you ought to have no difficulty in

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obtaining the O.W.I. mimeographed publication of its monitoring of Japanese commercial radios which often contain some information on financial and currency conditions in Occupied China, Indo-China, Burma, etc. I must say that the Embassy here has cooperated with me 100% even though it is partly due to my personal relations with the Ambassador and George Acheson. They have called me into every discussion of our Army financial negotiations with the Chinese and have shown me all the relevant cables and material. Naturally this cooperation is two-way, but it makes much more sense than do the trivial jurisdictional disputes which the newer Government agencies apparently go in for.

Am enclosing two articles from the Ta Kung Pao on the sale of gold. The first contains a most stupid proposal with respect to savings certificates which gave Kung the opportunity to send for the Chinese press on the same day and to make a strong blast against the Ta Kung Pao. (You know that the Ta Kung Pao is the organ of the Political Science Group and is particularly anti-Kung.) He denounced it not only for its proposal re savings certificates but also for its proposal to allow us to sell gold, saying that the latter is exactly what we want. Incidentally in an informal conversation with Acheson he to some extent reversed this position by suggesting that gold be sold on our joint account. The Ta Kung Pao did not want to give Kung face by making an editorial retraction, and it therefore asked an economist who has joined the Political Science Group to write a letter correcting its previous article. Last Saturday Kung had an interview with the foreign press corps in which he made the astonishing statement that fapi would appreciate to 10 U. S. cents after the war. .

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* * * *

Information reaches me from a reliable source that the Generalissimo has given orders for an offensive against Ichang in March or April. If the offensive is successful it would give a great boost to Chinese morale and would also have beneficial economic repercussions as Ichang is a key transportation center through which all goods coming from Hunan used to pass. Its possession by the Japanese makes necessary lengthy and expensive detours. However, Ichang is easily defensible, being a natural strong point to which the easiest access is through the Yangtze Gorges. Now for the latest news and rumors. Wei-Tao-ming is it appears going back to America after all. China Defense Supplies which has previously been run by T. V. is, it is rumored, going to be taken over by Central Trust with a resultant further concentration of power in the hands of the Kung group. K. P. Chen, by the way, is on much better terms with Kung than he was last year. This is merely a straw in the wind indicating the victory of the Kung group. The Generalissimo fired the Vice-Minister of Information for writing articles in the Tao Kung Pao instead of in the Kuomintang daily.

* * * *

Treasury Department
Division of Monetary Research

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Date.....4/8..... 194

To:

Mr. White spoke to Secretary orally.

MR. WHITE
Branch 2058 - Room 214½

Treasury Department
Division of Monetary Research

Date April 7, 1944 19

To: Miss Chauncey

From: L. Shanahan

In reply to the Secretary's
notation: Mr. White said this was
just for the Secretary's interest -
nothing of importance.

*Have White is there anything
in this I ought to know?*

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CCPT

Strictly Confidential

Wally
February 22, 1944

To: H. D. White

From: S. Adler

Subject: Report of Press Conference on Chinese Internal Situation.

There is appended a detailed report of the press conference held by the Minister of Information and Vice-Minister of Foreign Affairs on February 16. The conference which sheds a great deal of light on the internal situation in China has already contributed to a slight relaxation of the tension which characterizes Kuomintang-Communist Party relations. One local wit has remarked that the foreign press conference fulfills the role of the Chinese Parliament as it is the only place where Cabinet Ministers can be interpolated and interrogated. Because of its highly dramatic character, the conference is reported in the form of a one-act play; for background information Liang, the Minister of Information, who is a member of Dr. Sun-Fo's group, is an incorrigible and unscrupulous prevaricator, while Dr. K. C. Wu, the Vice-Minister of Foreign Affairs, is a smooth nonentity who largely owes his position to the fact that he has a beautiful wife who is a close friend of Madame Chiang.

Dramatis Personae.

Liang, Minister of Information.

Dr. K. C. Wu, Vice-Minister of Foreign Affairs.

Dr. P. H. Chang, Counsellor of the Executive Yuan.

Brooks Atkinson, New York Times Correspondent, referred to as B.A.

Theodore H. White, Time and Life Correspondent, " " " T.W.

Gelder, News-Chronicle Correspondent, " " " G.

Guenther Stein, Christian Science Monitor, Daily Telegraph and

Manchester Guardian Correspondent, referred to as G.S.

Israel Epstein, Sydney Morning Herald Correspondent referred to as I. E.

Various other foreign correspondents.

Scene: Conference room of Ministry of Information, Chungking.

Time: The afternoon of February 16, 1944.

The conference opens with Mr. Liang, Dr. Chang, and Dr. Wu seated at the head of a long table with the various foreign correspondents sitting around the table.

T.W. "The Central News (the official Chinese Government news agency) recently issued a statement on American politics saying that despite all talks of unity there was great disagreement between the two American parties. It is good that such a thing should be published in China, but American

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correspondents would like to publish similar articles about China. This is why I am now going to ask if the Minister can tell us if the blockade of the Communist area is still continuing."

Liang: "What do you mean by blockade? And what is your source of information regarding the blockade, and where does it come from?"

T.W.: "I have been in Sian four or five times since 1939. There I was told it was impossible to go from Sian to Yen-an, impossible to send medical supplies, and that military supplies were not being sent. People do not go to Yen-an. This is the blockade that I refer to and which I should like to know more about."

Liang: "I know that men like Chou En-lai and his people go to Yen-an without any restrictions being placed on their movements. Transportation of the 18th Route Army goes back and forth without hindrance. So the word "blockade" does not seem to bear out the situation."

B.A.: "Does the spokesman deny that there is any blockade of the Northwestern area?"

Liang: "I cannot understand the situation when you refer to "blockade" because to my knowledge representatives of the National Military Council go back and forth, and there is constant communication in that respect."

G.: "How many transports of medical supplies have been allowed to go through since 1940?"

Liang: "I cannot give the information because the question must be referred to the National Military Council."

G.S.: "Does the Minister know of medical supplies from abroad specifically sent for this area which were detained and confiscated?"

Liang: "I have heard about this but have not got the full information with which to answer the question."

A foreign correspondent: "Can we be given this information at a later date?"

T.W.: "According to articles published in America, since 1939 the Communist Army has received no supplies from the Government. Can the Minister tell us whether military supplies have gone to the 18th Group Army?"

Liang: "In order to get details I suggest that you might interview General Ho Ying-Chin (The Minister of War)."

B.A.: "If the Minister objects to the use of the word "blockade", is there any other word we can use to describe the situation? For it is common knowledge that people cannot pass freely to Yen-an as to other parts of China."

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Liang: "In connection with this problem of the relationship between the Kuomintang, the Government, and the Communist Party, I shall say a few words "off the record". In this connection I am looking forward to the opportunity to invite the foreign friends to a specially arranged meeting when the question will be discussed more thoroughly. In the eyes of the Chinese people the relations between the Communists and the Government are regarded as something concerning our internal situation - our internal affairs. The present policy of the Government is to seek a solution by the political method. So in connection with the relations between the Communists and the Government it is not the intention of the Government to make an issue for publicity abroad. In the past there were two occasions . . . "

T.W.: "May we have an "on the record" statement?"

Liang: "In order to avoid the situation being misunderstood, I have said a few words, and as a matter of fact shall not dwell on the subject unless you request it for discussion. The differences which might exist between the Kuomintang and the Communist Party could be ironed out, because such differences are regarded as matters of domestic concern and the Chinese people do not think that such differences which could be ironed out should be treated as material for propaganda abroad. The Chinese attitude towards the situation is like this: the whole thing may be likened to a family dispute in which some members of the family differ from the views of other members of the family. Such disputes will eventually be settled; so I think it is not necessary for these things to be publicized. Fundamentally there is a psychological difference between Westerners and Easterners in looking at the situation. I say that in Chinese thought it is important to remember that the man in power says little and acts more".

G.: "Is the blockade in Chinese thought a sample of action?"

Liang: "To have a good government it is necessary to do more and talk less. We do not emphasize propaganda. In the West you think you should publicize new regulations made by your government. This is an example of difference in psychology.

T.W.: "We are constantly pressed by people in America who wish to know what is going on. We wish to know the answers to our questions for publication in America, just as Chinese correspondents send out dispatches about us."

Liang: "The situation is a little bit different. I think our correspondents would be very glad to obey your Government's orders if they asked them not to ask such questions. The Chinese Government forbids answering such questions. If there is no blockade ..."

Wu. "There is no blockade in North China." (Laughter)

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G.: "If both members of a family have guns in their hands and the guns go off, isn't that a serious situation?"

Liang: "How do you know the guns will go off? It is the policy of the Government not to let the guns go off. There is no possibility of the guns going off."

G.: "But the Chungking Government has guns to prevent me from going up to the Northwest."

Liang: "We have soldiers here too. We do not fear that any of our soldiers here will let their guns go off. There are troops everywhere for police purposes."

T.W.: "This is a family dispute. I have heard a Minister of the Government say that the Communists are a group of gangsters, warlords, etc. This does not sound like a family quarrel."

Liang: "These words (above) were not said for publication. I do not think that the matter should be given emphasis and that the situation be aggravated by putting too much stress on the affair. In the eyes of the Chinese people and the Government the less emphasis we place on the affair the better for everybody."

T.W.: "This is not a question of over-emphasis but of under-emphasis. Not a single correspondent has been allowed to send out a full dispatch on the situation for over a year."

Liang: "In the first place we are fighting this war for a common purpose. It is for the final victory that China should be unified. It is our declared policy to be unified and to solve the difficulty by political means. There is therefore no reason to have foreign countries make out this matter as if it could not be solved in a political way. It is the sincere, earnest desire of the Chinese Government to solve it in a political way, and therefore we do not want to talk about it. It is no good to make a lot of noise about it. As a war correspondent of a friendly ally you should not do it."

B.A.: "What is the status of the 18th Group Army? Is it an integral part of the nationalist army on the same basis as other armies?"

Liang: "It was originally regarded as a part of the regular army but due to cases of insubordination a new situation has arisen and supplies have not been sent to them."

B.A.: "For how long?"

Liang: "But it is the wish of the Chinese Government that the 18th Group Army may become once more a part of the Chinese forces, the Chinese Army, as was the case when the war first broke out, and at a previous conference the Minister mentioned that the Communist Party indicated a desire to send a few members to Chungking and in compliance with their wish a message of welcome was sent to them intimating that the Government is prepared to seek a solution by political means."

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G.: "What basis is there at the present moment for negotiation, including the fact that the Minister says that a new situation has arisen and no supplies have been sent?"

Liang: "When I assumed office I made the remark that the report that an armed conflict would occur was without foundation and that the matter could be borne out by fact and that in six months time you would see that what I said was true. It is now nearly six months since that statement was made. An armed conflict has not occurred, bearing out what I said. The situation became aggravated when the report was circulated that the radio station of the 18th Group Army had been closed down, and I made a statement that there would be no possibility of conflict and that the measure was applied to all stations."

G.: "I hope we shall not be accused of rumor. When I asked if the station was closed I was told that it was not closed. The station to which I was referring was closed and is closed - I know for a fact. I expect a direct answer to my questions. If what the spokesman has said is an implied criticism, I think the statement should be withdrawn."

Liang: "So far as I know, the day you make the inquiry the radio station was not closed (This is an unmitigated lie, see Addenda), although the order had already been issued to close all the radio stations of the different military groups and was later carried into effect. There was no prevarication. Later it was closed."

G.: "I was told that the Government did not wish unproved news to go out of China, I was invited to go and see the station in operation. I accepted the invitation, but I was never taken to see the station."

Liang: "Later it was closed. What would have been the use of taking you to the station one day when it was working when the next day it was to be closed?"

G.: (heatedly) "If we are to be accused of interpreting suggestions here as rumor, I do not propose to ask any more questions".

Liang: "Did anybody say that you, that Mr. Gelder, was spreading rumors?"

T.W.: "The Japanese radio continually says that they are fighting with the New Fourth Army, but in Chungking we are told that the New Fourth no longer exists. Which is true?"

Wu: "If you want to read Japanese news, go ahead."

Liang: "There are elements in China who are playing up the situation . . . in order to serve their own ends. Recently a message carried by Reynolds News quoted Madame Sun Yat-sen's statement in connection with her appeal to labor in England and America saying that the reactionary elements in Chungking are trying to tighten the blockade against the Communist area

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and that China was on the brink of conflict. Here is a report, apparently a twisted report. I called on Madame Sun and she denied it, producing the original telegram which reads:

"On 32nd anniversary founding Chinese Republic we must remember that progress toward democracy is like learning to swim. One learns not by talking about it but by getting into the water. War against Japanese military fascism provides another measure (?). Those serve best who devote all their energies to fight against aggression. American friends can help Chinese democracy by actively supporting all elements actually engaged in fighting Japan — Soong Ching-ling (Madame Sun)."

There is nothing like "reactionary elements" in her telegram and nothing like a demand for lifting the blockade, etc., and yet such reports appeared and were carried by Reynolds News. As a matter of fact her wish is that there should be cooperation among parties in China in the best interests of fighting aggression. (For the correct details of this episode which Liang has distorted see Addenda). I do believe that you want to report the truth — either reporting the truth or visualizing the situation before it comes about like a prophet or a man of prudence and wisdom but refusing to be instrumental for something which does not exist. Once more, I reiterate that I would like to have the opportunity to put the matter before you in future, and if you will excuse the spokesman this matter will be regarded as concluded."

Chang: "The Minister of Information proposes to conclude for the time being the discussion. This question of the Communists will be discussed later and he further proposes in the very near future to invite you to a special conference in which he will give you a long talk of two or three hours, and there you will have ample opportunity to thrash out everything.

In connection with the cables which you will be sending, the Minister would state clearly that in his opinion if whatever is sent does not work to the detriment of the interests of the Government, the Government is doing its best to settle the affair by political means, the Minister would not see the necessity for censorship; but if it works against that important purpose, the Minister is afraid that a measure of censorship will have to be enforced."

I.E.: "With regard to the statement that the 18th Group Army was regarded as an army of the National Government until a situation arose which necessitated the stopping of supplies, how long have the supplies been stopped? Second, with regard to the cable sent by Madame Sun Yat-sen in which she says "American friends can help Chinese democracy by supporting all elements actually engaged in fighting Japan", can we not take this as an implied criticism that the two armies are not equally supported?"

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Liang: "I will answer later as to when payment of troops was suspended. The situation was this, the Communists were collecting taxes on their own responsibility. The moment that was known to the Government payment was suspended."

In the original telegram the phrase "American friends" is mentioned and has nothing to do with the Chinese Government. Within the last two weeks there has been no special reason to lay special emphasis on the Communist problem. Within the last two weeks one Army Corps has been withdrawn from the area. (Previously three armies had been added.) From the Chinese Government point of view we think the situation is not tense at all. In fact it is very quiet."

T.W.: "There has been a very great lessening of tension in the last two weeks, and no correspondents here have fear of civil war before the Japanese are defeated. But for months and years we have been blockaded. We have not been allowed to mention the situation. Now the pressure on us is intense, and we in turn are turning the pressure on you. We do not want to make any trouble in China. We would like to paint accurate pictures. We refuse to send out partial accounts."

Liang: "It is to nobody's interest to dwell on this. Differences can be ironed out. Why should we make a mountain out of a molehill?"

T.W.: "You are trying to make a molehill out of a mountain."

Liang: "An Army Corps has been withdrawn. But why play up this fact? Why not wire back that the situation is less tense?"

G.: "China has constantly demanded increased aid from America and England. That will cost many lives, and British people are entitled to know whether China is all out to defeat Japan. If the Chinese Central Government has thousands of troops blockading other Chinese troops, how can they be all out against Japan?"

Liang: "In Szechuan we have a lot of troops. In every war you have both to fight at the front and to police in the rear. You are much better organized and do not need this. It is to the benefit of everyone that peace and order be maintained."

G.: "It is not fair to assume that correspondents are critical of this situation just for the sake of being critical. We have asked and are entitled to ask again that we shall be allowed to go to the Communist area."

T.W.: "I have never been in a country where correspondents have such an affection for the country they are in as here, but our affection for this country cannot prevent us from telling the truth to our people."

G.: "I want to ask if we shall be allowed to go to the Communist area."

T.W.: "If the Government is going to make a statement about the situation, I should like to ask the Communists to prepare a statement to cable also"

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- Liang: "The Communists have been making all kinds of statements. I should like to find out if the Central Training Corps (? probably Course, given in Central Training Institute to Government officials, Kuomintang functionaries, and all Chinese who are going abroad) has been regarded as a concentration camp."
- T.W.: "No, I have not heard that."
- G.S.: "Can we ask Yen-an for a statement on the situation?"
- Liang: "Not from a separate government in wartime."
- G.S.: "Will you allow me to send a cable to Yen-an asking for a statement? If and when I get a reply, will you allow us to publish it?"
- Wu: "It is not our system to allow local governments to make separate statements. Sir Oswald Mosley was forbidden access in your country."
- G.: "Are you suggesting that the Communists in North Shensi stand in the same relation to the Central Government as Mosley to the British Government?"
- Wu: "Oh no. Do not quote me. I am just talking."
- T.W.: "There should be free speech unless it endangers the war. Mosley said the German system was the best and was doing his best to undermine the Government."
- Liang: "I do not wish to say that the Communists are trying to undermine us. If we go that far, how can we solve this question?"
- G.S.: "Is it worth my while to spend money on such a cable?"
- Liang: "You must send it by the military telegraph station."
- G.S.: "So there is a blockade."
- A foreign correspondent: "Are correspondents permitted to go to Yen-an and North Shensi?"
- Liang: "So far as my opinion is concerned I hope that all of you may go, but this has to be approved by the military authorities."
- H.A.: "Here is a letter signed by some of the correspondents to the Generalissimo, asking for permission to go to Yen-an."
- Wu: "So this was all pre-arranged." (Laughter) Conference adjourns.

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Addenda

1. With respect to the Communist radio station in Chungking, it was closed on January 15. The news got out and journalists started asking questions. Gelder towards the end of January asked specifically if the Communist station was closed. He was told that it was not and that he could go see for himself. When he took up the offer he was turned down. On February 4 the Government issued an order, making it retroactive to January 15, closing down all non-Central Government radio stations in Chungking. The ground that was given was military secrecy, it being claimed that the Japanese had broken one of the codes. It was pointed out by the journalists that from the point of view of military secrecy it was much better to let the 8 radio stations of the various provincial governments and area armies continue to function than to have all messages sent on the National Military Council radio which the Government spokesmen admitted used only one code.
2. With respect to Madame Sun, it appears that Liang did call on her to ask if she was responsible for the statement in Reynolds News, which she denied. But she has written both to the foreign press and to Liang that he distorted her formal denial to include a denial on her part of the existence of a blockade, a denial she had never made. On the contrary as the trustee of foreign relief organizations which had been trying to send medical supplies to the Border areas she had been fighting the blockade for 4 years. (Incidentally General Ho Ying-Chin and Wu Tei-chen called on her to rebuke her for her message to England and America. Moreover she has received an invitation from some American relief organization to visit the United States, but she was told by the powers that be that she could not leave China.)
3. After the press conference of February 16, the Counsellor of the British Embassy here sent for Gelder and rebuked him for asking questions which were embarrassing to the official Chinese spokesman. Gelder who is a pretty independent and ultra-professional journalist told his Counsellor to go to hell. This attitude on the part of the British Embassy is in marked contrast to the attitude of our Embassy, which views the interest the journalists are taking in Chinese internal affairs with at least tacit sympathy.
4. Our military attache here, who is not particularly well-informed on internal problems, rather foolishly boasted that he had encouraged the journalists to raise the whole issue. As a matter of fact his boast is inaccurate, as the journalists were quite capable of doing it off their own bat without any outside encouragement. Be that as it may, the boast reached the Generalissimo's ears; accordingly he sent for our leading military representative and pointed out that the military attache was not only the representative of the American Army but also a representative of the United States Government and that he had therefore no business to meddle in such matters.

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5. The foreign correspondents' petition to visit Yen-an has been presented to the Generalissimo, but no action has yet been taken on it. (On possible visits to Yen-an see body of my letter.)
6. Hollington Tong, the Vice-Minister of Information in charge of supervising foreign correspondents frankly told one foreign correspondent that the reason why the Government has not let them visit Yen-an is that all correspondents who have been up there have come back with favorable reports. Incidentally at a meeting of high Government officials last Monday General Ho Ying-chin complained that Hollington Tong had failed in inculcating the right approach among foreign correspondents and that the Government had lost out to the Communists in this respect.
7. It is reported that partly as a result of last Wednesday's press conference two truck loads of medical supplies are to be allowed to go through the blockade, but this report has not yet been confirmed.

Postlude.

On Thursday the 17th, six foreign correspondents interviewed General Tung, who has represented the Communists here since Chou En-lai's departure. Tung stated that the Communist policy was to support the Central Government as long as it led the War of Resistance against Japan and insofar as it honestly aimed at the realization of the Three People's Principles; he claimed that in the Border Areas they had already realized the First Principle of Nationality and the second Principle of Democracy but that they were still far from attaining the third Principle of the People's Livelihood. The Communists certainly did not desire a civil war. As for the blockade he said the journalists could go up to the Northwest to see for themselves and advised them to note the number of blockhouses if they did make the trip, adding that you could always move soldiers around but that you could not move blockhouses. He also indicated that the Communists would welcome the journalists going to Yen-an. The journalists concerned prepared stories of this interview, all of which have gone to the Generalissimo for censorship.

N.B. All of the above is strictly confidential. The press conference was "off the record" and should therefore be treated as strictly confidential also.

Feb. 22, 1944

Lt. Col. A. H. Thompson

J. W. Pehle

Pursuant to the conversation which I had with you yesterday there is transmitted herewith a draft of a policy directive on the forestalling of the Nazi plans to exterminate all the Jews and other persecuted minorities of Europe.

Also attached is a copy of the United Nations Declaration issued on December 17, 1942.

Your cooperation in pushing forward actively on this matter will be appreciated.

I am sending copies of this memorandum and its enclosures to Mr. Frederickson.

(Signed) J.W. Pehle

Attachments

cc: Mr. Frederickson, Room 3540 Social Security Bldg.
Mr. Kuhn

JWPehle:llh 2/22/44

February 22, 1944

1. On January 22, 1944, President Roosevelt created a War Refugee Board, consisting of the Secretary of State, the Secretary of the Treasury, and the Secretary of War, to take all possible action immediately to forestall the plan of the Nazis to exterminate the Jews and other persecuted minorities of Europe.

Every possible opportunity should be utilized to bring home to the peoples in German controlled Europe the significance of this concrete step and to keep these peoples constantly informed of the activities of this Government and other members of the United Nations designed to save the Jews and other persecuted minorities from death. Our objective is to convince these peoples that we mean business in this matter and are determined to do all in our power to thwart the Nazi program.

2. Extermination of the Jews. It is essential that we make clear to the leaders and particularly the people in Germany and Germany's satellites that this Government and other members of the United Nations are outraged over the policy being followed by the Nazis with respect to the Jews. The Nazis are singling out these people for murder solely because they are Jews. We must make certain that we also single out our condemnation of this nefarious crime.

We should constantly make known to the people in German-controlled Europe the gory details of this program of extermination of the Jews in Europe. We must make it clear that the guilty will be punished and that persons who stock the human cattle trains of France, Belgium, Holland, etc., are equally guilty with the executioners in Poland. This warning should be constantly repeated, and the people in Germany and in the satellite countries should be called upon to demonstrate by their actions that they have no part in this crime. They should be asked to do what they can to save these people. They should also be asked to keep track of the evidence which can be used to convict those who are guilty and to acquit those who are blameless.

At the same time that we thus make clear our determination to punish the guilty, we must also make clear our determination to do all we can to aid the escape of the Jews and other victims of Nazi persecution. We should make clear that we are prepared to find havens of refuge for these people should they escape. We should call upon the neutral countries of Europe to cooperate in letting these people across their borders.

JED:JWP:1hh 2/22/44

COPY

December 17th, 1942

UNITED NATIONS DECLARATION

The attention of the Belgian, Czechoslovak, Greek, Luxembourg, Netherlands, Norwegian, Polish, Soviet, United Kingdom, United States and Yugoslav Governments and also of the French National Committee has been drawn to numerous reports from Europe that the German authorities not content with denying to persons of Jewish race in all the territories over which their barbarous rule has been extended, the most elementary human rights, are now carrying into effect Hitler's oft-repeated intention to exterminate the Jewish people in Europe.

From all the occupied countries Jews are being transported in conditions of appalling horror and brutality to Eastern Europe. In Poland, which has been made the principal Nazi slaughterhouse, the ghettos established by the German invader are being systematically emptied of all Jews except a few highly skilled workers required for war industries. None of those taken away are ever heard of again. The able-bodied are slowly worked to death in labor camps. The infirm are left to die of exposure and starvation or are deliberately massacred in mass executions. The number of victims of these bloody cruelties is reckoned in many hundreds of thousands of entirely innocent men, women and children.

The above-mentioned governments and the French National Committee condemn in the strongest possible terms this bestial policy of cold-blooded extermination. They declare that such events can only strengthen the resolve of all freedom-loving peoples to overthrow the barbarous Hitlerite tyranny. They reaffirm their solemn resolution to insure that those responsible for these crimes shall not escape retribution, and to press on with the necessary practical measures to this end.

PARAPHRASE OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMERICAN LEGATION, LISBON
DATED: FEBRUARY 22, 1944
NUMBER: 516

CONFIDENTIAL

We have transmitted to London for IGC the information contained in your telegram of February 10, 1944, no. 401.

STETTINIUS

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, London
DATED: February 22, 1944
NUMBER: 1323

CONFIDENTIAL

Referring further to notification sent to Lisbon referring to the Department's telegram of January 25, no. 626, the following has been received from the American Legation at Lisbon, and you are requested to please transmit this message to the Directorate of IGC:

We are of the opinion, after consultation with representatives of the British Embassy, the Joint Distribution Committee, HICEM, the Friends and the Unitarians, that for the present no useful purpose would be served by the opening of a branch office of the Intergovernmental Committee on Refugees or of the appointment of a Portuguese national as representative of IGC.

At present the number of stateless refugees in Portugal is slightly more than 500 which figure is expected to be reduced shortly to about 400 and such problems as are currently arising are being handled satisfactorily by existing organizations.

The relief

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The relief organization's representatives who met today with the British and ourselves are in agreement with the foregoing and have stated that their ends will be served if they can count on the direct support of the American and British Missions in approaching the Foreign Office when the occasion seems to require such. Our representative stated that our instructions would make it possible for us to do this and the closest cooperation was offered by us.

This message repeated by courier to Madrid.

STETTINIUS
(Acting)

PARAPHRASE OF TELEGRAM SENT

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMERICAN EMBASSY, LONDON
DATED: February 22, 1944
NUMBER: 1330

CONFIDENTIAL

It is requested that you advise the Director that the Department is in agreement with the views which he expressed, transmitted in your cable of December 30, 1943, No. 9066, and to state further that when the Fedhala Camp was first agreed upon it was the understanding of the United States and British Governments that the camp was to be a temporary one and that the responsibility of finding a more permanent place for the refugees accepted at Fedhala would fall to the Intergovernmental Committee.

At that time it was envisaged that either the permanent migration of the refugees might be organized or that they might be removed for the duration of the war to a more permanent place and thereafter to return to their countries of origin in Europe.

These plans remain in effect, and it is anticipated that, in order that the foregoing objectives can be achieved as soon as possible, close working relations may be established between the Fedhala administration and the London and/or Algiers office of the Intergovernmental Committee. Since the consent of the French Committee of National Liberation was based on the temporary stay of the refugees at Fedhala Camp, this is especially desirable.

The foregoing

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The foregoing message was repeated to Madrid for Beckelman's attention.

STETTINIUS
(Acting)

PARAPHRASE OF TELEGRAM RECEIVED

TO: Secretary of State, Washington
FROM: American Embassy, Madrid
DATE: February 22, 1944
NUMBER: 607

RESTRICTED

The following message is number 6 for Lehman from Beckelman.

Referring further to my number 4 and due to the fact that there is no reply from North Africa to Embassy's question concerning security procedures for Fedhala applicants I believe that my return there along with the French representative would be preferable. I am therefore going to Casablanca on February 23 and will proceed to Algiers upon the arrival of the French representative in Casablanca from Lisbon. The French representative is of the opinion that by the last week of March the refugees may sail from Spain providing no undue delay is encountered in deciding questions of admissibility to be taken up in Algiers and in the screening of individual applications there. Twenty-five dollars per head f.o.b. shipside is my estimate of the maximum average cost of moving refugees to the port of embarkation from their present locations in Spain.

The foregoing has been repeated to Fryer in Algiers.

HAYES

DGR:MPL
2/24/44

C
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OFFICE OF
THE REPRESENTATIVE
OF THE
UNITED STATES OF AMERICA

Algiers, February 22, 1944.

NO. 122

Subject: Refugee situation in North Africa

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's circular airgram of January 26, 1944, regarding creation of a War Refugee Board. There is enclosed a memorandum of February 19, 1944, prepared by Captain Paul H. Warburg, U.S., attached to this Mission, summarizing the refugee situation in North Africa and which it is hoped convers in a general way the points raised in the Department's airgram under reference.

Upon receipt of the airgram in question, I called on the Commissioner for foreign Affairs and explained to him the special interest of the American Government in the refugee problem and particularly for action in the immediate rescue of Jews in crone. A copy of the aide-memoire which I left on that occasion is also enclosed.

Mr. Massigli stated that the French Committee was only too glad to associate itself with any work of this high humanitarian nature and would cooperate to the extent that this might be possible. At the same time he pointed out that one of the chief preoccupations of the Committee was in fact the problem of refugees from France and the general displacement of French nationals. He added that as I knew this problem would be a dominant one in French post-war re-adjustment, and he made reference particularly to the difficulty of absorbing the return of French prisoners, detainees and workers from Axis countries. Finally, he said that while France wished to cooperate wholeheartedly in the problem of international refugees, the French Committee was naturally constrained with its limited means and facilities available to give first attention to French nationals of any race, creed or color.

In ...

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In the course of a subsequent interview which I had with Mr. Massigli, we discussed the problem of Jewish refugees now in Metropolitan France and with his concurrence the representative of the Jewish Joint Distribution Committee has been referred to the Commissariat for Refugees and Prisoners to examine the possibility of using facilities of the French underground, in so far as they may be available, to bring out a number of these Jewish refugees from Metropolitan France.

Respectfully yours,

Welden Chapin
Counselor of Embassy, in Charge

Enclosure:

1. Memorandum dated Feb. 19, 1944,
re refugee situation in North Africa.
2. ~~ide~~ memoire dated Feb. 5, 1944

SC/ew
500

Original and hectograph to the Department

KEM-829

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

Ankara

Dated February 22, 1944

Rec'd 3:10 a.m., 23rd.

Secretary of State,

Washington.

314, February 22, 7 p.m.

FOR FEHLE FROM HIRSCHMANN.

DEPARTMENT OF STATE
BUREAU OF
PUBLIC AFFAIRS
COMMUNICATIONS
AND RECORDS

At our Ambassador's suggestion, I conferred today with Soviet Ambassador Vinogradov here. He agreed at first opportunity to speak with the Bulgarian Minister urgent that the Bulgarian bottleneck for the evacuation of Jewish refugees be opened up. He was not very hopeful on this situation since he stated that Soviet efforts to secure concessions from the present Bulgarian Government to date had been futile. I told him of our intention to exert pressure on the satellite countries and asked him to take parallel action.

On the matter of supporting our request of the Turks for permission to use a ship for evacuating refugees, he was also pessimistic, stating that the Soviets had had no success with the Turks in any request. On both of the above matters he remarked that he could not act formally except through Moscow. He suggested that you, acting for

-2- #314, February 22, 7 p.m., from Ankara.

acting for the combined secretaries of your board,
should telegraph Harriman to request assistance from
Moscow. He agreed to do likewise. Please advise of
your action.

STEINHLINDT

WSE

See not distri.

FROM Montevideo

Dated February 22, 1944

Rec'd Feb. 28 - 4 P.M.

Secretary of State,

Washington.

A-96, February 22, 12 noon.

Reference Department's circular airgram of January 26, 1944, concerning War Refugee Board and action for rescue and relief of Jews of Europe and other victims of enemy persecution.

Reference also Embassy's despatch no. 3926 of February 17, 1944, reporting inter alia delivery to Uruguayan Minister of Foreign Affairs of memorandum setting forth policy expressed in President's Executive Order of January 22.

Embassy received yesterday in reply a memorandum dated February 17 in which the Foreign Office states:

In reply the Ministry is pleased to state that its Government is disposed in principle to cooperate in the noble work referred to in the Embassy's memorandum; but it would be grateful if the Embassy would furnish it the plan or program which the Government of the United States of America will surely have drawn up regarding the matter, in order to enable the Uruguayan Government to make the definitive decision which in its opinion may be pertinent.

Montevideo/A-96, Feb. 22, 1944

- 2 -

This confirms the Minister's verbal statement (reported in my despatch no. 3926) to the effect that, before considering the form which Uruguayan cooperation might take, he would be interested in receiving suggestions from us and information as to the measures we ourselves contemplate.

In the penultimate paragraph of my despatch no. 3926 I suggested that in my opinion the first step with a view to obtaining Uruguayan cooperation should be to indicate to the Uruguayan Government at least in a general way what the War Refugee Board would like to see it do.

DAWSON

848

WD:rvm

BRITISH MOST SECRET
U.S. SECRET

OPTEL No. 61

Information received up to 10 a.m., 22nd February, 1944.

1. NAVAL

MEDITERRANEAN. ANZIO. On evening 19th a combined torpedo and rocket bomb attack made on anchorage failed owing to effective smoke screen. On 20th 4,833 tons discharged.

Night 20th/21st E-boat attack driven off with one E-boat sunk and another probably driven ashore. 21st. Port closed owing to suspected mine-laying.

2. MILITARY

ITALY. ANZIO Bridgehead. Enemy shelled forward troops very heavily during night 20th/21st, but by dawn 21st no new enemy attack had been reported and our line remained unchanged.

RUSSIA. Northern Sector. Russians have advanced south and southwest of LUGA, towards DNO from STARAYA-RUSSA and West of River LOVAT capturing KHOLM.

BURMA. In NGANGYAUNG Area mopping up of enemy almost complete and survivors now believed East MAYU RANGE. Fighting continues at both ends of NGAYKEDAU PASS. Our troops have raided INDIN on coast, 25 miles south of MAUNGDAW.

3. AIR OPERATIONS

WESTERN FRONT. 20th/21st. 1,990 tons dropped on STUTTGART. Attack well concentrated with extensive fires. Nine bombers missing and four crashed in UNITED KINGDOM. Now considered that 90 enemy aircraft crossed coast of which 60 reached LONDON area. Revised casualty figures - 172 killed, 561 seriously and 428 slightly wounded.

21st. 859 escorted U.S. heavy bombers despatched dropping 253 tons on DIEPHOLZ AIRPARK, 179 tons on BRUNSWICK aircraft component factory, 215 tons on ACHMER AIRPARK and 790 tons on other targets. 15 bombers and five fighters missing. Supporting fighters claim 33, 5, 18. A 1,500 ton ship probably torpedoed, two minesweepers and 4 R-boats damaged in attack on convoy off DEN HELDER by 38 Beaufighters (1 missing).

21st/22nd. Aircraft despatched: Seaming 41 (1 missing), targets in GERMANY, military objectives in FRANCE, Leaillets and Intruders 47 (1 missing). 15 enemy aircraft operated over South East England of which 3 penetrated to LONDON Area. Little damage and few casualties.

Italy 20th. 640 aircraft despatched including attacks on troop concentrations and dumps in ANZIO Area.

BURMA 20th Allied aircraft destroyed or damaged 35 small river craft in MAYU, KALADAN,

CHINDIN and PROIN Areas.

Telegram No. 60 not sent to Washington

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1330

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. G. WILLEVER
FIRST VICE-PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

MPJ55 GOVT LG=WUX WASHINGTON DC 23 1235P

HON HENRY MORGENTHAU JR=

BOCAGRANDE HOTEL BOCAGRANDE FLO=

AM IN NEW YORK WORKING ON BROADCAST AND OVERSEAS PROGRAM WHICH CAN BE DONE BETTER FROM NEW YORK THAN WASHINGTON, AND BESIDES IS CLOSER TO THE HOSPITAL,

DUDLEY AND I SENT FIRST DRAFT OF SCRIPT TO YOU LAST NIGHT ON HALF-HOUR SHOW AS PLANNED IN THE BEGINNING WITH GAMBLE AND YOU, AND NOT CHANGED TO MY KNOWLEDGE UNTIL NOW. IT IS A LETTER TO A BOY AT THE FRONT AND HAS REST-CAMP AND OTHER INTERESTING SEQUENCES. I STRONGLY RECOMMEND THAT YOU DO THIS SHOW ON MARCH 6 WHICH IS THE FIRST GOOD RADIO NIGHT THAT YOU ARE NOT OTHERWISE ENGAGED. MARCH 2 IS A VERY BAD NIGHT AND YOU WILL NOT GET ENOUGH LISTENERS TO BOTHER WITH UNLESS YOU CAN KNOCK COMMERCIAL SPONSORS OFF NBC WHICH YOU SHOULD NOT DO FOR A SPEECH.

IF YOU DO NOT WANT TO DO THE BIG SHOW, I STRONGLY RECOMMEND THAT YOU SET UP PRESS CONFERENCE ON MARCH 2 AND LET NEWSPAPER CARRY RESULTS WITHOUT BOTHERING WITH RADIO. THIS WILL GIVE YOU ALMOST AS GOOD COVERAGE AS A SPEECH OPPOSITE GOOD COMMERCIAL RADIO SHOWS. BESIDES,

6 2 2.1

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1220

81

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

MPJ55 2= WASHINGTON

HON HENRY MORGENTHAU JR BOCAGRANDE FLO=

YOU HAVE WORKED UP A GOOD RADIO ACCEPTANCE WITH AUDIENCE ON ACCOUNT OF GOOD PERFORMANCES IN GOOD SHOWS AND YOU STAND A CHANCE OF LOSING THIS INTEREST WITH A SPEECH. THEN YOU WILL HAVE TO BUILD YOUR ACCEPTANCE ALL OVER AGAIN. WITH THIS DUDLEY AGREES COMPLETELY. I WILL WAIT IN NEW YORK AND DROP EVERYTHING ON SHOW AND INSTRUCT ARMY TO HOLD UP ARRANGEMENTS FOR REST- CAMP UNTIL I HEAR YOUR FINAL DECISION. WIRE TO TREASURY AS I AM IN CONTINUOUS TOUCH. CAN RETURN TO WASHINGTON ANY TIME, AND WILL IMMEDIATELY IF YOU DECIDE NOT TO DO THIS SHOW, BUT MAY HAVE TO GET BACK HERE WITHOUT WARNING FOR THE INFANT ARRIVAL WHICH IS REPORTEDLY IMMINENT OVERSEAS PROPAGANDA PROGRAM PROGRESSING WONDERFULLY AND WITH COMPLETE COOPERATION FROM ALL BRANCHES OF THE ARMY. ONE FUNCTION OF THE RADIO SHOW AS PLANNED IS TO PROVIDE BROADCAST -FOR TROOPS-

FRED SMITH.

159P

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

MEMORANDUM

TO: Secretary Morgenthau
FROM: Mr. Paul
SUBJECT: Yield from the Tax Bill

February 23, 1944

Apart from the excise taxes and postal increases, the revenue yield of the tax bill would have been little more than a billion dollars. The greater portion of this yield, however - something around six hundred and fifty million dollars - comes from two simplification provisions, the elimination of the earned income credit and the denial of deductions for Federal excise taxes. These two provisions would have to be a part of any bill designed to simplify the tax laws since they are essential to tax simplification. If simplification of the income tax is deemed by the Congress to be a necessary step this year, these two provisions would, therefore, have to be made applicable to the year 1944. Consequently, the six hundred and fifty million dollars involved should not be considered as revenue lost as a result of the veto, since it would be obtained as part of the simplification program.

H. E. P.

B. J. P.

83 ✓
February 23, 1944

Dear Mr. Batt:

In the absence of the Secretary, I am acknowledging your letter of February 21, which transmitted a copy of Mr. Donald M. Eelson's regular monthly report on production performance.

I know that Mr. Morgenthau will be glad to see this material and I shall be glad to bring it to his attention as soon as he is back at his desk.

Sincerely,

(Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.

Mr. W. L. Batt
War Production Board
Washington, D. C.

GEF:nwd

WAR PRODUCTION BOARD
WASHINGTON, D. C.



OFFICE OF
VICE CHAIRMAN

February 21, 1944

The Honorable
The Secretary of the Treasury

My dear Mr. Secretary:

There is attached for your information a copy of Mr. Donald M. Nelson's regular monthly report to the President on production performance against materials and equipment commitments of the Third Russian Protocol.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "W. L. Batt". The signature is fluid and cursive, with a long horizontal stroke at the end.

W. L. Batt



WAR PRODUCTION BOARD

WASHINGTON, D. C.

February 17, 1944

SECRET

Declassify on: Authority of Executive Order 11652

IN REPLY REFER TO:

My dear Mr. President:

Attached hereto is a tabulation showing progress made during January, and during the seven months ending January 31, 1944, towards fulfillment of Third Protocol materials and equipment production programs for the Union of Soviet Socialist Republics.

Significant among developments during the past month was the completion of arrangements to expand further production schedules for several important raw materials. In the case of aluminum, 33,600 short tons were added to the 31,320 short tons previously planned for the last half of the Protocol period. This means that total Third Protocol aluminum shipments will come to 111,000 short tons from the U.S., or 129,000 short tons from the U.S. and Canada combined. This compares with a commitment to supply 35,760 short tons from the U.S. and 18,000 short tons from Canada, or 53,760 short tons from the two countries together.

The carbon steel program was increased by 110,000 short tons, all to be produced in the second quarter, 1944. This increase seemed justified because of the marked improvement which had occurred in the steel stocks situation. By the end of December, steel stocks had dropped to approximately 257,000 short tons. Of this amount, some 100,000 were being prepared for overseas shipment, and only about 150,000 short tons remained as a reserve for later movement to port. In view of the size of recent liftings of steel products, and in view of the importance of steel as bottom cargo in the preparation of balanced shipments, it appeared that this reserve, when taken together with planned production during the remainder of the Protocol period, was not sufficient to insure an adequate flow of steel to meet potential shipping availabilities.

The nickel schedule for the balance of the Protocol period was increased by 1,125 short tons. This, together with a recent decision to furnish 1,120 short tons from Indian stocks, brought the total Third Protocol nickel program to 7,720 short tons (more than twice that of the Second Protocol period) as against an original offer of 5,400 short tons. Among other increases authorized were 14,000 short tons additional of "other chemicals" (i.e. a wide variety of miscellaneous chemicals), an additional \$5,000,000 of "other materials", 134 short tons of nichrome, and 38.5 short tons of cobalt.

SECRET

Dissemination Outside Agency Use

A second development of importance was the completion of arrangements for processing an important block of requisitions for industrial equipment to be delivered after June 30, 1944.

It will be recalled that included in the Third Protocol was a provision that the U.S. would consider accepting during the Third Protocol period \$300,000,000 of industrial equipment for delivery after June 30, 1944. The reason for the inclusion of this provision was to insure that there would be a continuity in the flow of industrial equipment required for the U.S.S.R. without at the same time making necessary disruption in U.S. production schedules. Third Protocol industrial equipment offers were so planned and formulated that practically all orders which were carried over into the Third Protocol period or which were to be accepted as regular Third Protocol orders would be completed by June 30th. This meant, of course, that unless new orders for industrial equipment were placed well before July 1, 1944, there would necessarily be an extended period during which no industrial equipment would be coming off the lines for the U.S.S.R.

During the months following the completion of the Third Protocol, Soviet representatives submitted a very great number of requisitions and programs for approval under this "advance order" provision. (The total exceeded \$500,000,000.) Of these, two projects (a refinery program and a new power program), totalling \$75,000,000 in value, were accepted. Others, however, were held up because (a) the requests were not in balance, there being many important types of equipment which the U.S.S.R. obviously would need during the Fourth Protocol period but which were not included; and (b) a number of the items were of such nature as to lead the Foreign Economic Administration to question whether they were lend-leaseable under a strict interpretation of the Lend-Lease Act.

In view of the long production cycle required for industrial equipment, the hold-up in the clearance of advance requisitions threatened to disrupt the whole plan to insure that there would be no interruption in the flow of equipment to the U.S.S.R. The FEA and the WPB decided, therefore, that it would be necessary to blueprint, on the basis of extensive information which was at hand, the likely over-all Fourth Protocol industrial equipment program, and to estimate, by particular categories of equipment, the number of advance requisitions which would be necessary to insure that the over-all program could be carried out without undue difficulty.

Because of uncertainty as to policy in regard to long-run equipment, this blueprint was limited to maintenance and replacement equipment as distinct from plant rehabilitation and project type equipment. In

SECRET
Declassify This Document Under Executive Order 11652

thus limiting the program, there was no intention of precluding ultimate acceptance of project type equipment. The only consideration was to divorce maintenance and replacement equipment from project type equipment so that production could be initiated in the case of the former without subjecting it to further delays pending resolution of policy problems incident to the latter.

Through extensive studies carried out by the WFB and the FEA, it was found that at least \$105,000,000 of advance orders would be necessary if the object of insuring a continuity in the flow of maintenance and replacement equipment was to be achieved. This \$105,000,000 would be in addition to the \$75,000,000 of advance orders (refinery and power equipment) which had already been approved, and in addition to such Third Protocol orders as would inadvertently be carried over.

After completion of WFB and FEA studies, the Protocol Committee reviewed the proposals which had been formulated and gave them its approval. Soviet representatives were then requested to formulate necessary programs. These programs have begun to come in, and it is expected that full procurement arrangements will be completed within the next few weeks.

Meanwhile, it is felt that if long run plant rehabilitation and project type equipment (e.g. steel mills, large power stations, chemical plants, etc.) are to be approved, this approval should be granted as soon as possible. The lead factor required in the case of most of this equipment is such (twelve to sixteen months) that an appreciable further delay would probably make impossible completion of programs by June 30, 1945, i.e., by the end of the Fourth Protocol period.

Respectfully yours,

/s/

Donald M. Nelson

The President
The White House
Washington, D. C.

Attachment

SECRET
Minimum Periodic Data Exchange Act

Pro- tocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Jan. 1, 1944 - Jan. 31, 1944	Made Available at Mill in U.S.A. July 1, 1943 - Jan. 31, 1944	Percent of 3rd Prot. Program Completed as of Feb. 1, 1944	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Feb. 1, 1944 To Complete 3rd Protocol Prod. Program	Comments
NON-FERROUS METALS									
3	Aluminum (Ingot and Fabricated)	S.T.	35,760	5,553	51,411	134	248	(15,651 Excess)	Aluminum shipments to date consist of 3,763 S.T. rod and tubing; 10,528 S.T. hard sheet; 27,040 S.T. primary ingot; and 10,080 S.T. secondary ingot.
4	Nickel								
4	Pig Nickel	S.T.	3,600	300	3,200	89	153	400	Includes shipment on U.S. account of 800 S.T. from U.K. stocks.
5	Nickel in Monel Scrap	S.T.	274	0	50	18	31	224	
6	Nickel in Steel and Other Non-Ferrous Products	S.T.	2,400	185	1,425	59	102	975	The 274 S.T. shown as the Third Protocol production program is the quantity selected by the U.S.S.R. out of a total of 600 S.T. originally offered.
7	Molybdenum	S.T.	4,000	457	3,152	79	136	448	
8	Copper, Electrolytic	S.T.	(121,400)	(11,287)	(59,087)	(49)	(64)	(62,313)	Contained nickel deliveries to date consist of 799 S.T. in steel; 267 S.T. in nichrome wire and strip; 261 S.T. in cupro-nickel strip; and 98 S.T. in various other products including pure nickel products.
9	Copper Base Alloys	S.T.	107,500	12,848	59,442	55	95	48,078	
10	Magnesium	S.T.	4,032	336	2,352	58	100	1,680	Electrolytic copper figures refer to copper contained in various materials requiring copper which are being supplied the U.S.S.R. Deliveries to date include 40,735 S.T. contained in copper base alloys; 7,389 S.T. contained in copper goods and tubes; 95 S.T. contained in bismuth; and 10,868 S.T. contained in wire mill products.
11	Copper Goods and Tubes	S.T.	15,000	1,409	7,390	49	84	7,610	

SECRET
Minimum Periodic Data Exchange Act

Pro- tocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Jan. 1, 1944 - Jan. 31, 1944	Made Available at Mill in U.S.A. July 1, 1944 - Jan. 31, 1944	Percent of 3rd Prot. Program Completed as of Feb. 1, 1944	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched."100")	Balance to be Produced as of Feb. 1, 1944 No Complete 3rd Protocol Prod. Program	Comments
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NON-FERROUS METALS (Continued)

29	Special Non-Ferrous Alloy Wires	S.T.	100	17	75	75	129	25	
30	Nichrome Wire	S.T.	538	55	134	62	107	204	
94	Cobalt	S.T.	80.5	0	80.5	100	86	0	
93	Cadmium	S.T.	120	0	0	0	0	120	
Total Non-Ferrous Metals (Excluding Item 6, Copper, Electrolytic)		S.T.	186,864.5	21,980	136,751.5	73	126	50,113	

The Third Protocol provides that up to 269 S.T. of special non-ferrous wires may be ordered. Until the present, however, only 100 S.T. have been requisitioned. The Third Protocol production schedule is, therefore, limited to this amount. Deliveries to date include .8 S.T. of tungsten alloy wire; 2.6 S.T. of constantan wire; .3 S.T. of tantalum wire; 29.2 S.T. of alumin and chromel wire; 15.9 S.T. of monel, everdur and beryllium bronze wire; 5.7 S.T. of enameled manganin wire; 17.3 S.T. of molybdenum wire; and 3.6 S.T. of round manganin wire.

The production program shown is for the first half of the Third Protocol period; the ratio of actual deliveries to the Protocol schedule has, therefore, been adjusted to take this into account. The October shipment completed the full original Protocol offer. The U.S.S.R. recently requested the increase of the Protocol offering by 78 S.T. The U.K. has agreed to supply one-half of this along with the 80.5 S.T. included in its Protocol schedule. The U.S. will supply the remainder, with shipments beginning in February or March.

The Third Protocol cadmium offering was originally included in the Canadian schedule. Because of adverse developments in the Canadian supply situation, however, the U.S. has agreed to the transfer of the commitment for the second half of the Protocol period to its schedule.

SECRET
Restrictions Prohibit This Material

Pro- tool Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Jan. 1, 1964 - Jan. 31, 1964	Made Available at Mill in U.S.A. July 1, 1963 - Jan. 31, 1964	Percent of 3rd Prot. Program Completed as of Feb. 1, 1964	Ratio of Actual Deliveries to Prot. Sched. (Prot. Sched. = 100)	Balance to be Produced as of Feb. 1, 1964 To Complete 3rd Protocol Prod. Program	Comments
FERRO-ALLOYS									
12	Ferro-silicon	S.T.	-	0	57	-	-	-	Because of the stocks situation, Third Protocol offers to supply up to 764 S.T. of ferro-silicon and 446 S.T. of ferro-chrome per month are considered imperative.
13	Ferro-chrome	S.T.	-	0	0	-	-	-	
85A	Ferromolybdenum	S.T.	1,120	0	1,120	100	400	0	Ferromolybdenum, ferrovanadium and ferrotungsten have been scheduled in the quantities shown as substi- tutes for an equivalent tonnage of ferro-silicon and/or ferro-chrome. This scheduling took place in the case of ferromolybdenum and ferro- vanadium in November, and in the case of ferrotungsten in December. The ratio of actual deliveries to the Protocol schedule has, there- fore, been adjusted to take this late scheduling into account.
86	Ferrovanadium	S.T.	224	0	224	100	400	0	
87	Ferrotungsten	S.T.	840	136	416	50	294	424	
	Total Ferro-Alloys	S.T.	-	136	1,817	-	-	424	
ALLOY STEEL									
16	Polished Drill Rods								
	B High Speed	S.T.	96	5	63	66	114	33	
	C Other Alloy	S.T.	45	2	32	71	122	13	
17	High Speed Tool Steel	S.T.	4,480	492	4,387	98	169	93	
18	Tool Steel								
	B Alloy E12	S.T.	672	72	424	78	134	148	
	C Alloy E12M	S.T.	672	45	438	65	112	234	
	D Other Alloys	S.T.	4,850	254	4,002	83	143	848	
19	Cold Finished Bars	S.T.	11,200	894	7,478	67	116	3,722	
20	H.R. Alloy Bars and Billets	S.T.	67,267	4,845	37,599	56	97	29,712	
23	Stainless Steel								
	A-B Sheets and Strip	S.T.	3,007	349	2,335	78	134	672	
	C Bars	S.T.	756	115	424	56	97	332	

SECRET

From- Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Jan. 1, 1944 - Jan. 31, 1944	Made Available at Mill in U.S.A. July 1, 1943 - Jan. 31, 1944	Percent of 3rd Prot. Program Completed as of Feb. 1, 1944	Ratio of Actual Deliveries to Prot. Sched. (Prot. Sched. = 100)	Balance to be Produced as of Feb. 1, 1944 To Complete 3rd Protocol Prod. Program	Comments
<u>ALLOY STEEL (Continued)</u>									
25	Steel Wire	S.T.	1,344	47	1,067	81	140	257	
A	Ball Wire	S.T.	1,344	96	814	61	105	530	
B	Alloy 232	S.T.	0	0	191	-	-	(191 Excess)	
C	Other Alloy	S.T.	0	0					
27	Steel Alloy Tubes	S.T.	994	197	977	98	169	17	
A	1 1/2 Cr. - 1/4 Ni.	S.T.	8,625	886	5,695	66	114	2,930	
B	1/2-5/8 Chrome	S.T.	0	0	9	-	-	(9 Excess)	
C-E	Carbon - 1/2 Moly., Pipe Sizes	S.T.	0	0		-	-		
F	M.S. Ball Bearing Tubes	S.T.	5,376	486	3,569	67	116	1,787	
28	Stainless Steel Wire	S.T.	1,747	268	1,316	75	129	431	
29	Special Alloy Wire	S.T.	784	93	687	88	152	97	
	Total Alloy Steel	S.T.	113,259	9,168	71,603	63	109	41,696	
<u>CARBON STEEL</u>									
101-5	Nails, Accessories and Other Railway Material	S.T.	-	16,375	149,699	-	-	-	
10	Copper Clad Strip (Bimetal)	S.T.	-	0	0	-	-	-	
16A	Plain Carbon Tool Steel and A 16A Drill Rod	S.T.	-	624	5,133	-	-	-	
19D	Plain Carbon Bullet Core	S.T.	-	258	11,672	-	-	-	
24	Template	S.T.	-	11,666	31,497	-	-	-	
-	Other Carbon Steel	S.T.	-	4,972	32,404	-	-	-	
	Total Carbon Steel	S.T.	145,397	33,895	230,409	70	121	114,992	
<u>CHEMICALS</u>									
36	Phenol	S.T.	-	0	6,000	-	-	-	Only such quantities of phenol, ethylene glycol, methanol, and uretropine as the U.S.S.R. can actually lift are being made available. Original offers to make available a fixed quantity are therefore inoperative.
38	Ethylene Glycol	S.T.	-	0	1,000	-	-	-	
45	Methanol	S.T.	-	0	500	-	-	-	
46	Uretropine	S.T.	-	983	3,774	-	-	-	

SECRET
Excluded from automatic downgrading and declassification

Regraded Unclassified

Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Jan. 1, 1944 - Jan. 31, 1944	Made Available at Mill in U.S.A. July 1, 1943 - Jan. 31, 1944	Percent of 3rd Prot. Program Completed as of Feb. 1, 1944	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Feb. 1, 1944 To Complete 3rd Protocol Prod. Program	Comments
CHEMICALS (Continued)									
61A1	Glycerine	S.T.	6,720	- 173	7,641	114	197	(901 Excess)	
61A3	Caustic Soda	S.T.	40,320	4,804	23,613	59	102	16,707	
36A	Ethyl Alcohol	S.T.	107,520	10,200	104,925	98	169	2,595	To meet an urgent Soviet requirement for additional Ethyl Alcohol, the U.S. has agreed to supply 30,800 S.T. during the first quarter, 1944 in addition to the 107,520 S.T. originally promised in the Protocol. The U.S. still has under consideration a request to furnish a further 30,800 S.T. in the second quarter, 1944.
61A5	Acetone	S.T.	5,137	987	2,569	50	86	2,568	
61A	Other Chemicals	S.T.	12,096	2,229	5,266	44	76	6,830	To meet Soviet requirements for a wide variety of miscellaneous chemicals, an increase in the Third Protocol "Other Chemicals" category by 14,000 S.T. has been authorized. The U.S.S.R. has submitted a list of items which it wishes to procure under the new authorization and the production situation in regard to these is currently under study. Pending actual requisitioning and scheduling of items included, the additional 14,000 S.T. authorized is not shown in the Third Protocol production program.
Total Chemicals			S.T.	-	19,376	155,288	-	-	
MARINE AND SUBMARINE CABLE									
1	Marine Cable	KM.	764	4	174	22	38	610	Old orders for marine and submarine cable have been largely completed, whereas deliveries of new orders have not yet begun because of lead factors.
2	Submarine Cable	KM.	319	0	119	37	64	200	
Total Marine and Submarine Cable			KM.	1,103	4	293	47	810	

SECRET
 Release in whole or in part is prohibited

Regraded Unclassified

Protocol Item No.	Item	Units	3rd Protocol Production Program	Made Available at Mill in U.S.A. Jan. 1, 1944 - Jan. 31, 1944	Made Available at Mill in U.S.A. July 1, 1943 - Jan. 31, 1944	Percent of 3rd Prot. Program Completed as of Feb. 1, 1944	Ratio of Actual Deliveries to Prot. Sched. (Prot. Sched.=100)	Balance to be Produced as of Feb. 1, 1944 To Complete 3rd Protocol Prod. Program	Comments
POWER AND RELATED CABLE									
74	Insulated Cable and Wire (Copper Content)	S.T.	-	1,016	8,646	-	-	-	Old orders for power and related cable have been largely completed, whereas deliveries of new orders have not yet begun because of lead factors.
74A	Nerve Cable and Wire (Copper Content)	S.T.	-	400	1,143	-	-	-	
Total Power and Related Cable		S.T.	21,000	1,416	10,789	51	88	10,211	
MISCELLANEOUS MATERIALS ITEMS									
80	Sheet Fiber	S.T.	1,000	51	1,370	137	236	(370 Excess)	To date, no requisitions have been submitted by Soviet representatives.
83	Parchment Paper	S.T.	1,680	0	0	-	-	1,680	
83A1	Lithograph Map Paper	S.T.	-	609	937	-	-	-	
83A	Condenser Paper	S.T.	73	19	19	26	45	54	Because of delays in the submission of requisitions, production of condenser paper was not begun until January.
83B	Cigarette Paper	S.T.	336	0	0	-	-	336	
INDUSTRIAL AND RELATED EQUIPMENT									
15A	Coated Carbide Tips and Blanks	\$	3,000,000	77,578	1,069,553	36	62	1,930,447	Except in the case of machine tools, forging presses and hammers, saws, trucks and tractor cranes, mining equipment, a substantial part of Third Protocol orders is taken up with new orders. Because of lead factors, shipments of new orders have not yet begun in volume. Total deliveries in these categories are, therefore, necessarily temporarily behind technical Protocol requirements. It should be noted that in the case of several categories, Third Protocol orders have been modified through substitutions, etc., in order to meet changing needs of the U.S.S.R. (An example of this is the transfer of approximately \$400,000 of credit from the Electric Furnace category to the Welding Equipment category.) Pending the completion of these modifications, no effort is being made to reflect them through changing the Third Protocol production schedule originally set up.
15B	Small Cutting Tools	\$	15,000,000	864,977	6,267,146	42	72	8,732,852	
15C	Measuring Tools	\$	3,000,000	98,791	667,146	22	38	2,332,854	
67B	Abrasive Products	\$	4,000,000	513,236	3,092,162	77	133	907,838	
62	Machine Tools	\$	120,000,000	6,574,000	70,980,950	59	102	49,019,050	
63	Electric Furnaces	\$	12,000,000	691,319	3,263,937	27	47	8,736,063	
64A	Rolling Mills and Equipment	\$	16,000,000	112,633	964,357	6	10	15,035,643	
64B	Presses, Forges, Hammers and Related Equipment	\$	30,000,000	1,200,000	13,624,450	45	78	16,375,550	

SECRET

Maximum Possible Under Espionage Act

92

Regraded Unclassified

Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Jan. 1, 1944 - Jan. 31, 1944	Made Available at Mill in U.S.A. July 1, 1943 - Jan. 31, 1944	Percent of 3rd Prot. Program Completed as of Feb. 1, 1944	Ratio of Actual Deliveries to Prot. Sched. (Prot. Sched. = 100)	Balance to be Produced as of Feb. 1, 1944 To Complete 3rd Protocol Prod. Program	Comments
INDUSTRIAL AND RELATED EQUIPMENT (Continued)									
64C	Wire Drawing Equipment	\$	2,000,000	0	23,757	1	2	1,976,243	
65A	Excavators	\$	12,500,000	272,894	2,068,568	17	29	10,431,432	
65B	Truck and Tractor Cranes	\$	2,000,000	7,900	151,513	8	14	1,982,487	
65C	Other Cranes	\$	20,000,000	835,178	8,637,798	43	74	11,362,202	
65D	Compressors, Gas Blowers, Exhausters and Fans	\$	9,000,000	120,008	3,516,859	39	67	5,483,141	
65E	Pumps	\$	8,000,000	395,293	3,776,108	47	81	4,223,892	
65F	Mining Equipment, Ore Dressing, Handling and Transporting Equipment	\$	10,000,000	471,093	4,752,155	48	83	5,247,845	
65G	Equipment for Blast, Hearth and Coke Furnaces	\$	10,000,000	55,508	871,442	9	16	9,128,558	
65H	Welding Equipment	\$	4,000,000	131,807	2,388,309	60	103	1,611,691	
65I	Valves and Fittings	\$	3,000,000	355,606	2,815,091	94	162	184,909	
65J	Pneumatic Tools	\$	5,000,000	149,026	1,780,816	36	62	3,219,184	
65K	Auxiliary Industrial Equipment	\$	36,500,000	15,651,812	60,007,411	164	283	(23,507,411 Excess)	
66	Control Inst. and Testing Machines	\$	1,700,000	75,741	642,386	38	66	1,057,614	
69-70	Anti-Friction Bearings	\$	15,000,000	718,037	5,238,935	35	60	9,761,065	
111	Block Signal System	\$	14,591,500	1,029,042	2,570,765	18	31	12,020,735	
140	Power Equipment	\$	75,000,000	4,445,697	35,391,818	47	81	39,608,182	
	Total Industrial and Related Equipment	\$	431,291,500	35,447,216	234,563,434	54	93	196,728,066	

See preceding page for comments.

SECRET
Maximum Permissible Water Exposure 48

Regraded Unclassified

Pro- tool Item No.	Item	Unit	Yrd Protocol Production Program	Yrds Available at Mill in U.S.A. Jan. 1, 1944 - Jan. 31, 1944	Yrds Available at Mill in U.S.A. July 1, 1943 - Jan. 31, 1944	Percent of Yrd Prot. Program Completed as of Feb. 1, 1944	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched. 7100)	Yrds to be Produced as of Feb. 1, 1944 To Complete Yrd Protocol Prod. Program	Comments
<u>MISCELLANEOUS EQUIPMENT ITEMS</u>									
67A	Abrasive Grain	S.T.	4,000	1,180	4,259	106	183	(259 Excess)	
68A	Graphite Electrodes	S.T.	5,757	887	4,045	70	121	1,712	
68B	Other Graphite Goods	S.T.	1,691	57	673	40	69	1,018	
68C	Graphite Powder	S.T.	1,120	247	1,359	121	209	239	
78	Tires, Tubes, Other Rubber Products (Rubber Content)	S.T.	40,320	2,403	20,963	52	90	19,357	
82	Metallic Cloth and Screen	\$	1,000,000	57,623	254,870	25	43	785,130	

War Production Board
Foreign Division
Review and Analysis Branch
February 15, 1944

SECRET
Produced Pursuant to War Relocation Act

Regraded Unclassified

P
I
General Marshall met secretly with members of the Senate Foreign Relations Committee, presumably on the question of setting up Palestine as an independent Jewish state.

Committee members declined to discuss the matter after a two-hour closed session with Marshall, but the legislation before them during the meeting was a resolution proposing to place the Senate on record in favoring Palestine for the Jews.

WASHINGTON CITY NEWS SERVICE

February 23, 1944

4:31 p.m.

UNITARIAN SERVICE COMMITTEE
25 Beacon Street, Boston 8, Mass.

February 23, 1944

Mr. John W. Pehle
War Refugee Board
Treasury Department
Washington, D. C.

Dear Mr. Pehle:

At your request, I am submitting the following proposal for a broadcasting program in aid of refugees in Europe.

The proposal - The Unitarian Service Committee proposes to arrange with the World-Wide Broadcasting Foundation, 630 Fifth Avenue, New York 20, N.Y. for regular broadcasting programs through the Boston transmitting stations of W.R.U.L., the expense of the program to be carried by the Unitarian Service Committee through funds raised for this special purpose.

W.R.U.L. - The World-Wide Broadcasting Foundation is a non-profit organization supported by voluntary contributions dedicated to a broad service for humanity. It has no political or partisan purposes but is whole-heartedly committed to the cause of the allies. It was founded in 1935 with the cooperation of Harvard, Boston University, M.I.T., Mt. Holyoke, etc. In 1936 it broadcast the full program of the Harvard Tercentenary Celebration. In 1937, '38 and '39 the World Radio University began to take shape. Its record of cooperation during the war period is beyond praise. Its broadcast saved approximately nine-hundred Norwegian vessels to the Allied cause. It helped to swing Yugoslavia to our side. As I can testify from first-hand information, its programs to Europe became over there the most trustworthy source for accurate news of war developments. Under the program of O.W.I., the entire facilities of the foundation were taken over by the government, although serious doubt has been felt as to the wisdom of this step in view of the extraordinary influence of W.R.U.L. in foreign lands exerted by programs already thoroughly established. Mr. Walter Lemmon, the president and founder of the world-wide broadcasting foundation, is heartily in sympathy with the above proposal and ready to cooperate to the full under the conditions which follow.

The General purpose - The purpose of these broadcasts would be to appeal to the people of Axis and occupied countries to help the oppressed minorities. It would be a broad humanitarian appeal but with a very definite note of warning in it. Our program of broadcasting abroad has made in the past certain inept emphases which have tended to defeat the very purpose they have in mind. Nothing, for instance, could be more maladroit than the broadcast message "Show your anti-Fascist feelings now; tomorrow it will be too late". In Nazi countries to manifest anti-Nazi sympathies at the present moment is to

cc - Miss Chauncey (for the Secretary), Mr. Paul, Mr. White, Mr. Gaston,
Mr. Pehle, Mr. Luxford, Mr. E. M. Bernstein, Mr. Friedman, Mr. Lesser,
Miss Hodel, Mr. Stewart, Mr. Pollack, and Miss Laughlin.

- 2 -

commit suicide; and if tomorrow it is to be too late, then naturally, everyone comes to believe that his only hope lies with an Axis victory. Our major emphasis should rather be, "Help the victims of Nazi aggression, and you will have someone to plead for you after the victory is won. If you are able to help these poor unfortunates with shelter or clothing or food, or other assistance, they will remember it, and so will we. Perhaps the only way for you to show your sympathy for the cause of democracy, which is already winning the war, is to help these victims of Nazism. If you help them, your assistance will not be forgotten."

The Plan - All broadcast programs would of course be subject to government censorship, but it is essential to the success of this plan that the messages should originate with the Unitarian Service Committee and the World Wide Broadcasting Foundation and should be quite independent of the O.W.I. We would suggest that the O.W.I. release two of the transmitters for three hours a day. The programs would be beamed so as to cover all of Northern Europe and all of Southern Europe and would of course be in all the necessary languages. The programs would be so timed as to reach all part of Europe just before and just after midnight, which is the safest time and best time for a clandestine listening abroad. The Unitarian Service Committee is in a position to secure through underground channels specific information about conditions in various parts of Europe so that a broadcast could be very direct and challenging. Officers in the German army and in the satellite armies, governors of districts, from the highest rank to the lowest rank, can be addressed by name. Reports of their activities can be sent to them so that they know that they are being watched and their acts recorded. Many of them will be eager to atone for past cruelties, if they know that their names are on the list of those on whom the wrath of the victorious allies will some day be visited. No specific promises can of course be given; but we can make it clear to many an official in the Axis and occupied countries that it will be well for them to have on their records a few deeds of kindness. We believe that such a program as this in a dozen different languages and everywhere directed to named individuals or to specific situations will have a most powerful influence in protecting and saving these persecuted people.

Sponsorship - It seems to us of great importance that this program should not be under Jewish sponsorship, directly or indirectly. It seems to us also of great importance that this should not be under government sponsorship. It should be the common people of America speaking to the people of Europe, not a part of the alleged Jewish plot to dominate the world nor a part of suspected government propaganda.

The cost - Such a program as this would probably cost about \$10,000.00 for a six months period. The Unitarian Service Committee thinks that it can raise the money for this program without difficulty.

Very truly yours,

(Signed) Charles R. Joy
Charles R. Joy
Acting Director

CRJ:DRF

AIRGRAM

TO

Calcutta

Dated February 23, 1944

Rec'd Mar 4, 1944

Secretary of State,

Washington.

A-26, February 23, 9 a.m.

Reference: Department's circular airgram of January 26, 1944, 7 p.m. (received by mail from Mission at New Delhi), concerning the immediate rescue and relief of the Jews of Europe and other victims of enemy persecution.

There are no destitute Jews or other persecuted minorities from Europe asylumed this consular district.

Questions concerning entry of such war refugees falls within jurisdiction of Indian Government at New Delhi and Provincial Governments of this consular district would undoubtedly cooperate fully with Indian Government policy (presumably covered by Mission's report).

This consular district and particularly Province of Bengal not considered suitable location for refugees from Europe because of famine of 1943, its aftermath of epidemics of contagious and infectious diseases such as smallpox, cholera and malaria; and the possibility of similar situation during 1944.

PATTON

711.5
SJF/dmt

Copies to: Mission, New Delhi.
American Embassy, London.

AIRGRAM

FROM

Calcutta

Dated February 23, 1944.

Rec'd Mar 4, 1 p.

Secretary of State,

Washington.

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PATTON

711.5
SJF/dmt

Copies to: Mission, New Delhi.
American Embassy, London.

MLR-979

PLAIN

London

Dated February 23, 1944

Rec'd 5:12 p.m.

Secretary of State,
Washington.

1492, Twenty-third.

In replying by letter dated February 21 to Embassy's communications concerning refugees on Island of Rab (Department's 370, January 14) Director of IGC states that Foreign Office has now informed him that lire is the currency required and that the Deputy Paymaster in Southern Italy can supply it. Director adds that if War Refugee Board has not found means of transferring funds, the British Government can arrange for transfer if the dollar equivalent is placed at its disposal.

WINANT

EJH

WAR SHIPPING ADMINISTRATION
WASHINGTON

February 23, 1944

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

Dear Mr. Fehle:

Attached hereto is a letter signed by Admiral Land in reply to your memorandum of February 23.

It is understood that if the vessel is actually replaced, you will obtain the consent of the White House if we at that time believe such consent is necessary.

Sincerely yours,

Arthur M. Becker
Lt. Comdr., USNR
Assistant General Counsel

Enclosure

WAR SHIPPING ADMINISTRATION
WASHINGTON

ADMINISTRATOR

Feb 23 1944

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

Dear Sir:

This is in reply to your memorandum of February 23, attaching a copy of the cable received from Hirschmann, representative of the War Refugee Board in Turkey.

In said cable it is indicated that if the United States can offer to the Turkish Government a guaranty to replace the vessel referred to therein, if the same is lost, it is believed that the Turkish Government might permit the use of the ship for the purposes indicated.

The War Shipping Administration may, as a lend lease transaction, with the approval of the Foreign Economic Administration, replace this vessel if the same is lost, with a vessel as similar and from as nearby waters as may be available. The War Shipping Administration will replace the vessel under those circumstances and you are authorized to commit this Administration to such a replacement plan. It is understood that before the vessel is actually replaced, the consent of the Foreign Economic Administration will be obtained and the War Shipping Administration will be reimbursed for the reasonable value of any vessel delivered as a replacement.

Sincerely yours,

H. S. Land
Administrator

February 23, 1944

MEMORANDUM FOR ADMIRAL LAND

Attached is a cable received from Hirschman, representative of the War Refugee Board in Turkey who was appointed pursuant to the President's Executive Order of January 22 declaring that it is the policy of this Government to take all measures within its power consistent with the successful prosecution of the war to rescue the victims of enemy oppression who are in imminent danger of death.

You will note that Hirschman indicates that it is possible to rescue 800 to 1,000 refugees, mainly children, from Transnistria who are in danger of starvation and death if the charter of the S.S. VANTAN owned by Kalkawan Riza, Turkish shipowner, can be obtained at once. It appears that the Turkish Government refuses to permit the owner to enter into the charter because of the danger of the loss of the ship. The International Red Cross has promised to secure safe conduct of this ship from all the belligerent powers concerned. Hirschman indicates that if we could offer to the Turkish Government a guarantee to replace the ship if lost, there are good reasons to believe that the Turkish Government might permit the use of the ship for the purpose indicated.

(Signed) J.W. Pehle

JEDuBois:ecr
2/23/44

RA-377

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

Ankara

Dated February 18, 1944

Rec'd 2:24 a.m., 19th

Secretary of State

Washington

282, February 18, 11 a.m.

FOR JOHN PEHLE DIRECTOR OF WAR REFUGEE BOARD
FROM HIRSCHMANN.

I am gradually getting a picture of some of the possibilities and of the enormous difficulties facing our work. Although the Turks express themselves as sympathetic thus far they have been helpful only to a limited extent. They may be due to some of the circumstances recited below. In dealing with the Turks I shall rely entirely on Ambassador Steinhardt who enjoys their full confidence.

Bulgaria through which almost all refugees from Europe and the Balkans must pass in transit to Turkey or beyond has for quite some time past been withholding transit visas for those coming
from other

-2- 382, February 18, 11 a.m. from Ankara

from other parts of Europe and the Balkans and withholds exit visas from Jews residing in Bulgaria. In the past fortnight only one Jewish family succeeded in leaving Bulgaria and reaching Istanbul.

While I hoped that we would not have to avail ourselves immediately of the special authority to deal with the enemy I feel that you in Washington and we here will be compelled to use this means.

The satellite countries namely Hungary, Rumania and Bulgaria are most anxious to whitewash themselves in the eyes of the Allies. We must exploit this anxiety at once. We must bring every pressure brought to bear through neutral agencies or any other means at your disposal, as well as by direct contact with the representative of the above mentioned satellites. They must be given to understand in no uncertain terms that unless they take immediate steps which will facilitate our work the Allies will look upon them as real enemies who are fully collaborating with the Nazis in their work of extermination and that this will be held against them when the war is over

-3- 282, February 18, 11 a.m. from Ankara

is over. It should be made clear to them that no apologies or extenuations will be accepted. I expect to telegraph you more fully about the Bulgarian bottle in a few days.

I think it would be helpful if you would call on the Turkish Ambassador in Washington to request of him that he cable his government the determination of the United States Government to carry out its rescue program with all energy and resources and that immediate aid on the part of the Turkish Government will be highly evaluated.

I am informed that in view of the Bulgarian impasse the Jewish agency officially dealing with transportation of Jewish refugees from the Balkans has extreme difficulties with land route bottlenecked in Bulgaria. They obtained promise of provisional charter for SS VATAN 3700 tons owned by Kalkawan Riza Turkish shipowner who is willing to take her with Turkish to Constanza to bring out to Istanbul 800 to 1000 refugees, mainly children from Transnistria whom Rumanians are at present willing to release, but who may at any moment be in danger
of starvation

-4- 282, February 18, 11 a.m. from Ankara

of starvation and death. International Red Cross promises to procure safe conduct for this ship from all belligerent powers concerned. The Turkish Government fully controls all private shipping and is faced with extreme transport difficulties of its own. It refuses to permit owner to enter into Charter Agreement because of danger of loss of ship even when under safe conduct as has occurred.

To overcome anxiety as to possible loss of ship, we strongly urge immediate offer of guarantee by the United States to the Turkish Government to replace ship. Will you cable us authority to offer this specific guarantee of ship replacement immediately from nearest waters which please designate in your reply in order to reopen negotiations on this question of Turkish ship. Have reasons to believe that this guarantee would offer basis for reopening question. As an alternative there are Swedish ships carrying food from Canada to Greece under the auspices of Swedish Red Cross. The exact number is unknown here. Complete information on this is available only at Stockholm which I suggest you procure

-5- 282, February 15, 11 a.m. from Ankara

you procure at once. These empty Swedish ships could possibly proceed from Greece to Constanza and transport some refugees. Turkish officials suggest this alternative plan. We prefer first plan as it would save time in a situation which can disintegrate quickly. Also once this ship is allowed the first voyage and accomplishes voyage successfully we can work to continue these trips to save additional refugees.

Please also explore at once the possible use of other neutral ships from Portugal or Spain. The point is that we must under all circumstances get a ship at once.

Please advise.

STEINHARDT

EDA

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

MLR-913

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

Chungking

Dated February 23, 1944

Rec'd 2:40 p.m.

Secretary of State,
Washington.

367, February 23, 2 p.m.

TO SECRETARY OF TREASURY FROM ADLER.

Reference your 249, February 19.

Have consulted Ambassador in matter and he fully
agrees that Kung's assertion should not be left
unchallenged. However, in view of fact that Kung in
the penultimate paragraph of his message to you
transmitted in my 169 of January 27 states that his
government has already spent in dollars equivalent to
loan for our army, and, in view of delicate situation
in financial negotiations between Chinese and Embassy
and War Department, we both feel that your message to
Kung should make reference to his message to you referred
to above as well as to his conversation with Ambassador.
Await further instructions.

GAUSS

WTD

Secret

109

BJR - 899

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

Chungking

Dated February 23, 1944

Rec'd 2:27 p.m.

Secretary of State,
Washington.

368, February 23, 3 p.m.

SECRET TO SECRETARY TREASURY FROM ADLER

Reference you 222, February 12. Kung has accepted my resignation from board as of February 29.

GAUSS

HPD

NOT TO BE RE-TRANSMITTEDCOPY NO. 12BRITISH MOST SECRET
U.S. SECRETOPTEL No. 62

Following information received up to 10 a.m., 23rd February, 1944.

1. NAVAL

MEDITERRANEAN. ANZIO port reopened on 21st and 3,395 tons discharged.

2. MILITARY

ITALY. No further enemy offensive has developed against ANZIO beachhead except for one isolated attack against U.S. troops which was repulsed.

RUSSIA. Russians captured KRIVOI ROG and made progress west and S.W. of KHOLM.

BURMA. NGAKYEDAU PASS now believed clear of enemy from its western end to a point 1 mile west of SINZWEYA. Strong British patrols have made contact with our troops previously cut off northwest of BUTHIDAUNG.

3. AIR OPERATIONS

WESTERN FRONT. 22nd. Escorted U.S. bombers dropped 221 tons on aircraft factories and 377 tons on industrial targets in central GERMANY. 41 bombers and 11 fighters missing. Enemy casualties by escorted fighters 59, 7, 27. Escorted Marauders (2 missing) dropped 80 tons on GILZE RIJEN airfield.

22nd/23rd. Mosquitoes were despatched: STUTTGART 12, DUISBURG 8, AACHEN 4, Intruders 10. 2 enemy aircraft were destroyed and 2 damaged.

Approximately 150 enemy raiders operated over EAST ANGLIA and home counties. A number reached Greater LONDON area. Enemy casualties - 1 destroyed by anti-aircraft and 6, nil, 2 by night fighters, of which one is missing.

ITALY. In adverse weather medium bombers dropped 37 tons at ORTEE, East-northeast of VITERBO, and 41 tons at LIPERIA, 60 miles southwest of GENOA. Light bombers and fighters attacked targets in ANZIO area. Enemy casualties - 3, 2, 3.

BURMA. 21st. 74 medium and light bombers attacked targets in BUTHIDAUNG area. About 70 Japanese fighters intercepted over forward ARAKAN area and suffered casualties - nil, 1, 2.

21st/22nd. 21 Liberators bombed railway centres near MUNDALAY.

4. HOME SECURITY

INVESTIGATION

22nd/23rd. Enemy attack was wide-spread and scattered. In LONDON areas most affected were in the Southwest. The fire situation was at all times in hand, most serious fire being at Royal Victoria Docks. Some interruption to railways by cutting electrical supply and G.X.B. Casualties so far reported: 29 killed, 78 seriously injured and 47 slightly injured. Outside London damage and casualties believed slight.

February 24, 1944

My dear Mr. President:

In accordance with your letter of February 19, 1944, instructions will be promptly issued in this Department calling upon the personnel to refrain from any speculation or discussion, either privately or for publication, regarding secret weapons or equipment, current and future military operations or plans and the movements of troops and ships, prior to announcement by the proper military or naval or higher authority; and, in cases of high level international conferences, prior to authorization being secured from the Executive Office of the President.

Faithfully yours,

(Signed) D. W. Bell

Acting Secretary of the Treasury.

The President,

The White House.

WHT:aja

February 24, 1944

To Officers and Employees of the Treasury Department:

The following letter from the President is quoted for your information and guidance:

February 19, 1944.

My dear Mr. Secretary:

The Joint Chiefs of Staff and our military commanders in the field have expressed their serious concern over comment in the press and on the radio by prominent persons in this country with respect to projected military operations. This concern is shared by me.

From a study of such material, it is apparent that there is serious danger of compromising the security of projected military operations which conceivably could result in unnecessary loss of lives and jeopardy to the operations themselves. The Office of Censorship is taking such action as lies within its power to prevent disclosures of classified information in the press and on the radio.

Will you please see that your particular department and its various bureaus and divisions issue instructions to their personnel to refrain from any speculation or discussion, either privately or for publication, regarding secret weapons or equipment, current and future military operations or plans and the movements of troops and ships, prior to announcement by the proper military or naval or higher authority; and, in cases of high level international conferences, prior to authorization being secured from the Executive Office of the President.

I am sending an identical letter to the responsible head of each Department and Agency of the Federal Government which may be concerned in this matter.

Very sincerely yours,
(Signed) Franklin D. Roosevelt.

The Honorable,

The Secretary of the Treasury.

Compliance with the above direction of the President is enjoined upon all officers and employees of the Treasury Department.

(Signed) D. W. Bell

Acting Secretary of the Treasury.

WNT:aja

THE WHITE HOUSE
WASHINGTON

February 19, 1944.

My dear Mr. Secretary:

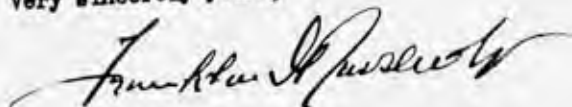
The Joint Chiefs of Staff and our military commanders in the field have expressed their serious concern over comment in the press and on the radio by prominent persons in this country with respect to projected military operations. This concern is shared by me.

From a study of such material, it is apparent that there is serious danger of compromising the security of projected military operations which conceivably could result in unnecessary loss of lives and jeopardy to the operations themselves. The Office of Censorship is taking such action as lies within its power to prevent disclosures of classified information in the press and on the radio.

Will you please see that your particular department and its various bureaus and divisions issue instructions to their personnel to refrain from any speculation or discussion, either privately or for publication, regarding secret weapons or equipment, current and future military operations or plans and the movements of troops and ships, prior to announcement by the proper military or naval or higher authority; and, in cases of high level international conferences, prior to authorization being secured from the Executive Office of the President.

I am sending an identical letter to the responsible head of each Department and Agency of the Federal Government which may be concerned in this matter.

Very sincerely yours,



The Honorable,
The Secretary of the Treasury.

C
O
P
Y

February 24, 1944

Note for Parkinson file:

Mr. D. W. Bell called me after talking with Secretary Morgenthau on telephone. Secretary said to be sure that nothing is made public on the Parkinson letter. Told Mr. Bell that Mr. Paul had not taken any steps with Biddle toward publicity in view of Mrs. McHugh's caution that the Secretary had not seen the reply from Parkinson in which Parkinson said he would "forget" it, and that I was holding it.

Mr. Bell said he would not have approved if he had known the Secretary had wanted to take action toward publishing it.

Kay Alger.

THE EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES

393 SEVENTH AVENUE, NEW YORK (1)

THOMAS I. PARKINSON
PRESIDENT

February 4, 1944

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

Dear Mr. Secretary:

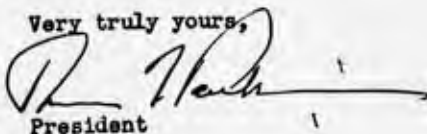
Replying to yours of the third,
I am quite sure that you can have no doubt of my
cooperation in support both of the war and of your
efforts to finance it. What I said to you was
perfectly plain that my enthusiasm, which I value
highly, depends upon the reasonableness of the
circumstances surrounding me.

Your letter does not sound
like you but you signed it and I'll forget it.

I am enclosing a copy of my
letter to the Attorney General closing my cor-
respondence with him as far as I am concerned.

With best wishes.

Very truly yours,


President

C
O
P
Y

February 4, 1944

The Honorable Francis Biddle,
Attorney General,
Washington, D. C.

Dear Mr. Attorney General:

Despite the fact that I would enjoy continuing our discussion of the general principles involved, I have come to the conclusion that no good purpose will be served by prolonging our correspondence with respect to the matters referred to in your recent letter. The cases are now in the hands of the Courts which will in due time grind out decisions that will determine the justification for your procedure.

Forgive me when I remind you that before the Committees of Congress when you faced possible technical action by the Congress, you urged that its members be "sporting" about the matter then under discussion. If, as I think likely, you meant by that "be reasonable under all the circumstances", I think you were but asking of them what I was suggesting as the guide to your procedure in these cases.

I value my enthusiasm more than my time and I have made my point that it is hard for me to be enthusiastic unless the atmosphere is reasonable. And I'll let it go at that.

Otherwise with best wishes.

Faithfully yours,

President

February 3, 1944

Dear Francis:

For your information, I am enclosing herewith copy of a letter which I have written to Mr. Thomas I. Parkinson.

Yours sincerely,

(Signed) Henry

Honorable Francis Biddle,
The Attorney General.

February 3, 1944

Dear Mr. Parkinson:

I note your interest in our plans to finance the Nation's war requirements soundly. We are in accord as to the advisability of selling as many bonds as possible to individuals and their savings institutions rather than to commercial banks. And I sincerely believe in the principle you voice -- that the importance of unity and application to the principal job in hand cannot be over-emphasized in these trying times. What troubles me is the way you apply this principle, and particularly the price you seem to think will have to be paid for unity.

Your letter plainly implies that unity and cooperation are to be purchased by the Government's condoning violations of law on the part of some of our leading citizens and corporations. In a war for the survival of the institutions and civilization in which these citizens and corporations take a principal part, I will not believe that this is so. If it were true, I believe that the overwhelming majority of our people would think the price unnecessarily high. We should be yielding on the home front to the very Fascist techniques we are seeking to destroy on the military front.

You say that you cannot believe that members of this administration, including me, can be parties to the Attorney General's action in procuring an indictment of the Chase National Bank for an alleged violation of the Trading with the Enemy Act. I understand that the Attorney General has recently advised you of the facts. The Division of Foreign Funds Control and the Bureau of Customs of the Treasury Department made the original investigation in the Chase-Anton Smit case. As a result of this investigation, the Treasury Department referred the matter to the Attorney General for appropriate action. The question of guilt under the indictment, as you know, is for the courts to decide.

- 2 -

You suggest that the Bank has been indicted for a technicality. I can hardly agree that a mere technicality is involved. The Bank has been charged with willful failure to block the accounts of Anton Smit and Company, Inc., when the laws of the United States required blocking and when transfers of funds in the account were legal only if made pursuant to a Treasury license. The charge is that the Chase Bank's failure to observe these requirements resulted in the use of the account to finance shipments of industrial diamonds to Japan and Axis Europe -- diamonds now being used in building Axis war planes. Under these circumstances the charge can hardly be construed as a mere technicality; it goes to the very heart of national defense.

You indicate that the Attorney General's action is calculated to disturb the unity of our people at a time when the President has called for "unity and patriotism rather than the pursuit of common, selfish and political interests." And then you declare that those responsible for the administration of the Federal Government can not expect enthusiastic cooperation from men such as you in the accomplishment of the great tasks confronting our country if you are to be diverted from those tasks by the action of individual members of the administration such as those of the Attorney General in commencing this prosecution. And you add that "enthusiasm under such circumstances is just impossible."

I am frank to say that I should have expected a different attitude on your part. If you mean what your letter so clearly implies -- that the valuable cooperation and enthusiasm in our common effort of persons in your prominent position depends upon a passive attitude on the part of the Government toward questionable conduct by banks and others charged with duties under the Trading with the Enemy Act -- I can only say that long experience with American bankers and financial institutions leads me to the opposite conclusion. I believe they are in whole-hearted accord with the war effort, and that they will approve and cooperate with the enforcement of the wartime measures adopted to see the Nation safely through this grave emergency.

- 3 -

Nor should I have expected you, or any other loyal American, to question that all banks should obey the national defense laws of the United States. I do not believe that active enforcement of our laws makes for lack of unity. It seems to me that the unity of our people would be basically disturbed if the Government failed to take the action required by law against any bank, large or small, no matter what its record of cooperation with the Government in other matters.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Mr. Thomas I. Parkinson,
President,
The Equitable Life Assurance Society
of the United States,
393 Seventh Avenue,
New York 1, New York.

COPY

REP:kfa:jd
1-25-44

*cleared with HCB.
DAS, GDB, GFL, GME, DAB, GWP*

D. W. Bell
Randolph Paul

January 25, 1944

I return herewith Parkinson's letter of January 13, 1944, addressed to the Secretary, and a reply I have drafted.

I also enclose Mr. Biddle's letter to the Secretary, together with his answer of January 20th to Parkinson's letter. I regard this as an important matter and should like to discuss the subject with you at your convenience.

Enc.

January 22, 1944

Dear Henry:

Enclosed is a copy of a letter which I have just written to Thomas I. Parkinson, President of the Equitable Life Assurance Society, in reply to a letter from him with which he transmitted a copy of one he wrote to you under date of January 13, 1944, bearing upon the indictment of the Chase National Bank.

With kindest regards.

Sincerely yours,

Attorney General

Honorable Henry Morgenthau, Jr.,

The Secretary of the Treasury

Washington, D. C.

January 20, 1944

Thomas I. Parkinson, Esq.
The Equitable Life Assurance Society
of the United States
393 Seventh Avenue
New York 1, N. Y.

Dear Mr. Parkinson:

I have read the copy of your letter of January 13, 1944, addressed to the Secretary of the Treasury, which you sent me.

Apparently it is your theory that enforcement of the laws against financial institutions - although not against others, since presumably you do not expect all of law enforcement to cease - is "unnecessary", particularly now. Needless to say I do not subscribe to that point of view. If I permitted my judgment to be influenced by the considerations which you advance, I would be disregarding established principles of law enforcement. Cognizant of the vital role which the enforcement of the Foreign Funds Control program plays in the internal and military security of our country, we have in the past, and we intend in the future, to enforce strictly the criminal sanctions which insure compliance with its provisions.

The object of the Sherman Act is to protect the public against the very type of monopolistic tactics in which the fire insurance companies are engaged, which includes not only the fixing of rates by private combinations but boycotts aimed at the suppression of the business of non-cooperative competitors. The purpose of the National Labor Relations Act is to prevent employers from denying to their employees the right freely to choose representatives for purposes of collective bargaining; no reason has been suggested why the employees of life insurance companies should not be afforded the same protection in this

respect as other workers. Such proceedings to enforce against insurance companies the laws applicable to business generally, in times both of war and peace, certainly will not directly impair the prosecution of the war; permitting the insurance companies to violate the antitrust and labor relations acts can scarcely be said to be in the aid of the war effort.

On the contrary the people of this country will have the right to that confidence in the integrity of their government which is essential to the furtherance of the war only if they know that the laws applicable to everyone, whatever his station, are enforced with equal diligence.

As for the case involving the Chase National Bank, you say you were shocked when Mr. Aldrich advised you of the return of an indictment against the Bank for violation of the Trading with the Enemy Act. I am sure that the announcement would have been less startling had you been fully advised by officials of the Bank, who were in a position to know, that the indictment was the result of a careful investigation initiated by the Treasury Department in the fall of 1942. Officials of the Bank who were examined by Treasury investigators in November of 1942 were fully apprised of the nature of the inquiry and of the Bank's possible implication in violations of the Foreign Funds Control regulations.

The results of the Treasury investigation were referred to us by the Secretary with appropriate recommendations in January, 1943. Despite the thoroughness of the Treasury Department investigation and the apparent soundness of the conclusions set forth in its Criminal Reference Report, I directed attorneys of this Department to review carefully both the findings of fact and of law before presenting the case to a federal grand jury. Accordingly, all available employees and officials of the Bank, both those who were responsible for the allegedly illegal transactions and others who were familiar with the Bank's system of control, were interviewed and all pertinent documentary evidence was carefully reviewed.

The evidence developed as a result of the investigation established probable cause to believe that the Chase National Bank had at the direction of Leonard J. A. Smit, a foreign

- 3 -

national, made payments in which he has an interest. The payments were made with knowledge that Smit's accounts with the Guaranty Trust Company and the National City Bank had been blocked by order of officials of these institutions. Furthermore, the Chase National Bank, with knowledge of the fact that Smit had been refused export licenses to ship diamonds to Switzerland and to other neutral countries in Europe, made available to Smit the facilities of its Panama Branch and established there, at his direction and on his behalf, large credits which transmitted through the Chase National Bank of New York from Japan, Switzerland, Sweden and other countries. The Bank charged Smit a special "security fee" on this account apparently, according to the explanation of its officials, because it regarded the money in the account as "hot money".

You must be aware that making payments without a license at the direction of a foreign national or making payments in which a foreign national has an interest without a license is a violation of Section 5 (b) of the Trading with the Enemy Act. You should also know that transferring credits out of the United States in which a foreign national has an interest or at the direction of a foreign national is likewise a violation of the Trading with the Enemy Act. Officials of the Bank who knew of and authorized these transactions were aware of the fact that if consummated without a license, the transactions were violations of the Trading with the Enemy Act. Notwithstanding this, they made banking facilities available in Panama and permitted payments and transfers of credit to be made at Smit's direction and on his behalf during the period from May 20, 1940, until December 10, 1941. The sums thus made available totaled over a half a million dollars. I have noticed in this connection that your letter does not assume to justify the action of the Bank, nor to deny that there has been a violation of the law. Your complaint is against the untimeliness of our prosecution of what you call a technicality.

Your comment on the "academic" nature of the insurance cases refers, I suppose, to the fact that insurance companies have generally been regarded as immune from federal regulatory

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statutes because of the language of certain Supreme Court decisions sustaining the validity of state regulation of the insurance business. Obviously the problems raised are not at all academic from the practical point of view of the members of the public protected by Antitrust and Labor Relations Acts; nor are they academic to the insurance companies, as both the nature of their opposition and your letter itself vividly attest. You do not suggest that a conscientious law enforcement officer, looking at the facts of the nation-wide insurance industry, could not conclude that the business was both interstate and commerce, and thereby subject to federal laws regulating interstate commerce. That, of course, was the position taken by the insurance companies themselves from 1866 to 1913, when they finally gave up the fight because they thought it futile and not because they thought they were wrong. Nor do you suggest that, when recent Supreme Court decisions definitely indicate that the scope of the federal commerce power extends to the insurance business -- and it is noteworthy that neither of the opposing counsel in the cases just argued were willing to argue to the contrary -- I should regard myself as bound by the unsupportable statements and opinions rendered a generation or more ago.

I do not suppose that in normal times you would regard enforcement of the law in circumstances like these two as "the pursuit of narrow, selfish and political interests." Your grievance with respect to both cases comes down to the proposition that I should not enforce the law at this time because persons of the same economic class as those prosecuted will no longer cooperate in winning the war. The mere statement of such a position is sufficiently shocking to be its own answer.

Yours very truly,

Attorney General

THE EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES

393 SEVENTH AVENUE, NEW YORK (1)

THOMAS I. PARKINSON
PRESIDENT

January 13, 1944

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

Dear Mr. Secretary:

I am, as you know, much interested in your plans to finance your requirements soundly and applaud your efforts to sell as many as possible of your necessary bond issues to the people and their savings institutions.

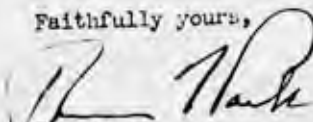
Realizing, as we all do, the importance of unity and application to the principal job in hand, you may, I think, realize the shock that some of us felt yesterday when the Chairman of the Board of the Chase Bank announced to his Board of Directors that the Department of Justice, under the leadership of Attorney General Biddle, had obtained, and I use the word obtained advisedly, an indictment of the Bank for an alleged violation of the Trading-With-The-Enemy Act. In normal times it would be ridiculous to indict a bank for such a technicality. At the present time such action is bound, on the one hand, to disturb the unity of our people generally, and on the other to impair the enthusiasm of officers of financial institutions for cooperation with the Government and particularly the Treasury in the accomplishment of its difficult tasks. You cannot inspire men's enthusiasm by impugning their motives. I cannot believe that you and other important members of this Administration can be parties to such procedure on the part of the Attorney General.

This action, however much technically within the Attorney General's powers, indicates, particularly when added to his unnecessary and academic insistence on carrying to the Supreme Court of the United States at this particular moment in the country's history the question whether insurance is interstate commerce, that the Attorney General feels free not to heed the call which the President made so eloquently and patriotically a few days ago for unity and patriotism rather than the pursuit of narrow, selfish and political interests.

You who are responsible for the administration of the Federal Government cannot expect enthusiastic cooperation from me and men like me in the accomplishment of the great tasks confronting our country, if we are to be diverted from those tasks by the activities of individual members of the Administration such as those of the Attorney General which I have just mentioned. Enthusiasm under such circumstances is just impossible. If the Administration of the Federal Government cannot be in unity, how on earth can the rest of us unify effectively?

I am sending a copy of this letter to Mr. Biddle.

Faithfully yours,


President

MEMORANDUM FOR THE SECRETARY

February 25, 1944

Mail Report

Mail for the past week was poured from the same mould as the previous week. Neither in numbers nor in subject was there any notable change. While tax mail continued to be light, the usual questions and suggestions and also the usual protests were presented. A few completed copies of Form 1040A were submitted directly to this office and there were a number of requests for postponement of the filing date. The outcry against the complexity of the tax law and the tax forms again was very strong. There were fewer commendations than there were last week.

The bond mail contained a dozen promotional ideas for the Fifth Drive. There were an equal number of suggestions for annuity bonds and others for special types that would give priority in postwar purchasing. The number of bonds submitted here for redemption was 75, almost double the figure of last week. Puerto Rico was again well represented among the postmarks. Complaints about delays definitely fell off with only 17 from War Department personnel.

Much of the other mail concerned lost or out of date checks. A few news clippings about tax matters and examples of government waste were forwarded, usually anonymously, but violently abusive communications were almost entirely absent from the weeks receipts.

G. F. Forbush

General Comments

J. H. Warndorf, President, The Citizens Savings Bank & Trust Co., Hamilton, Ohio. An effort has been made by the Allied Clubs of Hamilton, Ohio, consisting of organizations of colored people of this city to purchase a jeep for presentation to the Armed Forces of the U. S. Regrettably they did not succeed in receiving sufficient funds for that purpose. Nevertheless, the organizations in their solicitations procured the sum of \$174.50, which they have directed me to present to you with their compliments. This money can be applied to the purchase of any weapon which this amount will cover. * * *

M. D'Inzillo, President, International Workers Order, Inc., Italian-American Section, N.Y.C. Our organization, a fraternal benefit society of over 10,000 members of Italian origin, is very happy at the news that facilities have been made available for the transmission of living expense funds to Sicily. We greet also your statement that such facilities will be extended to other parts of Italy controlled by our forces as soon as conditions permit. We urge that everything possible be done to speed such extension as Americans of Italian origin generally are very much concerned about aiding their kinfolk who are suffering so tragically. We are sure that all measures taken to bring relief and succor to Italians in liberated areas will give them new hope and encouragement, make of them more effective allies and at the same time help stimulate even further the enthusiastic participation of Americans of Italian origin generally, in our democratic war. * * *

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Favorable Comments on Bonds

S. Florence Schwartz, Recording Secretary, Ostrolenker Benevolent Society, Los Angeles, Calif. At a regular meeting of the Ostrolenker Benevolent Society, it was decided to return to the U. S. Treasury the check for \$6.25 which is the semi-annual interest on our War Bond. We feel that since we cannot contribute money directly to the Treasury, we do not, at this time, wish to accept any interest. Hoping for a speedy, victorious end to this war.

Miss G. Reynolds, Chicago, Ill. * * * When this War is over, please do all you can about continuing permanently a series of small denomination bonds. Even if the rate can't be as high as for War Bonds, some of us would be so thankful if we could see our pitiful month-to-month savings in some "untouchable", something safe that would mature - as we buy them - from month-to-month through the years, just as we buy them. * * *

Unfavorable Comments on Bonds

Dr. J. C. Tymony, Chicago, Ill. We have been informed by several individuals whose names we wish to withhold at this time, that the Postmaster, and associates, in the Fed. Post Office at Yazoo City, Mississippi, are indulging in a practice of charging the War Bond purchasers of \$18.75 War Bonds, a penalty of \$5.00 for cashing the bonds before they mature. This is a gross injustice to these poorly informed people. These officials tell them the Govt. requires this fee. We feel, in view of the fact that there are more than 50,000 negroes serving in the Armed Forces from Mississippi, these whites who remain on the homefront should be investigated and prosecuted by our Fed. Govt., and the families of these negro soldiers should be protected.

Goldie E. Conner, Denver, Colo. I would greatly appreciate some information in regard to bonds. I attempted to get this information from the bank here in Denver, but the good man I talked to very reluctantly gave me information that doesn't seem reasonable. However, I had to accept it since he is one of the bank officials and wears an expression that would lead one to believe that he had suddenly coughed up his spleen and was hurrying away to spit it out. The company I work for withholds a designated amount from each pay check. I gave instructions that my bonds were to name my father as beneficiary, but instead, the cashier insists that they be made out as my father the co-owner. In view of a condition in our family, this is an unwise practice, but in spite of repeated requests the bonds still come through with Dad as co-owner. I went to the bank today and attempted to have "co-owner" changed to "beneficiary" but was informed that the only way I could have this done was to cash the bonds I now have and buy new ones with the money, the maturity date of which would be figured from the date the last ones were purchased. Of course, I don't want to sacrifice that interest as some of these bonds were purchased in 1942. Isn't it possible to have this change made

without cashing the bonds I now have? * * * If I don't have the change made and my father should pass away, wouldn't it be possible for the administrator of his estate, in case he should come into possession of my bonds, to endorse them and cash them and include the money in Dad's estate? Just one of those family skeletons: Some people got into our family by mistake via the altar who have taken me to one thorough financial cleaning, and my desire is that under no circumstances shall they get even one cent more from me. Dad's eyesight is poor and it would be an easy matter for these people to get his signature on any paper, and they are not above doing it. * * *

Senator Alexander Wiley (Wisconsin) transmits the following letter he has received from Allan T. Pray, of the law firm, Sanborn, Lamoreux and Pray, Ashland, Wisconsin. I enclose a copy of a letter written by me today as Chairman of the Ashland County War Finance Committee, and enclose a copy of the proposed certificate. Down in the lower part of our county where we were contacting some thrifty German folks, they raised the point the Govt. was wasting all kinds of money, and that they were not interested in subscribing for bonds until the waste was eliminated. I do not mean they were pro-German because they are decidedly otherwise. Isn't there going to be an end some time of this misguided and unlimited recognition? About two weeks ago OPA gave out pins of recognition and are now, I understand, to issue certificates to the number of several hundred in Ashland County. A meeting of those entitled to OPA recognition was called at Washburn the other night, and I am told that several score of people from more or less remote parts of the county attended and received their honorable mention. No attention evidently was given to the fact that they got to that meeting on gasoline and rubber and in some instances, the drive was a good many miles. I am for the distinguished service cross and all of the things that come for real accomplishment, but I am not willing to think that we are going to buy cooperation in the next Drive with kindergarten slips apparently signed by the Secretary of the Treasury who probably never heard of the thing. * * *

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Capt. J. T. Lightsey, Capt. T.C., New York Port of Embarkation, Brooklyn, N.Y. I again write you concerning deductions made from my pay account for the period of July 1942 to March 1943 for War Bonds, which I have never received. My attorney-in-fact, Ruth H. Lightsey, wrote you concerning this matter in July 1943 and was rewarded for her effort by a "stinking" form letter in which you stated that these accounts would be examined and I notified in due course. Just what do you consider "due course"? If the war effort were delayed eight months, this country would long since have gone under another rule. It is inconceivable to me that after one year and eight months at least one of these bonds could not have been issued. Actually, having been a Civil Employee of the U. S. Govt. prior to my Army service, I know just what is wrong. Some clerk is sitting around, chewing on the end of a pencil and deciding that this account is too old and too complicated to bother with. Therefore, from day to day it gets tossed from the active basket to the suspense basket while I sit and wait. I am tired of waiting. I made this allotment in good faith, and am still continuing it, but I do feel that it is past time that some action were taken to send me the bonds due for the period mentioned above. At least, if you are not going to take some action in this matter, you might so inform me in order that I may write the matter off as a sad experience with the Treasury Dept.

Frank Tashlein, N.Y.C. (Formerly servant for late Wm. H. Woodin). I am an American, born and bred. My mother didn't come over on the Mayflower, she or her folks were here to welcome it, so I can truly say I am an American. We have bought in 1943 \$425.00 worth of War Bonds. On February 15, 1944, I bought a \$500.00 War Bond in Post Office at 83rd Street, between Col-Amsterdam Ave., N.Y.C. The clerk tells me I may have trouble cashing them in, due to the different way my wife spells our name. In 1943 we bought as co-owners \$425.00 worth of bonds. They are registered Harriet Tashlen

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or Frank Tashlein; the difference is, my wife leaves out the i in Tashlein -- it sounds like a Hun's name, she says. Now what difference does it make, or must I in ten years hence forfeit all right to the money paid for said bonds -- due to an i. I want to buy more bonds, as I once told you in a letter I would spend money laid aside for my funeral, but I will await your answer. * * *

Senator Robert A. Taft forwards the following letter he has received from W. H. Dunfee, Columbus, Ohio. Worked at the Patterson Air Base, at Dayton, in 1942, and they took out \$20.00 per month for bonds, starting August 15, 1942, and continuing to and including December 15, 1942, which amounts to \$90.00. I have not received that first bond as yet. We took it up with authorities, and they took the matter up with Morgenthau. His answer was that he might give us our bonds after the war is over, and maybe never. This is the first time in history when we could not trust our Govt., and we wonder if the bonds we now have are any good or not. I have taken this matter up with Mr. Voreys. He told me he had taken this matter up before, but he would go to bat again for us; hoping you will do the same. The reason I say US is because there are hundreds of thousands of us that have paid for bonds we never got. Hoping to receive my bonds dated 1942 -- when they were paid for.

Frank J. Goldstein, Brooklyn, N.Y. There is a vicious rumor traveling around among the 'common folk' concerning the redemption of War Savings Bonds directly after the war. Many people will cash their bonds in directly after the war ends, as a means to obtain cash for business or other financial undertakings, and due to the fact that there will be such a huge demand for cash redemption, the government will be unable to adequately furnish the cash. This is causing many to desist from buying all the bonds they are able to; * * * To be perfectly frank with you, I have wondered about that situation also, even tho I am still

buying bonds with all my available cash. A statement from you as our Secretary of the Treasury, would do much to kill that feeling. * * *

Harry H. Engler, Winthrop, Mass. Enclosed you will please find a copy of a letter I have written to Mr. Fred W. Schumacher, Director, Civilian Personnel, at the Office of the Commanding Officer, New Castle Army Air Base, 343rd, Sub-Depot, Wilmington, Delaware. The enclosed letter Mr. Treasurer is self-explanatory and as you are in charge of the selling department of the U. S. War Bonds, I ask if you won't please use your kind influence to have this matter adjusted. We are trying to do our part even though in a small way, but we want to get what we are paying for. * * * I am sincerely sorry that I have to trouble you with this matter, as I don't know to whom I can write outside of yourself as you are in charge of the War Bond Dept. (Enclosed letter says in part) Last October 19, 1943, I had written you regarding a \$25.00 war bond that my son Richard A. Engler had paid for and was never sent to him. This letter * * * referred back to a letter sent you on August 28th 1943, also calling your attention to this matter; * * * I have not even been accorded the courtesy of a reply. * * * I am sending a copy of this letter to the Treasurer of the U. S. in Washington and in all probabilities he may help me with this matter. This bond is coming to him and he should get it. * * *

Adelaide Hyde, Mechanicsburg, Ohio. Two weeks ago I notified the Treasury Department that the interest on four (4) one hundred dollar (\$100) bonds had not reached me, but I have received no word concerning this. The check may have been sent and lost in the mails but I do not see how anyone except me could cash it since there are such strict requirements for identification. Can not a duplicate check be sent me? That is what a private corporation would do under such circumstances, and I should think the government could do the same. My income is very limited and I need the money. * * *

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Favorable Comments on Taxation

Chase Van Baalen, Gainesville, Fla. My mother has just sent me the following enclosure. I fully realize that it is necessary to take a certain amount from the wages of anyone who works; even if the period of employment is only for a week or two. * * * The sum is so small that I think it would be a waste of time to try and have it returned. I fully understand the burden that your Department has during these times and also the lack of cooperation that you get from some of the under-educated classes of the American public. I would like to know what will be done with the considerable sum that you will collect from people like me. * * * I sincerely hope that it will be put to some good use and not allowed to filter into the pockets of some "politician". Your Dept. has done a good job of broad-casting the need of everyone being prompt in filing his return. I think that every American should be grateful to you. * * *

John P. Farson, M.D., Columbus, Ohio. In view of the reports coming from Miami, via recent issues of the Scripps-Howard newspapers and the current issue of Life, I believe the country would welcome a Presidential veto of the very inadequate tax bill recently passed by Congress and insist on the passage of an adequate measure at once.

Harry C. Moffett, Xenia, Ohio. Just listened to the razzing on the Income Tax over the radio and believe the Treasury Dept. is entitled to hear some encouragement for doing a swell job. The income tax form is a masterpiece for accurate reporting of the individual's obligation and privilege of citizenship. The instructions are very lucid and comprehensive. Anything short of this would have been disastrous. Praise and commendation are your just due, rather than wise cracks.

- 9 -

Lawrence J. Helmick, Park Ridge, Illinois. For several weeks I have been listening to radio programs that were intended to be comical and have been reading cartoons regarding the income tax form #1040 and the instructions attached thereto. I object to the injustice that is being done to whoever was responsible for designing the form and writing the instructions. I am no accountant and have only an average education, but I had no trouble with the form and I believe the instructions are most clear. The person who worked out the form and the instructions from the complicated tax law, in my opinion, did a beautiful job and deserves a pat on the back.

- 10 -

Unfavorable Comments on Taxation

Martin DeVries, JUDGE OF MUNICIPAL COURT, Long Beach, California. What in hell is the matter with you Washington experts in giving the American people an income tax form that is neither sensible nor intelligible? It was tough sledding when you made so many loafers under the W.P.A. The hill got mighty slippery and hard when the O.P.A. came in with its bunch of racketeers and chisellers and cheats. But when your outfit hog-ties the American taxpayers to put them in a crazy house figuring out income taxes in this year of '44, then it looks like it's high time for somebody to speak. That's why I'm sending you my little valentine now (letter dated Feb. 14.) and I hope that you and your gang will bring us back on a reservation that is liveable.

Fred P. Peel, Detroit, Mich. I am addressing this letter to you, not because I believe you to blame, but because you are in a position to know who is to blame for the 1943 Income Tax Form. I believe, also, that you are the man who will direct the reforms that surely must be in progress. I have personally filled out my tax form every year since the Income Tax was first enacted. There have been times when I had to dig for the "right dope" on an item, now and then. But I never recall spending more than one evening on the job. * * * But when I received my tax form and really got down to give it a workout, I was stumped. I was bewildered. I was mad. I was shocked to think that our good old, simple U.S.A. had delivered so important a job to such alphabetical perverts, as the instigators of this crime must have been. * * * So, if you want to go down in history as a great humanitarian, just appoint a committee of country bankers and common people and let them draw up a form that can be used by common salaried people, minus all the trimmings needed by the uncommon people.

Treasury Department 139
Division of Monetary Research

Date March 1, 1944, 19

To: Miss Chauncey

Discussed orally with the
Secretary today.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

Treasury Department
Division of Monetary Research

Date Feb. 28, 1944

To: Files:

We did not see this telegram
or know of its being sent until several
days after it had gone.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

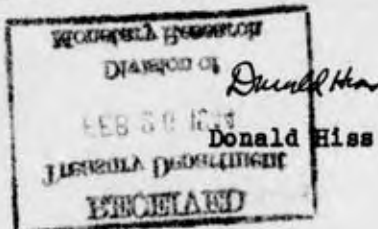
DEPARTMENT OF STATE

ASSISTANT SECRETARY

February 25, 1944PERSONAL AND CONFIDENTIAL

To:
Mr. Harry White
Treasury Department

Just before Mr. Acheson left he asked me to send you a paraphrase of the President's message to Churchill about which he spoke to you on the telephone. A copy of the paraphrase of this message is attached.



Paraphrase of Personal Message from the
President to Mr. Churchill

I should like your assistance in seeking a solution to a troublesome matter with serious political aspects that concern both of us. There have been recent discussions between representatives of the United States and Lord Halifax, Mr. Ben Smith, and Sir David Waley concerning the cessation of deliveries under lend-lease of certain items which have proven to be embarrassing and no longer required. My understanding is that your representatives promptly agreed to purchase certain goods whose costs in 1943 amounted to more than \$1 million. It is expected that final agreement on the entire list of items will be reached shortly. This subject is far from simple and negotiations appear to have made satisfactory progress.

Independent of these discussions concerning lend-lease, I have been thinking of the feasibility of your arranging your fiscal matters in such a manner as to result in a reduction of the British gold and dollar holdings in the United States to a figure in the vicinity of \$1 billion.

What are your views as to what should be done and what do you think can be undertaken?



UNITED KINGDOM TREASURY DELEGATION

BOX 880
BENJAMIN FRANKLIN STATION
WASHINGTON, D. C.

February 24, 1944

TELEPHONE EXECUTIVE BOARD

Dear Dr. White:

In continuation of my letter of January 19, here are the figures of our gold and dollar holdings in million dollars as at December 31, 1943.

Gold	1043
<u>Less</u> gold liabilities	<u>292</u>
Net gold	751
Official dollar balances	679
<u>Less</u> dollar liabilities	<u>142</u>
Net dollars	<u>537</u>
Net gold and dollars	<u>1288</u>

I am sorry for the time interval which elapses before you get these figures, but as you know we feel that they would be misleading if we could not show our gold and dollar liabilities as well, and it takes some time to ascertain these. I will let you have our end-of-January figures as soon as possible.

Yours sincerely,

A. T. K. Grant.

A. T. K. Grant.

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



TREASURY DEPARTMENT
OFFICE OF THE SECRETARY

February 25, 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 16, 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 24, 1944.

CONFIDENTIAL

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

I am enclosing our compilation for the week ended February 16, 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.

Enclosure

C O P Y

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

Week Ended February 16, 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		Transfers from Official Australian Account	Other Credits (c)					
						Gold	Securities (Official) (b)							
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	
1943														
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-	
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-	
November	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	-	-	-	
1944														
January	44.8	22.2	10.6	12.0	127.5	-	-	1.0	126.5	+ 82.7	-	-	-	
February														
March														
April														
May														
June														
July														
August														
Week Ended														
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	7.1	-	54.3	32.8	-	-	15.0	17.8	- 28.6	-	-	-	
February 16, 1944	7.7	4.8	-	2.9	25.8(k)	-	-	-	25.8(M)	+ 18.1	-	-	-	

Since Outbreak of War

1940 619.6 million

England (through June 19, 1940) 827.6 million

England (through June 20, 1940 to March 12, 1941) 54.9 million

England (since March 12, 1941) 20.4 million

See attached sheet for Footnotes.

Regarded 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 3, 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 \$ 15.1 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports, \$3.0 million in connection with the expenses of our armed forces abroad.

BANK OF CANADA (and Canadian Government)

PERIOD	D E B I T S				C R E D I T S				D E B I T S				C R E D I T S			
	Total	Official	British	to Transfers	Total	Official	British	to Transfers	Total	Official	British	to Transfers	Total	Official	British	to Transfers
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	40.5	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
September 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
October	32.1	-	32.1	71.3	-	-	-	71.3	39.2	42.8	40.5	2.3	26.5	-	26.5	16.3
November	15.4	0.1	15.3	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	32.3	-	32.3	78.5	-	10.6	-	67.9	46.2	6.0	1.0	5.0	11.3	-	11.3	5.3
January	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended	6.0	-	6.0	12.7	-	-	-	12.7	6.7	0.1	-	0.1	8.8	-	8.8	8.7
January 26, 1944	13.8	-	13.8	19.7	-	-	-	19.7	5.9	6.3	6.0	0.3	15.9	-	15.9	9.6
February 2, 1944	2.7	-	2.7	44.4	23.1	-	-	21.3	1.7	16.1	15.0	1.1	1.0	-	1.0	1.1
February 9, 1944	1.5(x)	-	1.5(x)	-	-	-	-	21.0(x)	13.5	-	-	-	-	-	-	-
February 16, 1944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 16, 1944) 11.8 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 \$ 1.8 million deposited by War Supplies, Ltd.
 (h) Million received from New York account of Canadian Chartered Bank.

Jewish Morning Journal
Thursday, February 24, 1944

**DIRECTOR OF WAR REFUGEE BOARD DESCRIBES TO REPRESENTATIVE
OF JEWISH MORNING JOURNAL HOW RESCUE WORK IS BEING ORGANIZED**

by M. Frank, Washington Correspondent
of Jewish Morning Journal

Mr. Frank relates the friendly manner in which Mr. Pehle received him and his detailed answers to questions posed. He writes:

With reference to the work and aim of the War Refugee Board, Mr. Pehle declared that it will keep within the framework of the executive order as outlined by President Roosevelt when he established the Board on the 22nd of January of this year. He then produced a copy of the order and underlined the following:

"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."

When asked to elaborate on this paragraph, Mr. Pehle remarked:

The War Refugee Board will not be a directly operative organization that is, it will not rescue directly the victims of Nazi-occupied Europe. It will, however, help facilitate relief and rescue work of various private as well as international organizations and bodies. By private agencies, Mr. Pehle said, he means those that are not governmental agencies. The J.D.C. is a private organization although it is wholly subsidized by funds collected from the public. The Board will help such organizations in various ways for instance: to aid transmit funds for direct aid to the victims, to obtain for them the necessary government permits to continue with and extend their activities, so that there should be no obstacles on the part of the government itself, to facilitate the movement of persons in occupied countries so that they should have no difficulty in getting out of those countries and in general do everything possible so that the work of the organizations will be conducted smoothly and swiftly.

In order to carry this out in the best and quickest possible manner, the Board will not limit itself to the small staff in Washington, but will also have special representatives in the most important neutral countries, especially in Spain, Turkey, countries through which a large number of victims is expected to be rescued.

However, this is not all. The War Refugee Board is very much interested in the underground movements of the European countries through which it hopes to achieve certain results. At this point Mr. Pehle spoke guardedly asking me to mention it only in a general way. I therefore wish to emphasize the following: Efforts will be made undoubtedly to get in touch with the underground movements, in one way or another, drawing them into the work. How, who, and what cannot be disclosed at this time for obvious reasons. The Board will make use of every possible contact American organizations have with the underground movements. Here Mr. Pehle mentioned as an example the Jewish Labor Committee which does have such contact. The Jewish

2.

Labor Committee has already offered its full cooperation in this field and the Board will utilize it when the opportunity presents itself. In general, the work with the underground movements will be conducted quietly and secretly.

Mr. Pehle wants it to be emphasized that the Board will not merely utilize the activities and facilities of this or that organization but those of Jewish and non-Jewish as well. The fact is that the Board has already sent out invitations to 90 organizations Jewish and non-Jewish doing relief work of such a nature, inquiring whether they are willing and ready to cooperate with the War Refugee Board. This work will not be limited, therefore, to particular bodies. It is understood, however, that those organizations possessing greater experience and financial means as well as better contact with the victims themselves and the underground movements will receive a greater degree of cooperation from the Refugee Board and their facilities and contacts will be utilized more often.

In reply to my question about the relationship and the division of work between the Refugee Board and other government agencies such as the UNRRA, the Intergovernmental Committee and others, Mr. Pehle answered that he sees no difficulties or specific obstacles. UNRRA, he emphasized, was created to do direct relief and reconstruction work in areas freed from the enemy while the Refugee Board was created with the sole purpose of helping to rescue people from occupied territory. Should the Board see any specific way in which UNRRA can be helpful, it will definitely turn to it for help and should the Board be able to aid UNRRA with certain information, it certainly will not refuse to do so. In general, it has not been clearly worked out where these two agencies part ways in their work but according to Mr. Pehle, he expects the fullest cooperation. He did not wish to dwell on the Intergovernmental Committee but from the few words he dropped and from what he intimated I got the impression that our government is disappointed with the results of this international committee up till now. The truth of the matter is that we would not have had a War Refugee Board had this committee functioned properly bringing about proper results.

As to financing the work of the Board Mr. Pehle explained that this question has not been clearly defined as yet. Considerable sums of money have been offered by private organizations which will be utilized wherever possible and advisable. However, some are of the opinion that the Board should turn to Congress with a request for a special appropriation for its work. It is not definite whether the Board will want to do it, for several reasons: First of all there is the danger that by bringing this problem to Congress a political question might be involved and the entire matter may become a political issue; secondly, obstacles might be made which might impede the rescue work and thirdly, many organizations, such as the J.D.C. and others, are against it because they do not want to drag in political issues and because they feel that without government funds they will have a freer hand. At any rate, the problem has not been solved as yet and as Mr. Pehle expressed himself, it is a "hot question."

We further asked him: What is the Board planning to do with the rescued Jews. Will it help them, for instance, reach Eretz Israel so that they can establish themselves there? Mr. Pehle's reply was that the Board is only interested in finding a temporary haven of refuge for the rescued Jews, what will happen to them later is beyond the framework of its activity. If there should be a possibility, for instance, to

3.

get Jews to Eretz Israel through Turkey, it will be done, but to consider Eretz Israel as the sole haven of refuge is out of the question. In most cases the rescued people will be taken to special camps built in places adjacent to Europe. One camp, he mentioned, is already in existence in North Africa, not far from Casablanca. Other places in South Africa such as Angola, for instance, or in Latin American countries, Mr. Pehle declared, were not even considered because they are too far from Europe.

In answer to the question whether other countries will participate in the work of the War Refugee Board, Mr. Pehle replied that so far the work was undertaken by America only. If other countries should want to join in this work, he sees no reason why it should be impossible; at present, however, the attitude of other countries is not clear. When I took leave of Mr. Pehle he asked me to convey through the Jewish Morning Journal the following message to American Jewry:

"The American government knows and understands the sentiments of American Jews in the great misfortune that befell European Jewry. We therefore wish to make it clear that the War Refugee Board is very earnest and sincere about carrying out the task entrusted to it. The Board will overlook no opportunities to carry out the policy as stated and implied in the President's order. The Board needs everyone's aid and cooperation in this difficult task."

The rest of the article is devoted to a biographical sketch of Mr. Pehle.

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

London, February 25, 1944

No. 14,087

SUBJECT: Refugee Relief Project Through International
Red Cross.

The Honorable
The Secretary of State
Washington.

Sir:

1/ I have the honor to refer to the Department's telegram no. 1020, February 9, 11 p.m., from the War Refugee Board and to transmit herewith copy of a letter and its enclosures received by the Embassy from the Director of the Intergovernmental Committee on Refugees in response to the communication to the Director which the Embassy was instructed by the telegram under reference to make.

Respectfully yours,
For the Ambassador:

W.J. Gallman
Counselor of Embassy

Enclosure:

- 1/ Copy of letter from the Intergovernmental Committee on Refugees, dated 21st February, 1944, reference 171/98 HWE/EMS.

CC: hjs

Enclosure no. 1 to despatch no. 14,087 from the Embassy at London, dated February 25, 1944.

INTERGOVERNMENTAL COMMITTEE ON REFUGEES

Our Ref: 171/98
HWE/EMS

11 D Regent Street,
London, S. W. 1.

21st February, 1944

Dear Mr. Bucknell:

Will you kindly refer to your letter of February 12, 1944, informing me that, on the approval of the War Refugee Board, the United States Treasury had issued appropriate licences to the Joint Distribution Committee to carry out the programme referred to in my letter No. 171/98, of December 7, 1943. I now enclose a copy of a letter dated 16th February, 1944, (with a copy of its enclosure), received from Monsieur Haccius of the London Delegation of the International Red Cross, and a copy of my reply thereto.

I am sending Mr. Randall at the Foreign Office a copy of the correspondence.

Yours sincerely,

H. W. Emerson.

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

Encs. 3.

C O D Y

171/98
HWE/EMS

21st February, 1944

Dear Monsieur Haccius,

In reply to your letter of the 16th February, 1944, with which you enclosed a copy of the note dated 5th February, 1944, from the International Red Cross at Geneva, I write to say that we have heard from the United States Embassy in London that the United States Treasury, with the approval of the War Refugee Board, has issued appropriate licences to the Joint Distribution Committee, the effect of which is that the Joint Distribution Committee will make available to the International Red Cross the sum of one hundred thousand dollars (\$100,000) for the purpose of carrying out the scheme of assistance to certain groups of Jews in Europe, which has been the subject of discussion between the International Red Cross and the Intergovernmental Committee. We are informed that the licences will cover the purchase of food and other supplies in Roumania and Hungary. I have no doubt that the Joint Distribution Committee will get into early touch with the International Red Cross, if it has not already done so. The relations between the two will be direct and not through the Intergovernmental Committee. It will not, therefore, be necessary for the International Red Cross to render accounts to the Intergovernmental Committee as was provisionally proposed, but I hope that the International Red Cross will keep us informed of the progress of the scheme.

Under this arrangement the difficulty mentioned in the enclosure to your letter, regarding the transfer of money across the blockade, would apparently no longer exist, but I am sending a copy of the correspondence and of this letter to the Foreign Office and to the United States Embassy in London, in case any further action is necessary.

Yours sincerely,

(Signed) H.W. Emerson.

Monsieur R. A. Haccius,
Comite International de la Croix-Rouge
London Delegation
55, Pall Mall, S.W. 1.

C o p y

COMITE INTERNATIONAL DE LA CROIX-ROUGE
Agence Centrale des Prisonniers de Guerre

London Delegation,
55 PallMall, S. W. 1.

16th February, 1944

RAH/MF.

Sir Herbert Emerson, G.C.I.E., K.C.I.E.,
High Commissioner for Refugees,
11D, Regent Street, S. W. 1.

Dear Sir Herbert,

I have just received from Geneva a note which is complementary to the letter addressed to you by the Committee of the 9th December, 1943; this outlines the conditions governing the transfer of funds by the Committee through the blockade. I enclose copy of this note (No. 3980) for your information.

I should be obliged if you would let me know when you obtain any result in your dealings with the M.E.W. regarding the purchase of foodstuffs in Hungary.

My headquarters also wish me to inform you that they are willing to supply you with any further information you may require, and which may not be contained in their letter of the 9th December, 1943.

Yours sincerely,

(Signed) R. A. Haccius

Enclosed copy letter No. 3980.

C O P Y

INTERNATIONAL RED CROSS COMMITTEE

Geneva, January 5, 1944.

Delegation of the International Red
Cross Committee in Great Britain.

Subject: Relief to the Jews in Europe.

Referring to our note no. 3971 (JES/HL) of
December 13, 1943, we deem it advisable to send you the
following information:

Under date of November 29 and November 30, 1943, the
American and British Governments informed us, through
their legations in Bern, that they did not wish the
International Red Cross Committee to effect the transfer
of funds through the Blockade, the Protecting Powers
having the sole right to such transfers. Exception to this
principle might be made if, in the absence of a Protecting
Power, the International Red Cross Committee were required
by a Government to make such a transfer.

Now, you know that our work of assistance to Jews in
Europe will most likely require the transfer of rather
considerable sums of money. You also know that Jewish
interests in Axis countries are not represented by a
Protecting Power and that the International Red Cross

Committee

-2-

Committee appears to be, for the time being, the only intermediary capable of giving them effective aid.

We hope, and we wish to make this clear, that our letter of December 9, 1943 to the Director of the Inter-governmental Committee on Refugees will not be considered as an infraction of the Blockade Regulations recently called to our attention by the British and American governments.

In fact--and our letter was perhaps not explicit enough on this point,--when we offered to carry out a scheme of assistance if an initial sum of Frs. 300,000 were put at our disposal, we evidently considered this offer as subject to the formal authorization of the Blockade authorities previous to such a transfer of funds.

We would therefore be grateful to you for transmitting this information to the Inter-governmental Committee, expressing the desire that this Committee itself approach the Blockade authorities as regards to the granting of facilities necessary to the relief project which we are ready to undertake.

Division of prisoners, internees and civilians.

TC-364

RCC-265

PLAIN

Buenos Aires

Dated February 24, 1944

Rec'd 2:11 p.m.

Secretary of State

Washington

513, 24th.

Reference Department's 327, 23rd.

Mann leaving Buenos Aires March 2nd Panair
earliest possible departure date. Please advise.
Pehle Mann requests authorization for 100 pounds
air express.

ARMOUR

MJF

FROM

HABARA

DATE: February 25, 1944

REC'D: Feb-26-44

Secretary of State,
Washington.

A-392, February 25, 11 a.m.

Embassy's airgram No. A-364, February 19, 3:45 p.m.

The Prime Minister's office has informed me that final decision concerning the Decree freezing deposits of immigrants will be deferred until after Dr. Zaydin returns from his trip to Oriente with President Batista and after consultation with the Minister of Finance.

I hope this means abandonment of this indefensible project but it would not be safe to count on it.

BRADEN

850.4

C
O
P
Y

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: February 24, 1944
NUMBER: 1513

CONFIDENTIAL

Reference Embassy's 1493, February 23.

The Embassy orally communicated to the IGC Director contents of the Department's 1323, February 23, as he had received similar information through the Foreign Office. In regard to the IGC representative in Portugal it is hoped by the Director that the Department will postpone taking a position. Pertinent information which the Director desires to be considered is expected to be brought by Deputy Director Kullman who is to return to London by the beginning of March.

WINANT

MJB-652

PLAIN

London

Dated February 25, 1944

Rec'd 2:20 p.m.

Secretary of State,
Washington.

US URGENT

1554, Twentyfifth

CONFIDENTIAL FOR LIMITED DISTRIBUTION

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

Debate is in connection with estimates and will give ample time for adverse critics to air views. Richard Law will probably make part of reply for Government. From statements by interested organizations Foreign Office expects there will be effort to show a rift between United States and British Governments on refugee policy and believes that one question will be whether American Government has approved a plan for large scale (ten million dollars)

cc: Miss Chauncey (for Sec'y), Paul, Gaston, White, Pehle, Luxford, DuBois, E.M. Bernstein, Stewart, Lesser, Friedman, Miss Hadel, Pellak, Bundy.

-2- #1554, Twentyfifth, from London

dollars) relief of Jews in enemy occupied areas which has been blocked by British. Foreign Office has in mind replying that such is not the case, that British and American Government's have machinery for acting together in refugee matters including membership on the part of both in the inter-governmental committee, that relief and assistance must of necessity be comprised of such action as are consistent with successful prosecution of the war as was stated by the President in establishing War Refugee Board, that several joint agencies including economic policy agencies of course given consideration to relief proposals in connection with problems of successful prosecution of war, and that consideration of several proposals is currently pending.

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

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

MJF

WINANT

MFG-513

PLAIN

London

Dated February 24, 1944

Rec'd 11:59 p.m.

Secretary of State,
Washington.

1541, 24th.

CONFIDENTIAL FOR LIMITED DISTRIBUTION FOR THE
WAR REFUGEE BOARD.

Dr. Nahum Goldmann has recently discussed with me and with Casaday, Coville and Hoehler certain problems connected with the efforts to bring relief and rescue to the Jews of Nazi-occupied Europe, and the following questions are submitted at his request. He would like to receive answers from Washington while he is still in this country as the answers will affect his activities here. Dr. Goldmann plans to leave for Washington at the end of the first week in March.

1. Goldmann states that the American and British Governments are ready to put 8 million to 10 million dollars at the disposal of the International Red Cross for sending food, clothing and medical supplies to the Jews

-2- #1541, February 24, - from London

to the Jews of Nazi-occupied Europe. He is assured by the International Red Cross representatives, however, that it will be impossible to utilize anything like this amount of money if purchases must be confined to the neutral European countries. This is said to be due to shortages of goods and to existing priorities in the countries concerned. One of the International Red Cross representatives referred to is Alfred E. Zollinger who recently passed through London and is now in Washington. Goldmann urges that Zollinger be consulted there for confirmation of the described position in the neutral countries of Europe.

In view of the Circumstances as stated the International Red Cross according to Goldmann asks specifically whether the War Refugee Board is in a position to take one or both of the following two courses of action: (a) seek to obtain from the appropriate American and British authorities permission to spend "a major part" of the 8 to 10 million dollars in Rumania and Hungary where conditions for the effective use of the funds are said to be more favorable; (b) seek to obtain authorization to purchase supplies in the United

-3- #1541, February 24, - from London

in the United States or other American countries and, what is most important, to obtain British navicerts for the safe passage of the goods to European ports.

In regard to proposal (b) the International Red Cross is stated to be prepared to give assurance that, in the event navicerts are granted, no extra demand will be made upon shipping facilities. The International Red Cross is willing to assume full responsibility for transportation.

It is stated that for various reasons the International Red Cross does not feel in a position to approach the British Government directly on the above two proposals and they ask therefore whether the desired results might be effected through the intercession of the War Refugee Board.

2. Goldman states that at the beginning of December the U. S. Treasury issued a license to the World Jewish Congress in New York for \$25,000 to be transferred to its representative in Geneva and to be used for Jewish rescue work in occupied European countries with the provision that regular reports about the use of

-4- #1541, February 24, - from Lodon

the use of this money be given to the American Legation in Berne Switzerland. It is understood by Goldmann that this license was later increased to \$100,000. Goldmann believes that the Joint Distribution Committee then applied for a license for \$3,000,000 for similar purposes and that this license was granted.

Various Jewish organizations in Great Britain as well as a committee of members of Parliament headed by Eleanor Rathbone are said to be eager to approach the British Government requesting similar licenses and using the precedent established in Washington. Goldmann has asked these groups to refrain from approaching the British Government pending clarification of the specific points listed below. He is anxious on the one hand not to risk a flat refusal by the British if such risk could be minimized by using the American licenses as an argument of if possible by a direct appeal to the British by the U. S. Government or War Refugee Board. On the other hand he is anxious to avoid causing any embarrassment to the U. S. Government. He asks therefore:

(a) whether the British Government has been officially (repeat officially) informed of the issuance of the

U.S. Treasury

-5- #1541, February 24, - from London

U. S. Treasury licenses referred to; (b) whether either the U. S. Government or the War Refugee Board would consider appealing directly to the British Government to issue similar licenses; (c) whether in any event there is any objection to an appeal to the British Government by Jewish or other organizations here utilizing the precedent of the U. S. Treasury licenses as an argument.

In view of Dr. Goldmann's planned early departure I am sure he would appreciate early consideration of the above enquiries.

WINANT

HTM

GAR-333

PLAIN

London

Dated February 24, 1944

Rec'd 5:52 p.m.

Secretary of State

Washington

1520, twentyfourth

Foreign Office has supplied us copy of letter February eighteenth from Foreign Office to Emerson regarding IGC representative with Merra (See Embassy's 1439, twenty-first) in which Foreign Office states:

"We have just heard from Matthews, Director of Merra, who entirely agrees with the proposal. He adds that with the increasing volume of work there, he is nearly desperate for skilled assistance of all kinds and finds the suggestion that this representative in addition to his primary task should be able to help with Merra's current activities most welcome."

WINANT

LMS

Recd Feb-24-44

Secretary of State,
Washington.

A-6

Reference Department's circular airgram of January 26, 1944, 7 p.m., relating to establishment of War Refugee Board.

A preliminary survey of the situation as it exists today with regard to the points raised on page 2 of the Department's airgram shows the following:

- (1) The Australian Government is not interested in taking any initiative looking toward admittance of refugees, or in rescuing or assisting them. The Government's Interdepartmental Committee on Migration is concerned primarily with post-war migration problems (see my airgram A-38 of December 6, 1943, 1 p.m.), and it has not as yet reached a stage where it is even nearly ready to present its recommendations to Cabinet.
- (2) The Australian Government belongs to the Intergovernmental Committee set up as a result of the Evian Conference of 1938, and has indicated to its representatives overseas that it wishes to have membership on the UNRRA Pacific Regional Sub-committee on displaced persons.
- (3) The Australian Government has approved in principle of payment of its share of expenses for the Intergovernmental Committee established as a result of the Evian Conference, but is unwilling to commit itself to payment of a share of expenses for the relief and maintenance of refugees until it has some idea of what is involved.

(4)

A-6 Canberra

-2-

- (4) (a) The Australian Government has just announced that it will admit 150 Jewish children from Switzerland. This 150 is in addition to a similar number for whom permission was granted over a year ago but who have not been able to get to Australia. These children are to be the full responsibility of the Australian Jewish Welfare Association which, with its allied associates in Great Britain, has made the arrangements. The children have been or are to be admitted to Switzerland from France, on the undertaking of the Australian Government to grant them entry when transportation can be found.
- (b) Over a year ago the Commonwealth Government agreed to admit a small group of Poles from Russia on the understanding, apparently unwritten, that Poland would repatriate these persons after the war, paying all expenses. The arrangement for these persons is said to have been made by the Polish Consul General in Sydney. The Poles are supposed to have reached Iran, but nothing further is known of the matter.
- (5) The Department of Post-War Reconstruction is perturbed by the attitude of the Interior Department towards admission of refugees and assistance to refugees during the war. Post-War Reconstruction fears that lack of an active interest in this question now, combined with a feeling, as expressed in letters from refugees now resident in Australia, that they wish to leave Australia as soon as they can after the war (a feeling apparently reflected in censorship excerpts), will discourage the desired movement of migrants to Australia after the war.
- (6) With regard to the lettered questions on page 2 of the Department's airgram, I have

concluded

A-6 Canberra

-3-

concluded that, except as indicated in (5) above, Australia's interest in the relief of refugees is limited to potential immigrants for the post-war period (if these immigrants prove to be of the type desired by the Government) and that, while not deliberately turning back refugees at the border, the Government does not encourage them. Small groups will be admitted only if some non-Australian Government agency will accept full responsibility for them.

Shortage of transportation is advanced, with some justification, as a reason for regarding admission of more than an occasional individual refugee into Australia during the war as a purely theoretical question.

- (7) Australia's interest in wishing to be on various international committees dealing with refugee problems is partly a matter of prestige and partly a fear of appearing to be disinterested in the humanitarian side of the question.

The member of my staff who discussed the above matters with the representatives on the Australian Interdepartmental Committee on Migration of the Departments of External Affairs, the Interior, the Treasury and Post-War Reconstruction found everywhere a tendency to pass the buck. There is apparently no directing body. Representation abroad is in the hands of External Affairs, admittance to Australia in the hands of the Interior, and financial commitments in the hands of the Treasury, which evinces its usual desire to keep its hand on all sides of the problem.

Discussion with the Australian Government Departments would be facilitated if the Legation could be given more detailed information with regard to:

(1)

a-6 Canberra

-4-

- (1) the connection between the Evian Committee and the regional sub-committees on displaced persons of the UNRRA, and the War Refugee Board; and
- (2) the actual type of work which it is contemplated will be undertaken by the War Refugee Board.

Further information on the subject matter of this airgram will be submitted shortly when more extensive inquiries have been completed.

JOHNSON

HAK/vt

AIRGRAM

173

Despatched: February 24, 1944.
7 p.m.

From: American Consulate, Suez,
Egypt.

Rec'd: March 4, 3 p.

Secretary of State

Washington.

A-7, February 24, 1944, 7 p.m.

Reference the Department's circular airgram dated January 26, 1944, 7 p.m. to all American Missions except London, Lisbon, Madrid, Stockholm, Bern and Ankara, concerning the relief and assistance to be extended to the Jews of Europe and other victims of enemy persecution.

Suez Consulate has been assisting and will continue to assist with passport work, transmission of communications to the United States and elsewhere, and transmission of funds from the United States for those refugees at Moses' Wells Camp for Greek Refugees who possess American nationality or American connections. Similar work will be performed for the same category of persons who may be brought to the Yugoslav Refugee Camp near Suez.

The Middle East Refugee Administration is taking best possible care in all respects of all refugees in its Greek and Yugoslav Refugee Camps near Suez.

Holder

Distributions:

Hectograph to the Department
Copy to the American Legation, Cairo

Oscar C. Holder

File No. 300
OCH/bbr

DUBLIN, February 25, 1944

No. 811

SUBJECT: Anti-Semitism in Eire.

The Honorable
The Secretary of State
Washington

Sir:

I have the honor to refer to the Department's circular airgram of January 26, 1944, 7 p.m. and to the Legation's airgram No. A-7 of February 10, 4 p.m. regarding the rescue and relief of war refugees. There is quoted below a news item appearing in the February 22nd edition of The Irish Times:

"SHOP FRONTS DAUBED

During the week-end a number of shop fronts in the Grafton Street area were daubed with yellow paint in two-foot squares. On some of the shops words were also painted. Soon after the shops concerned opened for business yesterday morning the yellow paint had been washed off."

The incident thus reported is the first anti-Semitic demonstration which has come to public notice in Eire in some time. The words which were painted on the stores consisted of slogans such as "Down with the Jews" and the word "Jews" in large letters of yellow paint, but the Censor did not permit the Dublin newspapers to print that the demonstration had been directed against the Jews. It is commonly believed in Dublin that a major portion of the property in the Grafton Street area, which is the shopping center of Dublin, is owned by persons of Jewish race.

Although there are, as a matter of fact, only approximately 3,300 Jews in Dublin out of a population of a half million, many Irish are passionately opposed

to them and express their anti-Semitic feelings openly. The Catholic Church, which is a great power in the community, has done little to preach tolerance to its members and indeed The Standard, a popular Catholic weekly, regularly prints letters denouncing the Jews and their alleged leadership in certain occupations. It has lately been learned that an attempt is being made to revive The Christian Protective Association whose activities were directed against Jewish-owned enterprises and which died out a few years ago. The Dublin press has also given recent notice to attempts being made to legislate against the changing of names for commercial uses. German radio propaganda directed to Lire has urged Catholic Irish listeners to beware of the Jews.

While it does not appear that anti-Semitic demonstrations will take place in a violent form in the near future in Dublin, it should be recognized that anti-Semitism is widely prevalent among all classes of Irish and that the stresses and strains felt here as the result of war-time restrictions and unemployment may bring it out into the open at any time. This possibility should be considered in connection with any project for sending Jewish refugees to this country.

Respectfully yours,

For the Minister:

Aaron S. Brown
Third Secretary of Legation.

800/840.1
ASB/2

To Department in Original and Hectograph.

AIRGRAM

FROM

Managua

Dated February 25, 1944.

Rec'd

Secretary of State,

Washington.

A-85, February 25, 10:30 a. m.

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

With reference to United States policy with respect to the rescue and relief of Jews in Europe and other victims of enemy persecution, the Nicaraguan Foreign Office has informed the Embassy that Nicaragua sympathizes with that policy and that it will permit the entry of war refugees under the same conditions as the United States and in a number proportionate to the population of both countries.

STEWART

800
HDF/gp

TRANSLATION FROM FRENCH

February 25, 1944

G.59/2/R
PK/HLThe Director of the Intergovernmental
Committee 11 D Regent Street, London
SW 1Concerning: Activities of the International Red Cross Committee in
favor of Jews in Rumania.

My dear Director:

Pursuant to our general summary of December 9, 1943, regarding the situation of the Jews in Germany, Eastern Europe, and the Balkans, we take the liberty of giving you below information on the activities of the International Red Cross Committee in favor of the Jews in Rumania, leaving aside, however, the question of relief to the deportees of Transnistria, a question regarding which a note has been handed to Mr. Kullmann on the occasion of his trip to Geneva.

1. Mission of the Delegate of the International Red Cross Committee in Transnistria.

In the course of a journey lasting from the 10th to the 21st of December 1943, a delegate of the International Committee was able to visit the principal centers where the Jews deported from Rumania to Transnistria are gathered. This mission will form the subject of a report which will be sent to you anon.

2. Repatriation of Jews deported to Transnistria.

With the front nearing Transnistria, the deportees show disquiet and seem to fear that military operations in that territory would become the occasion for new measures against them. It is appropriate, therefore, to speed up their repatriation to Rumania as much as possible. A first result has been obtained in this respect by the repatriation to Rumania, in the last days of 1943, of 5,944 Jews, natives of Dorohoi, and 163 natives of other regions of the kingdom.

We try now to obtain the return to Rumania or to facilitate emigration to Palestine of other categories of deportees.

For several months the Rumanian authorities have let it be known that they are disposed to permit the return to Rumania of deported Jews belonging to one of the following categories:

Those who received military decorations
Public official

- 2 -

Pensioners of the state

Widows of those who received military decorations from 1916 to 1919

Those wounded in the War of 1916 to 1919

Since this decision has not yet been carried out to date, the question has been again brought to the attention of the competent authorities by our delegate.

We have also intervened in favor of those Jews of Transnistria who are the beneficiaries of immigration permits of the Palestinian Government, asking that they be authorized to enter Rumania and to reside there until the time when they will be able to leave for Palestine.

A similar intervention has been made in favor of 177 Polish Jews deported from Bessarabia and Bucovina or escaped from the General Government, who are among those deported to Transnistria. A particularly urgent appeal has come to us from the Jews of Tulcin (Transnistria) numbering about 700. We have asked the Rumanian authorities to bring them as well as all the Jews residing in localities east of the railroad line Zhmerinka-Odessa, to Odessa. This request seems to have been favorably accepted and is now being studied by the authorities.

Incidentally, there are among the deportees of Transnistria 4,500 Jewish orphans, most of them in the districts of Mogilev and Balta, and a small number in the districts of Jugustru, Tulcin, Rabnita, and Golta, i.e. in the north and center of Transnistria.

On the 23rd of December, 1943, the Rumanian authorities gave their agreement in principle to the transportation of 4,500 orphans accompanied by 500 adults out of Transnistria.

After discussing various plans with the competent authorities, it has been decided to assemble the children in Northern Moldavia where they will be able to wait in safety until they can emigrate either by land or by boat.

On January 24, 1944, our delegation informed us that the delegates of the Jewish institutions in Rumania have been called to the Ministry of the Interior and that a plan for repatriation has been established. A mission has gone to Transnistria in order to prepare the assembling of the orphans and their transfer to Moldavia, a transfer to which the Rumanian Red Cross will lend its assistance.

As soon as this mission will have returned from Transnistria, the date of the assembling of immigrants in Constanza could be fixed, depending on the time when the orphans will arrive in Moldavia (an undertaking for which certain transportation difficulties will have to be solved) and on the date on which they will be able to get their exit permit.

- 3 -

When the repatriation of different categories of deportees enumerated above from Transnistria will have been carried out, there will still remain in that region the Jews deported from Besarabia and Bucovina, i.e. about 42,000 persons.

However, competent authority has given us the assurance that if the military situation will necessitate the evacuation of the civilian population of Transnistria, this operation will be carried out without distinction of race or religion.

3. Position of Jews in Bucovina

The Jews in Bucovina were compelled to wear the "Star of David", which fact exposed them to attacks. We succeeded in getting the Rumanian authorities to suppress this measure beginning January 26, 1944.

On the other hand, the Jews of that territory feared that they would not be able to receive permission to go to the Old Kingdom in case of the evacuation of the civilian population of Bucovina and are afraid of mistreatments in case the Rumanian administration disappears.

The administration of Bucovina has already given to 5,000 Jews, i.e. about 1/3 of the total number, permission to leave that province. We have asked the Rumanian authorities to give these 5,000 people permission to enter and reside in the Old Kingdom where Jewish families and Jewish organizations could give them hospitality.

Similar permissions have been asked in favor of Jews from Bucovina in possession of immigration permits to Palestine and for 200 or 300 Jews of Polish nationality who are in Bucovina.

We try to get the assurance that all Jews will be treated on the basis of equality with other Rumanian subjects in case of total or partial evacuation of the civilian population of Bucovina.

Finally, our delegation has intervened to ask that 73 Jews who came from Cernauti to Bucarest for medical treatment should not be compelled to return to Bucovina. According to the latest information on this subject, this request, although conceded in principle, has not yet received a definitive solution.

4. Emigration of Jews from Rumania by Land.

Since this emigration would have to go by way of Bulgarian and Turkish territory, the consent of these two countries has been solicited.

-4-

The Turkish Government has declared that it would permit the transit of 150 people per week, the transport comprising 10 percent adults, the rest children.

The Bulgarian Government has approved this arrangement, but since it desired to limit the number of adults to one or two, a new request has been addressed to it in view of obtaining its permission that each transport comprise 10 percent adults.

It remains to establish the list of emigrants and to obtain Rumanian, Bulgarian, and Turkish visas. The Rumanian Red Cross will ask the German military authorities to permit the passage of the Danube.

Finally the Turkish authorities have been asked to permit the passage of more than 150 persons per week, it being understood that the surplus would use the maritime route.

5. Emigration of Rumanian Jews by Boat.

The Bulgarian boat, "Bellacitta" will be ready to effect the transfer of 150 emigrants per week.

It is anticipated that the passage will be from Mangalia to Istanbul. No reply has been received yet to the request for safe conduct addressed to Russian and German authorities.

The Committee will serve as intermediary to notify the sailings of the "Bellacitta" to the belligerents without, however, assuming any responsibility.

In addition two Bulgarian ships sailing under the Bulgarian flag, the "Milka" and the "Maritza", are at the disposal of Jewish institutions. However, it appears that they will not be able to be employed if the Turkish Government does not permit the passage of more than 150 emigrants per week, since the "Bellacitta" would suffice for this service.

We shall not fail to keep you informed of the results of the different current interventions.

For the International Committee of the Red Cross, accept, sir, etc.

(Signed) R. Gallopin
Division of Internees and Civilian
Prisoner.

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Madrid
DATED: February 25, 1944
NUMBER: 530

CONFIDENTIAL

You are referred herewith to the Department's telegram of January 25, no. 207, regarding the establishment of the War Refugee Board. John W. Pehle, the Acting Executive Director of the Board, has informed the Department that in conformity with the President's order of January 22, it is proposed by the Board to appoint Mr. David Blickenstaff, representative of the American Friends Service Committee in Madrid, as the Special Representative of the Board, and to be designated by the Department as Special Attache to the Embassy on War refugee matters. It is provided in the President's order that the State Department shall appoint such Special Attaches upon the recommendation of the Board, that their duties and responsibilities shall be defined by the Board in consultation with the State Department, and that they shall have diplomatic status.

It has been indicated by the American Friends Service Committee that it has no objection to Mr. Blickenstaff's accepting this appointment.

After

- 2 -

After discussing the matter with Mr. Blickenstaff, if this 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 on the part of the Spanish Government there will be no objection to this designation, although you may informally approach the Spanish authorities if, in your discretion, you consider it necessary or advisable to do so. We request that you confirm by telegram Blickenstaff's designation or that you advise us promptly if there is any reason why the designation should not become effective at once.

You should inform Blickenstaff that:

- (a) He is charged with the responsibility and duty of carrying out the policies and programs of the Board in Spain;
- (b) He is responsible to the Ambassador and should regularly and fully discuss his activities and problems with him;
- (c) The necessary communications facilities required for the carrying on of his official duties will be provided him by the Embassy;
- (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

-3-

in Spain in this field regardless of whether such organizations are American, international or foreign;

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

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

(h) In so far as ~~the~~ Trading with the enemy Act is concerned, the War Refugee Board and its representatives in the field have been vested by the Secretary of the Treasury with full authority to communicate with enemy territory in carrying out the purposes of the Order. Also the Secretary of the Treasury has 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. Blickenstaff is authorized to act accordingly.

Further detailed instructions will follow from time to time after receipt of confirmation of Blickenstaff's designation.

STETTINIUS
(Acting)

EWE

February 24, 1944

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

5 p.m.

AMEMBASSY,

ANKARA.

142

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.

STETTINIUS

Acting

HRA:GLH:KG

EUR

EH

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2/18/44

URGENT

CABLE TO AMBASSADOR STEINHARDT, ANKARA, TURKEY.

FOR STEINHARDT AND HIRSCHMANN FROM THE WAR REFUGEE BOARD.

We recognize fully the importance and urgency of the shipping problem and are doing what we can here to solve it.

We have discussed with the Swedish Minister here the possibility of using Swedish vessels to evacuate refugees from Black Sea ports. The Swedish Minister is cabling his Government immediately requesting that consideration be given to this matter.

With respect to the guarantee which this Government has now given to replace the S.S. VATAN if lost, we would like immediate advice from you as to the possibilities of obtaining other Turkish vessels if similar guarantees were given to replace those vessels.

JED:ecr
2/24/44

C
G
P
Y

FOREIGN ECONOMIC ADMINISTRATION
Office of the Administrator
WASHINGTON 25, D. C.

February 24, 1944

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

Dear Mr. Pehle:

I am enclosing for your information a copy of a letter sent to the War Shipping Administrator in which the Foreign Economic Administration has assured the War Shipping Administration that if the S.S. Vatan is chartered for the War Refugee Board the vessel may be replaced under lend-lease authority upon the request of the Turkish Government and that the War Shipping Administration will be reimbursed by the Foreign Economic Administration for the reasonable value of the replacement vessel.

Very truly yours,

(signed) Leo T. Crowley

Administrator

cc - Miss Chauncey (for the Secretary), Mr. Paul, Mr. White, Mr. Gaston, Mr. Pehle, Mr. Luxford, Mr. DuBois, Mr. E. M. Bernstein, Mr. Friedman, Mr. Lesser, Miss Hodel, Mr. Stewart, Mr. Pollack, and Miss Laughlin.

February 24, 1944

C
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Y

Honorable Emory S. Land
Administrator
War Shipping Administration
Washington 25, D. C.

Dear Admiral Land:

We have seen a copy of your letter of February 23, 1944, to Mr. John W. Pehle, Acting Executive Director of the War Refugee Board and a cable dated February 18, 1944, from Mr. Hirschmann, representative of the War Refugee Board in Turkey to Mr. Pehle, concerning the chartering of the S. S. Vatan, a Turkish vessel, for use in rescuing refugees.

According to Mr. Hirschmann, it is believed that the Turkish Government will permit the S.S. Vatan to be chartered for the purpose of transporting refugees providing that the United States can offer to the Turkish Government a guaranty that this vessel will be replaced if it is lost while under charter. We understand that the War Shipping Administration has authorized Mr. Pehle, subject to approval by the Foreign Economic Administration, to commit it to replace this vessel, in the event of its loss, with a vessel as similar and from as nearby waters as may be available. We understand further that you wish assurance both that lend-lease authorization for such a replacement will be forthcoming and that lend-lease funds will be made available to the War Shipping Administration for reimbursement for the reasonable value of any vessel delivered as replacement.

The Foreign Economic Administration concurs in the desirability of effectuating the charter of the S. S. Vatan for the purpose mentioned and is prepared to give assurance both that upon the request of the Turkish Government, this vessel may be replaced under lend-lease authority, and that in such a case you will be reimbursed for the reasonable value of any vessel which you may deliver as a replacement. All questions between ourselves and the Turkish Government, however, as to the terms of replacement are reserved.

Very truly yours,

(signed) Leo T. Crowley

Leo T. Crowley
Administrator

2/24/44

February 24, 1944

To: Mr. Stettinius

From: J. W. Pehle

Attention: Mr. Warren

Please transmit the attached urgent cable from the War Refugee Board to Ambassador Steinhardt and Hirschmann. The commitment to replace the Turkish vessel has the approval of Admiral Land, Administrator of the War Shipping Administration, and Leo T. Crowley, Administrator of the Foreign Economic Administration.

(Signed) J. W. Pehle

JED:JVP:ngt 2/24/44

TELEGRAM SENT

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

February 25, 1944

4 p.m.

AMEMBASSY,

ANKARA,

144

FOR STEINHARDT AND HIRSCHMANN FROM THE WAR REFUGEE BOARD.

Refer your 282, February 18, and your 299, February 19.

The United States Government through the War Shipping Administration and the Foreign Economic Administration guarantees to replace the vessel referred to in your 282 if the same is lost. Although we can not furnish you with an exact description at this time of any specific vessel which will be used as a replacement, the Turkish Government may be assured that this vessel will be as good or better than the S.S. VATAN and that it will be obtained from as nearby waters as possible.

It is assumed that the S. S. VATAN will be insured against loss thus enabling the proceeds of the insurance to be used in connection with the replacement. For your information, the War Refugee Board can, if necessary, arrange for the insurance of the S.S. VATAN.

The Foreign Economic Administration has advised us that their representative in Ankara, Michel Cardoza, can be of

cc: Miss Chauncey (for the Sec'y), Messrs. Paul, Gaston, White, Pehle, Luxford, DuBois, E.M. Bernstein, Stewart, Lesser, Friedman, Miss Hodel, Mr. Pollak, Mr. Bundy.

-2- #144, February 25, 4 p.m., to Ankara

assistance to you in effecting necessary arrangements with the Turkish Government.

For your information and the information of Cardoza, we have been advised that if the S.S. VATAN is actually replaced, the replacement will be done under lend lease authority and could be done in one of two ways. Either the replacing vessel could be turned over as a normal lend lease transaction or could be sold to the Turkish Government for cash.

It is expected that you will take this opportunity to emphasize to the Turkish Government the significance of the concrete offers which this Government has already made to them in connection with the program of the War Refugee Board. In addition to the present guaranty to replace the S.S. VATAN if lost in connection with the carrying out of this program, we have previously offered to arrange for financing the support and maintenance of refugees coming into Turkey. We hope that the Turkish Government will accordingly make the S.S. VANTAN immediately available for this mission of mercy.

STETTINIUS
(Acting)
(OLW)
ACTING

WEB:GLW:KG
2/25/44

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FEB 24 1944

TO: Mr. George Warren
Department of State

FROM: Mr. Pehle

I would appreciate your sending the attached cable
to Hirschmann in Ankara.

(Signed) J.W. Pehle

TO: STEINHARDT, ANKARA
FOR HIRSCHMANN, FROM PERLE.

For your information and guidance the following is the text of a letter sent to the Secretary of State on September 9, 1943 by the British Embassy in Washington. A copy of this letter has recently been transmitted to me by the Embassy.

"I write to let you know that His Majesty's Government recently decided that in future all Jews, whether adults or children, who may succeed in escaping to Turkey from enemy-controlled territory since the closing of the Bulgarian-Turkish frontier in May last, will be eligible (after a preliminary security check in Turkey) for onward transport to Palestine, where they will be placed in camps, go through a further security check and if found satisfactory will be gradually released as legal immigrants into Palestine against the current half-yearly immigration quotas. By 'onward transport' is meant such transport by sea or rail as may be arranged by His Majesty's Government in cooperation with the appropriate diplomatic mission.

"This policy will also apply to Jews who manage to escape to other neutral countries, but where they have escaped to countries in which they are safe they will normally remain there. Thus the Jews at present in Mauritius, Cyprus and Spain would remain there (unless, as is hoped, arrangements can be made in the case of Spain to remove them for the duration of hostilities to Allied territory in North Africa) and only in very special cases and for very special reasons would authority be given for any onward transport to Palestine.

"The numbers to be admitted under these new proposals will not entail any increase in the total number of immigrants permissible for the period ending the 31st March, 1944.

"I have been asked to emphasize the confidential nature of this letter, as secrecy is essential in the interests of the refugees themselves and His Majesty's Government intend to make no public announcement of the policy described above. They are, however, informing the Jewish Agency for Palestine in confidence of what is proposed.

"I am writing a similar letter to Mr. Myron Taylor."

- 2 -

In view of the policy indicated in the letter it is assumed that the Turkish government now has sufficient assurance that refugees entering Turkey will have an ultimate destination open to them and therefore will be willing to lend full cooperation to measures designed to increase the flow of refugees through Turkey. If, however, such is not the case you should advise the Board at once.

TELEGRAM SENT

EWE

February 25, 1944

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

7 p.m.

AMBASSY,

ANKARA.

146

For the Ambassador and Hirschman

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

-2-, #146, February 25, 7 p.m., to Ankara.

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 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 hope for 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

-3-, #146, February 25, 7 p.m. to Ankara.

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 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

-4-, #146, February 25, 7 p.m., to Ankara.

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 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 103, 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

-5-, #146, February 25, 7 p.m., to Ankara.

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.

STETTINIUS
ACTING

(GLW)

VRB:GLW:KO
2/22/44

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February 24, 1944

MEMORANDUM FOR THE MINISTER OF SWEDEN TO THE UNITED STATES.

As you know, the War Refugee Board, consisting of the Secretary of State, the Secretary of the Treasury and the Secretary of War, has recently been established by the President of the United States to take immediate action to rescue the Jewish people of Europe and other victims of enemy oppression who are in imminent danger of death.

The Board is fully aware of the splendid humanitarian efforts which the Swedish Government has been making to help save the lives of these persecuted peoples. The Board takes this opportunity to ask you to convey to your Government the Board's appreciation for Sweden's treatment of the war refugee problem.

The Board is convinced that one of the greatest opportunities for saving many lives exists in the areas adjacent to Turkey and the Black Sea. It is known that in Transnistria, Rumania and Bulgaria there are substantial numbers of refugees in imminent danger of death. It also appears that arrangements can be made with the Turkish Government to receive refugees from these areas. There are strong indications that the Rumanian Government at least will permit a substantial number of these refugees to leave Rumania. It is indispensable that means of transportation be found at once. Arrangements are being made for a small Turkish vessel to proceed to the Rumanian port of Constantza and evacuate approximately one thousand children to Turkey. Other boats are urgently needed to effect the transportation of refugees from this area to Turkey.

- 2 -

Knowing the sympathetic attitude of your Government toward this whole matter, the Board desires to request the urgent assistance of your Government in helping to solve this immediate transportation problem. The Board understands that a number of Swedish ships under the auspices of the Swedish Red Cross are being used to carry food from Canada and Argentina to Greece. It has been suggested by the Board's representative in Turkey, after consultation with the Turkish Government, that these empty Swedish ships might proceed from Greece to Constantinople and other Black Sea ports for the purpose of transporting refugees to Turkey.

The Board is prepared to arrange for the financing of the use of any Swedish vessels which can be made available for this purpose and would appreciate a prompt consideration of this matter by your Government.

(Signed) J.W. Pehle

J.W. Pehle
Acting Executive Director

JWP:JEF:ccr
2/24/44

LC - 439

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

Bern

Dated February 24, 1944

Rec'd 9:55 p.m.

Secretary of State,

Washington.

1130, February 24, 6 p.m.

Legation's 980 February 17.

Newly formed Swiss refugee advisory commission met for the first time on February 23 under chairmanship of Federal Councilor von Steiger Chief of Federal Department of Justice and Police. Its 65 members all Swiss include representatives of federal military and civil agencies concerned with refugee problems several members of Parliament and representatives of some 30 odd refugee and other relief societies: Swiss Red Cross, International Red Cross Committee, Swiss Protestant Catholic Jewish and Quaker organizations children and students aid societies, also Swiss organizations concerned especially with relief of Italian, French refugees and representatives of Swiss trades-union council.

Commission is expected to serve in coordinating refugee work of official semi-official and private organizations, submit well considered suggestions to responsible authorities and to deal in first instance with any specific local criticisms of treatment of refugees in Switzerland or of governmental refugee policy. Subcommittees are to be set up. One dealing with juridical and disciplinary questions; second with questions of nourishment, lodging, clothing of refugees; third with questions of education and recreation. Fourth subcommittee may later be named to consider post-war repatriation or overseas settlement problems.

GAZETTE DE SAUSANNE this morning forecasts that "This new institution will render considerable service both to refugees and to authorities responsible for welfare of 70,000 refugees already in Switzerland."

HARRISON

WEB

GAR-332

PLAIN

London

Dated February 24, 1944

Rec'd 5:52 p.m.

Secretary of State

Washington

1521, twentyfourth

By letter dated today Embassy has referred to
ICC matter of Danish refugees in Sweden as instructed
in Department's 828, second. British have taken
similar action after discussion with us.

WINANT

LMS

RCC-590

PLAIN

Stockholm via London

Dated February 24, 1944

Rec'd 10:40 a.m., 25th

Secretary of State

Washington

Stockholm's 628, Twenty-fourth.

Norwegian news MORGENTHAUINGEN, Twenty-fourth states German floating crane with lifting capacity 300 tons costing two million RM originally assembled Trondheim disabled bad storm later sent northward dismounted reassembled Alta to help slave Tirpitz. (See Legation's 394, Seventh). Considered likely with aid of tugs mentioned that telegram Germans preparing southward towage.

TIDNINGEN, Twenty-fourth. Germans prepared detailed plans evacuation civilians from northernmost Norwegian districts include area from Finnmark to Narvik. However, indications Germany may retain males for fortification work.

MORGENTHAU, Twenty-fourth, ALLEHANDA, Twenty-third, state factory of Ryegaard and company at Sandakerveien in Oslo blew up afternoon Twenty-second

AFTONTIDNINGEN,

-2-#628, Twenty-fourth, from Stockholm via London.

AFTONTIDNINGEN, Twenty-fourth, relates explosion
Ranfoss near Gjoevik operated by Germans. Two
dead two injured.

DAGENS, Twenty-fourth, states Norwegian Legation's
establishing a refugee camp hall near Ekilstuna
consisting 40 barracks accommodating 600 persons.

WINANT

MJT

PARAPHRASE OF TELEGRAM RECEIVED

205

FROM: American Embassy, Chungking
TO: Secretary of State, Washington
DATED: February 24, 1944
NO.: 374

SECRET

Reference is made herewith to our telegram of February 12, No. 288, and the previous.

The financial adviser to Army HQ, Edward Acheson, has recently been obtaining data for overall estimate on financial requirements of our Army in China and the Embassy, for the first time, has now been given some indication of the magnitude of projects approved and contemplated. We have heretofore known only that Chinese currency requirements would be 500 million monthly for the next few months, or that the United States Government expects to spend for the next few months about 25 million United States dollars monthly in this area.

Now on basis of estimates obtained by Acheson from Army Engineer Sand, SOS, the monthly Chinese currency requirements for the 4 months from March 1 will be about six billion Chinese dollars or a total of about twenty-four billion for the period.

This situation and its political and economic impact on China was discussed at length at a meeting at the Embassy on February 21, including General Hearn, Adler of Treasury, Dr. Acheson, Counselor of Embassy, and myself, and it was agreed that the overall picture and the serious question and problems arising therefrom should be made known to the War Department by the Army. I have requested that a copy of two Army messages sent to War Department February 23 be furnished to the State Department.

The estimated Chinese budget is approximately eighty billion Chinese dollars for the current year and, although revenues are estimated at 35 - 40 billion, it is our opinion that they are not likely to total much more than 20 billion. Already about five billion in new notes is being issued by the Chinese Government monthly. China will have to provide more than double the present new monthly note issue in order to provide Chinese currency for our projects and without regard to rate at which such currency can be obtained for United States dollar.

We have no estimate concerning the ultimate cost of our planned operations in the China theater. Although there was assumably to be considerable tapering off in expenditures after projects which were included in the 24 billion dollars estimate were completed, it can be expected that the consequent expansion and stepping up of our military effort in China will require further huge sums especially since the rate of inflation will be greatly speeded up.

The following include the specific and pressing questions which are now arising:

- (1) With a minimum possible reserve of 10 billion in notes in China (about two months' supply) and, provided we can come to some arrangement with China for the purchase at a reasonable rate of Chinese currency and Chinese Government is willing for us to continue expenditures of such magnitude, can notes be printed and transported to China to cover the expenditures?

(2) At the rate of 20 to 1, we would be spending monthly 300 million United States dollars. At 100 to 1 (if we could persuade China to provide currency at such a rate), we would be spending monthly 60 million United States dollars, a far greater sum than the 25 million a month mentioned in the message of the President to Generalissimo contained in Department's telegram of January 20, No. 108, and of January 24, No. 125. Are we prepared to make such expenditures, with every prospect that under probable plans for expansion and the stepping up of our military in this theater, the costs thereof will be inevitably at an accelerated rate? The prediction may be hazarded that the China theater will ultimately become the most expensive theater of the war in terms of monetary cost.

(3) In four months, the note issue for Chinese Government and our Army expenditures would equal half the total budget of the Chinese Government for the year. Prices at the normal rate of inflation, approximately 10 percent a month, had been expected to about treble during the year. They will increase proportionately with such currency inflation. About 300,000 laborers are now employed in the Chengtu area alone, most of them taken from farms which will shortly require harvesting and planting. What effect upon China's already tottering economy (and upon internal political situation) will be brought about by the huge expenditures planned, the doubling of the rate of note issue, the dislocation of farm labor in an agricultural country which has been able to survive threatening collapse because of its crops, and the inevitable spiraling of prices? This question should be examined in the light of conditions and circumstances peculiar to China and the Chinese. It must be studied against the background of an economy which has been badly mauled by six years of war; the lack of adequate means of transportation and distribution of food and supplies; of the almost complete lack of governmental control over prices, materials and wages; of the background of the inflationary spiral caused by China's war time commercial isolation from the rest of the world; of the venal character of contractors, merchants, and many officials whose cooperation is essential to construction and supply. It is apprehended by us that this problem may well resolve itself into a vital question whether China's strained and shaky economy can withstand the new burden which we are placing upon it, and whether we would have to assume responsibility of rehabilitating it if China's economy should collapse, and whether meanwhile our forces would be able to carry on here their planned operations. Already the American adviser to the Ministry of Finance has mentioned to me the serious dislocation of Chinese economy resulting from the Chengtu operations. Dr. Kung previously mentio(*) scy treas (Embassy's telegram of January 28, No. 180, etc.) and (Secretary of the Treasury)

in conversation of February 3 (Embassy's telegram of February 4, No. 236 and despatch of February 7, No. 213).

In previous messages, we have pointed out that the question of pressing the Chinese Government to cooperate with us by finding some equitable and reasonable arrangement for the payment of our military expenses involved questions of high military policy (whether it is essential to the war effort to carry out our military plans in China regardless of cost or similar considerations) and of political policy (whether we are prepared to force China to cooperate by offering the alternative of retrenchment in our diplomatic, military, and other assistance to China, such support of the position China is endeavoring to assume as one of the Big Four nations, non-military Lend-Lease aid and hoped-for financial and other aid in postwar reconstruction, and the equipment of Chinese troops). These questions come for decision in connection with the new questions of our preparedness to undertake the colossal costs and to risk the consequence upon China and the possible military, economic and political repercussions which we would bear.

It is my suggestion that these problems will require the most serious consideration and early decision of the United States Government; with reference to the President, and with examination by the State, Treasury, and War.

I doubt whether the Chinese themselves realize the extent of the overall picture of what is contemplated in China by our Army notwithstanding that most of the projects involved, according to our information, have had the approval of the Generalissimo. Pending reference by Army HQ for the consideration and instruction of the War Department, no action has been yet taken to present the overall picture to Dr. Kung.

GAUSS

(*) Apparent Omission

ef:copy
2-23-44

COPY NO. 12BRITISH MOST SECRET
U.S. SECRETOPTTEL No. 63

Information received up to 10 A.M., 24th February, 1944.

1. NAVALHOME WATERS. Early 23rd H.M. Destroyers drove off about 15 E-boats probably mine-laying off East Coast, sinking 1 E-boat.MEDITERRANEAN. ANZIO. On 21st 2 heavy but ineffective bombing raids made on port area and another during night 21st/22nd. No damage to shipping but an ammunition dump blown up. Intermittent air raids during 22nd and some shelling on 22nd and 23rd. On 22nd 4,302 tons discharged from our ships.2. MILITARYITALY. In 8th Army area CASTIGLIONE-AGNONE Road which had been blocked by snow is now open.

23rd. In ANZIO Beachhead an attack against U.S. troops on East of position was broken up and two attacks against Northern British Sector were repulsed.

RUSSIA. Russians have reached outskirts of DNO where street fighting has begun.BURMA. NGAKYEDAU PASS now open to traffic from west to within $\frac{1}{2}$ miles of Eastern exit. In KALADAN VALLEY our advance continues and our troops have engaged the enemy 5 miles W.N.W. of KYAUKTAW. In HUGAWNG VALLEY Chinese troops have continued their advance against opposition and are now within 8 miles of MAINGKWAN on a broad front.3. AIR OPERATIONSWESTERN FRONT. 23rd/24th. Aircraft despatched: DUSSELDORF 17, Leaflets 8, Intruders 11.

About 90 enemy aircraft operated over South England, approximately 15 penetrating to Greater London area. 1 destroyed and another probably destroyed over U.K. and a third destroyed over BELGIUM.

22nd. U.S. heavy bombers based on ITALY dropped 337 tons on aircraft factory at REGENSBURG and 37 tons on a railway centre nearby. 20 bombers and 2 fighters missing. Enemy casualties 40, 18, 3.

23rd. 106 Liberators attacked aircraft factory at STEYR (90 miles west of VIENNA).

ITALY. 22nd. Mitchells dropped 57 tons at FOLIGNO railway centre.YUGOSLAVIA. 22nd. U.S. heavy bombers dropped 72 tons on ZAGREB airfield, 142 tons on SIBENIK and 31 tons on ZARA Harbour.CRETE. 22nd. A 5,000 ton enemy ship and a destroyer escorted by aircraft were torpedoed off CRETE during attack by 4 Mitchells and 24 Beaufighters. 3 of our aircraft missing. Enemy casualties 3, 1, 3.4. HOME SECURITY

During enemy attack 23rd/24th most serious damage in London was at FULHAM with some damage and casualties in ST. JAMES' area. Fire situation was never serious. Damage to public utilities light. Outside LONDON some damage and a few casualties in SUSSEX, KENT, SURREY and HAMPSHIRE. Casualties so far reported in LONDON 54 killed, 186 seriously and 118 slightly injured, excluding casualties from FULHAM which are expected to be heavy.

Regraded Unclassified

BRITISH MOST SECRET
U.S. SECRET

OPTEL No. 64

Information received up to 10 A.M., 25th February, 1944.

1. NAVAL

MEDITERRANEAN. ANZIO. 23rd. Slight raids by enemy aircraft. No damage. Unloading proceeded satisfactorily. Evening 23rd several E-boats attempted to attack anchorage but were driven off by Allied patrol craft.

ANTI-SUBMARINE OPERATIONS. 24th. One of H.M. Canadian Frigates sank a U-boat north of AZORES. One of H.M. Destroyers and two Catalinas claimed to have sunk a U-boat in GIBRALTAR STRAIT.

2. MILITARY

ITALY. To noon 24th. 8th Army Front. Canadian troops have advanced their forward line slightly along the road to TOLLO. 8th Indian Division heavily engaged north of ARIELLI without change of position.

ANZIO Beachhead. British troops repulsed two small attacks along ALBANO-ANZIO Road and to West.

3. AIR OPERATIONS

WESTERN FRONT. 24th. Escorted Fortresses and Liberators dropped 508 tons on SCHWEINFURT, 341 tons on GOTH, 545 tons on ROSTOCK and 168 on other targets. 49 bombers missing. Good results obtained at SCHWEINFURT and GOTH. Heavy cloud obscured ROSTOCK. Provisional claims by bombers 83, 22, 42. Enemy casualties by fighters 38, 4, 11. 10 Fighters missing.

528 medium, light and fighter bombers effectively attacked airfields at LEEUWARDEN, DEELEN, GILZERIJEN and military objectives in N. FRANCE. Total bombs dropped 660 tons. One aircraft missing.

24th/25th. Aircraft despatched: SCHWEINFURT 733 (33 missing); Mine-laying 115 (2 missing); Intruders 42 (2 missing); Other targets 33. SCHWEINFURT attacked in two waves. First operation visibility good, some fires from day attack still burning, town well covered by incendiary bombs. By second operation existing fires rapidly extended and in the end appeared to spread through entire town area.

About 150 raiders operated over Greater LONDON and a wide area of S.E. ENGLAND. Night fighters claim 10, 5, 0, and A/A claims under consideration for 9, 0, 1.

AUSTRIA. 24th. Escorted Fortresses based on MEDITERRANEAN dropped 233 tons on aircraft factory at STEYR. 16 bombers and 4 fighters missing. Enemy casualties 35, 12, 5.

YUGOSLAVIA. 24th. Fortresses dropped 72 tons on FIUME Oil Refinery.

4. HOME SECURITY

23rd/24th. Casualties so far reported 93 killed, 293 seriously injured.

24th/25th. In attacks on LONDON neither damage nor casualties as serious as in recent attacks. Some fires but railways and public utilities suffered little damage. Outside LONDON bombs dropped mostly south of LONDON and as far west as HAMPSHIRE and BERKSHIRE. Little serious damage or casualties reported.