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May 11, 1944
10:38 a.m.

D. W.
Bell:

Hello.

HMJr:

Good morning.

B:

Good morning.

HMJr:

How are you?

B:

Fine. We've got part of the group here. Gaston is out at a meeting. Gamble and Sullivan, as you know, are out of town. Mr. Haas is sick. The rest of us are here.

HMJr:

Ah - am I making a record?

B:

Yes, sir.

HMJr:

Well, Jack McCloy just called me, and he wanted to know whether it was necessary to consult with the President on these various rates for various countries of Europe, and my answer was "no". I said he would only mess it up, and I'd take entire responsibility for letting them go. So he said, "Wonderful". And

B:

Could you talk into the phone a little more?

HMJr:

Could you hear me?

B:

Yes, we can hear -- hear you now.

HMJr:

Do you want me to repeat it?

B:

No, I got it.

HMJr:

I said McCloy wanted to know whether it was necessary to consult the President on the foreign exchange rates.

B:

Yes, sir.

HMJr:

And I said, no, that the President would only mess it up

B:

(Laughs)

HMJr:

.... and I said I'd take full responsibility for letting them go.

B: All right.

HMJr: And he said, "Wonderful"; that he didn't want to consult the President, but he wanted to know whether I thought it was necessary. I said, "No".

B: I think we all agree with that.

HMJr: But I do think that -- that Harry should prepare a letter -- hello?

B: Yes. I got it.

HMJr: which I can sign when I come back, which would sum up the thing, you see?

B: Yes.

HMJr: What we've done, and simply say, "My dear Mr. President: I wish to inform you as to the rates which were decided" so forth and so forth.

B: All right.

HMJr: "we've gone ahead and done this without bothering you." But if we wait until I get back, then the thing will be a week old, and that will be that.

B: (Laughs) That will settle it.

HMJr: But I -- I think the -- I'd simply say -- I -- tell him the people who have been consulted, and we've done this knowing how busy he was on other more important matters, and we did not want to bother him, and we just went ahead and did it.

B: As a matter of fact, he was out of town, wasn't he?

HMJr: No, the cable goes only today. The cable only goes today.

B: Oh, I see.

HMJr: But I thought I'd wait

B: I thought the cable had gone.

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HMJr: until I return, but I want to sign it when I get back.

B: All right, sir.

HMJr: And - ah - outside of that, that's all I've got.

B: Ah - I haven't anything. Shaeffer puts in front of me - ah - Drew Pearson's story about your visit to the - "one of the Treasury offices". It's a good story; no names mentioned. It isn't bad at all.

HMJr: It's not bad?

B: No. I don't think

HMJr: Well, don't - if it's not bad, it's my birthday, and I don't want to be bothered by Drew Pearson.

B: Oh, many happy returns of the day

HMJr: Right.

B: from the group. (Laughs) Ah

HMJr: I'm fifty-three years young today.

B: Fine. You've got me beat a little.

HMJr: I'll be sixty-three when I get back to the Treasury on Monday.

B: Sixty-three? You ought to be forty-three.

HMJr: (Laughs)

B: When you get back on Monday.

HMJr: Ah

B: Wait a minute. (Aside: anybody want to talk?) Harry wants me to read you the last sentence of a cable which he received this morning.

HMJr: Yes.

B: The essential gist is that Parliament has approved further consultation and discussion. Does that mean anything? (Laughs)

HMJr: Yes, but there's no time yet.

B: No.

HMJr: Well, tell Harry that he ought to cable the English as follows: that Ted Gamble is going to have five hundred beautiful girls come from French Lick to put on a show.

B: Boy, he certainly is writing that down fast.

HMJr: (Laughs) I think that that would be -- four hundred and ninety-nine, because they don't need anybody for me.

B: Oh - oh. (Laughs) Harry thinks that you have other arrangements.

HMJr: (Laughs) Well, Harry always tells on me.

B: (Laughs) (Aside: Anybody else got anything? Charlie, do you want -- oh, yes.) Governor Lehman wants the Treasury to investigate a few people -- ah -- that he's contemplating hiring.

HMJr: That's all right.

B: We think we ought to do it. I suppose it's all right.

HMJr: Sure.

B: All right.

HMJr: Now -- ah -- let me think -- let me talk a minute to Herbert Gaston.

B: He isn't here. He's out at a meeting.

HMJr: Well, listen....

B: Pehle -- Pehle's going across the street. He might talk to you a minute.

HMJr: All right.

John
Pehle: Good morning, sir.

- 5 -

HMJr: Pehle, you know I charge a fee for getting you in to see the President.

P: Small fee?

HMJr: Well, when Mr. Mellon took John D. Rockefeller over

P: Yeah.

HMJr: and when he came out, Mr. Mellon said to Mr. Rockefeller, "You know we're putting up a new building and we think it would be very nice to have all the doors and all the trim made of aluminum."

P: Well, let's fix the fee when I get back, and see what we get.

HMJr: All right. When are you seeing him?

P: Eleven-thirty, sir.

HMJr: Good. And - I just wanted to know whether you were all right.

P: I'm all right.

HMJr: Okay.

P: All right, sir. That's all, sir.

HMJr: That's all.

P: Right.

HMJr: Hello.

Mrs. Klotz: Yes.

HMJr: Mrs. Klotz, I want you to tell Herbert Gaston that the two men -- the two boats which rescued Bob and his shipmates were Coast Guard boats. Hello?

K: Yes.

HMJr: And I want him to prepare a telegram for me going to the Commanding Officer of each of those two ships

K: Uh - huh.

- 6 -

HMJr: thanking them and their crew

K: Uh - huh.

HMJr: for rescuing the survivors of the Lansdale.

K: Uh - huh.

HMJr: And then to say in this thing that we would like to give the ship's fund -- I - I don't know just what they call it. The men - the enlisted men on each boat have a fund, see?

K: Yeah.

HMJr: They have a name - I think they call it "Ship's Fund" or something

K: Yeah.

HMJr: I mean - selling soda water, subsistence -- they have a fund, see, which belongs to the men

K: Yes.

HMJr: there's a technical name -- and to each of these ships, we want to give a hundred dollars.

K: Yeah.

HMJr: And he can prepare these telegrams, and they can be in consultation with Admiral Waesche.

K: Uh - huh.

HMJr: And then the telegrams can be mailed up to me, because I would like to read them before they go out.

K: Oh, send them to you for approval?

HMJr: That's right.

K: All right.

HMJr: And - ah - that's all, except my crazy feeling to sing the song about the biggest something something.

K: Ah - (laughs) - what?

HMJr: Don't you know you've got a song that's the English word for "rubber plant" -- the biggest da - da - da - da (sings); well, we've got the biggest apple bloom we've ever had.

K: Oh, pretty!

HMJr: And I can't sing like Gracie Field, anyway.

K: Well, don't -- you won't forget the hail insurance.

HMJr: (Laughs) Ha! No.

K: I'm serious. You don't -- you don't know.

HMJr: No. Well, it's not going to hail today, but you're right. I'll hang up and I'll hail it.

K: (Laughs) I - if you don't take it out, I'll do the hailing afterwards.

HMJr: As long as you don't "Heil" me.

K: (Laughs) Is there anything else you want?

HMJr: No. Nobody else - every - is Shaeffer there?

K: Yes.

HMJr: Let me speak to him a minute.

Charles
Shaeffer: Yes, sir.

HMJr: Ah - Shaeffer, how did Olrich's press conference go?

S: Splendid. He got a very good press. Conducted himself very well.

HMJr: Were you there?

S: Yes, sir.

HMJr: How did he handle himself?

S: Very well.

HMJr: Right.

- 8 -

S: He made a splendid impression.

HMJr: Good.

S: Yes, sir.

HMJr: Good. He's - he took quite a fancy to you. He told me he took you out for supper the other night.

S: Yes, he did.

HMJr: Yeah.

S: Not only supper. We lifted a few too.

HMJr: Did you?

S: Yes, sir.

HMJr: Can he take it?

S: Yes, sir.

HMJr: Well, that's the kind we want nowadays.

S: That's right.

HMJr: (Laughs) All right. What else?

S: That's all. Drew Pearson gave you a very good story this morning.

HMJr: Pardon?

S: Sir?

HMJr: Well, will you keep all the clippings so that I can put them together in a book for Bob?

S: Yes, sir. I've arranged that already.

HMJr: And I want a photostat copy for myself.

S: All right, sir.

HMJr: You might make one original and, say, three photostat sets.

S: All right, sir. Yes.

HMJr: Ah - no, the press was wonderful. The press - the Coast Guard has known this, and they've been very, very happy that they were able to rescue Bob, and they've been very happy about it.

S: That's fine.

HMJr: And I gather that the Coast Guard boats were wonderful.

S: Yes, sir. I'll - I'll have four sets.

HMJr: Right.

S: All right, sir.

HMJr: Now if Mrs. Klotz will go in her room, and I want to talk to FitzGerald a minute.

S: Yes. Okay. (Aside: how do you get FitzGerald?)

Operator: Yes.

HMJr: Give me FitzGerald, please.

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

MR. PHILIP MURRAY, PRESIDENT
UNITED STEELWORKERS OF AMERICA
UNITED STEELWORKERS CONVENTION
CLEVELAND PUBLIC AUDITORIUM
CLEVELAND, OHIO

FROM TREASURY DEPARTMENT
BUREAU WAR FINANCE DIVISION
CHG. APPROPRIATION EXPENSES OF LOANS
MAY 11, 1944

U. S. GOVERNMENT PRINTING OFFICE

10-1733

PLEASE ACCEPT AND CONVEY TO YOUR DELEGATES THE SINCERE THANKS OF THE TREASURY DEPARTMENT FOR YOUR OUTSTANDING SUPPORT OF OUR WAR BOND PROGRAM. YOUR HELP WAS OF VITAL IMPORTANCE IN PRODUCING THE REMARKABLE RESULTS OF THE FOURTH WAR LOAN DRIVE. OUR SURVEY OF A LARGE NUMBER OF TYPICAL PLANTS WITH WHICH YOUR UNION HAS CONTRACTS SHOWS THAT 90 PERCENT OF THEM EXCEEDED THEIR WAR BOND QUOTAS DURING THE DRIVE. THIS WAS LARGELY DUE TO THE PATRIOTIC ENTHUSIASM OF YOUR LEADERS AND MEMBERS. IT IS A SPLENDID RECORD OF WHICH YOU MAY WELL BE PROUD. WE ARE OPENING OUR FIFTH WAR LOAN CAMPAIGN AT A CRITICAL MOMENT IN THE WAR AND AGAIN NEED YOUR HELP. WE KNOW WE CAN COUNT ON YOU.

HENRY MORGENTHAU, JR.
SECRETARY OF THE TREASURY

[Handwritten signature]

JIH/hb

THE UNDER SECRETARY OF THE NAVY
WASHINGTON

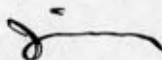
11 May 1944

Dear Henry:

There was no message of good will that I received which I value more than yours. I hope I can live up to and justify your belief.

I am delighted at the news about your boy. You must be very proud of him.

Sincerely yours,



James Forrestal

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

RECEIVED 12 MAY 1944

SECRETARY OF THE TREASURY
OFFICE

sent from the farm

12

May 10th night letter

Hon James Frestal

Welcome to the Cabinet.

You know how happy I am
at your appointment you
have earned it a thousand
times. He is wishing
you continued success
until victory. very best
regards.

MJ

CABLE TO AMBASSADOR WILSON, ALGIERS, FOR ACKERMAN'S FROM WAR
REFUGEE BOARD.

JDC is remitting lira equivalent of \$10,000 to
Sir Clifford Heathcote-Smith, representative of Intergovernmental
Committee, care of Allied Control Commission, Naples, Italy,
for relief needs of stateless refugees in southern Italy.
Please advise Heathcote-Smith of foregoing and request him to
acknowledge to you receipt of the funds.

THIS IS WRB CABLE TO ALGIERS NO. 10

May 11, 1944
10:25 a.m.

WErlab 5/10/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMREP, Algiers
DATED: May 11, 1944
NUMBER: 1428

SECRET

TO AMBASSADOR WILSON, ALGIERS, FOR ACKERMANN FROM WAR REFUGEE BOARD

Please refer your No. 16 (Department's No. 1453) of May 3rd.

Your prompt action in taking up admission of Sephardic Jews to Camp Lyautey is appreciated. Please confirm our understanding that so long as total number of refugees in Camp Lyautey does not at any one time exceed 2,000, French will not object to entry of refugees merely because they arrived in Spain subsequent to March first.

We are not able to give you information as to number of Sephardics who might be rescued from occupied territory. This information must come from Schwartz, and if you do not hear from him please advise us.

We are inclined to believe that camp quota should not be filled by bringing Jews there from Italy. If we are able to bring more from Spain in the future this may put us in a position to encourage entry of refugees into Spain from occupied territory. For your information it is understood that many Jewish refugees in Southern Italy already have certificates entitling them to enter Palestine and the possibility of their being taken to Palestine should not be overlooked. As you probably know the British Government is presently admitting into Palestine Jewish refugees who reach Turkey. It is understood that more than twenty thousand refugees may still be admitted to Palestine under the terms of the White Paper. When you have investigated the matter please give us your views.

This is WRB Cable to Algiers No. 8.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMREP, Algiers
DATED: May 11, 1944
NUMBER: 1444

SECRET

FROM WAR REFUGEE BOARD FOR ACKERMANN

JDC is remitting lira equivalent of \$10,000 to Sir Clifford Heathcote-Smith, representative of Intergovernmental Committee, care of Allied Control Commission, Naples, Italy, for relief needs of stateless refugees in southern Italy. Please advise Heathcote-Smith of foregoing and request him to acknowledge to you receipt of the funds.

THIS IS WEB CABLE TO ALGIERS NO. 10.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMMission, Algiers
TO: Secretary of State, Washington
DATED: May 11, 1944
NUMBER: 1529

CONFIDENTIAL

I have been asked by Mr. Leonard Ackerman, the representative of the War Refugee Board in Algiers, to transmit the following:

From Ackerman, for the War Refugee Board No. 19, from Murphy.

I was appointed special representative of the Board for French North Africa in Department's message dated February 27, No. 612, and it directed me to be responsible to Chapin. Such designation was amended in Department's cable of April 12, No. 1086, and it constituted me representative for the Mediterranean area. Since latter included much territory outside of the jurisdiction of Chapin, Murphy has raised the question whether I am attached to him for work outside French North Africa or whether it was intended that I should have independent status. I have seen the message of May 8, 1944, regarding the appointment of Lawler in Italy. I should like to know if this intended change is my appointment or will I continue as now. I believe that the latter is preferable as Yugoslav and Italian questions arise both in Italy and here.

CHAPIN

DCR:VAG:HL 5/15/44

RMN-80

PLAIN

Casablanca

Dated May 11, 1944

Rec'd 1:15 a.m., 12th

Secretary of State

Washington.

136, eleventh

FOR FEA FROM BECKELMAN

Number two expect to spend following amounts by June 30 in categories indicated reference your 68, April 26 administrative 1500, British personnel 3500, communications 300, transportation 2000, subsistence 13000, clothing 3000, refugee and local employment 7000, direct relief 5000, camp equipment and maintenance 12000, health and medical services 7000, total 48000 estimated cash balance June 30 152000. Above figures exclude nonreimbursable supplies and services along lines my April 12 letter also cannot now indicate which Army supplies and services involved in repairing and outfitting camp will be absorbed by Army as necessary put camp in operating condition and which ones will be charged us but funds on hand obviously ample all purposes to July 1 above budget assumes arrival 800 before Maj's end and maintenance through June.

RUSSELL

EDA
EMB

SECRET BY COURIER

May 11, 1944

7:30 p.m.

18

SENT BY SECRET CIRCULAR AIRGRAM

FOR THE PERSONAL AND CONFIDENTIAL INFORMATION OF THE
AMBASSADORS AT # SANTIAGO, SAN JOSE, HABANA, QUITO,
SAN SALVADOR, GUATEMALA, PORT-au-PRINCE, TEGUCIGALPA,
MANAGUA, ASUNCION, MONTEVIDEO AND CARACAS.

With reference to previous communications from the Department and the War Refugee Board regarding protection of refugees with Latin American documents in German-held territory, you are informed that pursuant to our instructions the Legation at Bern has advised the Swiss Government with respect to claims to American citizenship by refugees in German-controlled areas as follows:

QUOTE The Department will undertake fully to investigate any claim to United States citizenship, asserted by any person within territory under enemy control, upon receipt from the Swiss Government of all pertinent information available to the Germans relative thereto. The claimant must be presumed to be a United States citizen and must be accorded all the rights, privileges and immunities to which such citizens are entitled while any particular claim to United States citizenship is under investigation by the Department and until the Swiss Government is specifically advised by the Department to the contrary, with the exception that until the Department so authorizes financial assistance may not (repeat not) be extended UNQUOTE.

You are authorized to advise the government to which you are accredited of the foregoing if you think it will help to obtain its effective cooperation in rescuing refugees with Latin American documents.

The Legation at Bern has also been instructed to request Swiss authorities to obtain from Germany immediate return to Vittel of previously deported refugees with Latin American documents. The Embassy at Madrid, pursuant to our instructions, has obtained assurance that Spain will endeavor to arrange for return of deported refugees to Vittel.

It is essential that demarche of Madrid Embassy be supported by similar urgent representations of other American republics in Madrid on various points covered in our circular airgram of April 11 and other relevant communications. Please act accordingly and advise us of results.

HULL
(GLW)

Sent to: Chile, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala,
Haiti, Honduras, Nicaragua, Paraguay, Uruguay and Venezuela.

WRB:MMV:KG

CCA

BOL

WCA

AAB

A-B

S/CR

WE

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Consulate, Jerusalem
DATED: May 11, 1944
NUMBER: 101

SECRET

The American Embassy, London, has reported on the basis of a telegram received by its London representatives from the Jewish Agency for Palestine that of a large group arrested in Bucharest for their activity in aiding the escape of Jewish refugees from Hungary and other areas all but 30 have been released. Please have Jewish Agency authorities furnish Ambassador Steinhardt, either through you or through their representatives at Ankara, all available details concerning these 30 persons and circumstances surrounding their detention.

London Embassy also reports deportation from Sub-Carpatho-Russia and persecution in Hungary. Please obtain from Jewish Agency names of Hungarian officials responsible and report to Department.

HULL

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2459

Madrid, Spain, May 11, 1944.

Subject: Transmitting Exchange of Notes concerning 238
South American and American citizen internees
reported to have been removed from Vittel to
unknown German prison

CONFIDENTIAL

The Honorable
The Secretary of State,
Washington.

Sir:

- With reference to the Embassy's despatch No. 2384 of April 24, 1944 transmitting to the Department inter alia a copy of the Embassy's Note Verbale No. 2326 of April 19, 1944 to the Ministry of Foreign Affairs requesting the good offices of the Spanish Government in helping to obtain the return to Vittel of 238 South American and American citizen internees reported to have been removed from there on March 31, 1944 to an unknown German prison, I have the honor to enclose a copy and translation of the Ministry's Note Verbale No. 361 of May 8, 1944, in reply, suggesting that the matter might be more properly made the subject of representations to the Swiss Government, and a copy of the Embassy Note Verbale No. 2410 of this date in further pursuance of the same subject.
- 1/
- 2/

Respectfully yours,

W. Walton Butterworth
Charge d'Affaires ad interim

Enclosures:

1. From Foreign Office, May 8, 1944
2. To Foreign Office No. 2410, May 11, 1944

File No. 800

WVB/jf

Original to Department
Copy to Algiers

TRANSLATION

(SEAL)

MINISTRY OF FOREIGN AFFAIRS
Central Office of Protections
Ref.: Various
No. 361

NOTE VERBALE

There has been received at this Ministry of Foreign Affairs the courteous Note Verbale No. 2326 of the Embassy of the United States of America in which the latter, in referring to its previous communication of April 19, 1944, advises the Spanish Government of the transfer of 234 South American internees and of 4 American citizens on March 31 from the German Concentration Camp of Vittel to a German prison whose location is unknown, and requesting the Spanish Government to endeavor to discover the reasons for the referred-to transfer and obtain the return of said group to Vittel to await exchange with German citizens.

Without prejudice to its disposition to cooperate with its best will and sincerest desire for success, the Ministry of Foreign Affairs has the honor to advise the Embassy of the United States of America, in reply to the Note under reference, that since Switzerland is charged with the protection in Germany of North American interests, as well as of those of the majority of the South American Republics with the exception of Bolivia and Paraguay, this Ministry considers that it would be advisable were the request under reference to be brought to the knowledge of the Swiss Government as the protecting Nation, thus avoiding any misinterpretation which might arise should the Spanish Government carry out the desired intervention.

Madrid, May 8, 1944

(Rubber Seal of Central Office of
Protections)

TO THE EMBASSY OF THE UNITED STATES OF AMERICA

SEAL
JH/jf

COPY

Enclosure No. 2 to despatch No. 2459 dated May 11, 1944 from W. Walton Butterworth, American Charge d'Affaires ad interim, at Madrid, Spain on subject of 238 South American and American citizen internees reported to have been removed from Vittel to unknown German prison.

No. 2410

NOTE VERBALE

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to acknowledge the receipt of the latter's Note Verbale No. 361 of May 8, 1944 in reply to the Embassy's Note Verbale No. 2326 of April 19, 1944 requesting the good offices of the Spanish Government in helping to obtain the return to Vittel of 238 South American and American citizen internees reported to have been removed from there on March 31, 1944 to an unknown German prison. The Ministry suggests in its reply that this matter be taken up with the Swiss Government, as protecting Power in Germany of the interests of the United States and of most of the other American Republics except Bolivia and Paraguay, in order that there may be avoided any misinterpretation which might attach to any action on the part of the Spanish Government in this matter.

The Ministry is informed in this regard that representations have, in fact, been made to the Swiss Government on this subject, and that the request contained in the Embassy's Note Verbale under reference was put forward in the belief that the Spanish Government, in view of its well-known humanitarian sentiments, might wish to use its influence in helping to save the lives of these innocent persons who, through no fault of their own, find themselves subjected to unjust imprisonment at the hands of the German authorities and to the threat of further persecution.

It may be stated in this connection that the Embassy has reason to believe that the group in question contains a number of persons in possession of documentation issued in the names of the Governments of certain of the American Republics with whose interests the Spanish Government has been entrusted.

Madrid, May 11, 1944.

HVB/jf

 735

CABLE TO SWEDEN

From War Refugee Board to Minister Johnson, Stockholm, Sweden

Reference your 784 March 7 concerning possible use of Swedish ship for refugee evacuation in Balkan Black Sea area.

Ambassador Steinhardt advised us some time ago that a number of refugees can be evacuated from Rumania in addition to the 1500 who can be carried on TARI which is awaiting German safe conduct (reference our 571 April 3, your 1181 April 7, our 633 April 10, your 1265 April 15). In April alone more than 900 refugees were brought to Turkey in small Bulgarian ships.

Late in February at Ambassador Steinhardt's suggestion made after discussion with the Swedish Legation in Ankara a request was addressed to the Swedish Government through Minister Bostrom in Washington for authorization to divert a Greek relief ship for refugee operations in Balkan Black Sea area. The Swedish Government replied that consent of the governments concerned in Greek relief operations would be necessary. It was indicated that the M/S BARDALAND might be available for such purpose if certain conditions could be met.

Originally the British did not (repeat not) desire to have any Greek relief ship diverted for refugee evacuation. The Washington representative of the Ministry of Economic Warfare advised the Board that even a small loss of tonnage in Greek relief schedule might leave a serious gap in deliveries. The Ministry representative suggested however that four additional ships for Greek relief fleet were expected soon to leave the Baltic and at that time the question of diverting a ship for refugee evacuation could be reopened.

In view of Ambassador Steinhardt's repeated and insistent requests that further efforts be made to obtain a Swedish ship Ambassador Winant at our suggestion took up the matter with the British Government. Word has just been received from Ambassador Winant that the British Government has no (repeat no) objection to use of BARDALAND for refugee evacuation if Swedish Government consents. Furthermore, British would grant safe conduct for such a voyage. It is understood in addition that BARDALAND is being withdrawn from Greek relief service.

Please ask Swedish Government whether in view of above British action and the urgency of evacuating refugees from Balkan areas it would be willing to make BARDALAND available to War Refugee Board for refugee evacuation from Rumania to Turkey or Palestine, and whether as a preliminary step it would immediately sound out the German Government's willingness to grant safe conduct for such an evacuation operation. If the Swedish Government desires, the War Refugee Board would aid by asking other neutral governments and the Vatican to make independent approaches to the German Government in support of the Swedish approach. Although the Board would prefer that Haifa be the destination of such an evacuation voyage, the Board would agree to make a Turkish port the destination if such action were more likely to produce a favorable response from the German Government.

- 2 -

If the Swedish Government consents to the use of the BANDALAND and the German Government is willing to grant safe conduct, a charter would be executed in the name of the Board, which would arrange for British and Russian safeconducts. These and other details such as insurance, etc, could be worked out as soon as the preliminary negotiations show signs of producing results.

In your discussions with the Swedish Government you may wish to make clear that time is of the essence in this matter.

This is War Refugee Board cable No. 9.

May 12, 1944

12:15 p.m.

MJMarks:lsk 5/11/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Stockholm
TO: Secretary of State, Washington
DATE: May 11, 1944
NUMBER: 1667

SECRET

Message below is for WRB's attention.

No. Ten.

Prior to Mr. and Mrs. Cedergren's departure for Germany and Switzerland, we had a discussion with them and at this time they had following specific proposal.

The maintenance of certain refugee groups who are hiding in southern France has been financed by Refugee Relief Branch of Emergency Relief Committee in Geneva. Transmission of French francs to France through reliable channels has been successful. Geneva feels that in view of war uncertainty channels may be closed and considers it urgent that additional funds be sent now. Recently Swedish affiliated organization was asked to make substantial contribution but because of lack of funds it was unable to do so. Strong recommendation of Cedergren is that ECCO representative, Henri Johan not in Geneva, be cabled \$25,000 from America at least.

JOHNSON

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: May 11, 1944
NUMBER: 1640

SECRET

Department's cables of January 20, No. 197 and February 8, No. 411, are referred to herewith.

Section (B) of license No. W-2115, issued to the World Jewish Congress, has been amended by Treasury. The following is the substance of Section (B) as amended:

Individual licenses authorizing the use of specific quantities pursuant to this license will be issued by the Treasury, and the total sums represented by claims against any blocked account pursuant to this license, plus the sums paid out or otherwise obligated pursuant hereto, shall not exceed the total amount in dollars (or the foreign currency equivalent thereof) which the Treasury so specifically authorizes.

A license to the World Jewish Congress to remit to Dr. Riegner the Swiss franc equivalent of \$100,000 has now been issued by Treasury, in addition to remittances which Treasury has previously licensed for use pursuant to license No. W-2115. Dr. Riegner is to be advised of the foregoing.

These operations have been fully approved by the Treasury, War Refugee Board and Department.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATE: May 11, 1944
NUMBER: 2991

SECRET

Reference is made herewith to Legation's May 2 telegram No. 2794.

Six additional financial transactions are reported by Riegner. Three million French francs were purchased for Swiss francs 49,500 from Stitelman in transaction five. Agents in France negotiated transactions six to nine inclusive with Jews in France as follows: Andre Seiligmann French francs one million for Swiss francs 16,667; Rene Worms same total; George Sarm and Levy French francs 1,600,000 for Swiss 26,667; Alice Worms French francs 500,000 for Swiss francs 8,333. Bicket supplied French francs three million for Swiss 54,000 in transaction ten. In accordance with license Y 2115, clause A2, Riegner states proceeding to establish in Union Bank of Switzerland, Swiss francs blocked accounts for beneficiaries transactions six through nine. According to Riegner, Seiligmann has now escaped to Switzerland and former inquires whether instead of being held in blocked account, Swiss francs can be paid to Seiligmann. It is also expected that Worms and Levy will arrive in Switzerland and he requests permission to pay them Swiss francs when they arrive in that country.

HARRISON

DCR:EBH
5/13/44

May 11, 1944

28

THE REFUGEE WORK IN THE BALKANS AND TURKEY

The following report on war refugee work in the Balkans and Turkey is based upon information supplied by Mr. Reuben B. Resnik, Middle East Director of the American Joint Distribution Committee, whose address is ordinarily in care of the American Consul General, Istanbul. He is in Cairo for a few days. It may well be that much of this information has already been supplied by Mr. Hirschmann, but I believe it is of sufficient interest and importance to warrant passing along even though it may be to some extent repetitious. It will be noted that items 3 through 9 raise points for possible action by Treasury or the War Refugee Board. No commitments, of course, were made to Resnik with respect to any of these matters. Mr. Resnik asked that, if possible, a copy of this report should be sent to Ambassador Steinhardt. He said that he would be willing to supply more detailed reports, if requested.

1. The SS TARI, the Turkish boat for which the War Refugee Board has been negotiating, is still in Istanbul because of inability thus far to obtain German safe conduct. There had also been some other relatively minor causes for the delay. For example, the Turkish Government had raised objections to having a Red Cross flag painted on the boat and wished, instead, to have a crescent used. A compromise was reached by agreeing to use both the red cross and the crescent. Mr. Resnik reports that the procuring of the boat is receiving the complete cooperation of Ambassador Steinhardt, who has been carrying the major burden of the negotiations. Mr. Resnik says that he feels there is, at best, a fifty-fifty chance that the project will go through.

2. At the end of March 1944, the first of a series of several small vessels arrived in Istanbul from Constanta. The first of these vessels was a boat called the SS MILCA, a small, schooner-type vessel, weighing approximately 240 tons, sailing the Bulgarian flag. Many of the passengers obtained passage through a so-called travel agency in Bucharest, and alleged they had to pay exorbitant "fees" to the travel agency to secure passage. The passengers did not have transit visas, but immediately on the report of the sailing of the boat Ambassador Steinhardt had made representations to the Foreign Minister of Turkey urging that transit visas be made available. The Ambassador argued that since the overland traffic, as later noted, had substantially decreased, the transportation of the refugees who were coming by boat would not be an undue burden on the Turkish railways. The transit visas were immediately granted and the passengers were taken from the boat, placed on railroads, and sent to Haifa. Soon after, the second of these boats, the SS MARITZA, an older and less seaworthy boat, sailed from Constanta (over the objections of the International Red Cross, who claimed that the vessel was not seaworthy and that the lives of the passengers were placed in serious jeopardy). This vessel is allegedly operated by the same owner as the SS MILCA and also carries the Bulgarian flag. There were roughly 240 passengers on this boat and this same procedure with respect to securing the transit visas was followed.

Miss Chauncey (for the Sec'y) Abrahamson, Dubois, Friedman, Model, Laughlin, Lasser, Mann, Pehle, Stewart, Central Files, Cable Control Files

- 3 -

On April 35 the SS BELACHITA - formerly a Bulgarian boat, but sailing with International Red Cross insignia under safe conduct (unlike the cases of the SS MILCA and SS MARITZA) - arrived in Istanbul with 150 passengers, 129 of whom were orphans and the remainder adults and their children. The adult passengers claimed that they were charged from 2 million to 3 million lei per passage, which was supposed to be sufficiently large to cover the entire cost of the boat and, thereby, the orphans were presumably transported free of cost. The adults complained that they were compelled to pay exorbitant "fees" to go-betweens and travel agencies. The boat was a 71-ton schooner-type vessel which took about five to six days to make the trip, as had the other boats. In this instance, the transit visas had been previously secured and all the necessary paperwork had been done, for the International Red Cross would not have participated in the project unless all formal arrangements had been completed before the boat sailed. These people, as in the case of the others, were on the boat roughly two days until railroad accommodations were made available and were then transported by railroad to Haifa.

On May 3, the SS MILCA arrived again, with, reportedly, 250 passengers aboardship. Railroad accommodations were immediately procured, transit visas obtained, and the refugees transferred to Palestine. Mr. Resnik was not in Istanbul at the time the boat arrived and does not have any additional details.

Mr. Resnik reports that the above refugees frequently complained of the excessive charges they had to pay to secure passage on the vessels, to have their papers processed in Rumania, etc. The Joint Distribution Committee paid for the expenses involved in transporting these refugees from Turkey to Palestine, just as it pays for the fares and maintenance of those coming by way of the overland route.

3. The overland refugee traffic is still a trickle. The chief bottleneck is the delay by the Turkish Government in sending out the necessary transit visas to the various occupied countries. The Turks have agreed, in principle, to send approximately nine certificates per week to each of the three occupied countries involved (Rumania, Bulgaria and Hungary), or a total of about 100 transit visas per week since each certificate usually covers three or four persons. Resnik feels that if this was actually done it would result in a satisfactory overland flow, except, of course, to the extent that recent military developments in Hungary, Rumania and Bulgaria may have severely affected railroad traffic. Actually, the Turks have not been sending out these transit visas and the few they have been sending out have been mailed with resulting considerable delays. Resnik suggests that pressure be brought in Washington to have the Turks send out by cable the promised amount of transit visas. He says that the Turks are sensitive to American pressure on this matter.

- 3 -

4. The American Joint Distribution Committee is getting the favorable rate of 180 piasters per dollar for their relief work in Turkey, but get the official rate of 129 for the purchase of foodstuffs in Turkey for export to the occupied areas, for which Treasury licenses have been obtained. The Committee wishes to get the same favorable rate of 180 for these food purchases instead of the official rate of 129. Mr. Resnik says that Ambassador Steinhardt is taking up this matter with the Turkish Foreign Minister, but it would help a great deal if the matter was also taken up in Washington. He says that he feels Ambassador Steinhardt would not seriously object to such assistance.

5. Mr. Resnik asked whether the Trading with the Enemy Act could be suspended for the representative of the American Joint Distribution Committee, namely, himself. He says that he could be much more effective if he were permitted to deal with enemy nationals for such purposes as securing local currencies, arranging transportation facilities, making plans for the movement of refugees, etc. Similar privilege would not be requested by others, since very few private agencies are engaged in this type of work.

6. Mr. Resnik also raised the possibility of permitting him to send U.S. currency into the occupied areas, since in certain cases relief and rescue operations could be consummated by the use of U.S. currency, or other non-Axis currencies such as Swiss francs, which would otherwise be impossible. Ordinarily they much prefer not to use U. S. currency, but they are finding that in some cases their objectives cannot be accomplished with the use of local currency alone.

7. The War Refugee Board should request the Anglo-American shipping pool to give two small ships to the International Red Cross. Mr. Resnik suggested this proposal may have been taken up with Washington by Mr. Hirschmann, since he (Resnik) presented several memoranda to Hirschmann on this matter as early as February 1944 and also to his home office in New York. These boats would be operated by the International Red Cross under Swiss registry and manned by neutral crews. They would be used for different types of errands of mercy, such as carrying food and rescuing refugees. He says that the boats could be very small in size, since they would be used only in short hauls. Mr. Resnik states that it has been reliably reported that this type of tonnage is available.

The Joint Distribution Committee for some weeks now has been negotiating for Portuguese boats to sail from Constanza to Haifa manned by neutral crews. These negotiations had been started by Dr. J. J. Schwartz in Lisbon, European Director of the Joint Distribution Committee, but were suspended at the request of Mr. Hirschmann in March who claimed that the

negotiations for these Portuguese boats would interfere with his obtaining the 3d part. Mr. Reznik discussed the matter with Ambassador Steinhilber, and the Ambassador took the position that Reznik should secure the negotiations, since, according to the Ambassador, (1) there was no assurance that the Turkish boat would be obtained, and (2) there were sufficient refugees available in the Balkans to utilize all available shipping. The negotiations for Portuguese shipping were resumed in mid-April, and it is reported that a Portuguese ship might be available by the end of May or early June. Figures originally submitted were that the approximate cost per passenger would be \$200 and that the boats were prepared to carry up to 5,000 passengers in three or four trips, i.e., about 1500 per trip. This would not obviate the necessity to obtain the suggested two small ships to be given to the International Red Cross by the Anglo-American Shipping Pool.

8. The help of Washington would be appreciated in the case of the repatriation of neutrals or in the protection of the interests of such neutrals in occupied Europe. For example, there was 6,000 Turkish nationals in France and the French Government was going to deport them. This was at least temporarily prevented through action initiated by Ambassador Steinhardt. The Ambassador had represented the situation to the Turkish Foreign Minister who in turn, had given instructions to the Turkish Ambassador in Vichy to take up this matter with the French. Several hundreds of these Turkish neutrals have already been repatriated and are being supported by the Joint Distribution Committee (even though they are now in their own country). It seems that even in the case of Turkish nationals who are in occupied Europe the Turkish Government needs prodding and reminding before they take steps to help them. Mr. Reznik says that he feels this is a problem which is within the sphere of interest of the War Refugee Board because the War Refugee Board is concerned with the rescue of people who might otherwise be deported, killed, etc.

9. The traffic of refugees from the Greek mainland and from the Greek island of Evros to Greece in Turkey, from where they are taken to Syria, is continuing and it is safe to say that since December about 250 Jewish refugees in addition to other refugees have been so rescued. He says that this operation has been carried on in aliquas operated by the British Navy in cooperation with American military personnel. Mr. Reznik says that it would be very helpful if:

- (a) the U.S. Army was requested to accelerate such operations, and it was pointed out to them that these operations were not merely costly from the point of view of obtaining information but also as a refugee operation;
- (b) the British, also, were influenced to accelerate such operations;
- (c) the Greeks were informed of our interest in these operations (he suggests that the people to be informed are the RAN since they have been most helpful in this connection);
- (d) funds were gotten to the people in Greece, particularly in the form of gold coins as gold Napoleons; and
- (e) the aliquas carried full loads during each trip (he says that his information is that during each trip the aliquas carry about 20 instead of 50 or 60 which they could carry.)

s/s Irving B. Friedman, Calico

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: May 11, 1944
NUMBER: 3851

SECRET

From the Ambassador secret and personal for Secretary Morgenthau.

The following message for you which I have just received from Sir John Anderson is being forwarded by me (you will have read our cable of May 10, 1944, No. 3822). It is felt by me that the dates which you set for the meeting in Washington will be acceptable here. It is regretted by me that Anderson writes that he is personally unable to go to the United States. It is my belief that the ban on travel for security reasons would not seriously interfere with your plans if representation at the conference can be limited to small contingents.

The following is the substance of the message from Sir John Anderson:

1. Yesterday in the House of Commons the debate on the monetary fund took place on a motion that a suitable foundation for further international consultation with a view to improved monetary cooperation after the war is provided by the statement of principles.

- 2 -

2. There was keen discussion and at some points the discussion was critical, but the result of the debate was that the motion was approved with no division. Under the circumstances, should your Government issue an invitation to a further conference regarding this matter, we shall be glad to do our utmost to respond at the earliest date at which security conditions permit and arrangements will be made for the attendance of some of the experts of the European countries who are in London. As much as I should have liked to do so, I see no possibility of attending myself, and I deeply regret this. Particularly I regret having to postpone the pleasure of meeting you personally. It is doubted whether the very urgent preoccupations with the war will permit a Minister to attend the meeting, but of course you can count upon it that our delegation will have a suitable leader. It should be repeated that as far as our Government is concerned we are not ready at this stage to authorize our representatives to commit our Government to accept a scheme.

3. It is felt by me to be clear that some work is still to be done on this statement of principles before it takes the form of a satisfactory international convention draft. You may care to consider in this connection whether at this stage it would not be more satisfactory to make the conference a smaller one in view of

- 3 -

the security conditions. Under the circumstances, this might be a more satisfactory procedure for the practical business of hammering out a detailed text for subsequent consideration by the Governments concerned.

4. The inevitable delay in replying to you is regretted by me but since we have had the opportunity of a first test of public opinion here, the time has been by no means wasted so far as we are concerned.

WINANT

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: May 11, 1944
NUMBER: 3866

SECRET

Following is from Ambassador Winant, Personal and Secret
for Secretary Morgenthau.

Until I have an opportunity to talk with you, you are asked
to please not reply to the message to you from Sir John Anderson.
In the next two or three days I plan to depart from here. There
are many explanations to be made.

WINANT

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTEL No. 151

Information received up to 10 a.m., 11th May, 1944.

1. AIR OPERATIONS

WESTERN FRONT. 9th/10th. Total 2,286 tons dropped on coastal batteries and other objectives FRANCE, including GENNEVILLIERS - 313 tons H.E. Good visibility, markers well placed, bombing considered good, one large explosion reported. Some heavy and much light A.A., no searchlights; and ANNECY - 101 tons H.E., slight cloud, bombing a little scattered at first, but well concentrated later, defence negligible.

10th. 639 bombers and fighter bombers attacked railway centres and communications in Northern FRANCE and BELGIUM, while 241 attacked military objectives Northern FRANCE. Enemy casualties 9, 1, 6. Ours one Marauder, seven fighters missing.

10th/11th. 611 aircraft despatched:

Goods yards GHENT	126
LENS	125
COURTRAI	98
LILLE	89 (12 missing)
Coastal Batteries DIEPPE	68
LUDWIGSHAFEN	29 Mosquitoes (one crashed)
CHATEAUDUN	2
Sea mining, leaflets and Bomber Support	74 (3 missing)

Preliminary reports indicate good bombing concentrations at GHENT and LILLE and similar results in later stages at LENS and COURTRAI.

AUSTRIA. 10th. 299 U.S. heavy bombers supported by 785 fighters dropped 710 tons on an aircraft factory at WIENER-NEUSTADT and 102 more aircraft dropped 178 tons on airfield north of the town. Enemy casualties by fighters 11, 3, 18. Ours - 7 bombers missing and 23 more and three fighters outstanding.

Memorandum of Telephone Conversation between
Mr. White and Mr. Opie
May 12, 1944, 12:00 Noon

Mr. Opie called Mr. White on the telephone about the message from the Chancellor of the Exchequer which had just been received.

Opie said that as he sees it the telegram is all right. There are two points on which he would like to comment. First, the Chancellor says that the Government is not committed. Opie explained that this was a matter of domestic politics and should not be disturbing to us. Mr. White pointed out that we were quite satisfied with this attitude since this is precisely our view too. Second, Opie emphasized that the message states that further work is needed on the draft. Mr. White said that we too are in agreement on that and it is precisely for this reason that we are having a conference and a drafting committee to prepare documents to be submitted to governments.

Opie said that in his opinion it would be desirable to give a quick answer to the Chancellor's message and set the date for the conference. Mr. White said that we believe that June 9 would be as far back as we can set the conference off. Since this is a Friday, it would be possible perhaps to hold the first plenary session on June 12. Opie said that we would do well to put off the conference to that date. Mr. White explained again that an early conference was extremely important from our point of view.

Opie repeated his suggestion that we cable back immediately to the effect that the Secretary has consulted the President who has agreed to this date, and that this is the latest possible time for holding the conference. The message should also urge the Chancellor to expedite the despatch of the European delegates to the conference. Mr. White indicated that we were reluctant to make it merely a reply. He said we prefer that the next message be in the form of an invitation. He then read that part of the Chancellor's message which said, in effect, that if we call a conference they would come. Mr. White emphasized that there really is no alternative but to set the date. Mr. Morgenthau and Mr. Hull must now see the President and it is not possible to continue back and forth for clearance with the President on repeated suggestions for different dates.

Opie agreed that this was so. He then suggested that perhaps we could inform the Chancellor of the invitation and the date about 48 hours before we informed the others. This will give the Chancellor an opportunity to make any comment if he should find it necessary.

Opie said he would like to come down and talk over with us the form of the message when we are ready to send it.

E. M. Bernstein

Em B

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY

501 BOYLSTON STREET

BOSTON

GEORGE WILLARD SMITH
PRESIDENT

May 12, 1944

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

My dear Mr. Morgenthau:

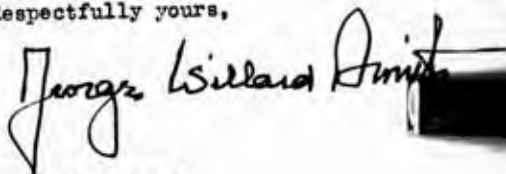
I am very appreciative of the interest which you expressed on Wednesday in the investment problems of life insurance companies.

You asked me to provide you with copies of the various charts as presented, and I am glad at this time to send you the original charts. I have included the illustrations showing various government bonds compounded to maturity with reinvestment at various percentages, and have indicated by an arrow the position of a $2\frac{3}{4}\%$ 35 year bond at the end of 26 years in the general picture.

During our conversation I stressed rather strongly the advantages of such a 35 year bond, carrying a $2\frac{3}{4}\%$ interest rate. May I say again that I think it quite possible that the curve of present Treasury financing would indicate a longer maturity than 35 years for a $2\frac{3}{4}\%$ bond, but that I believe that this maturity would be more marketable than a longer one.

In view of the very large proportion of life insurance assets now invested in government bonds which have a ceiling of $2\frac{1}{2}\%$, and of a need which is becoming imperative to secure larger interest yields on remaining investments, I believe that a $2\frac{3}{4}\%$ 35 year bond would be attractive as a part of the Sixth War Loan.

Respectfully yours,



President

INTEREST STUDIES

Compiled by
George Willard Smith, President
New England Mutual Life Insurance Company

CHART I

This Chart shows interest earnings of United States and Canadian life insurance companies from 1930 through 1943. The lower section (green) shows the amount of earnings required to meet the guaranteed interest rates contained in outstanding insurance contracts. The upper section (buff) is the margin above these requirements.

It will be observed that the volume of required earnings has shown steady growth but that the margin has shrunk both in actual dollar amounts and, even more drastically, in terms of the percentages of total interest earnings. The percentage margin is the more significant figure. The reason for the decline in the margin is, of course, that interest rates obtainable on bonds and other investments have declined sharply during the past ten years, whereas the interest requirements on policy reserves are fixed by contract and cannot be changed.

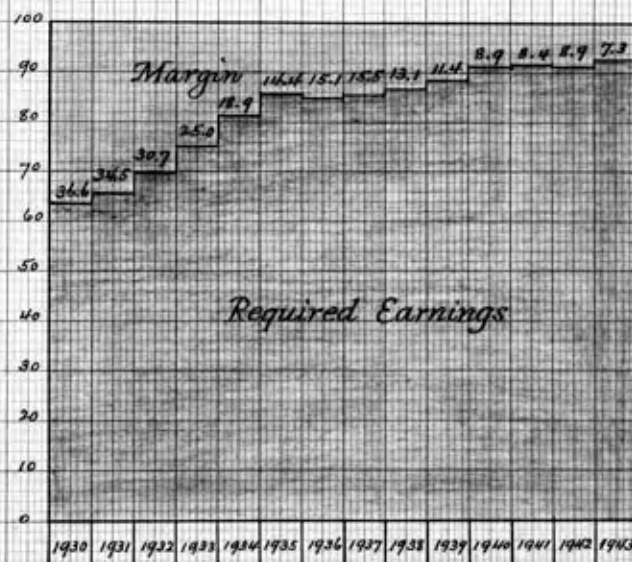
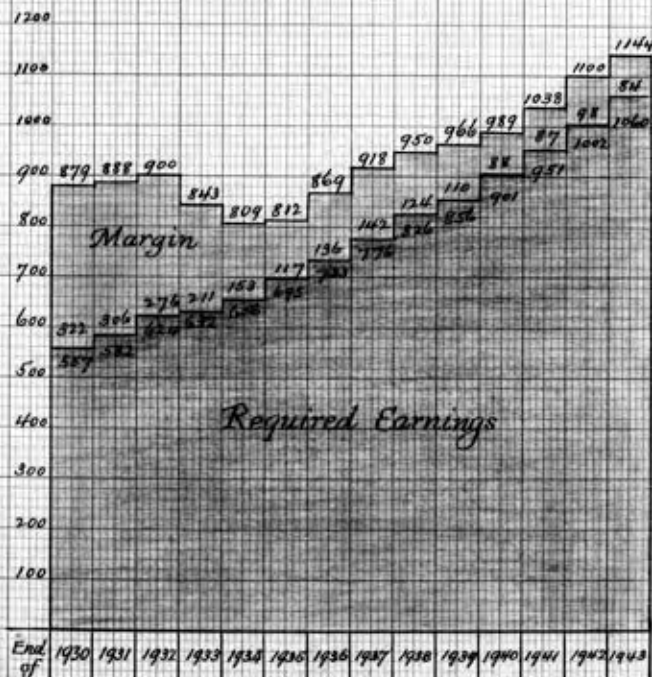
Chart 1

Investment Earnings U.S. and Canadian Life Insurance Companies

Millions
of
Dollars

In Dollars

In per cent



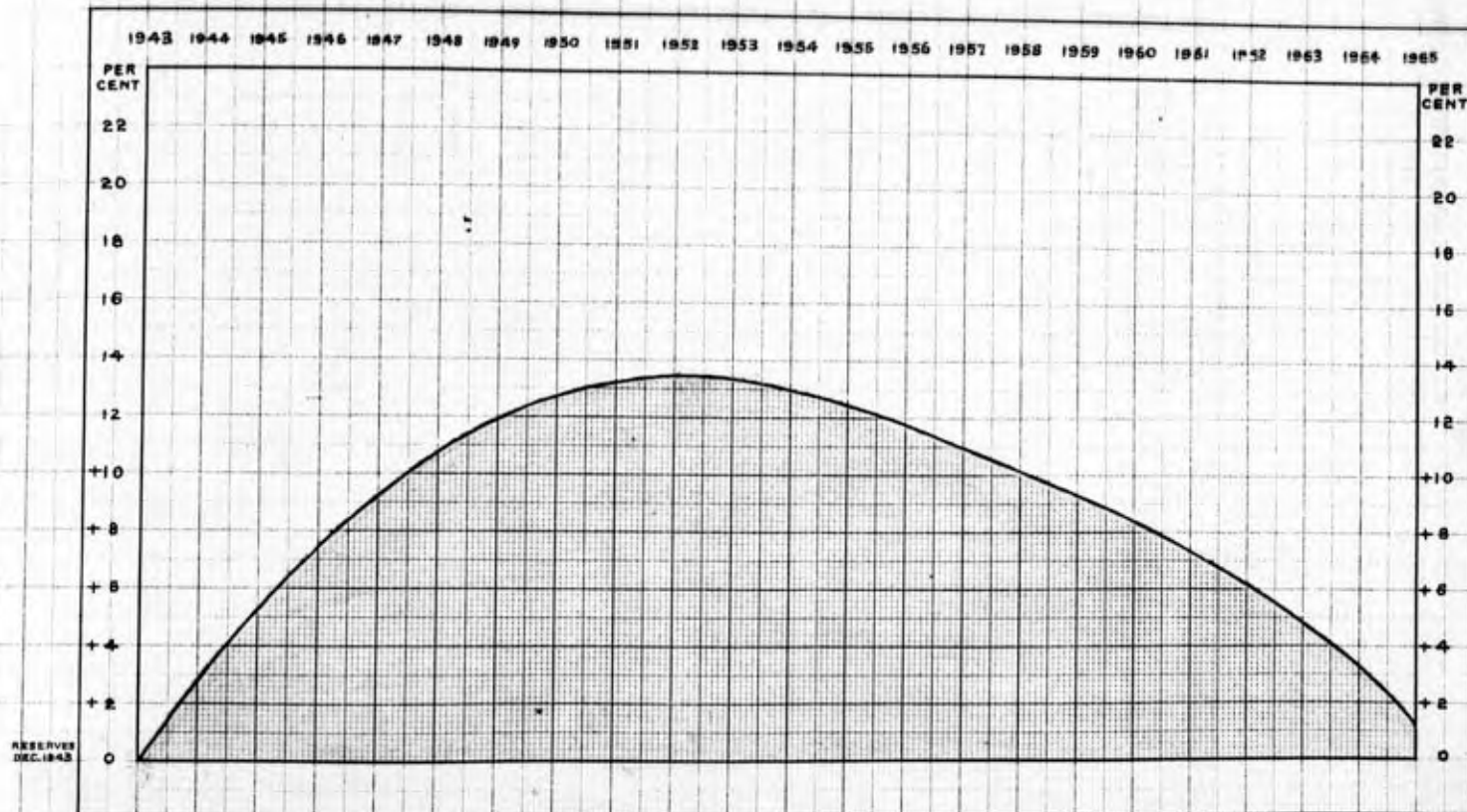
Source: Spectator Year Books

CHART 2

One important actuarial fact which life insurance companies must reckon with is not always understood. This is that the volume of legal reserves protecting the total number of outstanding policies at any given time will continue to expand thereafter for several years. This expansion of legal reserves, and therefore of required earnings, is quite irrespective of reserves that will be required against new policies that are sold in the future.

The Chart gives a projection of the volume of reserves that will be outstanding in a typical company on policies in force in December 1943. This increase is brought about by the continued payment of premiums and the compounding of interest. (The curve would naturally vary somewhat as between different companies. It also assumes a continuation of long established trends in the industry.) The volume of reserves, and similarly of required interest earnings, will not reach their peaks until 1953 when they will be nearly 14% larger than at the end of 1943. They will not recede to the 1943 level until approximately 1965, or for twenty-two years.

PROJECTED RESERVES
POLICIES IN FORCE DECEMBER 30, 1943
 STATED AS PERCENTAGE INCREASES
 OVER 1942 LEVEL



Average Reserve per \$1000 Based on New England Mutual Valuations.
 Persistency of Business Consistent with New England Mutual Experience.

SOURCE: ACTUARIAL DEPARTMENT, NEW ENGLAND MUTUAL LIFE INSURANCE CO.

4/5/44

CHART 5

The difficulties of the insurance companies in meeting their contractual interest requirements have been accentuated by the necessity of supporting the war effort.

Chart 5 shows that from September 30, 1941 (i.e., before Defense Loan Campaigns just prior to Pearl Harbor) through Feb. 29, 1944, a group of life companies representing 82% of the industry had an increase of \$8,025,000,000 in total assets. During the same period these companies increased their holdings of United States Treasury securities by \$6,368,000,000.

In order to invest more than their net growth of total assets in Treasury issues, the companies were forced to depart from former investment policies. Instead of adding to their holdings in corporate securities and other earning assets, as had been their practice for many years, they allowed their holdings to decline--the former by \$76,000,000 and the latter by \$625,000,000.

Inasmuch as the average rate of return on Government securities is lower than that obtainable on other investments and is considerably lower than required earnings on reserves, it is evident that a continuation of the recent investment trend will still further reduce the present narrow margin of interest earnings over interest requirements.

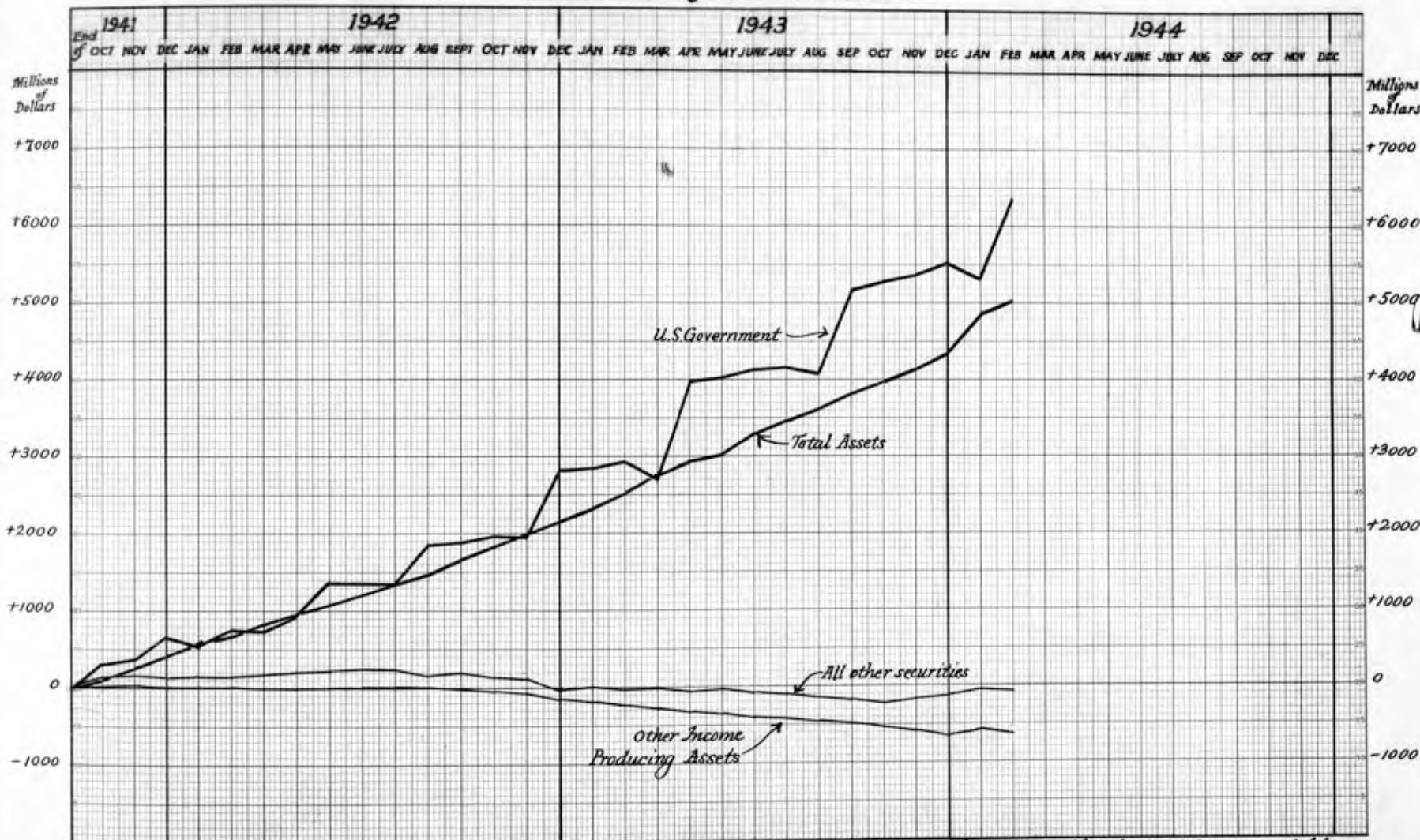
All other securities include: State, County, and Municipal Bonds (United States and Canada); Corporate Bonds and Stocks.

Other income producing assets include: Real Estate; Real Estate Mortgages; Policy and Premium Loans.

Recent Increases in Total Assets

compared with
Increases in Holdings of U.S. Governments

45 Chart 5



Source: Monthly releases of Association of Life Insurance Presidents. Figures cover approximately 82% of Assets of all Life Companies.

Regraded Unclassified

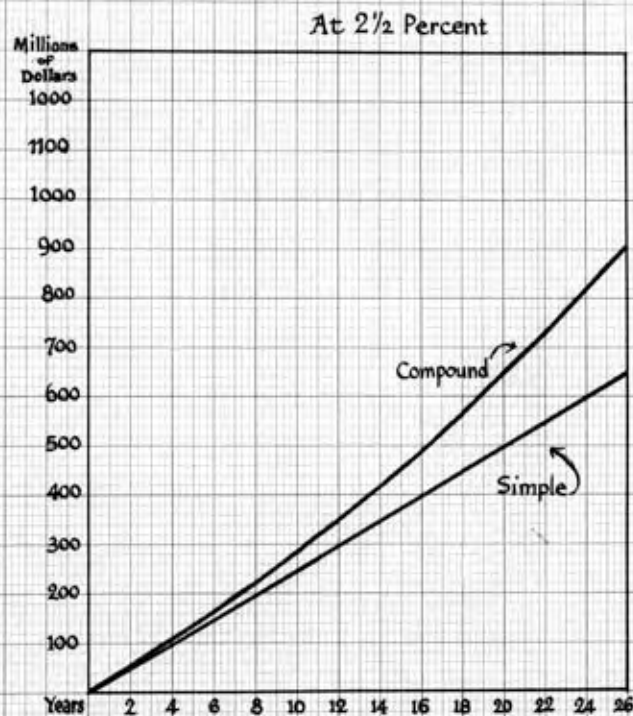
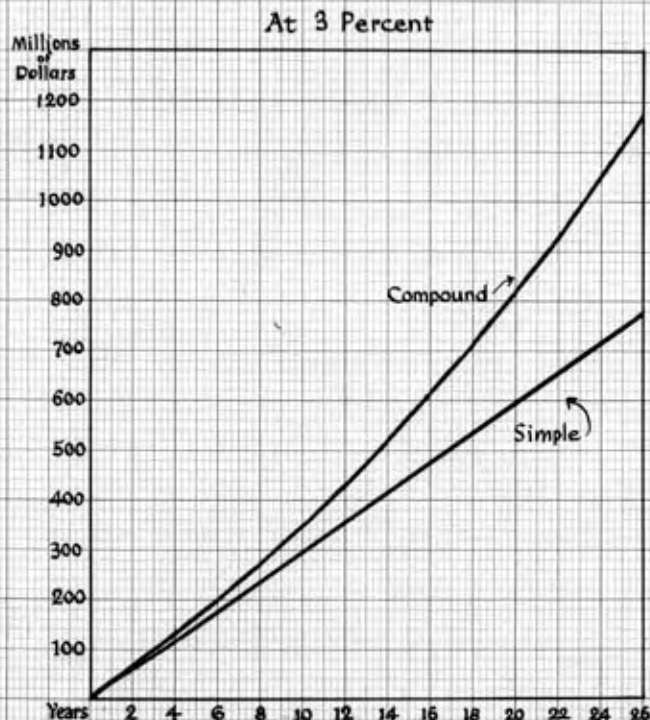
COMPOUND INTEREST
AND
INSURANCE INVESTMENT

It is not always realized that the required earnings on life insurance reserves are figured on the basis of compound interest, and that this factor must be taken into consideration in formulating investment policy. For example, if the required rate of earnings on reserves is 3%, the amount that must be earned per billion dollars of reserves amounts to \$1,169,000,000 in 26 years. This figure is \$389,000,000 greater than the amount that would be required at simple interest (i.e., \$389,000,000 greater than \$30,000,000 coupon income per year for 26 years, or \$780,000,000).

If a life insurance company purchases a 2 1/2% bond and compounds the interest at the same rate, the total interest return in 26 years amounts to only \$908,000,000, which is \$261,000,000 less than the 3% average earnings requirements on insurance reserves. The actual deficiency of earnings because of the compound interest factor is over twice as large as the apparent deficiency arrived at by figuring merely the difference in simple interest returns between a 3% bond and a 2 1/2% bond. (That is, the difference in simple interest returns between 3% per billion and 2 1/2% per billion or 1/2% equals \$5,000,000 a year or \$130,000,000 in the 26-year period. The difference at compound interest is \$261,000,000. See table at bottom of chart.)

May 12, 1944

COMPOUND VERSUS SIMPLE INTEREST



Interest on \$1 Billion at 3% for 26 years
 " " " at 2½% " " "
 Difference

Simple	Compound
\$780,000,000	\$1,168,873,000
\$650,000,000	\$907,832,000
\$130,000,000	\$261,034,000

May 5, 1944

Regraded Unclassified

INTEREST REQUIREMENTSANDGOVERNMENT BONDS

In the accompanying charts the effect of the compound interest factor in making decisions regarding the purchase of United States Treasury bonds is shown. The maximum available rate on long-term Treasury bonds is now $2\frac{1}{2}\%$, and this rate compounded is taken as the base line in the charts. If life insurance companies purchase these bonds, the total amount of interest and principal at the end of 26 years would be \$1,907,839,000 per billion invested, which is obviously inadequate to meet the earnings requirements on reserves, which average a little higher than 3% compounded.

In seeking to do their full part in subscribing to Government securities, the life companies have, however, alternative, though not adequate, choices. Thus, in a recent Treasury Drive they could purchase 10-year 2s. By maturity the total compound interest received on this investment would be \$61,800,000 less per \$1,000,000,000 invested than would have been received from the long-term $2\frac{1}{2}$ s. However, if these funds were reinvested at the end of 10 years in other securities bearing a higher rate of interest, the overall earnings during the 26-year period might be substantially increased. For example, if principal and compound interest at 2% were reinvested at the end of 10 years in $3\frac{1}{2}\%$ securities, the total earnings during the 26-year period would be \$1,125,000,000, or \$217,000,000 more than would be received from 26-year $2\frac{1}{2}$ s. Even if the proceeds of the 10-year 2s were reinvested at 3% , the overall return would still be better than that obtainable from the $2\frac{1}{2}$ s.

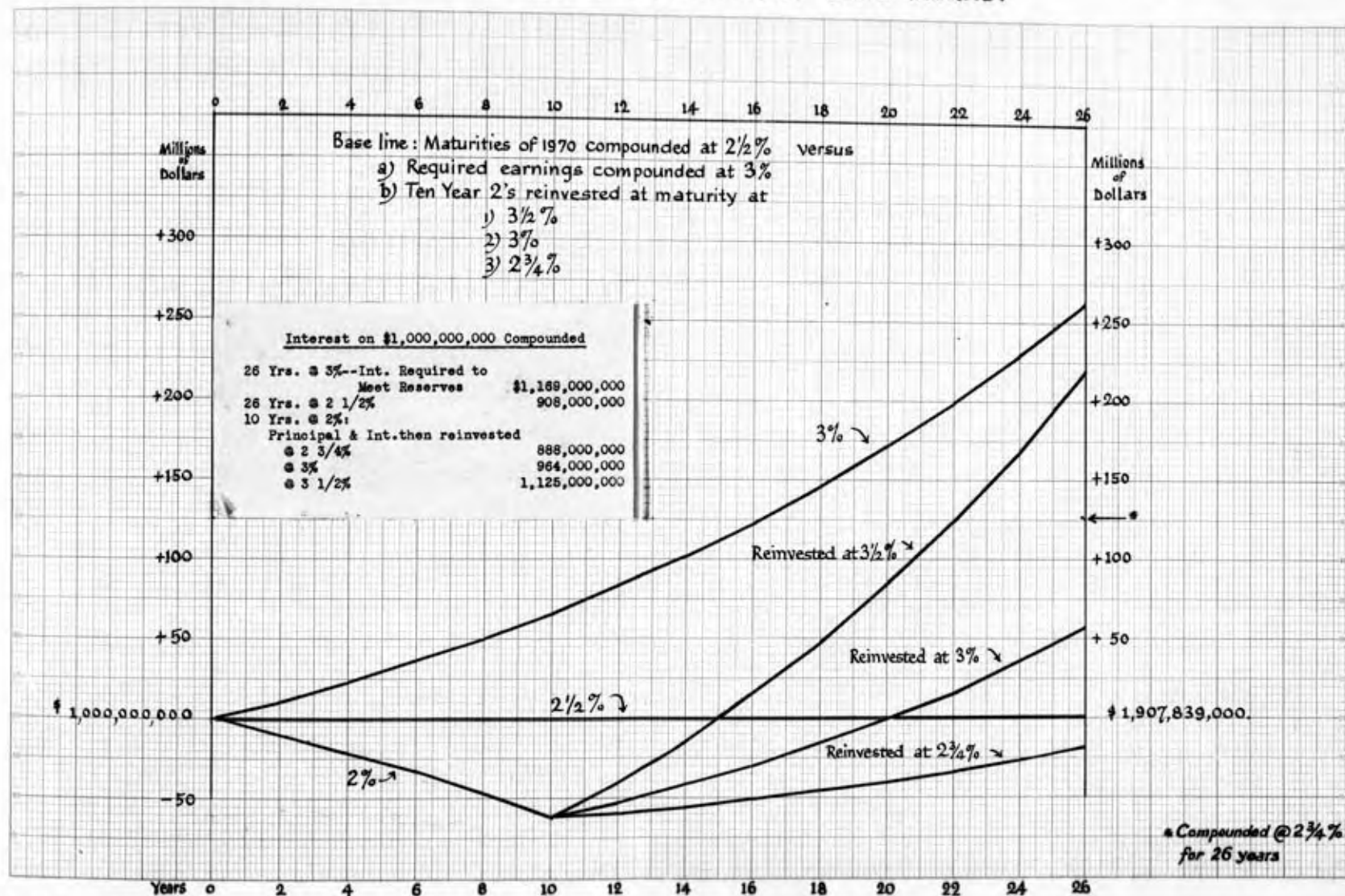
The second chart is figured on the same basis using 15-year $2\frac{1}{4}$ s as an alternative for the 10-year 2s in the first chart. Once again it is seen that the potentialities for building up earnings to a figure closer to required earnings is greater through the purchase of medium-term $2\frac{1}{4}$ s than through the purchase of long-term $2\frac{1}{2}$ s.

May 12, 1944

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THE PROBLEM OF EARNING REQUIRED INTEREST ON LIFE INSURANCE RESERVES IN THE PRESENT GOVERNMENT BOND MARKET

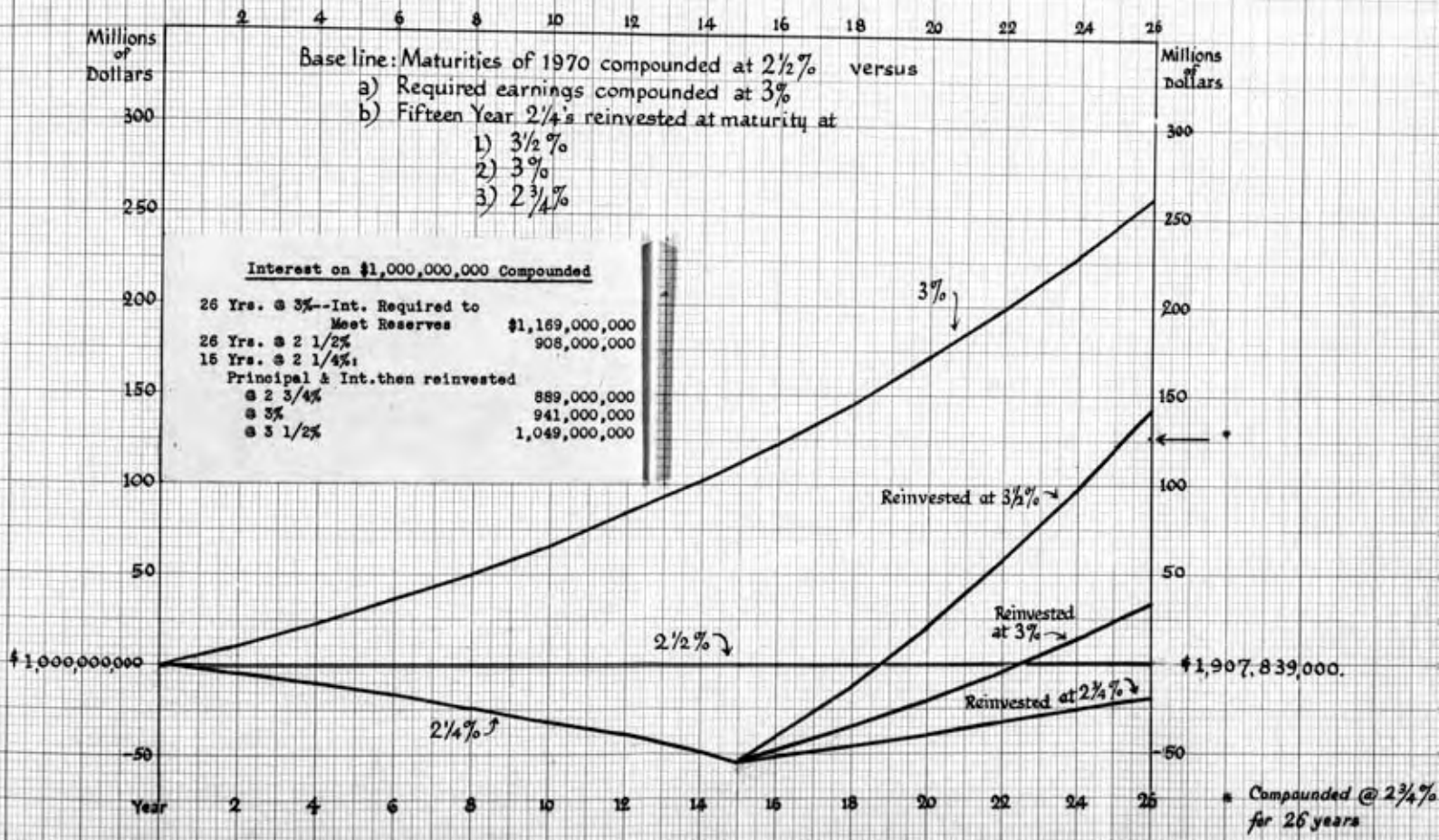
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May 8, 1944

Regraded Unclassified

THE PROBLEM OF EARNING REQUIRED INTEREST ON LIFE INSURANCE RESERVES IN THE PRESENT GOVERNMENT BOND MARKET





TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



OFFICE OF THE DIRECTOR

May 12, 1944

SECRET

MEMORANDUM TO THE SECRETARY

Subject: Inspection of Warehouses

In order to insure the greatest protection to our materials in warehouses, it is deemed advisable to supplement our field warehouse inspections with the inspection by Internal Security Division, Office of the Provost Marshal General which has a staff of trained experts doing this work.

Due to the recent revision of the War Department's policy as announced in War and Navy Joint Circular No. 1 limiting inspections to facilities only of outstanding importance, it is necessary that the Secretary of War direct the Office of Provost Marshal General to make inspection of this nature.

The attached letter to the Secretary of War should bring the desired results.

Clifton E. Mack
Clifton E. Mack
Director of Procurement

Attachments

May 12, 1944

My dear Mr. Secretary:

Subject: Inspection of Warehouses

Prior to 1 November 1943, the Treasury Department has been furnished inspection service by the Provost Marshal General. The recent revision in the War Department's policy as announced in War and Navy Joint Circular No. 1 has limited inspection to facilities only of outstanding importance.

The Treasury Department is now accumulating large stocks of Lend Lease items for export. The storage of this material in commercial warehouses has presented a serious problem of protection from hazards which may result from fire, accidents, or sabotage.

Of the many commercial warehouses utilized by the Treasury Department for storage of this material there are approximately 100 which are considered to be most important from the standpoint of the large quantities of critical material involved and the suitability of the facility for this use (list attached).

The Treasury Department uses their regular field personnel to make periodic inspection of these warehouses

Honorable Henry L. Stimson - 2

May 12, 1944

but it is felt that due to the importance of this material these inspections should be supplemented by a highly trained organization such as is maintained by the Provost Marshal General. These inspections to determine the adequacy of guard forces, fences, and flood lighting, the physical, mechanical, and working conditions of the facilities including equipment, work practices, and protective measures provided, assist management in the correction hazards and recommend corrective action.

It is not considered essential that these warehouse facilities be subjected to recurring inspection. I would be satisfied with a single inspection except at such facilities as were considered to be of sufficient importance to warrant addition to the Master Inspection Responsibility List as outlined in the Joint Circular. Since the commodity stored at most of these warehouses cannot be properly described as "critical" under the criteria used in the Joint Circular, they presumably would not all be added to the Master Inspection Responsibility List. However, the supplies involved are large and their loss through fire or other causes would represent a serious loss to the Government; therefore, it is requested that the Provost Marshal General be directed to authorize Service Commands to make one inspection of each of these warehouses and that he be instructed to submit inspection reports and recommendation for improvement to this office.

Very truly yours,
(Signed) H. H. Hargrave, Jr.

Secretary of the Treasury

Honorable Henry L. Stimson
Secretary of War
Washington, D. C.

Attachments

Facilities in Use by the U. S. Treasury, Procurement Division,
for the Storage of Lend Lease Materials

<u>Warehouse Name</u>	<u>Address</u>
Atlantic States Whse. & Cold Stge. Co.	385 Liberty St., Springfield, Mass.
Bank St. Trucking & Cooperage Co.	38 Pearl St., New York, N. Y.
Bank St. Trucking & Cooperage Co.	38 Pearl St., New York, N. Y.
Bonne Morton's Stores, Inc.	611 Smith St., Brooklyn, N. Y.
Brooklyn Terminal Stores, Inc.	123 River St., Brooklyn, N. Y.
Byrnes Bros. Whse's., Inc.	139 E. 61st St., New York, N. Y.
Buffalo Merchandise Whse's., Inc.	1200 Niagara St., Buffalo, N. Y.
Frank Calandra Whse.	Cresson, Pa.
Centre Storage Whses., Inc.	465 E. 10th St., New York, N. Y.
Chapin & Co.	Hammond, Ind.
Cleveland Stevedore Co.	Ft. of W. 9th St., Cleveland, Ohio
Daniels & Kennedy	290 South St., New York, N. Y.
F. E. W. A. of Baltimore	Hillen & High Sts., Baltimore, Md.
Rukert Terminal Corp.	1409-17 Thames St., Baltimore, Md.
Camden Whse.	Camden & Rutaw Sts., Baltimore, Md.
F. E. W. A. of Chicago	308 W. Washington St., Chicago, Ill.
S. E. Makin & Co.	4457 So. Eildare Ave., Chicago, Ill.
Great Lakes Whse. Co.	Hammond, Ind.
Tooker Storage & Forwarding Co.	3615 Iron St., Chicago, Ill.
Railway Terminal Federal Emergency Whse.	444 West Grand Ave., Chicago, Ill.
Grocers Terminal Whse. Co.	4301 S. Western Ave., Chicago, Ill.
Currier & Lee Whse.	427 W. Erie St., Chicago, Ill.
Sykes Terminal Whse.	931 W. 19th St., Chicago, Ill.
Western Warehousing Co.	323 West Polk St., Chicago, Ill.
Griswold-Walker-Bateman Co.	1924 So. Sargason St., Chicago, Ill.
Crook Terminal Whse., Inc.	2910 W. 35th St., Chicago, Ill.
See Terminal Whse.	519 Roosevelt Rd., Chicago, Ill.
Ontario Whse. Co.	425 W. Ontario St., Chicago, Ill.
F. E. W. A. of Minneapolis & St. Paul	550 Gateway Bldg., Minneapolis, Minn.
National Warehouse, Inc.	730-750 Washington Ave., Minneapolis, Minn.
United Whse., Inc.	708 So. Third St., Minneapolis, Minn.
Colonial Whse., Inc.	210-212 Third Ave., North, Minneapolis, Minn.
Kadany Whse., Inc.	617 Washington Ave., No., Minneapolis, Minn.
Northwestern Terminal	600 Stinson Blvd., Minneapolis, Minn.
Security Whse. Co.	334 No. First St., Minneapolis, Minn.

F. E. W. A. of Philadelphia
Philadelphia Piers
Atlantic Terminal

F. E. W. A. of San Francisco
Bay & Taylor Whse.
Oriental Whse. #3
Walkup Roebbing Whse.
Gibralter Whse.
ABC Transfer & Storage
San Francisco Whse.
J. A. Clark Drayage Co.
Depue Whse.

F. E. W. A. of St. Louis
St. Louis Terminal
S. H. Long
Tyler Whse. Co.

Gen'l. Builders Supply Corp.

Gen'l. Materials Co.

Harris Whses., Inc.

H. V. Irwin Moving & Storage

Johnson's Whses., Inc.

Knaust Bros., Inc.

Lederer Terminal Whse. Co.

Midwest Terminal & Whse. Co.

Milwaukee Stge. Co.

Monroe Whse.

Nat'l. Terminals Corp.

New Haven Terminal, Inc.

6 Chestnut St., Philadelphia, Pa.
Pier 98, So. Wharves, Philadelphia, Pa.
Pier 5, North Delaware Ave., Phila., Pa.

690 Fifth St., San Francisco, Calif.
Bay & Taylor Sts., San Francisco, Calif.
First & Brannan Sts., San Francisco, Calif.
646 Folsom St., San Francisco, Calif.
1290 Sansome St., San Francisco, Calif.
1077 Howard St., San Francisco, Calif.
625 Third St., San Francisco, Calif.
165 Main St., San Francisco, Calif.
First & Brannan Sts., San Francisco, Calif.

4140 Forest Park Blvd., St. Louis, Mo.
601 So. 11th St., St. Louis, Mo.
Ninth & Gratiot Sts., St. Louis, Mo.
Collins & Dickson Sts., St. Louis, Mo.

205 E. 42nd St., New York, N. Y.
Hocson, N. Y.

Baden, Pa.
Beaver Falls, Pa.
Fallstown, Pa.
Hocson, Pa.
New Castle, Pa.
West Pittsburgh, Pa.

246 South St., New York, N. Y.

941 W. 12th St., Erie, Pa.

11 Broadway, New York, N. Y.
National Dock o/e Lehigh Valley RR.,
Jersey City, N. J.
Hayette & Reister Sts., Perth Amboy, N. J.
33 Oxford St., Trenton, N. J.

Connsackie, N. Y.

Ft. of E. 9th St., Cleveland, Ohio

1385 Felt St., Toledo, Ohio

Tacoma, Washington

Rochester, N. Y.

245 Erie St., Buffalo, N. Y.
1200 W. 9th St., Cleveland, Ohio

New Haven, Conn.

North Pier Terminal Co.

Otis Terminal Whse., Co.

Pacific International Terminal

Quackenbush Whse. Co.

Richmond Waterfront Terminals, Inc.

Saw Mill Supply, Inc.

Shamokin Eagle Whse.

Sperry Whses., Inc.

Steel Mill Liquidating & Whsding Co.

Terminal Whse Co.

Terminals & Transportation Corp.

Truscon Steel Co.

Vancouver Dock & Stge. Co.

Waverly & Wilkes Barre Storage Co.

David Weiner Whse.

West Oregon Terminal

26th & State Sts., Chicago Heights, Ill.
East Chicago, Ind.
Maynard, Ind.

1300 W. 9th St., Cleveland, Ohio

Portland, Oregon

219 Vine St., Scranton, Pa.

Richmond, Va.

1061 Saw Mill River Rd., Yonkers, N. Y.

Franklin & Shakespeare Sts., Shamokin, Pa.

1003 Broadway, Albany, N. Y.
1 Jackson St., Troy, N. Y.

8200 Bessemer Ave., Cleveland, Ohio

27th St. & 11th Ave., New York, N. Y.

275 Fuhrman Blvd., Buffalo, N. Y.

8100 Astma St., Cleveland, Ohio
4401 W. 16th St., Chicago, Ill.

Vancouver, Washington

Waverly, N. Y.
19 New Bennett St., Wilkes Barre, Pa.

Huntingdon, Pa.

N. Portland, Oregon

<u>Warehouse Name</u>	<u>Address</u>
Vastine Warehouse	Cumberland County, Mechanicsburg, Pa.
U. S. Treasury Warehouse	2413 Third Avenue, New York, N. Y.
U. S. Treasury Warehouse	Main Street, Rockaway, New Jersey
Buckman Products Comfort Company	Cohoes, New York
Bags, Inc.	250 South Street, New York, New York
Dadourian Export Co.	3708 Review Avenue, Long Island City, N. Y.
Charleston Warehousing and Forwarding Co.	Charleston, South Carolina
American Dock Company	Victory Blvd. Tompkinsville, Stanton Island, NY
Beards' Erie Basin	21 State Street, New York, New York
Lehigh Valley R. R.	Clairmont Terminal, Jersey City, N. J.
A. O. Feidelson	239 11th Avenue, New York, New York
Lehigh Valley and Terminal Company	98 Frelinghuysennu, Newark, New Jersey
Midtown Warehousing, Inc.	601 West 26th Street, New York, N. Y.
New York Dock Company	Fulton Terminal, Brookland, N. Y.
River-edge Warehousing Corp.	New Brighton and Stanton Island, N. Y.
C. O. Rudolph Company	1155 Manhattan Ave., Brookland, N. Y.
Smedley Co.	165 Brewery St., New Haven, Conn.
T. I. McCormick Trucking Co.	261 11th Ave., New York, N. Y.
Harrisburg Storage Company	437 So. Second St., Harrisburg, Pa.
Brawford Austen Mfg. Co.	Waco, Texas
A. Milder Sons	Winston-Salem, N. C.
Clothing Reclamation Services, Inc.	107 E. 107 St., New York, N. Y.
Clothing Reclamation Services, Inc.	Nutley, New Jersey
Sperry Warehouse, Inc.	Green Island, Albany County, N. Y.

MEMORANDUM FOR THE SECRETARY.

May 12, 1944.

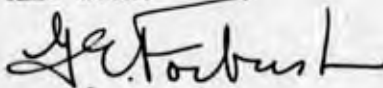
Mail Report

Mail dealing with the Fifth Drive had quite a lift to it this week. Other correspondence was monotonous and rather light.

Only 10 persons asked for tax refunds, but a number of them spoke of previous requests to which they had received no answer, and were urgent in their tone because of need of the money represented. The campaign by churches and educational institutions for reconsideration of the contributions section of the withholding tax bill somewhat slowed up, but the letters continue to be most emphatic. There were a few suggestions for further tax revenue, and no new ideas were presented.

There were many assurances of support of the coming war loan drive, and the usual slogans and sales suggestions. Also, in connection with the Drive, there were requests for promise by Treasury officials that War Bonds will at all times be redeemed on demand, without loss to the holder. Of the 57 bonds submitted for redemption, one-fourth were postmarked Puerto Rico, and another fourth came from small towns in Kentucky. Only a few complained of failure to receive bonds due them, but 25 persons reported non-receipt of interest due.

In the miscellaneous mail there were a few unpleasant comments on the Montgomery Ward seizure, several questions about plans for international economic stabilization, and a number of reports about difficulties in getting checks cashed. Particular annoyance was expressed by holders of checks issued as refunds of partial payments on bonds under the payroll deduction plan of the War Department. Apparently a number of these have been rejected for cashing, although the reason is not given in the writer's letter. One such comment is abstracted this week.



General Comments

Senator Arthur Walsh (New Jersey). The enclosed letter from Mr. Wm. W. Paul, Treasurer, Radio Condenser Company, Camden, N.J., calls attention to an apparent controversy between the Regional War Labor Board in Philadelphia, and the Treasury Department in connection with a vacation plan they are trying to work out. * * * I would appreciate your advice concerning the possibility of a reconsideration of the Treasury's decision, or, if that is not possible, a justification which will enable me to satisfy Mr. Paul. (The following is quoted from Mr. Paul's letter to Senator Walsh.) We have applied to the Regional War Labor Board in Philadelphia, and to the Philadelphia Office of the Treasury Department for permission to liberalize our vacation plan so that employees with us more than five years would be entitled to two weeks' vacation without loss of pay, and those with us from six months to a year, to three days' vacation without loss of pay. * * * Most of the employees have been with us between one and five years, and would continue to receive one week's vacation without loss of pay, as heretofore. We believe the plan giving more recognition to length of service would help maintain a high degree of morale and reduce absenteeism. This company is exclusively engaged in critical war work in the field of radio and radar and has received the Army and Navy "E" Award. The War Labor Board has consented to this improvement in the vacation plan, but the Treasury Department flatly refuses to do so. * * * Here we have people working virtually side-by-side expected to submit to vacation allowances that are not uniform, whereby many will feel the unwarranted discrimination. This situation growing out of the divided authority between the War Labor Board and the Treasury Department creates an awkward relationship, not only in our plant but perhaps

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in others as well. While the matter is insignificant in its financial cost, it is naturally a matter of great concern to the employees. We are appealing the decision of the local Treasury office, but have been told that it will do us no good because this policy is the result of a directive from headquarters in Washington. * * *

Henry J. Abrahams, Omaha, Nebraska. Enclosed herein, endorsed to you, please find Treasury check in the amount of \$18.75. Inasmuch as we have now embarked upon a preinvasion round-the-clock bombing of all Germany, we are certainly going to need a great deal of equipment to continue to carry on the good work of blasting Germany out of existence. With that thought in mind, I offer the enclosed check, and ask that you use the proceeds toward the purchase of materials needed in accordance with the idea expressed above. May our efforts be crowned with complete success. Happy to hear of our President's return to the White House improved in health.

Sgt. Roy Creamer, 18171617, Co. L, 405th Inf. A.P.O. 1-102, Camp Swift, Texas. Enclosed is a check for \$7.50 which did not seem to be any good because it bounced on me, as you can see. (Government check.) Please fix it right as it has caused me enough trouble as well as a charge.

- 3 -

Favorable Comments on Bonds

David D. Shipman, Queens, N. Y. It seems regrettable that during a recent trip to Mt. Vernon with my family, I could not purchase a Victory Bond at the home of our ex-President Washington. It was because Washington was an immortal, and Mt. Vernon a fitting place to buy the bond for the lad of mine that we had planned to add this important issue to our growing collection. If our Government can give a concession to this historical place, they at least should sell bonds.

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Unfavorable Comments on Bonds

Emma N. Dugan, R.R. #2, Liberty, Ind. What has become of my U. S. check due on April 15? I wrote you after it did not come on time and so far have not heard from you, and it has not come yet. What is wrong? I am past 94 years old and have to have a caretaker.

Note from D. Bowen, General Insurance Company of America, Seattle, Washington, returning form letter of April 26, enclosing and explaining duplicate schedule for report on payroll savings deductions. "We have been making this report for several years now. The report itself is explanatory, yet this letter comes along each time. If there is a paper shortage or a manpower shortage, or both, why can't this be one small place to save? Save paper, save time folding and mailing, save printing, and save our time; and above all, save our patience and respect for Governmental requests."

Miss Fay McKinley, Florence, Alabama. I have heard some talk and also have seen vague references in the Press to the possibility of the Government not being able to cash any and all War Bonds presented for payment after the War. In other words, only a certain percent will be cashed upon presentation, and people will have to wait for some period later in order to cash the balance of these bonds. I have always understood that the bonds were the same as cash in hand, and could be cashed at any time, plus accrued interest. I have been squeezing out every bond I could with the purpose in mind of cashing every one of them immediately after the war and buying a home. If this cannot be done, then I am in a bad fix with the money tied up where I can't get it when I need it badly.* * Is there any foundation whatever for the talk that is going around, and just what will the policy of the Government be about these bonds? * * *

- 5 -

Congressman Fred Norman (Washington) transmits the following letter he has received from J. C. Hansen, Personnel Manager, Simpson Logging Company, Shelton, Washington. In connection with the Fourth War Loan Drive the employees of Simpson Logging Company sponsored a \$75,000 fighter plane. The plane was to be named the "Simpson Highclimber", and pictures were to be taken of the plane by the Army for display purposes. * * * Our name for the plane was certified to the Treasury Department a little after the Drive ended by the War Savings Staff in Seattle. So far we have never received the pictures. We are looking forward to the Fifth War Loan Drive but unless we have something to show our employees for their efforts in the Fourth Drive, I am afraid that we are going to lose our selling point. The men were really working for this plane, and to let it drop now would be to defeat the purpose for which we used it. * * *

James A. Dingivan, Vice President, Arnold Constable, N.Y.C. On April 25, 1944, we sent you the following telegram: "In the Fourth War Loan, Arnold Constable and Company purchased and gave credit to the High School students of Greater New York, Westchester and Nassau Counties, one and a half million dollars in bonds. * * * Tremendous rallies were held and awards were made to the students who proved themselves the best salesmen of War Bonds. We wish to repeat this cooperative plan for the Fifth War Loan, and a telegram from you requesting us to do so would be most effective. * * * Isaac Liberman, President." We have not received a reply, and since our plans for the Fifth War Loan are about completed, we would appreciate receiving a telegram (collect) from you at your earliest convenience.

C. R. C. Jarratt, Editor, California Grange News, Sacramento, California. * * * During the other Drives, I found that a great deal of the work in the field was hindered by the mouthings of top-ranking brass hats

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who predicted quick endings of the War. The War Bond Drive before last, I think it was, we had three big military men who each held different views on the length of the War, and I can tell you from our experience in selling bonds that this had a disastrous effect on sales. I suggest that you get the War Department to muzzle all military prognosticators who would tell us that the War will be over this summer.

Harry Granick, N.Y.C. It is embarrassing to write to you about this small matter and I assure you I do it only as a last resort. I am one of a number of writers who were assigned scripts by Miss Isabelle Donald, then editor of the Treasury Star Parade. I did four scripts by her special assignment, and these were approved by both her and Mr. Henry Haywood, then directing the show. The last script was delivered and okayed more than five months ago, but I have not yet been paid for any of them. Neither have the other men who wrote accepted scripts in this period received payment. The shabby excuse for not paying us is that the program was discontinued before the scripts could be produced. The fact remains, however, that we were assigned to do this work, we took time to do it, and we accomplished it acceptably. We base our claim for payment on the same uncomplicated ground that would have prevailed had we rendered the Government service as clerks, actors, musicians, or gadget-makers. * * *

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Unfavorable Comments on Taxation

Harold Dudeck, Philadelphia, Pa. I wrote you once and I am a little disappointed that you haven't even sent me a letter. I know you're a very busy man, but I thought you could help a guy that's pretty down and out. I explained that I was out of work, sick with pneumonia, and I still haven't quite recovered. I am to be inducted into the service soon. I told you that I inquired at the Philadelphia Tax Office and they told me that if my 1943 tax showed a refund they would send it to a New York Office to be looked over. As I don't know the address, could you please help me out and tell them to send me my refund on my taxes, which is due me to the amount of \$87.06? Please sir, I'm pleading with you to help me.

Henry M. Noel, Summit, N.J. As a taxpayer I request information regarding the supposed failure on the part of our Government to send out forms on which Labor Unions and other nonprofit organizations may report their income. I understand that it is the law that such reports must be made, but that the mailing out of forms by the Treasury Department has been postponed indefinitely. Kindly advise if and when such reports will be required, and if and when the Treasury plans to mail out the necessary forms. You realize, of course, that political capital is being made out of the reported delay in requesting reports from the Labor Unions.

Julius S. Grunow, Glen Ridge, N. J. I respectfully ask when I may expect payment of the \$177.96 refund due me on income tax statement prepared and filed January, 1944, as okayed by income tax expert in Jersey City Post Office Building in January. In January I was given to understand the \$177.96 would be paid me in a few months.

M. J. Malkon, Los Angeles, Calif. Sometime in 1941 your Department was anonymously informed that the Hedden Company of Warren Street, Dover, N. J., had filed income tax reports that were inaccurate. I do not know who furnished this information, but I was informed sometime ago that I was the one who was blamed for it by the Hedden Company, and that as a result, they were advising possible employers not to hire me when they received requests for references. I did know that auditors from the Newark, N. J., Treasury Department had made an investigation of the Hedden accounts, but I was not in a confidential position with this concern, and I therefore would not know anything about their tax returns or whether or not they were correct. The tax returns of this company were handled by a Mr. Harvey Robbins of Morristown, N. J. Mr. Robbins had a friend who was employed by the Internal Revenue Collector of Newark, N. J., and it was in this manner that the Hedden Company learned that some person had anonymously informed the Treasury of the alleged false tax return. * * * Whether or not your auditors found inaccuracies in the tax returns of this concern is not my worry -- I only know that the Hedden Company could never be given any medals for being ethical, which is putting it very mildly, and my purpose in writing to you at this time is so that you will know that someone in your Newark Office is giving out confidential information.

SECRET

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
CIVIL AFFAIRS DIVISION
WASHINGTON 25

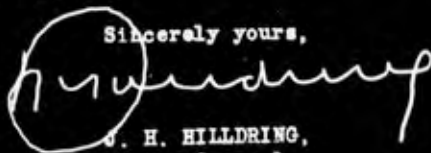
May 12, 1944

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

Dear Mr. Morgenthau,

With reference to my letter of May 10, 1944 transmitting to you a copy of VOG 36, there is inclosed herewith, for your information, paraphrase of a cable now received from General Eisenhower in response to your message of April 28, 1944, on the subject of supplies of Belgian, Netherlands and Norwegian currencies for the Supreme Commander, Allied Expeditionary Forces.

Sincerely yours,



J. H. HILLDRING,
Major General,
Director, Civil Affairs Division.

1 Incl.
Paraphrase

"THIS DOCUMENT CONTAINS INFORMATION
AFFECTING THE NATIONAL DEFENSE OF THE
UNITED STATES WITHIN THE MEANING OF THE
ESPIONAGE ACT, PUBLIC LAW 38, 361, AND 38, 362. THE
TRANSMISSION OR THE REVELATION OF ITS CON-
TENTS IN ANY MANNER TO AN UNAUTHORIZED
PERSON IS PROHIBITED BY LAW."

SECRET

SECRET

PARAPHRASE OF INCOMING CABLE DATED 11 MAY 1944 FROM
GENERAL EISENHOWER

The War Office has informed us that the Belgian, Netherlands and Norwegian Governments understand that the currencies turned over to the War Office by them are to be made available to the Supreme Commander, Allied Expeditionary Forces for such purposes as he sees fit, including needs of U. S., British and/or other Allied Forces and for Civil Affairs requirements. There appears to be no further action necessary by you relative to the availability of currencies for our operations, the arrangements which have been made being satisfactory.

"THIS DOCUMENT CONTAINS INFORMATION
AFFECTING THE NATIONAL DEFENSE OF THE
UNITED STATES WITHIN THE MEANING OF THE
ESPIONAGE ACT, 1878, AND 32. THE
TRANSMISSION OR REVELATION OF ITS CON-
TENTS IN ANY MANNER TO AN UNAUTHORIZED
PERSON IS PROHIBITED BY LAW."

SECRET

NATIONAL FARMERS' UNION

430 Munsey Bldg.
Na. 9750

May 12, 1944

The Honorable
Franklin D. Roosevelt
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

I have been reading with much interest the recent editorials in support of the United States establishing "free ports" for the refugees of war-torn Europe. It is my sincere hope, Mr. President, that you are giving serious consideration to the possibilities of such a step and that soon "free ports" will be a reality.

With millions of human beings destitute, nameless and hunted like wild beasts due to the fiendish cruelty of our enemy, Adolph Hitler, responsibility is placed on this nation to act if we would by deed support the principles for which our youth fight.

I am confident, Mr. President, that if the American citizens were acquainted with the true facts of Nazi persecutions, they would cry out with one voice, asking that this country point the way in this proposed humanitarian task of providing temporary havens for European refugees.

Sincerely yours,

(signed) Jim Patton
James G. Patton, President
National Farmers Union

CABLE TO LISBON

Following is for Dexter from Pehle:

No reply has been received from you to date to my WEB cables No. 8 of May 1 and No. 16 of May 6. I am extremely anxious to have your personal conclusions and recommendations as well as the views of Dr. Schwartz on the problem raised therein.

Please also cable me at once your views concerning Dr. Weissman's message to Rabbi Wise of May 9 forwarded in cable no. 1395 from Lisbon.

THIS IS WEB LISBON CABLE NO. 21

May 12, 1944
9:20 A.M.

FH:lab 5/11/44

PARAPHRASE OF TELEGRAM SENT

TO: American Embassy, London
FROM: Secretary of State, Washington
DATE: May 12, 1944
NUMBER: 3810

CONFIDENTIAL

War Refugee Board sends following for Winant.

This refers to May 12 telegram No. 3857 from London.

Cable has been sent by the Board to Stockholm asking that Swedish Government be requested to charter the ship BARDALANDA for evacuation of refugees from Black Sea ports to Turkey for War Refugee Board.

It is requested that you urge MEW to withhold acceptance of BARDALANDA sailing from Piraeus pending receipt of reply from Stockholm. Information in this regard will be promptly supplied to London.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: May 12, 1944
NUMBER: 3857

SECRET

NIEN has informed the Economic Warfare Division that notice has been received from the Swedes of the sailing of the BARDALANDA on May 18 from Piraeus to Lisbon. (We refer to Embassy's cable of May 4, 1944, No. 3653 and previous concerning War Refugee Board's desire to divert the BARDALANDA for purposes of refugee evacuation).

Acceptance of the Swedish notice is being temporarily withheld by the British because of the expressed interest of the War Refugee Board in the use of the BARDALANDA for refugees, but the British wish to know at the earliest possible moment whether or not there has been taken up in Stockholm the question of the diversion of the BARDALANDA since they wish to give the Swedes some reason for the continued refusal to accept the sailing notice. If use of the BARDALANDA for refugees is no longer being considered, the British would like to cable Stockholm acceptance of the notice for the BARDALANDA on the fourteenth of May so that the vessel can sail on schedule. We urgently request the advise of the War Refugee Board in the premises.

WINANT

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Lisbon
TO: Secretary of State, Washington
DATED: May 12, 1944
NUMBER: 1426

SECRET

ATTENTION OF RABBI STEPHEN WISE FROM WEISSMAN.

WRB no. 30.

Under auspices of Congress, seventy young men crossed the French border into Spain on the eleventh of May.

NORWEB

Following is censorship's negative response to Department's request for release of this message to Rabbi Stephen Wise.

"May be passed with flwg memo to State QUOTE - The above information is released by the Chief Cable Censor as - a secret government communication and can only be disseminated - as such to officials of WRB X in no case shall this information - be disseminated to private individuals without express consent of the Chief Cable Censor X UNQUOTE".

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: American Legation, Stockholm
 DATED: May 12, 1944
 NUMBER: 895

SECRET

From War Refugee Board to Minister Johnson, Stockholm, Sweden

Reference your TR4 March 7 concerning possible use of Swedish ship for refugee evacuation in Balkan Black Sea area.

Ambassador Steinhardt advised us some time ago that a number of refugees can be evacuated from Rumania in addition to the 1500 who can be carried on TARI which is awaiting German safe conduct (reference our 571 April 3, your 1181 April 7, our 633 April 10, your 1255 April 13). In April alone more than 900 refugees were brought to Turkey in small Bulgarian ships.

Late in February at Ambassador Steinhardt's suggestion made after discussion with the Swedish Legation in Ankara a request was addressed to the Swedish Government through Minister Bostrom in Washington for authorization to divert a Greek relief ship for refugee operations in Balkan Black Sea area. The Swedish Government replied that consent of the governments concerned in Greek relief operations would be necessary. It was indicated that the M/S BARDALAND might be available for such purpose if certain conditions could be met.

Originally the British did not desire to have any Greek relief ship diverted for refugee evacuation. The Washington representative of the Ministry of Economic Warfare advised the Board that even a small loss of tonnage in Greek relief schedule might leave a serious gap in deliveries. The Ministry representative suggested however that four additional ships for Greek relief fleet were expected soon to leave the Baltic and at that time the question of diverting a ship for refugee evacuation could be reopened.

In view of Ambassador Steinhardt's repeated and insistent requests that further efforts be made to obtain a Swedish ship Ambassador Winant at our suggestion took up the matter with the British Government. Word has just been received from Ambassador Winant that the British Government has no objection to use of BARDALAND for refugee evacuation if Swedish Government consents. Furthermore, British would grant safe conduct for such a voyage. It is understood in addition that BARDALAND is being withdrawn from Greek relief service.

Please ask Swedish Government whether in view of above British action and the urgency of evacuating refugees from Balkan areas it would be willing to make BARDALAND available to War Refugee Board for refugee evacuation from Rumania to Turkey or Palestine, and whether as a preliminary step it would immediately sound out the German Government's willingness to grant safe conduct for such an evacuation operation. If the Swedish Government desires, the War Refugee Board would aid by asking other neutral governments and the Vatican to make independent approaches to the German Government in support of the Swedish approach. Although the Board would

prefer

- 2 -

prefer that Haifa be the destination of such an evacuation voyage, the Board would agree to make a Turkish port the destination if such action were more likely to produce a favorable response from the German Government.

If the Swedish Government consents to the use of the BARDALAND and the German Government is willing to grant safe conduct, a charter would be executed in the name of the Board, which would arrange for British and Russian safe conducts. These and other details such as insurance, etc. could be worked out as soon as the preliminary negotiations show signs of producing results.

In your discussions with the Swedish Government you may wish to make clear that time is of the essence in this matter.

This is War Refugee Board cable No. 9.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMLEGATION, STOCKHOLM
TO: Secretary of State, Washington
DATED: May 12, 1944
NUMBER: 1688

CONFIDENTIAL

The following message for War Refugee Board is our No. 12,

We refer to the Department's telegram of April 8, 1944, no. 619 and Legation's cable of April 14, 1944, no. 1271 (our War Refugee Board No. 2).

Evensen, Tranmael and I have had further discussions concerning the progress made by them in completing plans for operations under license issued to American relief for Norway.

I have been informed that the plans have been completed and that certain operations are currently under way with the limited funds available at the present time. The funds are now exhausted, however, and are needed urgently to carry out operations. About 1000 persons awaiting transportation across the border are now being kept in hiding in Norway. When this bottleneck group has been moved, many others can be evacuated.

There has also been initiated relief operations inside Norway, medicine, shoes, clothing and food, but due to lack of funds this has been on a limited scale.

We hope that transfer of funds will be expedited by the Board.

JOHNSON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Stockholm
TO: Secretary of State, Washington
DATED: May 12, 1944
NUMBER: 1689

CONFIDENTIAL

Notice has been given to the British by Sweden that the vessel RANDALAND is being withdrawn from Greek relief operations and intends to leave Piraeus bound for Lishn on her way back to Sweden on the eighteenth of May. Inquiry has been made of HNW by the British Legation's cable no. 519 of May 10 to Foreign Office as to whether such sailing conflicts with any plans the War Refugee Board may have and points out that in regard to this matter neither the British nor American Legations here have received instructions.

The need of a ship for Greek relief was the basis of our objection to using the vessel for refugee evacuation, but in view of the fact that the vessel is being withdrawn from such operations and being replaced by sister vessel BORELAND this objection is now removed. In view of its early sailing any action to use the RANDALAND for refugee operations must be initiated immediately.

The RANDALAND is required to return to Swedish waters at an early date because of German consent to the Swedes whereby the BORELAND was released from the Baltic blockade. Use of the usual dilatory tactics on safe conduct matters might be precluded by the fact that the Germans are obliged to give prompt reply concerning any project to divert her.

The foregoing message is for the attention of the War Refugee Board and is WFB no. 11.

JOHNSON

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: May 12, 1944
NUMBER: 3019

CONFIDENTIAL

With reference to the last paragraph of your cable of May 8, 1944, No. 1595, you are requested to see my cable of May 9, 1944, No. 2937. It is assumed that the reference made by the Department to its cable of April 13, 1944, No. 1269 should be to the Department's cable of that date, No. 1270.

HARRISON

DCR:IDB:HL 5/15/44

NOT TO BE RE-TRANSMITTED
SECRETARY GENERAL

1944 MAY 15 PM 12 53 COPY NO. 11

SECRET

OPTEL No. 152

TREASURY DEPARTMENT

Information received up to 10 a.m., 12th May, 1944.

1. NAVAL

Yesterday morning MTB's engaged an armed trawler group off Dutch Coast. One trawler was torpedoed and sunk and two others damaged. One MTB was damaged but was safely towed home. One fatal casualty.

Coastal forces from BASTIA have sunk an F lighter. A French submarine torpedoed and possibly sank a submarine chaser off Southern FRANCE. One of H.M. Submarines sank 6 large caiques and damaged 5 in AEGEAN on 1st and 2nd.

2. MILITARY

ITALY. The Allied armies renewed the offensive on the main front at 11 p.m. last night.

BURMA. KALADAN. An Indian Battalion in 3 ambushes 7 miles west of DALETME 9th inflicted 88 casualties for the loss of 1 killed.

IMPHAL. Our troops continue to meet strong enemy resistance in the BISHENPUR and PALEL areas. On the IMPHAL-KOHIMA road Japanese have constructed a road block about 12 miles north of IMPHAL. About 200 enemy reported north of this block.

3. AIR OPERATIONS

WESTERN FRONT. 10th/11th. 532 tons were dropped both at LENS and COURTRAI, 423 at GHENT, 417 at LILLE and 388 at DIEPPE battery. All H.E. except for some marked bombs and flares. Weather clear and visibility generally good all targets except for slight ground haze. Marking carefully carried out and accurate concentrations achieved though after intervention in some cases by the Master bomber who at LILLE, owing to smoke hiding objective, even found it necessary to call off bombing temporarily while target was re-marked.

11th. 4,363 offensive and escort sorties flown including 973 by U.S. heavy bombers. Fortresses and Liberators dropped total 1,935 tons at 15 railway centres in Western GERMANY, Eastern FRANCE, LUXEMBURG and BELGIUM. Enemy casualties (incomplete) 18, 1, 16 in the air and 5, 0, 6 on the ground. 16 bombers, 9 fighters missing. Medium and light bombers attacked 12 transportation targets - 410 tons, 5 coastal defences and military objectives - 350 tons, and 6 airfields - 76 tons. 1 enemy aircraft destroyed on the ground. 5 Allied aircraft missing.

11th/12th. 799 aircraft despatched:

Military camp near LIEGE	201 (5 missing)
Goods yards BOULOGNE	135 (2 missing)
HASSELT	128 (5 missing)
LOUVAIN	110 (4 missing)
Batteries near BOULOGNE and TROUVILLE	118
Sea mining	12
Leaflets	4
Intruders and Bomber Support	71

**THE WHITE HOUSE
WASHINGTON**

May 13, 1944.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

That advertisement is really interesting. I had not seen it.

On the lighter side, I am glad to know that a "Clabber Girl" can be got for 8¢ and in a larger size for 19¢.

I also notice that the cost of Toilet Bowl Brushes remains constant!

F. D. R.

**THE WHITE HOUSE
WASHINGTON**

May 13, 1944.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

I think we had better go ahead
with the appointment of Mr. Shivers.
The Customs' collections we hope
will pick up.

F. D. R.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date 5/13/44

TO Secretary Morgenthau
FROM Mr. O'Connell

FOR YOUR INFORMATION

Alan Johnstone, General Counsel for the Federal Works Agency, called for an appointment while you were away. His purpose was to enlist your support for the reappointment of Gregory Hankin, a member of the Public Utilities Commission for the District of Columbia whose term of office expires in July. He expressed the hope that you would be willing to recommend to the President that Mr. Hankin be reappointed.

The Department's official interest in this appointment arises largely out of the proceedings we have been conducting before the Commission over the past year and a half urging a reduction in rates for electrical energy supplied the Government, as well as other users, by the Potomac Electric Power Company. In our dealings with the Commission, I think it is fair to say that Mr. Hankin has been much more sympathetic to our position than the other members of the Commission. In the process Mr. Hankin has apparently antagonized the other members of the Commission as well as the representatives of the Power Company, and has been subjected to quite some criticism in the local press. There is little doubt that a move is already under way to prevent his reappointment. I think Mr. Hankin is a very public-spirited citizen whose zeal on occasion carries him to such lengths as sometimes actually to do a disservice to the causes he espouses. On the whole, I believe he has been on the side of the angels and should be reappointed.

- 2 -

I told Mr. Johnstone I would bring these matters to your attention. I also told him I doubted whether you would feel that the interests of the Department in this situation are such as would justify you in taking the initiative in connection with Mr. Hankin's reappointment, which would normally, I believe, be handled through the District Commissioners.

I may say that last year when the matter of the reappointment of the present chairman of the Commission was up, it was suggested to me that the Department should interest itself in the situation with a view to preventing his reappointment on the grounds that he had been arbitrary and unreasonable in dealing with us in connection with the rate case. At that time I took the position that the Department should not intervene, and I feel substantially the same about this situation.

I see no necessity for your seeing Mr. Johnstone, unless you wish to do so, and he is satisfied with having had the matter called specifically to your attention.

Joseph J. O'Connell

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 13, 1944

TO: Mrs. Klotz

FROM: Mr. Gamble

I discussed these telegrams over the phone last night with the Secretary before they went out.

Ted R. Gamble

War Finance Division

Expenses of Loans

May 12, 1944

Day Letter

Mr. Miles Trammell, President
National Broadcasting Company
RCA Building
Rockefeller Center
New York, New York

YOUR SUGGESTED PLAN TO PUT NBC'S GREAT FACILITIES BEHIND THE SALES EFFORT OF THE TREASURY'S FIVE MILLION VOLUNTEER WORKERS IS A MOST REALISTIC AND TANGIBLE GESTURE OF COOPERATION. OUR SUCCESS IN THE WAR BOND DRIVES TO DATE HAS BEEN IN DIRECT RELATION TO THE MEASURE OF GOOD WORK AND DIRECT CONTACTS MADE AT THE COMMUNITY LEVEL. PLANS OUTLINED BY YOUR OFFICIALS DO A GREAT SERVICE IN RECOGNIZING THE IMPORTANCE OF THIS WORK AS WELL AS THE WORKER HIMSELF.

I AM SURE THAT YOU AND YOUR ASSOCIATES KNOW THE EFFORTS OF OUR MEN AND WOMEN IN THE VOLUNTEER WAR BOND ARMY CAN BE MOST SUCCESSFUL IF THEIR ASSIGNMENTS CAN BE CARRIED OUT IN AN ATMOSPHERE OF AWARENESS AND UNDERSTANDING, CONSEQUENTLY YOUR SUGGESTION THAT SPECIAL RADIO TALENT SHOWS CAN BE USED IN SOME OF THE MORE IMPORTANT CITIES MEETS WITH MY HEARTY APPROVAL AND IF THIS CAN GO FORWARD, DETAILS COULD BE WORKED OUT WITH OUR PEOPLE HERE SO THAT THE ACTIVITY WOULD BE COMPATIBLE WITH THE KIND OF JOB THAT YOU ARE ATTEMPTING TO DO FOR US. WE AT THE TREASURY ARE DELIGHTED WITH THE INITIATIVE TAKEN BY YOUR COMPANY IN PLANNING FOR THE FIFTH WAR LOAN DRIVE. SINCERELY YOURS,

HENRY MORGENTHAU, JR.
SECRETARY OF THE TREASURY

TRO:shah

Ted R. Gamble

War Finance Division

Expenses of Loans

May 12, 1944

Mr. Niles Frammell, President
National Broadcasting Company
RCA Building
Rockefeller Center
New York, New York

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I AM SURE THAT YOU AND YOUR ASSOCIATES KNOW THE EFFORTS OF OUR MEN AND WOMEN IN THE VOLUNTEER WAR BOND ARMY CAN BE MOST SUCCESSFUL IF THEIR ASSIGNMENTS CAN BE CARRIED OUT IN AN ATMOSPHERE OF AWARENESS AND UNDERSTANDING. CONSEQUENTLY YOUR PLAN MEETS WITH MY HEARTY APPROVAL. **WE AT THE TREASURY ARE DELIGHTED WITH THE INITIATIVE TAKEN BY YOUR COMPANY IN PLANNING FOR THE FIFTH WAR LOAN DRIVE.**

(the change in the last paragraph of telegram was suggested by Wm. Burke Miller and approved by Mr. Coyne 5/17/44)

R W COYNE

WAR FINANCE DIVISION

EXPENSES OF LOANS

MAY 12 1944

(War Finance State Chairmen)

PLEASE SEND AS NIGHT LETTER TO NAMES ON THE ATTACHED LIST EXCEPT NAVY RADIO TO HAWAII AND ALASKA:

TED GAMBLE AND HIS ASSOCIATES HAVE GIVEN ME A GLOWING ACCOUNT OF THE PLANS AND ENTHUSIASM OF THE MEMBERS OF YOUR WAR FINANCE COMMITTEE IN THEIR PREPARATION FOR THE FIFTH WAR LOAN DRIVE. THERE IS JUST ONE MONTH LEFT BEFORE THE OPENING OF THIS DRIVE, THE MOST IMPORTANT IN THE HISTORY OF OUR WAR FINANCE ACTIVITY. DURING THIS TIME WE MUST PREPARE TO MEET THE GREAT OBLIGATION THAT IS OURS IN RAISING SIXTEEN BILLION DOLLARS, OF WHICH SIX BILLION MUST REPRESENT SALES TO INDIVIDUALS. WAR EXPENDITURES ARE APPROACHING A PEAK AND THIS DRIVE WILL BE TIMED TO PROVIDE THE AMERICAN PEOPLE WITH AN OPPORTUNITY TO DEMONSTRATE PEAK SUPPORT OF THE WAR EFFORT. OUR DRIVE OBJECTIVES CAN BE OBTAINED ONLY IF EVERY STATE CHAIRMAN SEES THAT HIS ORGANIZATION IS READY TO ACHIEVE RESULTS OVER AND ABOVE ANY THAT YOU HAVE ACCOMPLISHED HERETOFORE. I AM CONFIDENT THAT YOU WILL MAKE EVERY EFFORT TO INSURE THAT THIS FIFTH WAR LOAN WILL BE AN OUTSTANDING SUCCESS. THE TREASURY DEPARTMENT STANDS READY TO GIVE YOU EVERY POSSIBLE AID. THANK YOU FOR WHAT YOU HAVE DONE AND BEST WISHES FOR THE FUTURE.

HENRY
MORCENHAU, JR.
SECRETARY OF THE TREASURY.

RWC:ebm

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

TO Secretary Morgenthau

Date
May 13, 1944FROM Fred Smith 

Colonel Gow's friend whom you asked me to check on is Major Raskin, former labor editor for the New York Times.





TREASURY DEPARTMENT

WASHINGTON

MEMORANDUM TO THE SECRETARY - MAY 11, 12, 13.

Conferred with Mr. Frank Bayne, Executive Director of the Council of State Governments, and Colonel E. G. Kavanaugh, of SWPA, to discuss the possibility of making arrangements to deal with each State and its political subdivisions, educational authorities and, if possible, charitable institutions and eleemosynary institutions within its boundaries, through one central office.

Mr. Bayne explained that he had been conferring with Mr. Clayton's office and that he intends to recommend such a plan to the States at the Governors' Conference on May 28. This plan, originally proposed by Mr. Clayton, has been approved by the Executive Committee of the Governors' Conference.

Mr. Kellogg and Miss Wickers of the Bureau of Labor Statistics, U. S. Department of Labor, will make available to us any information regarding prices which we have need for.

Initiated action with Redistribution Branch of WPB for purpose of trying to obtain change in Priority Regulation 13 whose provisions are an obstacle to our market in some instances.

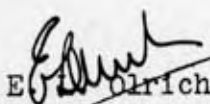
#2

Memo. to the Secretary
May 11, 12, 13.

Conferred with D. G. Kelly, President, National Automobile Dealers Association, and Ray Chamberlain, Vice-President, for the purpose of obtaining suggestions for (1) head of our Automotive Division, and (2) members of an Advisory Committee. They were asked to submit additional names to us.

Conferred with the following men with a view to acquainting them with our general plans and obtaining suggestions from them: R. C. Hilldale, American Pharmaceutical Manufacturers Association; Walter Kleeman, National Retail Furniture Association; and B. A. Hungerford, Electric Fuse Guild of America.

Conferred in New York with executives whom we want to add to our organization.


E. Ehrlich
Assistant to the Secretary



OFFICE OF THE DIRECTOR

44
TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



91

May 13, 1944

MEMORANDUM TO THE SECRETARY:

Supplementing my memorandum to you dated May 8th, 1944, relative to the rebuilding of salvaged Army shoes at Buford, Georgia, this operation was taken over from the War Department on May 1, 1944. The Army had a contract with the International Shoe Company for the management of the plant, and we have made a similar contract with the International Shoe Company to manage the operation for us.

We turn the salvage shoes received from the War Department over to them, and the International Shoe Company supervises the rebuilding of the shoes, providing the findings, and the necessary employees to do the job. We have eleven inspectors, and four clerical employees at the plant, and they are responsible for the inspection of the rebuilt shoes to make certain that they meet the required specifications. Our group is also responsible for verifying the number of salvaged shoes delivered for rebuilding, inspection of the packaging and packing, also, quantity verification of the finished shoes.

In substance, the arrangement which now exists is substantially in line with the War Department operation at the same location, and with the same contractor prior to the time we took it over at the request of PEA. We anticipate that the production will probably be in excess of the approximate 150,000 pairs turned out monthly under the Army contract because the present specifications are less rigid inasmuch as the shoes are for relief purposes, and heretofore, the rebuilt shoes were used for Army personnel at training camps.

Clifton E. Mack
Clifton E. Mack
Director of Procurement

original to
in Janice
5/15/44

92

THE SECRETARY OF THE INTERIOR
WASHINGTON 25, D.C.

MAY 13 1944

My dear Mr. Secretary:

I was glad to receive your letter of May 4 and to know that after an investigation by representatives of the Army Air Forces and your Department it was found that the alternate site suggested by this Department has advantages over the original proposed area and that your Department is willing to take complete responsibility for the rehabilitation cost of the site at the conclusion of the show. Accordingly, permission is hereby granted your Department and the Army Air Forces to use the areas within the Washington Monument grounds bounded by 14th and 15th Streets, Madison and Adams Drives, and a 60-foot strip of land extending along the north side of Madison Drive between 14th and 15th Streets, for the exhibition of captured enemy air combat equipment and as a means to promote the sale of War Savings Bonds during the Fifth War Loan Campaign, the recruitment of Air Wacs, and the stimulation of general morale.

This authorization will become effective immediately to permit the necessary construction work to be done within the exhibition area prior to the opening of the show on June 4. It is our understanding from correspondence with your Department that the need for the use of the area covered by this authorization will terminate not later than September 4.

You may rest assured that this Department will gladly join with the Army Air Forces and your Department toward the successful sponsorship of the exhibit in promoting the Fifth War Loan Campaign. The Superintendent of National Capital Parks will cooperate with your Department in carrying out the necessary instructions of this Department for the protection of park property.

Sincerely yours,

(SGD.) ABE FORTAS

Acting Secretary of the Interior.

Hon. Henry Morgenthau, Jr.,

Secretary of the Treasury.

25

May 13, 1944.

My dear General Vossan:

This will acknowledge your memorandum of May 4, addressed to the Secretary of the Treasury, which transmitted his copy of the Soviet Aid Report as of March 31, 1944. Thank you for your courtesy in bringing the current report to Mr. Morgenthau's attention.

Sincerely yours,

(Signed) H. S. Klotz

H. S. Klotz,
Private Secretary.

Major General G. M. Vossan,
Director, Division for Soviet Supply,
Foreign Economic Administration,
Washington 25, D. C.

EP/dbs

FOREIGN ECONOMIC ADMINISTRATION

WASHINGTON 25, D. C.

May 4, 1944

MEMORANDUM

To: The Honorable Henry Morgenthau

From: Maj. Gen. C. M. Wesson *CV*
Director, Division for Soviet Supply

Subject: Soviet Aid Report

Attached herewith is your copy of the Soviet Aid Report as of March 31, 1944, which summarizes the amount of aid furnished to the U.S.S.R. during the First and Second Protocols and the first nine months of the Third Protocol.

MAY 13 1944

SECRETARY OF THE TREASURY
OFFICE

⁹⁵
SECRET
Copy No. TRA

STATUS OF THE SOVIET AID PROGRAM
AS OF MARCH 31, 1944

Foreign Economic Administration
April 29, 1944

PREPARED FOR THE
PRESIDENT'S SOVIET PROTOCOL COMMITTEE

SECRET

PERFORMANCE DURING MARCH 1944

Shipments to the Soviet Union from United States and Canadian ports during March totaled 365,800 long tons, 96% of the monthly requirement under the Third Protocol. Shipments from July 1943 through March 1944 have totaled 4,354,300 long tons - 127% of the requirement for the period and 96% of the requirement for the full Protocol year.

Cargo shipped during March and during the Third Protocol period to date is summarized as follows:

	March		July-March	
	Long Tons	Per Cent	Long Tons	Per Cent
U. S. SUPPLIES				
Trucks & Other Vehicles	53,000	14	477,100	11
Metals	54,800	15	700,300	16
Chemicals & Explosives	14,300	4	347,700	8
Petroleum Products	18,900	5	415,000	10
Industrial Equipment	21,700	6	359,500	8
Food	128,500	35	1,392,900	32
Other	60,300	17	465,600	11
U.S. Total	351,500	96	4,158,100	96
BRITISH & CANADIAN SUPPLIES	14,300	4	196,200	4
TOTAL	365,800	100	4,354,300	100

Shipments during April are expected to amount to 350,000 long tons or 92% of the monthly Protocol rate. Shipments for the entire Third Protocol period are expected to reach at least 5,600,000 long tons or 123% of the total Protocol plan.

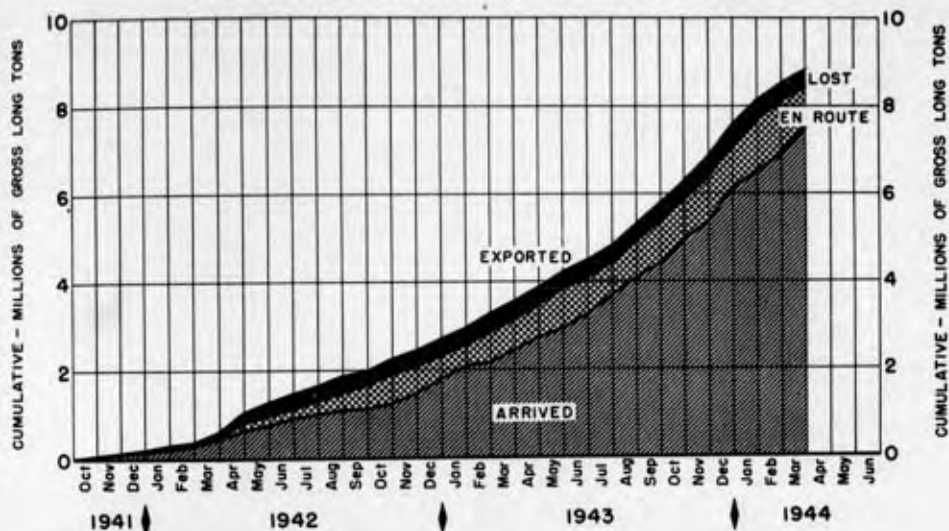
A total of 631 U. S. manufactured aircraft departed from North America for the U.S.S.R. during March - 409 for U.S. Protocol Account and 222 for U.K. Account. Of the total, 288 were flown from Fairbanks, Alaska; 28 were flown from Miami, Florida; 3 were shipped by water to Murmansk; and 312 were shipped to the Persian Gulf.

Foreign Economic Administration
April 29, 1944

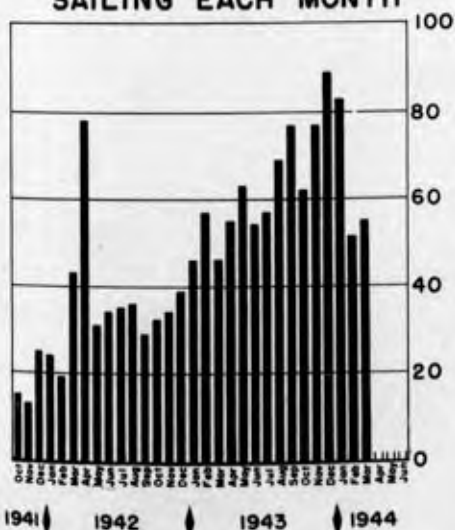
SECRET

SHIPMENTS TO U. S. S. R.

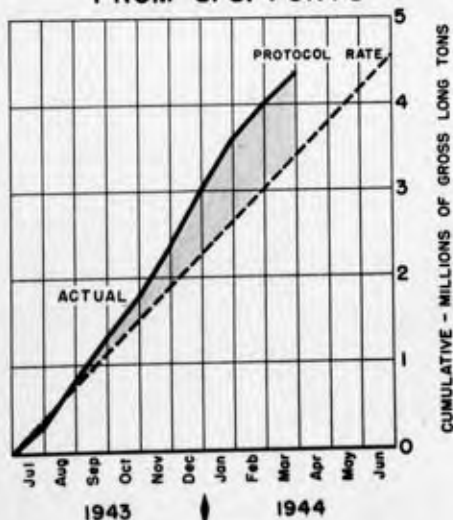
SHIPMENTS, ARRIVALS AND LOSSES



NUMBER OF SHIPS SAILING EACH MONTH



THIRD PROTOCOL CLEARANCES FROM U. S. PORTS



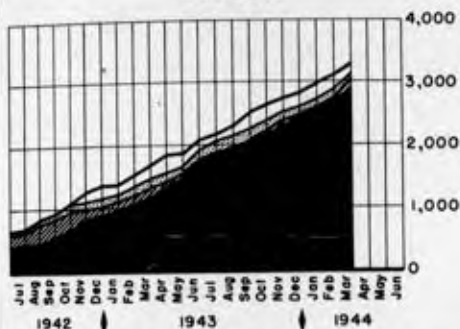
SECRET

EXPORTS AND AVAILABILITY OF SELECTED ITEMS CUMULATIVE SINCE OCTOBER 1, 1941

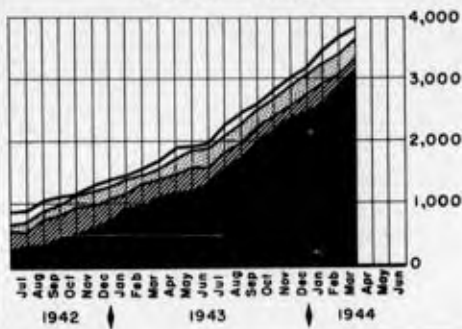
Exported
Lost
En Route
Arrived

Quantity made available at
U.S. centers of production

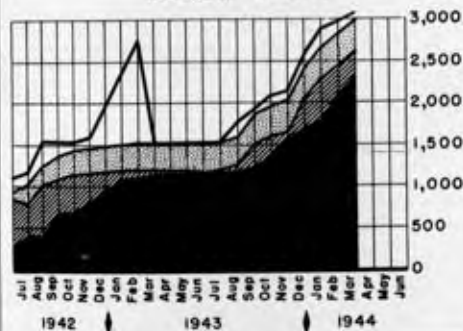
BOMBERS



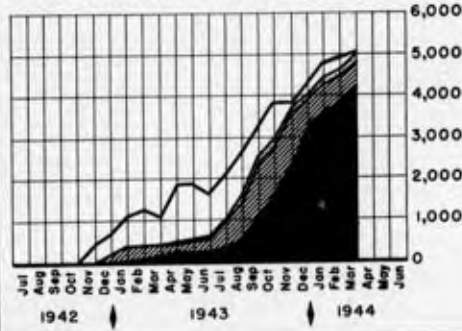
PURSUIT PLANES



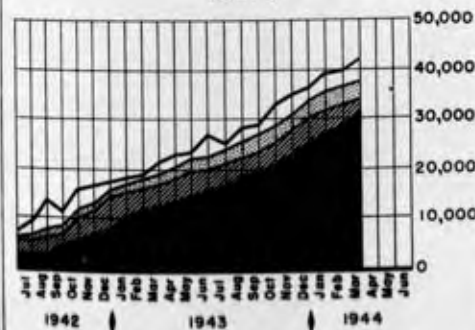
MEDIUM TANKS



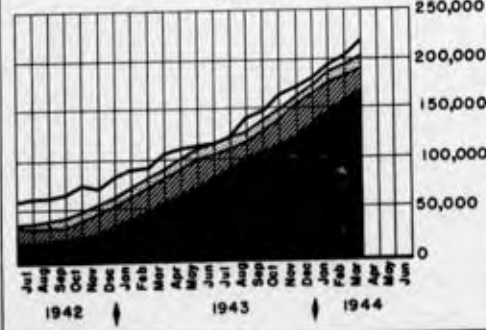
ANTI-AIRCRAFT GUNS 37 & 40 mm



JEEPS



TRUCKS



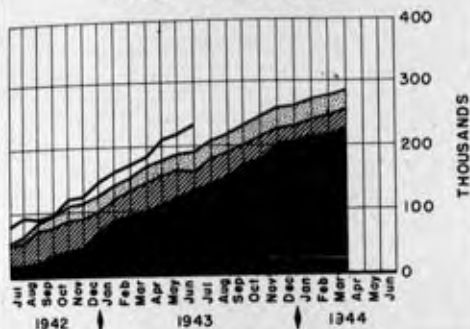
SECRET

EXPORTS AND AVAILABILITY OF SELECTED ITEMS CUMULATIVE SINCE OCTOBER 1, 1941

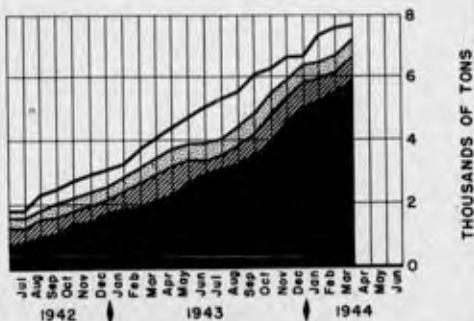


— Quantity made available at U.S. centers of production

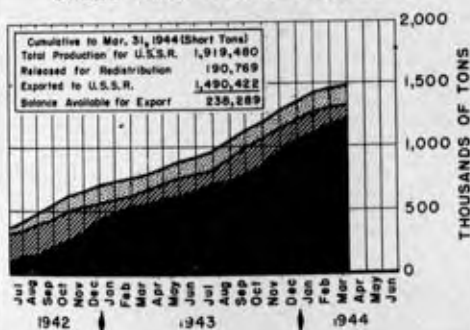
FIELD TELEPHONES



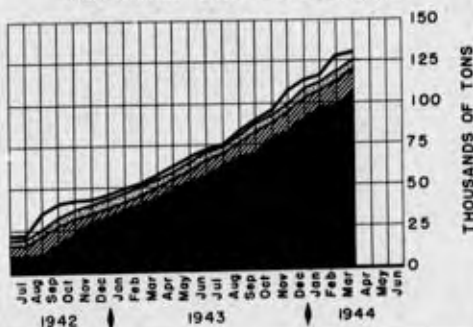
ARMY BOOTS



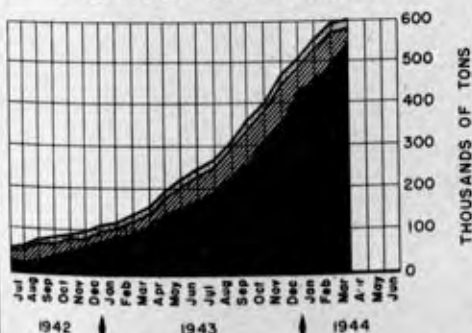
STEEL AND STEEL PRODUCTS



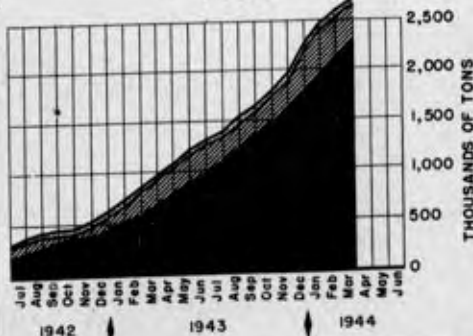
ALUMINUM AND DURALUMINUM



CHEMICALS AND EXPLOSIVES



FOODS



SECRET

PROGRESS OF INDUSTRIAL PROJECTS FOR THE U.S.S.R.

As of March 31, 1944

PETROLEUM REFINERY PROJECT This project was developed to replace Soviet facilities destroyed by the German Army. It was designed to produce aviation gas, motor gas, and lubricating oils. Of the entire project valued at \$43,938,000, equipment valued at \$43,219,000 has been made ready for shipment. Equipment valued at \$39,592,000 has been exported. Most of the equipment remaining to complete the project consists of valves, instruments, spare parts and tank cars which are expected to be shipped before summer. Nineteen U. S. engineers are in the U.S.S.R. aiding in construction.

Orders have gone forward for additions to supplement the facilities already supplied. This additional equipment, valued at \$25,150,000 is now being contracted for.

POWER PROGRAM Under the Second Protocol program 320,000 KW of stationary steam generating equipment has been made available. This includes nine units with a total capacity of 40,500 KW furnished with the petroleum refinery project, and two units totaling 11,000 KW furnished with the tire plant. The remaining units of the Second Protocol program totaling 268,500 KW are rated from 250 KW to 35,000 KW and are for installation as power utility plants. Over 73 percent of this equipment has been exported.

Diesel generating equipment totaling 162,000 KW and 59 industrial steam boilers have been made available for export.

Power equipment approved under the Third Protocol has now been placed under contract. Designing and manufacturing are progressing on schedule. The program consists of generating equipment as follows:

Stationary Steam Generating Equipment	166,500 KW	Mobile Diesel Generating Equipment	32,000 KW
Mobile Steam Generating Equipment	217,000 KW	Hydro-Electric Equipment	68,150 KW
Stationary Diesel Generating Equip.	106,925 KW	Total	590,575 KW

Thirty-two industrial steam boilers and transmission equipment valued at \$5,000,000 are also being supplied.

TIRE PLANT This \$9,000,000 project was designed to permit the production of a minimum of 1,000,000 military tires a year from U.S.S.R. supplies of synthetic rubber and natural rubber obtained from shrubs. To utilize idle American equipment basic elements of the tire plant of the Ford Motor Company have been acquired.

New equipment necessary to complete the production cycle for large size military tires has been purchased. A power plant to supply the necessary steam and electrical power is being supplied at a cost of \$1,100,000.

Tire production equipment valued at \$8,500,000 has been made available by suppliers. Equipment valued at \$6,000,000 has been exported.

The power plant is in production and a small portion has already left the United States.

R.R. BLOCK SIGNAL SYSTEM This project is to permit automatic signal operation of a portion of the U.S.S.R. railroad system. When installed it will increase the carrying capacity of existing rail facilities without increase of rolling stock. The system valued at \$11,508,000 will provide signal and signal operating equipment for 3,000 Km of track. Equipment valued at \$4,217,000 has been made ready for shipment of which \$81,000 has been exported.

In addition 42 power plants of 40 KW each, all valued at \$500,000 are being furnished to provide the necessary electricity to operate the system. Production of the power units has commenced.

ROLLING MILLS An aluminum rolling mill to supply aluminum sheet for the U.S.S.R. aircraft industry is nearly complete. Of the total valued at \$6,377,000, equipment valued at \$6,290,000 has been made ready for shipment and \$5,034,000 has been exported.

One 18" merchant mill, a blooming mill, rail and structural mill, R.R. tie plate and splice bar mill, and a pipe fabricating mill, all estimated to cost \$19,088,000 are now in production. Portions of the 18" merchant mill and the pipe mill have been prepared for shipment. None of this equipment has been exported.

STEEL EXPANSION PROGRAM Production of equipment valued at \$13,212,000 for expansion of U.S.S.R. steel production is now progressing. This equipment, all of which is to supplement existing facilities, is expected to increase Soviet production of carbon steel ingots by 2,500,000 tons a year. Equipment valued at \$1,236,000 has left suppliers of which \$495,000 has been exported.

OTHER PLANTS

	Cost	Manufactured	Exported
Wall Board Plant	\$536,600	\$421,000	0
Glass Bulb and Tubing Plant	1,400,000	0	0
Voltol Plant (Pilot)	142,800	134,000	\$72,600
Nitric Acid Plant	528,300	437,000	0
Hydrogen Gas Plant	531,800	531,800	51,800
Hydrogen and Catalyst Plants	2,616,900	501,000	0

2-1444

SECRET

STATEMENT OF VESSELS SAILED TO U.S.S.R.

As of March 31, 1944

Date of Sailing	Number of Vessels Sailing					Arrived	En Route as of Mar. 31	Cargo Disch. in U. K.	Lost	Losses by Month
	For North Russia	For Persian Gulf	For Soviet Arctic	For Soviet Far East	Total					
1941 Oct	10	-	-	5	15	14	-	-	1	-
Nov	9	1	-	3	13	12	-	-	1	-
Dec	14	7	-	4	25	22	-	-	3	1
1942 Jan	20	-	-	4	24	19	-	1	4	3
Feb	13	2	-	4	19	16	-	-	3	1
Mar	31	6	-	6	43	32	-	4	7	9
Apr	62	6	-	10	78	46	-	13	19	-
May	14	10	-	7	31	21	-	4	6	6
Jun	8	11	6	9	34	27	-	-	7	6
Jul	2	5	16	12	35	34	-	-	1	16
Aug	11	5	1	19	36	33	-	-	3	1
Sep	4	8	-	17	29	29	-	-	-	10
Oct	-	13	-	19	32	32	-	-	-	-
Nov	-	8	-	26	34	32	-	-	2	3
Dec	4	11	-	24	39	38	-	1	-	-
1943 Jan	12	12	-	22	46	38	-	8	-	-
Feb	23*	7	-	28	58	36	-	20	2	1
Mar	1	19	-	26	46	44	-	1	1	2
Apr	-	18	-	37	55	54	-	-	1	1
May	-	15	4	44	63	62	-	-	1	-
Jun	-	4	5	45	54	54	-	-	-	2
Jul	-	17	16	24	57	57	-	-	-	-
Aug	-	24	7	38	69	67	-	-	2	2
Sep	-	27	-	50	77	77	-	-	-	-
Oct	10	25	-	27	62	61	-	-	1	-
Nov	20*	25	-	32	77	76	-	-	1	1
Dec	29*	21	-	39	89	84	3	-	2	-
1944 Jan	30	26	-	27	83	73	10	-	-	3
Feb	17**	16	-	19	52	23	28	-	1	-
Mar	16	21	-	18	55	1	54	-	-	1
Total Oct. 1941 to Mar. 31, 1944	360	370	55	645	1,430	1,214	95	52	69	69

* Includes one tanker from U.K. for U.S. Protocol Account.

** Includes two tankers from U.K. for U.S. Protocol Account.

Of the 1,430 sailings from October 1, 1941 to March 31, 1944, 686 were made by American vessels, 472 by Soviet vessels, 246 by American vessels transferred to Soviet registry, 25 by British vessels and 1 by a Swedish vessel. In addition to the 1,430 sailings, there were 105 ships that loaded partial cargoes in the U.S. for the U.S.S.R. In addition to the 69 ships shown above as lost, several ships have been sunk on their return voyages.

ACTUAL SHIPMENTS COMPARED WITH PROTOCOL SHIPPING OBJECTIVES

July 1943-March 1944
FIGURES IN LONG TONS

	Atlantic Route	Pacific Route	Total
Protocol Objective	1,607,100	1,808,000	3,415,100
Shipments	2,498,800*	1,855,500	4,354,300
Shipments in % of Objective	155.5%	102.6%	127.5%

* Includes 92,500 tons of petroleum products from Abadan for U. S. Protocol account, the material being replaced to U. K. from the U. S.

9-4444

Regraded Unclassified

SECRET

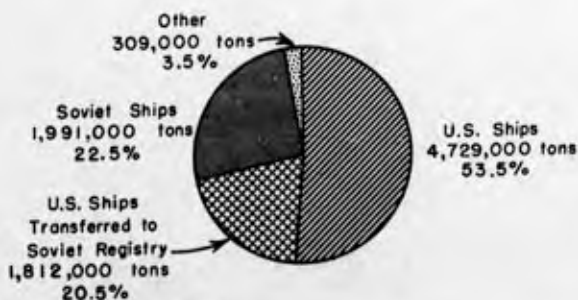
STATEMENT OF CARGO SHIPPED TO U.S.S.R.

As of March 31, 1944

(Thousands of Gross Long Tons)

Month	For North Russia	For Persian Gulf			For Soviet Arctic	For Soviet Far East		Total	Arrived	En Route as of Mar. 31	Cargo On Hand or Diverted In U. K.	Lost	Losses by Month
		Full Cargoes	Partial Cargoes	From Abadan		Full Cargoes	Partial Cargoes						
1941 Oct	48	-	-	-	-	17	-	65	62	-	-	3	-
Nov	41	3	-	-	-	14	-	58	55	-	-	3	-
Dec	50	10	-	-	-	11	-	71	63	-	-	8	3
1942 Jan	63	-	-	-	-	26	-	89	72	-	1	16	9
Feb	66	4	1	-	-	20	-	91	76	-	-	15	5
Mar	171	17	4	-	-	25	-	214	163	-	5	46	42
Apr	376	21	-	-	-	38	-	435	267	-	40	128	-
May	92	79	8	-	-	33	-	212	141	-	19	52	38
Jun	55	84	7	-	18	31	-	195	139	-	-	56	55
Jul	13	39	25	-	46	59	1	183	174	-	-	9	114
Aug	69	40	25	-	2	83	-	219	197	-	-	22	7
Sep	28	63	9	-	-	79	-	179	179	-	-	-	65
Oct	-	109	12	-	-	108	-	229	229	-	-	-	2
Nov	-	66	5	-	-	106	1	178	165	-	-	13	17
Dec	29	83	9	-	-	123	-	244	237	-	7	-	2
1943 Jan	73	83	4	-	-	98	-	258	210	-	48	-	2
Feb	173	40	-	-	-	129	-	342	178	-	150	14	8
Mar	9	131	-	-	-	123	-	263	246	-	9	8	16
Apr	-	138	5	-	-	194	-	337	330	-	-	7	7
May	-	112	9	-	13	216	-	350	343	-	-	7	-
Jun	-	25	4	-	16	229	1	275	275	-	-	-	15
Jul	-	116	10	9	58	152	-	345	345	-	-	-	-
Aug	-	173	4	7	32	261	-	477	463	-	-	14	14
Sep	-	194	4	8	-	313	-	519	519	-	-	-	-
Oct	66	187	6	11	-	181	-	451	442	-	-	9	-
Nov	145	194	1	10	-	229	-	579	571	-	-	8	9
Dec	214	167	-	10	-	262	-	653	612	27	-	14	-
1944 Jan	222	202	-	11	-	176	-	611	540	71	-	-	22
Feb	127	114	-	13	-	100	-	354	152	194	-	8	-
Mar	110	150	-	14	-	91	-	365	22	343	-	-	8
Total Oct. 1941 to Mar. 31, 1944	2,240	2,644	149	93*	185	3,527	3	8,841	7,467	635	279	460	460

* Petroleum products by rail ex Abadan for U. S. Account, replacement to U. K. from U. S.

DISTRIBUTION OF TONNAGE SHIPPED TO MARCH 31, 1944
BY REGISTRY OF SHIPS

DATA ARE GROSS LONG TONS

8-3448

SECRET

AIRCRAFT DELIVERIES TO U.S.S.R.

October 1, 1941 to March 31, 1944

Precedent requirements are considered filled upon delivery of aircraft from factories.

Departure points from North America are: U.S. ports for water shipments, Fairbanks for flight-deliveries via the Alaskan-Siberian Ferry Route, and Miami, Florida or adjacent fields for flight-deliveries via the South Atlantic. Planes shipped by water to North Russia are considered delivered upon arrival at Murmansk or Archangel. Planes shipped by water to the Persian Gulf are assembled at Abadan and with planes arriving there over the South Atlantic Ferry Route are delivered at Abadan to U.S.S.R. pilots. Alaskan-Siberian Ferry route planes are delivered to Soviet pilots at Fairbanks.

With the exception of 99 P-40 fighters shipped from U.S. ports in September, 1941 and arrived in North Russia in November and December 1941, this schedule includes all aircraft departed from the U.S. for direct delivery to the U.S.S.R. Aircraft shipped from the U.S. intended for use in the United Kingdom but retransferred from the United Kingdom to the U.S.S.R. are not included.

	Delivered at Factories	In North America Mar. 31, 1944		Lost in North America		Departed North America	Lost After Departure	Diverted to Others	En Route N.A. to Destination 3/31/44	Arrived at Destination	Delivered to USSR at Destination
		In U.S.	In Canada and Alaska	In U.S.	In Canada and Alaska						
BY ROUTE											
Alaskan-Siberian Ferry Route	3,844	187	124(44)*	51	40	3,442	0	0	0	3,442	3,442
South Atlantic Ferry Route to Abadan	975	66	0	16	0	891	39	1	17	834	830
Water to North Russia	1,483	0	0	0	0	1,483	310	1	30	1,142	1,142
Water to Persian Gulf Assembly at Abadan	3,793	147	0	0	0	3,646	175	0	352	3,119	2,882
Total	10,095	402	124(44)*	67	40	9,462	524	2	399	8,537	8,276
U.S. PROPOSED ACCOUNTS											
Pursuit Planes											
P-40 Alekh	50	0	0	0	2	48	0	0	0	48	48
P-40 North Russia, water	1,149	0	0	0	0	1,149	248	1	21	879	879
P-40 Persian Gulf, water	742	21	0	0	0	721	25	0	80	616	(4)** 591
P-39 Alekh	690	55	27(9)*	5	12	591	0	0	0	591	591
P-39 North Russia, water	57	0	0	0	0	57	7	0	0	50	50
P-39 Persian Gulf, water	1,012	36	0	0	0	976	28	0	50	898	(1)** 848
P-47 Alekh	3	0	0	0	0	3	0	0	0	3	3
P-47 North Russia, water	97	34	0	0	0	63	0	0	58	5	0
P-47 Persian Gulf, water	3	0	0	0	0	3	0	0	3	0	0
P-43 North Russia, water	3	0	0	0	0	3	0	0	3	0	0
Total Pursuit Planes	3,806	146	27(9)*	5	14	3,614	308	1	215	3,090	(5)** -
Light Bombers											
A-20 Alekh	1,159	42(a)	42(24)*	20(a)	8	1,047	0	0	0	1,047	1,047
A-20 South Atlantic	847	68	0	16	0	763	35	1	17	710	686
A-20 North Russia, water	165	0	0	0	0	165	39	0	0	126	126
A-20 Persian Gulf, water	637	0	0	0	0	637	79	0	0	558	558
Total Light Bombers	2,808	110	42(24)*	36	8	2,612	153	1	17	2,441	2,417
Medium Bombers											
B-25 Alekh	337	31(b)	8(3)*	0	1	297	0	0	0	297	297
B-25 South Atlantic	128	0	0	0	0	128	4	0	0	124	124
B-25 North Russia, water	5	0	0	0	0	5	0	0	0	5	5
Total Medium Bombers	470	31	8(3)*	0	1	430	4	0	0	426	426
Heavy Bombers											
B-24 Alekh	1(a)	0	0	0	0	1	0	0	0	1	1
Cargo Planes											
C-47 Alekh	278	13	8(3)*	1	0	256	0	0	0	256	256
Observation Planes											
O-52 North Russia, water	30	0	0	0	0	30	11	0	0	19	19
Advanced Trainers											
AT-6-C North Russia, water	8	0	0	0	0	8	0	0	3	5	5
AT-6-C Persian Gulf, water	22	0	0	0	0	22	0	0	0	22	(1)** 20
Total Advanced Trainers	30	0	0	0	0	30	0	0	3	27	(1)** -
U.S. PROPOSED ACCOUNTS											
(Under Reciprocal Agreements)											
P-40 Persian Gulf, water	300	0	0	0	0	300	0	0	0	300	-
P-39 Alekh	1,296	46	39(5)*	25	14	1,172	0	0	0	1,172	1,172
P-39 North Russia, water	35	0	0	0	0	35	5	0	0	30	30
P-39 Persian Gulf, water	862	56	0	0	0	806	43	0	164	599	(1)** -
Total (Pursuits)	2,493	102	39(5)*	25	14	2,313	48	0	164	2,101	(1)** -
REINFORCEMENT ACCOUNT											
P-39 Alekh	30	0	0	0	3	27	0	0	0	27	27
P-39 North Russia, water	28	0	0	0	0	28	0	0	0	28	(1)** -
P-39 Persian Gulf, water	121	0	0	0	0	121	0	0	0	121	(1)** -
Total (Pursuits)	179	0	0	0	3	176	0	0	0	176	(1)** -

* At Fairbanks

** Water shipments received at Abadan washed out before delivery to U.S.S.R. pilots.

(a) Includes 3 A-20's refused by U.S.S.R. at Fairbanks returned to Great Falls for adjustments.

(b) Includes 3 B-25's refused by U.S.S.R. at Fairbanks returned to Great Falls for adjustments.

(c) One heavy bomber carrying a U.S. Mission became stranded in Siberia and was transferred to the Soviet Government.

(d) Includes 1 A-20 refused by U.S.S.R. at Fairbanks - washed out after return to U.S. for adjustments. Includes loss of 1 A-20 in U.S. after departure from Great Falls.

(e) As of March 31, 1944, 676 P-40's and 1,509 P-39's were reported as delivered to U.S.S.R. pilots at Abadan. This data is not in detail as to U.S. and U.S. account.

5-5555

Regraded Unclassified

EXPORTS AND AVAILABILITY

As of March 31, 1944

SECRET

Sheet 1

Item	2nd Protocol Performance July 1, 1943 - March 31, 1944			Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to March 31, 1944						
	3rd Protocol Offering a	Offered to Date b	Made Avail. To Date c	During Mar. 1944	7/1/43 - 3/31/44	Made Avail. e	Exported	Arrived d	Lost	Diverted After Export g	In U.S. Limiting Forwarding h	Balance On Hand Mar. 31 1944 i
MILITARY ITEMS												
Aircraft f												
For U. S. Protocol Accounts												
Parrot Planes	2,400	1,800	1,800	227	1,733	3,806	3,624					
Light Bombers	1,300	900	900	113	890	2,808	2,612					
Medium Bombers	300	225	250	45	224	470	430					
Heavy Bombers	0	0	0	0	0	1	1					
Coastal Bombers	240	180	198	23	173	378	256					
Advanced Trainers	0	0	0	0	0	30	30					
Observation Planes	0	0	0	0	0	30	30					
PT-5 Patrol Bombers	0	0	48	0	0	48	0					
For U.S. Protocol (Under Reciprocity Agreement)												
Parrot Planes	1,800	1,350	1,343	222	1,318	2,493	2,313					
For Reimbursement Account												
Parrot Planes	0	0	0	0	0	179	176					
Link (Ground) Trainers	0	0	10	5	5	10	5					
Aircraft Landing Mats (tons)	0	0	8,533	0	8,533	8,533	8,533	8,533	0	0	0	5
			3 runways									
Trucks f												
Light Trucks	2,000	1,500	1,396	0	1,468	1,680	1,680	1,237	443	0	0	0
Medium Trucks	0	0	0	0	0	3,096	3,004	2,309	395	0	0	310
Trucks, etc. f												
AA Guns 90 mm.	0	0	94	0	136	224	224	196	8	0	20	0
AA Guns 40 mm.	0	0	3,434	408	4,526	4,609	4,601	3,869	196	0	0	536
AA Guns 37 mm.	0	0	0	0	0	424	424	340	16	0	68	0
AA 50 Cal. mg.	0	0	0	0	1,025	0	1,825	1,425	0	0	400	0
AA Guns 37 mm. S. P.	0	0	100	50	100	100	100	25	0	0	0	75
(A guns per vehicle)												
AA Guns 50 Cal. S. P.	0	0	899	349	783	899	783	196	0	0	0	587
AT Guns 37 mm.	0	0	0	0	0	63	63	35	28	0	0	0
AT 75 mm. S. P. (Tank Destroyers)	0	0	5	0	5	5	5	5	0	0	0	0
AT 37 mm. S. P. (Tank Destroyers)	0	0	657	0	657	657	657	657	0	0	0	0
AT 3" S. P. (Tank Destroyers)	0	0	50	0	52	52	52	52	0	0	0	150
Submachine Guns .45 Cal.	0	0	0	150	850	0	133,433	110,293	23,190	0	0	0
Recoil Launchers	0	0	0	0	0	3,000	3,000	0	0	0	0	0
Mortars, 81 mm.	0	0	0	0	0	30	30	30	0	0	0	0
Field and Recoilless	0	0	5,000	3,500	11,500	11,500	11,500	8,000	0	0	0	3,500
Ammunition is being supplied for all weapons furnished by the U.S. in accordance with standards prescribed by U. S. Forces. Additional ammunition is furnished for weapons of Soviet manufacture.												
Trucks (with equipment and spare parts including tires)												
Coastal and Reconnaissance (1/4 ton)			6,812	1,124	5,766	11,416	10,414	8,538	78	598	0	1,200
Trucks (1 1/2 ton)			45,129	2,838	44,582	104,552	98,813	83,577	6,190	1,826	1,446	5,774
Trucks (2 1/2 ton)			41,982	5,994	37,634	101,358	93,098	76,566	4,176	704	3,418	8,234
Trucks (3 ton and over)			124	0	28	178	82	54	0	0	0	10
Truck Transporters (20 & 40 ton)			228	6	200	304	276	250	16	0	0	0
Total Trucks	132,000	94,000	94,235	9,940	88,210	218,008	202,483	168,985	10,460	3,128	4,864	15,246
Other Vehicles f												
Armored Scout Cars	4,500	-	2,182	191	1,449	3,096	2,563	2,063	193	0	0	334
Jeeps (1/2 ton and 1 ton)	24,000	18,000	17,055	777	14,961	42,187	37,409	31,051	3,657	1,378	0	1,323
Amphibious Jeeps (1/2 ton)	600	450	476	44	330	805	599	549	54	0	0	56
Personal Carriers (1/2 ton)	0	0	2	0	2	2	2	2	0	0	0	0
Coastal Carriers (1 1/2 ton, 1/2 ton)	12,000	9,000	9,912	1,214	9,736	22,012	21,134	16,388	1,706	1,100	0	1,942
Motorcycles	2,400	1,800	1,826	146	1,996	4,971	3,789	3,126	223	0	155	283
Tractors (Artillery Prime Movers)	0	0	0	0	130	143	130	130	0	0	0	0
Truck Recovery Units	0	0	145	0	130	143	130	130	0	0	0	45
Field Repair Trucks	0	0	278	27	710	1,437	1,014	966	3	0	0	122
Gas and Diesel Engines for Trucks	0	0	2,584	22	2,123	3,107	2,490	2,368	0	0	0	0
Signal Equipment f												
Radio Stations (over 1 KW)	61	35	12	0	10	0	10	10	0	0	0	0
Radio Stations (1 KW & under)	12,000	10,050	12,538	1,974	9,998	0	20,469	16,263	122	32	0	4,052
Radio Receivers	2,230	1,480	2,001	26	1,356	0	1,813	1,764	0	0	0	69
Ground Radio Locators	0	0	5	0	20	0	25	25	0	0	0	50
Radio Beacons	0	0	202	0	157	0	157	107	0	0	0	0
Radio Direction Finders	150	100	68	0	28	0	28	28	0	0	0	21
Radio Parts & Access. (\$1000)	0	0	665	21	821	0	2,112	2,087	4	0	0	44
Radio Main. & Test. Equip. (\$1000)	3,000	2,250	516	44	290	0	489	443	2	0	0	0
Radio Tubes (1000 units)	2,400	1,788	1,766	0	0	0	284,743	224,495	32,618	600	11,400	15,200
Field Telephones	100,000	75,000	108,300	6,800	96,452	0	889,107	714,636	237,619	0	12,404	34,548
Field Telephone Wire (miles)	186,000	168,000	168,490	29,245	211,053	0	15,139	14,342	103	0	0	694
Gas Driven Generators	4,000	3,500	3,967	266	4,076	0	188,716	183,946	0	0	0	4,800
Dry Cells for Radios	0	0	0	4,800	149,778	100,000	85,000	85,000	0	0	0	0
Flashlights with Dry Cells	0	0	45,000	0	60,080	0	0	0	0	0	0	0

Notes: All tons are 2,000 lbs. net weight

- Data not available
- Offerings selected by the U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been envisaged and will reduce production below offerings in some instances. Offerings for which no monthly schedule are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- Free production or assignments in addition to quantities made available but not exported at the end of Second Protocol period and after deductions of quantities reprocessed or diverted before export.
- Free production or assignments after deductions of quantities reprocessed or diverted before export.
- Includes shipments for clearance through Persian Gulf ports.
- 1943 shipments discharged in U.S. considered as coming forwarding where other data is not yet available.
- Armaments, spare parts and other equipment supplied in accordance with U.S. standards.

Item	3rd Protocol Performance July 1, 1943 - March 31, 1944			Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to March 31, 1944						
	3rd Protocol Offering a	Offered to Date a	Made Avail. To Date b	During Mar. 1944	7/1/43 - 3/31/44	Made Avail. c	Exported	Arrived d	Lost	Diverted After Export e	In U. S. Awaiting Forwarding f	En Route Mar. 31 1944 g
MILITARY ITEMS (cont.)												
Explosives (tons)												
Smokeless Powder	72,700	54,400	66,438	1,279	65,764	115,861	104,512	89,965	4,910	0	5,369	4,268
Nitroglycerine Powder			1,322	395	701	1,322	701	306	0	0	0	395
T. N. V.	26,880	20,160	33,590	810	43,038	84,241	76,906	68,864	3,849	290	2,453	1,510
Dynamite (ammunition)	0	0	11,976	0	12,306	21,803	18,617	18,617	0	0	0	0
Total Explosives (Tons)	99,580	74,560	115,086	2,084	121,809	223,227	200,736	177,738	8,759	290	7,822	6,173
Construction Equipment f, g												
Road and Airport Constr. and Main. Equip. (\$1,000)	0	0	546	0	0	1,016	962					
Tractor Mounted Constr. Eq. (\$1,000)	0	0	397	0	0	383	313					
Miners and Pumps (\$1,000)	0	0	397	0	0	645	320					
S.N. Constr. and Eq. (\$1,000)	0	0	36	0	0	635	545					
Railroad Transportation Eq. f												
S.N. Locomotive - Steam	300	290	388	33	249	388	249					
S.N. Flat Cars	10,000	6,200	3,892	267	1,266	3,882	1,266					
S.N. Dump Cars	0	0	0	0	0	0	0					
S.N. Tank Cars	0	0	30	18	80	100	80					
Other Military Items f												
Pyrotechnic Flares	0	0	0	0	0	3,000	3,000	2,398	592	0	90	0
Bridges, Cableway	0	0	15	11	15	15	15	1	0	0	0	11
Barbed Wire Cutters (\$1,000)	0	0	0	0	368	0	648	648	0	0	0	0
Smoke Pots	0	0	763,110	97,006	646,520	766,110	651,520	448,548	0	0	0	202,972
Portable Pipeline (100 mile units complete with pumps, etc.)	0	0	2	0	2	2	2	2	0	0	0	0
Quartermaster Items												
Leather (Tons)	18,000	13,500	8,956	1,170	12,081	38,213	35,356	28,637	4,733	774	0	1,212
Army Boots (1000 pr.)	3,600	2,700	2,977	513	3,238	7,665	7,217	5,876	555	0	296	530
Std Boots (1000 pr.)	0	0	100	0	109	225	168	153	0	0	4	11
Leather Suits (1000 units)	0	0	1,068	89	500	2,448	1,831	1,622	193	0	0	216
Leather Jackets (1000 units)	0	0	36	0	0	176	0	0	0	0	0	0
Woolen Cloth (1000 yds.)	18,000	13,500	13,583	3,175	21,962	39,049	30,581	22,883	1,258	0	1,089	5,351
Cotton Cloth (1000 yds.)	26,045	19,795	31,489	5,223	40,981	321,200	44,538	48,165	1,774	0	1,478	9,921
Wooling (1000 yds.)	12,000	10,500	15,784	3,141	12,655	59,436	34,312	27,000	2,427	0	2,027	2,888
Tarpaulin & Duck (1000 yds.)	3,000	2,250	2,171	0	0	10,151	0	0	0	0	0	0
Other U.S. Textiles (\$1,000)	0	0	2,987	781	4,206	6,392	5,258	3,655	206	0	3	1,374
U.S. Apparel (\$1,000)	0	0	3,222	787	4,641	7,967	7,357	4,790	47	0	896	1,624
Medical Supplies												
Drugs, Instruments, Eq., Etc., (\$1,000) (Protocol quantities only)	12,000	9,000	6,135	0	0	0	0					

Notes: All tons are 2,000 lbs. net weight.

00 Data not available

- a Offerings selected by the U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- b From production or assignments in addition to quantities made available but not exported at the end of Second Protocol period and after deductions of quantities repossessed or diverted before export.
- c From production or assignments after deductions of quantities repossessed or diverted before export.
- d Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf ports.
- e 1943 shipments discharged in U.S. considered as awaiting forwarding where other data is not yet available.
- f Ammunition, spare parts and other equipment supplied in accordance with U.S. standards.
- g This equipment substituted for trucks during the Third Protocol period.

Item	3rd Protocol Performance July 1, 1943 - March 31, 1944			Exported		Cumulative Performance 1st, 2nd and 3rd Protocols October 1, 1941 to March 31, 1944						
	3rd Protocol Offering a	Offered to Date a	Made Avail. To Date b	During Mar. 1944	7/1/43 - 3/31/44	Made Avail. c	Exported	Arrived d	Lost	Directed After Export e	In U.S. Awaiting Forward- ing f	Balance on Route Mar. 31 1944 g
NAVAL & MARINE EQUIPMENT												
Marine Diesel Engines	773	647	725	137	632	1,203	999	813	9	0	0	167
Marine Gasoline Engines	156	156	1,324	72	1,795	3,377	3,033	2,658	46	0	65	264
Outboard Motors	0	0	400	35	450	600	600	600	0	0	0	35
Dry Cargo Vessels Transferred	-	-	5	0	5	58	58	13	13	0	0	0
Tankers Transferred	10	10	10	0	10	10	10	10	0	0	0	0
Minersweepers	0	0	12	0	12	12	12	30	0	0	0	0
Submarine Chasers	0	0	30	0	30	30	30	1	1	0	0	0
Landing Boats	0	0	1	6	1	1	1	22	3	7	0	23
Icebreakers Transferred	0	0	55	6	43	67	55	0	0	0	0	0
Motor Torpedo Boats	0	0	0	3	47	70	47	13	2	0	0	32
Crash Boats	0	0	20	51	327	-	403	214	6	0	36	147
30/50 Cal. D.D. Deck Guns	200	100	257	6	144	-	144	126	6	0	0	12
30/50 Cal. D.D. Deck Guns	0	0	0	0	0	-	8	8	0	0	0	0
50 Cal. A.A. Machine Guns	900	600	324	0	400	-	400	350	0	0	0	50
50 Cal. Twin Machine Guns	500	250	718	150	968	-	1,748	1,337	111	150	0	150
Artillery Guns (20 mm.)	0	0	0	0	0	0	0	0	0	0	0	0
Assembly for Naval Armament	15	15	6	7	22	22	22	19	0	0	2	1
Storage Batteries for Subs.	850	858	446	18	155	692	316	287	0	0	0	29
Diesel Generators & Gen. Compressors	300	225	100	0	0	100	0	0	0	0	0	0
Gas Engine Generators	0	0	0	0	0	0	0	0	0	0	0	0
Marine Turbo Generators	10	10	0	0	10	14	14	14	0	0	0	0
Elect. Motors, Motor Gen's and Generators	2,250	1,991	650	0	422	650	422	422	0	0	0	0
Portable Water Pumps	425	213	59	0	41	65	41	41	0	0	0	0
Marine Pumps - Non-Portable	257	257	410	10	235	411	235	133	0	0	0	102
Marine Turbo-Pumps	0	0	0	0	63	72	63	46	0	0	0	17
Underwater Electric Pumps	100	0	0	0	0	0	0	0	0	0	0	0
Portable Air Compressors	60	30	0	0	0	0	0	0	0	0	0	18
Diving Salvage Stations	40	20	20	0	18	20	18	0	0	0	0	0
Elect. Welding & Cutting App. (sets)	60	30	0	0	0	0	0	0	0	0	0	0
Elect. & Pneumatic Underwater Tools	60	30	7	0	67	320	308	308	0	0	0	0
Portable Electric Stations	60	30	66	8	76	80	76	66	0	0	0	8
Jettying Equip. for Salvage (sets)	20	20	0	0	0	0	0	0	0	0	0	1
Vertical Steam Boilers	10	10	0	0	0	3	3	2	0	0	0	0
Submarine Rescue Chambers	1	1	1	0	1	1	1	1	0	0	0	0
Windlasses with Motors	5	5	4	0	4	4	4	4	0	0	0	0
Elect. Ventilating Sets	649	649	649	0	104	649	225	225	0	0	0	0
Marine Turbo-Ventilators	8	8	6	0	32	32	32	32	0	0	0	30
Air Tanks	15	15	30	30	30	30	30	0	0	0	0	0
Towing Winches	10	10	0	0	0	0	0	0	0	0	0	0
Relay & Changeover Switches	3,000	3,000	0	0	850	4,365	850	850	0	0	0	0
Watertight Junction Boxes	240	240	240	0	162	240	162	162	0	0	0	0
Auxiliary Equip. for Ships (sets)	10	10	-	0	0	-	-	-	0	0	0	0
Elect. Instruments & Fixtures (\$1000)	100	75	144	0	144	146	146	145	0	0	0	1
Water Diving Suits	0	0	100	0	100	100	100	100	0	0	0	0
Optical & Navig. Instru. etc. (\$1000)	0	0	0	15	15	66	83	79	0	0	0	15
Naval Aircraft Equip. (\$1000)	0	0	0	0	95	95	15	0	0	0	121	99
Torpedo Equipment (\$1000)	0	0	0	0	318	318	237	485	0	0	13	44
Other Marine Mach. & Equip. (\$1000)	0	0	0	0	318	318	542	368	0	0	0	17
Other Elec. Mach. & Equip. (\$1000)	0	0	0	0	3	365	405	894	1	0	0	10
Other Radio Equipment (\$1000)	0	0	0	0	4	412	905	894	1	0	0	11
Elect. Stores & Equip. (\$1000)	0	0	0	61	1,953	3,083	3,072	0	0	0	0	0

Notes: * Estimated

** Data not available

- Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities repossessed or diverted before export.
- From production or assignments after deductions of quantities repossessed or diverted before export.
- Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf ports.
- 1943 shipments discharged in U.K. considered as awaiting forwarding where other data is not yet available.

Item	3rd. Protocol Performance July 1, 1943 to March 31, 1944				Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to March 31, 1944						
	3rd Protocol Offering	Offered to Date	Not Avail. To Date a	During Mar. 1944	7/1/43 - 3/31/44	Not Avail. a	Exported	Arrived b	Lost	Diverted After Export c	In U.S. Smuggling Forward- ing d	Shipment En Route Mar. 31 1944 e	
FOODSTUFFS (tons)													
Wheat			26,144	0	26,144	55,392	55,392	42,754	600	0	0	12,038	
Other Grains			2,208	0	2,208	5,362	5,362	5,362	0	0	0	0	
Wheat Flour			248,764	44,368	248,764	486,554	486,554	402,854	7,010	5,062	0	71,630	
Other Flour			8,822	680	8,822	20,163	20,163	19,483	0	0	0	680	
Other Meals Grain Mill Prods.			6,529	720	6,529	21,148	21,148	20,298	130	0	0	720	
Other Flaked Cereals & Prods.			28,116	0	28,116	81,921	81,921	77,335	1,065	528	0	2,993	
Grain Pans and Beans			98,050	1,236	98,050	210,172	210,172	174,343	7,726	23,138	0	4,957	
Total Wheat, Cereals, etc.	500,000	375,000	418,633	47,004	418,633	880,714	880,714	742,427	16,531	28,728	0	93,028	
Sugar from U.S. Mainland	112,000	84,000	187,446	5,416	187,446	358,395	358,395	280,339	16,481	12,364	0	49,211	
Sugar from Other Sources	224,800	168,600	29,000	29,000	29,000	55,517	55,517	26,517	0	0	0	29,000	
Canned Meat			98,045	3,424	98,045	328,673	328,673	285,999	17,254	14,842	581	9,997	
Canned Tushons			103,389	103,389	103,389	108,484	108,484	94,018	1,288	0	0	13,178	
Canned (Dehydrated) Meats			4,995	613	4,995	5,672	5,672	4,989	0	0	0	683	
Total Canned Meat	213,161	157,161	206,429	14,831	206,429	442,829	442,829	385,006	18,542	14,842	581	23,858	
Animal Meats			4,220	275	4,220	16,281	16,281	15,478	499	302	0	3	
Meats & Meat Preparations - not canned			94	22	94	258	258	236	0	0	0	22	
Cattle's Spread			2,481	999	2,481	2,481	2,481	819	0	0	0	1,662	
Lard			81,231	5,153	81,231	151,011	151,011	114,621	6,861	16,846	0	12,683	
Pork Cuts			97,737	4,459	97,737	188,453	188,453	174,732	3,198	4,142	0	6,381	
Other Animal Fats & Oils			7,832	253	7,832	23,210	23,210	20,950	637	539	0	1,084	
Total Animal Fats, Fat Cuts and Meat Products	308,000	231,000	493,995	11,171	493,995	381,694	381,694	326,836	11,195	21,829	0	21,834	
Butter	39,200	29,400	29,514	0	29,514	51,312	51,312	49,324	1,010	735	0	243	
Vegetable Oil			120,976	12,918	120,976	240,661	240,661	205,056	684	0	0	34,921	
Shortening			12,526	387	12,526	24,746	24,746	22,022	266	2,140	0	298	
Olive/Olive Oil			32,223	1,191	32,223	36,986	36,986	34,327	537	0	0	2,122	
Total Vegetable Oils, etc.	222,312	167,851	166,753	14,496	166,753	302,393	302,393	261,405	1,507	2,140	0	37,341	
Soy Flour			34,840	5,382	34,840	37,234	37,234	36,630	1,122	0	0	9,482	
Soy Grains			16,454	3,822	16,454	16,454	16,454	11,289	0	0	0	5,325	
Dried Milk			29,751	50	29,751	46,730	46,730	37,665	896	4,394	0	3,775	
Canned Milk (Condensed & Evap.)			5,874	0	5,874	11,173	11,173	10,841	282	0	0	50	
Dried Eggs			30,662	4,343	30,662	61,695	61,695	46,254	4,622	5,296	0	5,513	
Dried Fruits			300	0	300	983	983	983	0	0	0	0	
Dried Vegetables (except peas and beans)			3,288	0	3,288	3,845	3,845	2,929	0	0	0	916	
Concentrated Cereals			5,189	90	5,189	6,329	6,329	5,934	95	0	0	300	
Dried Soups			6,476	25	6,476	6,747	6,747	6,532	105	0	0	110	
Cheese			14,864	20	14,864	18,585	18,585	18,244	295	0	0	46	
Fruit & Vegetable Pastes and Purees			2,951	0	2,951	3,361	3,361	1,713	0	0	0	1,648	
Concentrated Juices			1,189	0	1,189	1,564	1,564	1,564	0	0	0	0	
Total Concentrates	177,000	132,750	151,868	13,732	151,868	214,860	214,860	170,588	7,417	9,690	0	27,165	
Soap			1,270	0	1,270	6,074	6,074	5,897	111	0	0	66	
Soap Stock			0	0	0	322	322	0	0	322	0	0	
Total Soap and Soap Stock	11,200	8,400	1,270	0	1,270	6,396	6,396	5,897	111	322	0	66	
Canned Fruits			170	0	170	501	501	501	0	0	0	0	
Canned Vegetables			581	0	581	1,323	1,323	1,323	0	0	0	0	
Fresh Fruits			49	0	49	53	53	53	0	0	0	0	
Fresh Vegetables			1,030	0	1,030	1,100	1,100	1,100	0	0	0	0	
Table Salt			320	0	320	1,856	1,856	1,856	0	0	0	0	
Tea			249	0	249	871	871	871	0	0	0	0	
Coffee			4,053	0	4,053	6,817	6,817	3,311	0	560	0	2,926	
Spices			1,153	13	1,153	1,224	1,224	1,214	0	0	0	10	
Flavoring Extracts			15	0	15	187	187	185	2	0	0	0	
Meat Nuts from Turkey			3,638	0	3,638	3,638	3,638	3,638	0	0	0	0	
Other Nuts			1	0	1	58	58	58	0	0	0	14	
Teas			414	0	414	723	723	577	0	112	0	34	
Vitamins			103	12	103	371	371	314	5	36	0	6,357	
Seeds, Land-Lease			7,997	3,292	7,997	16,120	16,120	9,745	18	0	0	0	
Other Foodstuffs			1,547	0	1,547	2,347	2,347	2,346	1	0	0	0	
Feed			3,282	0	3,282	5,258	5,258	5,258	0	0	0	0	
Total Non-Protocol Foods	0	0	24,202	3,315	24,202	42,447	42,447	32,370	26	708	0	9,343	
Seeds, Russian War Relief	0	0	283	112	283	1,993	1,993	1,876	0	0	0	117	
Total Foodstuffs (tons)	1,807,673	1,354,165	1,417,965	139,077	1,417,965	2,738,550	2,738,550	2,282,585	72,820	91,358	581	291,206	

Notes: All tons are 2000 lbs. net weight.

- Petroleum Products and Foodstuffs made available as exported.
- Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf ports.
- 1943 shipments for clearance through Persian Corridor reported arrived in Washington.
- 1943 shipments discharged in U.S. considered as smuggling forwarding when other data is not available in Washington.
- By agreement commitment for "Wheat, Flour, Cereals, etc." increased by 100,000 tons with a corresponding reduction in "Sugar from Other Sources."
- By agreement "Canned Meat" commitment reduced by 2.17 tons for each ton of dehydrated meat shipped.
- 2000 l.t. of account oil being furnished by U.S. as a transfer of commitment under Article V. U.S. commitment reduced 418 s.t. monthly February - June.

Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to March 31, 1944				Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to March 31, 1944			
Ref.	Item	Wds Available	Exported	Ref.	Item	Wds Available	Exported
MACHINERY AND EQUIPMENT (a) (Data are \$1000)				MACHINERY AND EQUIPMENT (a) (cont.) (Data are \$1000)			
V-1	Engines and Turbines, General Purpose	7,564	5,253	V-37	Drawing Machines	786	19
V-2	Compressors	7,368	6,244	V-38	Other Primary Metal Form. Machinery	304	273
V-3	Pumps	6,747	3,771	V-39	Second. Metal Form. Machinery	65,070*	28,888
V-4	Crushing, Grinding Machinery, etc.	5,962	3,831	V-40	Welding Machinery	4,377	3,528
V-5	Conveyors	741	419	V-41	Metal Testing & Measuring Machinery	999	719
V-6	Cranes, Hoists and Winches	11,740	7,438	V-42	Misc. Metal Working Equipment	107	107
V-7	Ind. Trucks and Tractors	3,297	3,001	V-43	Portable Metal Working Machinery	2,261	1,530
V-8	Fan and Blower Equipment, Ind.	452	110	V-44A	Cemented Carbide Tools	2,637	2,423
V-9	Mech. Power Trans. Equipment	22	-	V-44B	Other Metal Cutting Tools	23,730	21,542
V-10	Bearings	12,253	9,932	V-45	Tools for Metal Form. Machinery	0	0
V-11	Valves and Steam Specs.	4,541	3,327	V-46	Attachments for Machine Tools	1,519	1,046
V-12	Misc. General Purpose Machinery	3,170	1,865	V-47	Tool Room Specialties	0	0
V-13A	Electrical Rotating Equipment	57,534	42,160	V-48	Agricultural Machinery	352	133
V-14	Primary Elect. Distrib. Equipment	2,296	2,126	V-49	Mining and Quarrying Machinery	720	343
V-15	Rectifiers	1,650	520	V-50	Boring and Drilling Machinery	4,152	3,242
V-16	Secondary Elect. Dist. Equipment	999	778	V-51	Well and Blast Hole Drill. Equipment	5,901	4,780
V-17	Motor Starters and Conts.	662	644	V-52	Excavating and Dredge Machinery	17,200	15,084
V-18	Electric Lamps	103	86	V-53	Misc. Construction Equipment	1,107	760
V-19	Misc. Electrical Equipment	1,156	966	V-54	Office Machines	50	44
V-20	Food Production Machinery	402	312	V-55	Miscellaneous Machinery	1,133	508
V-21	Textile Machinery	1,104	582	V-58B	Teletype Apparatus	824	733
V-22	Pulp and Paper Machinery	365	292	V-58C	Telephone & Telegraph Equipment	8,030	3,941
V-23	Printing Machinery	44	44	V-58D	Sound Equipment	309	242
V-24A	Tire Plant	9,000*	6,640	V-58E	Automatic Block Signal System	4,033	81
V-25	Woodworking Machinery	547	242	V-59A	Industrial Locomotives and Cars	1,132	1,084
V-26	Metal Heating Furnaces	13,145	10,597	V-59B	Mining Locomotives and Cars	74	45
V-27	Blast Furnaces, etc.	833	576	V-60	Passenger Cars and Parts	145	172
V-28	Foundry Equipment	845	507	V-61	Airconditioning and Refrig. Equipment	39	39
V-29	Special Industrial Furnaces, etc.	5	3	V-62	Lighting Fixtures	255	243
V-30A	Petroleum Refin. Plants	44,106	40,436	V-63	Photographic Equipment	1,747	1,413
V-30B	Other Petroleum Refin. Machinery	197	89	V-64	Optical, Indic., Instru. etc.	2,920	2,460
V-31	Glass Ind. Machinery	174	174	V-65	Professional and Scientific Instru.	772	533
V-32	Chemical Ind. Machinery	597	74	V-66	Miscellaneous Equipment	427	376
V-33	Gas Generating Apparatus	4,571	2,037	V-67	Hand Tools	601	468
V-34A	Misc. Spec. Industrial Machinery	4,050	1,731	V-68	Mechanics Measuring Tools	1,352	1,097
V-34B	Cart. Mfg. Lines	28,333	22,631	V-69	Power Boilers	7,979	1,910
V-35	Machine Tools	258,900*	194,447				
V-36	Rolling Mills, etc.	8,805	5,155		Total Machinery and Equipment	667,324	478,893

Notes: * Estimated

* Data shown for Machinery and Equipment have been revised to conform with contemplated offering for 4th Protocol. Third Protocol performance will appear in future reports as available.

Item	3rd Protocol Performance July 1, 1943 - March 31, 1944			Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to March 31, 1944						
	3rd Protocol Offering a	Offered to Date a	Made Avail. To Date b	During Mar. 1944	7/1/43 - 3/31/44	Made Avail. c	Exported	Arrived d	Lost	Diverted After Export e	In U. S. Awaiting Forwarding f	Balance In Route Mar. 31 1944 g
MATERIALS												
Copper Cable and Wire												
Marine Cable (miles)	746	560	125	7	241	1,406	1,145	905	127	0	92	21
Submarine Cable (miles)	373	280	74	0	255	839	833	783	50	0	0	0
Insulated Cable (\$1000)	(12,000m)	(9,000m)	17,128	3,141	16,903	40,793	26,832	19,734	668	0	866	5,564
Nare Copper Cable & Wire (tons)	20,000	15,002	ee	6	1,754	ee	4,078	3,734	0	0	80	264
Ferro-Alloys (tons)												
Ferro-Silicon	9,408	7,056	94	280	3,953	8,341	7,910	6,552	1,049	0	28	281
Ferro-Chromium	5,376	4,032	0	1	2,155	4,113	4,140	3,446	494	0	0	200
Ferro-Phosphorus	/	/	223	0	223	225	225	225	0	0	0	0
Ferro-Vanadium	/	/	312	109	312	314	314	204	0	0	0	0
Ferro-Tungsten	/	/	1,142	50	1,071	1,142	1,071	1,021	0	0	0	50
Ferro-Molybdenum	/	/	/	/	/	/	/	/	/	/	/	/
Total Ferro-Alloys (tons)	14,784	11,088	1,771	440	7,714	14,139	13,664	11,452	1,543	0	28	531
Non-Ferrous Metals (tons)												
Aluminum Ingot	35,760	26,820	42,113	3,958	39,211	80,194	77,292	66,871	4,533	0	0	5,688
Aluminum Fabricated	3,600	2,700	16,135	3,267	16,153	49,260	48,598	39,632	2,932	0	14	6,559
Pig Nickel	952 ^a	714 ^a	415	400	2,709	7,722	7,204	5,881	828	0	0	495
Metal Metal Scrap	-	-	1201	22	80	228	185	146	13	0	0	86
Metal Products of Nickel	4,000	3,001	2,822	0	2,679	11,193	11,050	9,038	1,430	0	0	582
Molybdenum Concentrates	-	-	0	0	141	1,146	1,144	1,144	0	0	0	0
Copper, Electrolytic	107,520	80,640	82,986	10,054	77,697	235,799	210,886	155,542	14,550	0	5,209	35,585
Brass, Bronze, etc.	15,000	11,250	9,408	827	8,578	27,536	23,550	20,667	1,193	36	284	1,170
Copper Tubes, etc.	4,032	3,024	2,355	0	2,407	4,373	4,373	4,351	0	0	0	22
Magnesium	13,440	10,080	11,613	1,288	11,588	50,964	50,848	47,237	2,323	0	0	1,288
Slab Slabs	269	202	125	13	153	515	467	442	4	0	0	18
Special Non-Ferrous Wires	538	405	423	53	361	1,151	1,069	924	92	0	25	0
Nickel Wire and Strip	-	-	13	0	75	508	502	477	0	0	0	0
Metal Wire Products	-	-	0	0	30	895	895	895	0	0	0	0
Cerium Metallic	0	0	0	0	4	1,443	1,359	1,101	258	0	0	0
Sodium Metallic	0	0	341	0	11	11	11	11	0	0	0	0
Manganese	0	0	0	0	34	43	43	43	0	0	0	0
Lead	0	0	0	0	8	10	10	10	0	0	0	0
Tin	0	0	67	2	67	217	217	212	5	0	0	0
Aluminum Tin & Nickel Foil	0	0	112	0	5	218	106	86	20	0	0	0
Rabbit Metal	112	56	0	0	0	201	201	201	0	0	0	0
Cobalt	81	81	81	0	70	249	216	216	0	0	0	0
Total Non-Ferrous Metals (tons)	-	-	172,149	19,884	163,192	474,421	440,119	355,220	27,641	36	5,535	51,687
Misc. Non-Ferrous Metals and Products (\$1000)	-	-	91	30	91	101	101	71	0	0	0	30
Steel (tons)												
Sheet	/	/	3,748	1,373	14,475	23,039	20,016	16,882	968	0	288	1,878
Armor Plate	/	/	0	0	0	8,951	5,787	2,897	267	0	0	0
Polished Drill Rods	/	/	186	17	190	442	380	325	2	0	10	43
High Speed Tool Steel	/	/	4,410	335	3,644	9,581	8,283	6,601	386	0	83	1,213
Tool Steel	/	/	11,462	1,766	12,263	26,351	25,336	20,765	1,040	23	446	3,120
Cold Finished Bars	/	/	22,739 ^f	702	40,941	128,534 ^f	111,839	97,242	6,724	280	3,024	4,569
U. S. Aircraft Steel	/	/	43,467 ^f	5,039	65,872 ^f	157,003 ^f	127,086	114,746	2,717	0	657	8,968
Cr. St. Mn. Millate	/	/	(-14,093)	0	3	83,512 ^f	79,288	66,012	9,611	431	3,214	0
Cold Rolled Sheet	/	/	(-345)	-	409	85,397 ^f	81,153	49,079	29,653	1,709	699	1,239
Cold Rolled Strip	/	/	(-26,918)	29	8,130	75,796 ^f	72,764	58,373	11,266	797	1,089	1,182
Stainless Steel	/	/	2,914	531	3,268	8,428	7,004	5,751	90	0	1,902	4,136
Template	/	/	35,797	2,405	14,618	114,760	90,332	72,295	10,602	672	968	571
Steel Wire	/	/	(-25,040)	1,166	24,322	87,894 ^f	80,006	69,133	5,077	0	344	1,336
Wire Rope	/	/	3,980 ^f	766	9,797	29,551 ^f	24,770	22,566	789	0	105	35
Steel Alloy Tubes	/	/	20,742	2,150	16,935	42,390	24,826	21,120	265	0	44	99
Stainless Steel Wire	/	/	394	17	310	2,813	2,413	2,407	94	13	288	4,127
Barbed Wire and Staples	/	/	(-16,583)	0	2,444	52,498 ^f	48,209	36,979	10,338	203	1,571	3,405
Pipe and Tubing	/	/	24,453 ^f	1,681	42,642	148,800 ^f	109,266	81,091	16,189	1,571	4,383	996
U. S. Sheets and Plates	/	/	32,913 ^f	1,254	61,738	210,688 ^f	173,330	145,367	18,642	1,533	0	0
Nails, Wire, Rivets, etc.	/	/	2,608	461	3,847	12,793	7,778	7,182	0	0	0	0

Notes: All tons are 2,000 lbs. net weight.

a Estimated

b Data not available

c Offerings selected by the U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been asserted and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been accepted on the basis of proportional time elapsed.

d From production or assignments in addition to quantities made available but not exported at the end of Second Protocol period and after selections of quantities repossessed or diverted before export.

e From production or assignments after deductions of quantities reported arrived in Persian Gulf ports.

f Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf ports.

g 1943 shipments discharged in U.S. considered as awaiting forwarding where other data is not yet available.

h Contained copper applicable to offering to supply 134,400 short tons of copper during Third Protocol period.

i Data not available in units of offering.

j Ferro-vanadium, ferro-tungsten and ferro-molybdenum are being supplied in place of ferro-chromium and ferro-silicon in small quantities at U.S.S.R. request.

k Contained nickel applicable to Third Protocol offering to supply 2,400 s.t. of nickel in various forms except pig nickel and metal scrap.

l See sheet 7.

E-22

Total Steel (tons)	50,000	379,000	360,000
Note:	The following quantities released from U.S.S.R. export stocks for redistribution have been deducted from amounts made available.		
	July '43 - Oct-1943-		July 1943 Nov. 1943

Notes: All tons are 2,000 lbs. net weight.

- Offerings selected by the U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- From production or assignments in addition to quantities made available but not exported at the end of Second Protocol period and after deductions of quantities reprocessed or diverted before export.
- Free production or assignments after deductions of quantities reprocessed or diverted before export.
- Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf ports.
- 1943 shipments discharged in U.K. considered as awaiting forwarding where other data is not yet available.
- Petroleum Products made available as exported.
- Partially offset by replacements shown below.
- Offset to diversions shown above.
- See Sheet 2.

MATERIALS (cont.)

Notes: 1 The following all of which have been released & have been deducted from amounts made available.

Ammonia Chloride
Ammonia Nitrate
Aniline Oil
Ethylene Dibromide

Other Materials and Products

Notes: All tons are 2,000 lbs. net weight.

Data not available

- a Data not available.
b Offerings selected by the U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Offerings for which no provisions of the Protocol have been exercised and will require production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed since the end of Second Protocol period and after deductions of quantities represented or diverted before export.
c From production or assignments in addition to quantities represented or diverted before export.
d Deductions of quantities represented or diverted before export.
e From production or assignments after deductions of quantities represented or diverted before export.
f Includes shipments for clearance through Persian Corridor reported where other date is not yet available.
g 1943 shipments discharged in U.S. considered as awaiting forwarding where other date is not yet available.
h Data not available in units of offering.
i Contained rubber applicable to Third Protocol offering to supply 40,300 s.t. of natural synthetic and reclaimed rubber in various forms except in Military use.
j Commitment for supply of 4,000 short tons of Harvest Texe during second half of Protocol period assumed by U.S. under Article V of Third Protocol. U.S. commitment reduced by amount of contained steel.

95
Mr. Klotz

The Secretary may
be interested in the
attached

RLL

5/15/44

Decy read, but said
he did not want
to do anything about it

MR. LUXFORD

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

INTER-OFFICE COMMUNICATION

STRICTLY CONFIDENTIAL

DATE May 13, 1944

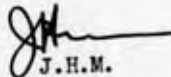
TO Mr. Ansel F. Luxford

FROM James H. Mann

I have just been informed that Carl Spaeth, who formerly was in the Coordinator's Office and subsequently the American representative on the Inter-American Committee for Political Defense which sat in Montevideo, has been called home from the latter post to take over as Chief of the Division of River Plate Affairs in the Department of State. Eric Wendelin, a good friend of mine, has just arrived in Washington from the Embassy in Buenos Aires where he will serve as Assistant Chief of that division.

As you know, Spaeth is rather unpredictable. Generally, he is looking out for Spaeth. While the Committee in Montevideo in many respects has done a good job, I am told that the credit for this goes to the Secretary, Sanders, who did Spaeth's thinking for him. However, it is possible that Spaeth could be converted to a policy of show-down with Argentina.

My past experience with Wendelin indicates that he is 100% all right. He has been the minority voice in the Political Section of the Embassy, pleading first for non-recognition of Argentina after the revolution and subsequently for a show-down by way of sanctions, etc. I think we could count on him to favor the application of sanctions at this time. If at any time you would be interested in meeting Wendelin and talking with him, I will arrange it.


J.H.M.

JHMann:db 5/13/44

DEPARTMENT OF STATE
WASHINGTON

in reply to
WA 822.522/525

May 13, 1944

CONFIDENTIAL

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and encloses for the latter's information a copy of strictly confidential despatch no. 1437, dated April 26, 1944, from the Embassy at Quito, Ecuador, regarding possible alteration of the sucre-dollar exchange rate.

Enclosure:

Copy of strictly confidential
despatch no. 1437, April 26,
1944, from American Embassy,
Quito.



G.L.

Department of State

BUREAU
DIVISION

FMA

ENCLOSURE

TO

Letter drafted

ADDRESSED TO

THE HONORABLE
THE SECRETARY OF THE
TREASURY,

WASHINGTON 25, D.C.

EMBASSY OF THE
UNITED STATES OF AMERICA

Quito, April 26, 1944

STRICTLY CONFIDENTIAL

No. 1437

Subject: Possible Alteration of the Sucre-Dollar
Exchange Rate.

The Honorable
The Secretary of State,
Washington.

Sir:

Referring to the Department's telegram No. 356 of April 25, 7:00 p.m., and previous correspondence in regard to a possible alteration of the sucre-dollar exchange rate, I have the honor to report that Dr. Vicente SANTISTEVAN Elizalde, President of the Central Bank of Ecuador, in an after-dinner conversation last night brought up the subject aforementioned. Dr. Santistevan commented upon the fact that the Central Bank held large reserves of foreign exchange and that it would not be in the bank's interest to see the devaluation of these assets (although I assume that the bank would be reimbursed for this loss in some form), but said that so much pressure was being brought to bear to have the sucre appreciated that it was now contemplated to increase its dollar value by approximately five percent.

I took occasion to state as a purely personal opinion that in as much as Ecuador would be wishing to buy large amounts of various kinds of materials from the United States and Great Britain as soon as the war restrictions are relaxed, it would seem to be in the interest of the country to have a sizeable foreign-exchange surplus for this purpose rather than to discourage such a surplus by altering the exchange rate. (I did not mention the probable reduced value of Ecuadoran exports at the very time that there would be this tendency of increased imports.) Dr. Santistevan said that he was in full agreement but that it was necessary to face the realities of the situation here. I then took occasion to say to Dr. Santistevan that it was to be hoped that before any action is taken in changing the sucre rate the United States Treasury Department would be consulted in accordance with the stabilization agreement, as otherwise an unfavorable impression would necessarily be produced, particularly with reference to the projected international stabilization fund. Dr. Santistevan indicated that the Treasury Department would be consulted before the contemplated action is taken.

Respectfully yours,

/s/ JAMES W. GANTENBEIN
American Chargé d'Affaires, a.i.

Original to the Department of State
Copy to the Consulate General, Guayaquil

JWG:rab

File No. 351.51

Regraded Unclassified

101

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau
FROM Mr. Pehle

MAY 13 1944

[Handwritten signature]

I am attaching herewith a copy of
the report of the War Refugee Board for May 1
to 6, 1944.

[Handwritten signature: J. Pehle]

Attachment.

Developments during the week of
May 1 - 6, 1944

1. COOPERATION WITH OTHER GOVERNMENTS

(a) United Nations

(1) Great Britain

In response to several approaches made by Ambassador Winant at our request to enlist British cooperation in the establishment of temporary havens for refugees in Tripolitania and Cyrenaica, a formal reply has now been promised by the Foreign Office at an early date, despite the political problems said to be involved.

In a communication from the U. S. Embassy in London there was transmitted a copy of a letter from Lord Drogheda of the British Ministry of Economic Warfare on the matter of financing refugee operations in enemy territory. Reiterating the fear that funds transmitted under certain Treasury licenses for evacuation operations might be of benefit to the enemy, the letter again stressed the British view as to the undesirability of granting, without prior consultation with the British, licenses on terms cutting across "agreed blockade policy."

In the opinion of the British, the raising of funds in enemy territory by means of loans from persons in those areas against guarantees of post-war repayment is far superior to the actual use of dollars or Swiss francs in occupied countries.

The British propose that we should jointly supplement schemes already in operation by setting up a "guarantee fund" in the hands of the IGC. The British and U. S. Governments would contribute equally to such a fund. On the basis of information available to the British, it was indicated that Parliament would be asked for whatever sums may be necessary for this purpose up to 1½ million pounds as the British share.

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(ii) Belgian Government-in-Exile

In a cable from Minister Norweb we have been asked to approach the Belgian Government-in-Exile with the request that instructions be issued to its Legation in Lisbon which would facilitate cooperation on the part of representatives of the Belgian Convention in rescuing adults and children from occupied territory. We have therefore cabled Charge d'Affaires Schoenfeld in London, asking that representations be made to the Belgian Government-in-Exile on the matter.

(iii) Greece

According to a cable we have received from Istanbul, certain new developments in the Jewish situation in Greece have been reported by repatriated Turkish Jews. Late in March all registered Jews in Athens are said to have been placed in a concentration camp; registered Jews from the provinces were subsequently added. On April 2 repatriation was said to have been ordered for Portuguese, Turkish and Spanish Jews; Argentine Jews were left in the camp. All others, totaling an estimated 4,000 are reported to have been loaded on trains for an unknown destination.

Vice Consul Squires of the U. S. Consulate General in Istanbul has indicated that these developments greatly complicate our proposal that he forward detailed suggestions for evacuating Greek Jews and non-Greek refugees since there are officially no Jews in Greece, the Jews who are registered having been removed, while the Jews in hiding "have lost the last remnant of rights" through failure on their part to comply with German registration orders.

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(b) Neutrals(1) Spain

The situation with respect to Spain is still very negative. Ambassador Hayes, in spite of our urgent requests has refused to approach the Spanish Government with a view to gaining the latter's cooperation in accepting more refugees from occupied territory. He has turned down the War Refugee Board's proposal to establish and maintain refugee reception centers in Spain and has refused to notify the Spanish Government of our proposal which was designed to relieve the Spanish of any additional burden which might result from the arrival of more refugees in Spain. Hayes has also refused to approve the appointment of a full time representative of the War Refugee Board for Spain. He has refused to deliver to the JDC representative in Spain the text of a license issued by the Treasury Department in Washington permitting the JDC to carry on rescue and relief activities from Spain.

No report has as yet been received from Ambassador Hayes at Madrid to indicate affirmative action on the part of the Spanish Government in connection with our efforts to save from deportation and death Jews and other victims of enemy persecution holding Latin American travel documents. Our first request to Hayes on this score was in a cable dated April 10. On April 19 we urged Hayes to reply at once to our earlier request, at least with respect to what action he had taken toward requesting that the Spanish Government make representations to the Germans for the return to Vittel of the 238 internees reportedly evacuated to an unknown destination.

Hayes' reply, dated April 21, indicated that the Spanish Foreign Office had been approached as requested. A Foreign Office official is reported to have stated that the Government of Spain had no information on the reported deportations, although assurance was said to have been given that an attempt would be made to learn the facts "with a view toward endeavoring to arrange for the return of these refugees."

On April 27 we again drew Hayes' attention to the urgency of the matter and asked that he report promptly on any progress made in these approaches. In the latter cable Hayes was also advised of the Vatican's efforts to work out relief measures for the internees in question. Hayes was asked to act jointly with the Papal Nuncio in Madrid, or on his own, if joint action were not immediately forthcoming.

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in pressing Spain to extend effective protection through the Spanish Ambassador in Berlin.

In another cable to Madrid dated April 21, in an attempt to forestall deportation and almost certain death for some 400 Sephardic Jews, Spanish nationals residing in Athens, we asked Hayes to approach appropriate Spanish officials and enlist their aid in obtaining Spanish recognition and protection for the refugees concerned. To date, we have received no word concerning affirmative action on the part of the Spanish Government or even concerning representations by Hayes that such action be taken.

(11) Sweden

In response to our cable for information as to whether there were Polish ships tied up at Stockholm, as reported, with cargoes of food and clothing originally intended for Polish civilians, Minister Johnson has replied that there is no knowledge locally of any such ships. Johnson did indicate, however, that approximately five tons of used clothing from the United States destined for Polish war refugees arrived last June in a Swedish vessel and are now stored in free harbor pending authorization from London and Washington of its distribution.

(c) Other Countries

(1) Italy

We have been advised by Minister Harrison in Bern that efforts are afoot in Italy to raise the anti-Jewish campaign there to the same level of intensity as the German-inspired campaigns in Hungary, Slovakia, and other satellite countries.

(11) Finland

In a cable to Helsinki we have indicated agreement with the U. S. Legation's suggestion that the political factors involved in connection with obtaining an official Finnish statement on war refugee matters outweigh any advantages that might accrue through the issuance of such a statement at this time.

With respect to the evacuation of minority groups in Finland whose lives would be endangered as a result of increased German influence, we have advised the Legation of the report from Minister Johnson in Stockholm that refugee would probably be extended by Sweden if the Finnish Government

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requested the Swedish Government to allow such entries on the grounds that the lives of the persons in question were in jeopardy in Finland. Accordingly, we have authorized the Legation to approach the Finnish Government in its discretion, in the event developments make it desirable to evacuate from Finland potential victims of the Gestapo.

(d) Conditions in Hungary

Minister Harrison has advised us from Bern of the reported creation, by Budapest decree, of a Union of Hungarian Jews which is expected to be organized on a country-wide basis. Jews are reportedly being resettled in ghettos in Budapest.

According to a second report from Bern, the Axis press and other agencies have indicated that the 300,000 Hungarian Jews in Russia and other declared military areas are being interned in concentration camps. Certain food restrictions on Jews not in war industries were also reported.

Another cable from Harrison relays a report from the Swiss Committee for Aiding Jews in Hungary to the effect that the Hungarian Government recently issued a decree authorizing the confiscation of the property of Jews.

2. RESCUE AND RELIEF PROJECTS

(a) Feeding Projects

The program (financed by funds from the JDC here) to provide food and medical supplies to internees at Theresienstadt and other concentration camps has finally been approved by the blockade authorities in London and it is expected that the distributions by the International Red Cross will commence at once.

In connection with the JDC feeding program authorized some months ago to distribute food parcels from Turkey to internees in Rumania, Yugoslavia and Theresienstadt, we have received word that all food parcels sent from Istanbul (under International Red Cross supervision) have arrived safely in Rumania.

(b) Relief to Italians in Switzerland

On May 1, upon our recommendation, the Treasury licensed the remittance by the World Jewish Congress of an additional \$4,000 for the relief of Italian refugees in Switzerland.

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(c) Evacuations from Spain to Lyautey

In a cable to Board Representative Ackermann in Algiers we are asking that Ackermann confirm our understanding that so long as the total number of refugees in Camp Lyautey does not at any one time exceed 2,000, the French will not object to the entry of refugees merely because they arrived in Spain after March 1.

At the same time we are indicating our belief that the Lyautey quota should not be filled by bringing Jews there from Italy, since bringing more refugees from Spain puts us in a position to encourage the reception by Spain of more refugees from occupied territory. The possibility that many Jewish refugees now in southern Italy may be taken to Palestine is also pointed out, since more than 20,000 refugees may still be admitted to Palestine under the terms of the White Paper.

(d) Evacuation to and through Turkey

Ambassador Steinhardt has advised us that as the result of a talk with the Apostolic Delegate in Ankara, he has been assured that the Vatican will be urged to make every effort to obtain German safe-conduct for the "S.S. Tari." Another report from Steinhardt indicates that German Ambassador von Papen in Ankara promised the International Red Cross representative there that he would send a fourth telegram to Berlin requesting that safe-conduct be granted for the "Tari." Von Papen is also reported to have stated that he asked the German Minister in Ankara to take up the matter personally, immediately upon his expected return to Germany.

In connection with the possibility that the Germans might grant safe-conduct to the "Tari" more quickly if its voyage terminated at a Turkish port instead of Haifa, we are suggesting to Steinhardt that the "Tari" could be routed to Istanbul and the refugees could then remain on the boat until transported by rail. We are further indicating that, while the Ambassador's knowledge of the railroad situation in Turkey is undoubtedly greater and more immediate than our own, discussions with the Foreign Economic Administration lead us to believe that existing railroad facilities are sufficient for the transportation across Turkey of many more refugees than are now being accommodated.

(e) Evacuation of Abandoned Children from France

In connection with our approaches to the Latin American republics with respect to giving assurances to Switzerland

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that child refugees admitted by that country will eventually be accepted elsewhere, we have been advised by Ambassador White that the Peruvian Foreign Minister subsequently requested information concerning the nationalities included in the prospective child immigration. In response to this inquiry we have indicated our belief that, for the most part, Polish, French, Belgian and stateless children of German and Austrian origin would be involved. We urged, however, that emphasis be placed upon the humanitarian aspect of the action suggested.

In a communication from Ambassador Braden in Havana we have been advised of his belief that if the care of child refugees were left to Cuban authorities, local irregularities would probably occur, particularly in connection with any financing that might be arranged by the Board. Braden has therefore suggested that, before he approaches the Cuban Government on the matter of giving to Switzerland the assurances requested, we ascertain whether the American Jewish Joint Distribution Committee would be prepared to care for such children through the Joint Relief Committee in Havana and to provide the latter with the necessary funds.

We have been advised by the U. S. Embassy in Honduras that the matter of giving similar assurances to Switzerland with respect to child refugees has been discussed with the Minister for Foreign Affairs, who appeared to be sympathetic to the suggestion. Consul Faust indicated his belief that the Honduran Government could probably be persuaded to accept a few refugee children on the basis of an adequate financial guarantee.

Ambassador Messersmith has reported from Mexico City that in order to secure anything like a favorable reception toward the suggestion that Mexico give such guarantees to the Swiss Government, "it will be necessary to prepare the ground carefully in the Mexican Government and among the highest officials." Messersmith indicated his feeling that no immediate reaction from the Mexican Government could be expected on this matter.

In a cable to Minister Harrison in Bern we have asked clarification as to whether the Swiss Government's approach to Vichy, in connection with allowing the departure of child refugees, is to consist of formal requests for children or a request that the children be allowed to go to Switzerland temporarily. Harrison has been advised that we would welcome any additional suggestions he may have for expediting the rescue from France of orphaned and abandoned children subject to enemy persecution.

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(f) World Jewish Congress Evacuation Program

In accordance with our recommendation, the Treasury license originally issued to the World Jewish Congress in connection with evacuations from France, Rumania and other enemy territory has been amended to permit the remittance of an additional \$100,000 to Switzerland for these operations.

(g) Rescue of Christian Refugees from France and Italy

In a report from the Swiss representative of the American Committee for Christian Refugees we have learned that through the efforts of an associate group in France a total of at least 420 men, women and children have escaped to Switzerland since the summer of 1940. Several hundred other persons, especially younger men, are said to have been assisted in escaping to Spain. Several thousand additional refugees are reportedly in hiding and being cared for in France out of funds transmitted under the Treasury license issued to this organization early in March upon our recommendation.

(h) Evacuations to Italy and the Mediterranean Area

We have been advised by Ambassador MacVeagh that the British Embassy has been promised the support of Marshal Tito in rescuing Hungarian Jews. Tito is expected to aid them to escape and join his army or be evacuated elsewhere.

In connection with the possibilities for Yugoslavian evacuations reported by Board Representative Ackermann from Algiers, we have advised Ackermann, after clearance with State and War, that we have arranged for a sum equal to \$50,000 to be furnished to the Refugee Committee in Bari for the rescue and relief of refugees regardless of race, religion or nationality. Ackermann's judgment is asked as to the form in which remittance should be made in order to insure its prompt and best use.

(i) Latin American Passports

(1) Costa Rica

In a despatch from Costa Rica, in connection with representations made with respect to recognition of Latin American travel papers and the possibility of arranging an exchange against German nationals of internees holding such documentation, we have been advised that the Costa Rican Minister for Foreign Affairs has indicated that it had been

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his original intention to declare a number of these passports invalid and to restrict the periods of validity of others. As a result of our representations, however, the Minister is said to have stated that he would be inclined to cooperate along the lines recommended, in view of the humanitarian considerations involved. We are now pressing for more specific action, namely, an approach by Costa Rica to the German Government through the protecting power along the lines previously suggested.

(11) Nicaragua

Although there has been no formal reply from the Nicaraguan Government to our approaches through the U. S. Embassy there with respect to passport recognition and exchange possibilities, we have been advised of a statement by the Nicaraguan Foreign Minister to the effect that between 125 and 150 persons in occupied Europe are believed to have obtained Nicaraguan passports fraudulently. It was also reported that the practice of the Nicaraguan Government has generally been to decline to confirm the validity of such travel documents when questions were asked by the German Government through the protecting power. The Foreign Minister is now reported to have agreed to discuss with the President of Nicaragua the feasibility of approaching the Germans through the Swiss with a request that the interests of all bearers of Nicaraguan passports be safeguarded. The Foreign Minister is said to have expressed his belief that the President would agree to such an approach. With respect to exchange possibilities, it was indicated that inasmuch as it is not anticipated that Nicaragua will be obligated physically to admit any of the holders of such travel documents, the Nicaraguan President would also probably support this Government's negotiations for such an exchange.

(111) Honduras

According to a report from Ambassador Frost, our representations to the Honduran Government have been completely successful, both with respect to passport recognition and the proposed exchange negotiations. Formal notes on both scores have been forwarded by the Honduran Foreign Minister to this Government. In the course of conversations leading to these decisions, the Honduran Minister for Foreign Affairs is said to have indicated that while no inquiries concerning the validity of passports had been received from the Spanish Government, he proposed to ignore any such inquiries as might later be received. Since we believe that

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ignoring such inquiries might lead Spain to give Germany misleading information with respect to the Honduran attitude, Ambassador Frost is being requested to suggest that in case of inquiries by Spain, the Spanish Minister should be informed of the substance of the Honduran notes to this Government on the matter.

(iv) Paraguay

We have been advised through the U. S. Embassy in Paraguay that the Paraguayan Foreign Minister has stated informally that his Government will steadfastly recognize until after the war the validity of Paraguayan passports held by internees in Axis territory. The Paraguayan Minister is also reported to have taken a favorable attitude with respect to the projected exchange negotiations, although no formal affirmative decision has been forthcoming in either respect.

(v) Venezuela

We are currently pressing Venezuela for immediate action in connection with her promise of full cooperation in document recognition and the projected exchange.

(vi) Cuba

With respect to Cuba, it had been indicated from Bern that Cuba's reply to Vatican inquiries stated that passports issued in her name to Jews in German-held territory would be recognized by Cuba if Great Britain and the United States had no objection. Ambassador Braden in Havana has therefore been instructed to convey to the Cuban authorities our appreciation of the Cuban attitude, along with assurance that the United States has no objection to Cuban recognition of such documents. We have also asked Ambassador Winant in London to request that a similar assurance be given by Great Britain to Cuba.

(vii) Peru

According to a report from the U. S. Embassy in Peru, the Peruvian Foreign Office has indicated that the Swiss Government some three months ago submitted a list of 45 persons interned in Axis countries and inquired as to whether Peru would honor the Peruvian passports held by these internees. The Peruvian Government's reply was in the negative, as far as those 45 persons were concerned. In

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response to our recommendation that in the future such passports be honored for humanitarian reasons, a Foreign Office spokesman is reported to have expressed sympathy with the suggestion.

In a follow-up circular airgram to the various Latin American countries we are advising our Embassies there of the instructions issued by this Government with respect to honoring all claims to American citizenship by refugees in German-controlled areas. It is suggested that these instructions may be of value in connection with pressing for cooperation in the rescue of refugees holding Latin American travel documents. We are also asking that the various Latin American republics be approached again with respect to supporting the representations we have made through Spain and Switzerland.

(j) Reinstatement of Turkish Citizenship to Refugees in France

According to a report from the Lisbon representative of the American Jewish Joint Distribution Committee, Ambassador Steinhardt in Ankara has again discussed with the Turkish Minister for Foreign Affairs the plight of Jews in France of Turkish origin who are now threatened with deportation. Steinhardt is reported to have indicated that specific instructions have been sent to the Turkish Ambassador at Vichy.

(k) Joint Exchange Project

In response to the inquiry addressed to Minister Harrison in Bern with respect to how the proposed joint exchange project originated, we have been advised that official details can probably be obtained from London, inasmuch as negotiations have been conducted by Switzerland as the protecting power between German and British authorities.

(l) Recognition of Portuguese Jews in Greece

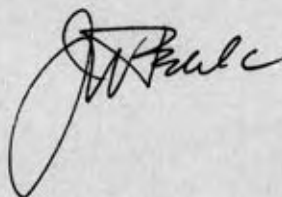
We have been advised that a small group of Jews in Greece claiming Portuguese nationality is in danger of deportation unless the Portuguese Government intervenes. Minister Harrison and Board Representative Dexter are therefore being requested to approach appropriate Portuguese officials with a view to enlisting the aid of the Portuguese Government in extending protection to the refugees in question. We are suggesting that the Portuguese Government be asked to advise German and other authorities in Greece that upon the assurance of a claim to Portuguese nationality, all

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the rights, privileges, and immunities of a Portuguese national should be extended to the claimant pending investigation by the Portuguese Government. It is also being suggested that the Portuguese Government be urged to postpone making adverse determinations in such cases until after the war, in view of the dire consequences that would befall refugees whose claims were rejected.

In the event actual evacuation to Portugal proves necessary for the protection of the persons concerned, the Portuguese Government is to be assured that funds for the support of such refugees will be made available, and that we will take prompt action to effect their departure from Portugal to other places of refuge.

In a cable to Harold Tittman, our representative at the Vatican, we are asking that steps be taken to enlist the support of appropriate Vatican officials in this humanitarian task by means of representations in Portugal similar to those to be made through the U. S. Legation there.

A handwritten signature in dark ink, appearing to be 'J. W. Paulc', is located in the lower right quadrant of the page. The signature is fluid and cursive, with a large loop at the end.

Developments during the week of
May 8 - 13, 1944

CONDITIONS IN THE SATELLITE COUNTRIES

We have been advised by Ambassador Steinhardt that he recently invited the attention of the Turkish Foreign Office to the fact that no Jewish refugees had arrived from Hungary of late. Steinhardt inquired as to whether the Turkish Consul in Budapest might be withholding the granting of Turkish visas for any reason, in spite of the assurance previously given by the Foreign Ministry that the granting of such visas would be facilitated. In response to this inquiry Steinhardt was informed that the Turk Consul at Budapest had sent the Foreign Office word that every Jew who entered the Turkish Consulate in Budapest was arrested as soon as he left and transported to an unknown destination.

A communication from our Embassy in London, based on information received from London representatives of the Jewish Agency for Palestine, confirms the report that the deportation of Jews from Hungary and territories under its control has already begun. To date, 24,000 persons are said to have been deported from Sub-Carpatho Russia, in addition to the general deportation of Polish refugees seized by the Hungarian police. We are requesting our Missions in Moscow and London to endeavor to have the broadcasts from their respective countries transmit to German and satellite military and civilian personnel carrying out deportation proceedings the warning that they personally will be held responsible by the United Nations for their actions and for the deaths that may result from such deportations. We have also arranged to have such warnings carried by the Office of War Information transmitters in their foreign broadcasts.

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Ambassadors Harriman and Winant are being asked to approach the Soviet and British Foreign Offices and attempt to have them use their influence upon the satellite governments and populations toward increasing resistance to German demands for the deportation and persecution of minority groups under satellite control. Vatican support in applying pressure on the satellites; and on Hungary in particular, is likewise being solicited.

According to another report from London, out of a large group of persons arrested in Bucharest for their activity in aiding the escape of Jewish refugees from Hungary and other areas, all but 30 Jews have been released. The remaining 30 are said to be facing immediate trial. We are asking the U. S. Consul General in Jerusalem to attempt to obtain further details with respect to the 30 persons detained. At the same time we are asking Ambassador Steinhardt in Ankara, when this information is received and at his discretion, to communicate with the Rumanian Foreign Minister in Ankara and remind him of the assurances he gave to Board Representative Hirschmann in a conversation late in March to the effect that such persecution would not occur. Steinhardt is being asked to press for the release of the 30 detained persons and for an opportunity for them to leave Rumania.

In our cable to the U. S. Consulate in Jerusalem we have also asked that the names of the Hungarian officials responsible for the reported arrests in Hungary be obtained and reported to the State Department.

According to information received from our Legation in Stockholm, the Bulgarian Minister there, who recently replaced a strong pro-Nazi, has expressed sympathy for the Jewish situation. Minister Johnson reported his belief that the Bulgarian Minister can be induced to lend aid to any rescue program we may be pressing in Bulgaria, and suggested that it would be helpful if we could furnish details of any program under consideration for Bulgaria. He also asked for any suggestions we may have as to methods of exploiting to the fullest advantage the Bulgarian Minister's sympathies.

RELATIONS WITH OTHER GOVERNMENTS

A. United Nations

1. India

According to a report from the U. S. Mission in New Delhi, no reply has as yet been received from the

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Government of India in response to our inquiry as to India's intentions with respect to aiding war refugees. It was reported that a statement recently issued by the Indian Government in another connection, however, would seem to bear out the Mission's previous prediction that India intends to limit her assistance in war refugee matters to payment of a share of the administrative expenses of the Intergovernmental Committee.

2. South Africa

In response to State's circular airgram of January 26, we have been advised by the U. S. Legation in the Union of South Africa that to date no official reply has been received from the South African Government with respect to possible cooperation in war refugee matters. The question of post-war immigration into the Union has meanwhile been raised in the South African House of Assembly, however, in a motion introduced by a majority party member calling for large-scale European immigration, to which an amendment was added specifically barring Jews. Such a restriction is reportedly favored by the majority of both leading political parties. Another amendment provided for the immigration of orphans under ten years of age "from countries from which the people of the Union have sprung." Debate on the proposed legislation was reported to be in progress.

3. China

We have been advised from Chungking that no reply has as yet been received to the U. S. Embassy's note to the Chinese Minister of Foreign Affairs with respect to cooperation in war refugee matters.

According to reports transmitted from diplomatic and consular officers in Kunming, Sian and Chengtu, however, the official attitude of the Chinese toward the entry of war refugees is generally negative. In view of the tremendous relief problems faced by the Chinese Government with respect to its own homeless and destitute peoples, it is considered doubtful if the Chinese reaction would be favorable to any concrete proposal involving the acceptance and care of substantial numbers of refugees. Moreover, transportation facilities into unoccupied China are said to be so limited that any refugee traffic would probably interfere seriously with the importation of essential materials. However, so far as is known, there is no specific bar to the entry of Jews and other war refugees from

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Japanese-occupied areas into unoccupied China, nor have any cases been reported of the turning back of such refugees at the borders.

It was stated that no Jewish problem exists in any form in China. The condition of refugees generally in both occupied and unoccupied China is reported to be serious, but not more so than that of the Chinese themselves. There is said to be no evidence that the Japanese deliberately maltreat refugees in occupied areas, a statement seemingly borne out by the report that few if any refugees in Japanese-occupied Chinese cities appear to have made any effort to emigrate to unoccupied China.

B. Neutrals

1. Turkey

Ambassador Steinhardt in Ankara has been asked to endeavor to obtain Turkish transit visas for a small group of refugees in Bucharest, where they were said to have been evacuated with the aid of the Swedish Legation. According to information received from Minister Johnson in Stockholm, this group already has Swedish passports, Rumanian exit visas, Bulgarian transit visas, and Palestine certificates. If transit visa authority can be cabled to the Turkish Mission in Bucharest, the group can proceed to Turkey. There it will be possible for them to pick up the Palestine certificates which the Jewish Agency has issued and have them properly stamped, a procedure not possible in Rumania because Palestine visas must be stamped by British Consuls.

2. Portugal

According to a report from our Embassy in Lisbon, Diario de Noticias, Lisbon's leading newspaper, in a front-page editorial on the President's statement on Nazi atrocities, asserted its complete agreement with the sentiments of this Government. At the same time Portugal's own efforts to provide havens for war refugees were eulogized.

The Lisbon Jornal-do Comercio is also reported to have commented editorially on the "high political and moral significance" of the President's statement. Although no other editorial comment was noted, virtually all leading Lisbon and Oporto papers are said to have carried the President's statement in prominent positions under very favorable headlines.

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An address over a Lisbon radio station is also said to have heartily endorsed the President's statement.

3. Sweden

We have been advised by Minister Johnson that Swedish authorities are understood to be placing no obstacles in the way of Estonian fishing craft engaged in rescuing refugees from Estonia and transporting them to Sweden. A greater number of Estonians are said to be in hiding in the forests of that country at the present time than during the Russian regime, since most Estonians desperately fear being sent to Germany.

Minister Johnson has also advised us of extensive discussions held with the Chief Rabbi of Sweden, who is described as directing the work of two Swedish committees actively engaged in relief operations for Jews in Europe. Johnson's report summarizes the activities of these two groups in Rumania, Poland, Slovakia, Hungary, France, and other German-controlled areas. Much of the current activities of these committees is said to have been made possible by the Swedish Foreign Office. Communication with persons in enemy and occupied territory, for example, has reportedly been through facilities of the Foreign Office and Swedish Missions in the various countries.

Johnson reports that at the present time the two groups are short of funds, however, and strongly urges that arrangements be made for supplying them with \$50,000. In Johnson's opinion, with proper financial support, refugee relief as well as actual rescue operations from Sweden can be expanded to a considerable degree.

C. Latin American Countries

1. Argentina

In response to State's circular airgram of January 26, the U. S. Embassy at Buenos Aires has advised us that the consensus of persons active in Jewish rescue and relief work is that so long as the present regime remains in power, no assistance whatsoever can be expected from the Argentine Government in refugee matters. Certain Jewish organizations in Argentina are said to own large tracts of land which might easily support several thousand refugee families if there should come a radical change in the Argentine Government under which such immigrants could be admitted. Argentina itself is said to be capable of absorbing millions of

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immigrants, but "no conceivable political change would make possible the willing acceptance of a very large proportion of Jews among those proposed millions."

In another communication from Buenos Aires we have been advised of the visit to the Embassy of a delegation from the Argentine Jewish Associations for the purpose of expressing their appreciation of the President's statement on atrocities against the Jews. Very favorable treatment of the President's statement in the news columns of La Prensa and La Nacion was also reported.

2. Colombia

In a despatch from Bogota we have been advised that our Embassy there has approached the Colombian Government with the suggestion that Colombia implement its cooperation in war refugee matters by issuing a declaration of policy similar to that issued by this Government. While a spokesman for the Colombian Ministry of Foreign Affairs is reported to have appeared sympathetic to this suggestion, he was noncommittal with respect to the proposal that instructions along the same lines be sent to Colombian diplomatic and consular officers abroad.

3. Dominican Republic

The Foreign Office of the Dominican Republic, in response to a memorandum from our Embassy there, has indicated that it will cooperate fully with the war refugee policy of this Government. Our policy, the Dominican note asserts, coincides with that which has been followed by the Dominican Government since 1937 when, on the occasion of the Evian Conference, the Dominican delegation was instructed to indicate that the Dominican Republic was prepared to receive up to 100,000 European immigrants. This policy was put into practice a short time afterward, according to the Foreign Office, with the signing of a contract with the Association for the Establishment of Colonists in the Republic, by virtue of which a great number of refugees are said to have been provided refuge.

D. Other Countries

1. Afghanistan

According to a report from our Legation in Afghanistan, there is little chance for any substantial number of refugees to be absorbed into the Afghan economy, nor is it

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likely that they be welcome in a fanatically Moslem country. Because of the primitive economy and low standard of living in Afghanistan, there is said to be practically no opportunity for Europeans in the fields of domestic commerce, agriculture, or the service trades. It was indicated, however, that since the Afghan Government has in the past welcomed the coming of qualified technicians and professional men, it is possible that a small number - perhaps fifty - such refugees and their dependents might be accepted in Afghanistan. It was suggested that if the names and qualifications of refugees proposed for settlement in that country were to be submitted, the Afghan Government would be approached by the Legation and the matter discussed with them. In this connection it was added that although Jews are "not popular" in Afghanistan, there has been no serious discrimination against them.

RESCUE AND RELIEF PROJECTS

A. Evacuations from Spain to Lyautey

We have been advised by Board Representative Ackermann that he has obtained confirmation of our original understanding with the French that so long as the total number of refugees in Camp Lyautey does not at any one time exceed 2,000, no objection will be made to the entry of refugees merely because they arrived in Spain after March first.

B. Evacuation to and through Turkey

Ambassador Steinhardt has advised us that on May 1 the "S.S. Milka" again arrived off Istanbul from Constanza, carrying 272 Jewish refugees. Although the vessel arrived without proper papers and although the refugees on board were without Turkish entry or transit visas or Palestine certificates, the Turkish Foreign Officer is reported to be making provision for the transportation of these refugees to the Syrian frontier. The British in Istanbul are issuing the requisite Palestine certificates.

Steinhardt urged that no public appreciation for the Turkish Foreign Minister's action be expressed at this time, since such public expression might embarrass Turkish relations with Arab countries and might be used against the Foreign Minister by certain political opponents. Steinhardt indicated that the "S.S. Maritza," due to arrive in Istanbul shortly, would present a situation similar to that of the "Milka," and for this reason also, deferment of any public expression of appreciation was requested.

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After talking with the representative in Ankara of the Jewish Agency for Palestine, Steinhardt has advised us that he anticipates no great difficulty in transporting from Iskenderun to Haifa, by means of coastal schooners, the refugees who might arrive on the "S.S. Tari." Such schooners, it was pointed out, could probably be sent from Egypt or Palestine for that purpose at this time of year.

While Steinhardt was of the opinion that it was too soon to give up hope that safe-conduct for the "Tari" would be granted by the Germans, he did indicate his belief that the recent severe strain on relations between Germany and Turkey resulting from the discontinuance of chrome shipments from Turkey makes it improbable that the German safe-conduct will now be forthcoming.

In a later communication Steinhardt advised us that our offer to the Germans to change the destination of the "Tari" from Haifa to a Turkish port has thus far been unproductive of results.

If and when the "Tari" arrives in Turkey, Steinhardt has indicated that he would consider it inadvisable to approach the Turkish authorities with a request to transport this particular group of refugees by rail, since transportation by coastal schooners is possible. It was felt that any agreement on the part of Turkish authorities to transport these 1500 refugees by rail would necessarily interfere with and probably reduce the movement by rail of refugees arriving on "illegal" boats in Istanbul.

Steinhardt further indicated his belief that the evaluation of railroad facilities in Turkey which we obtained from the Foreign Economic Administration was based on conditions prevailing prior to the departure from Istanbul of FEA's representative. It was pointed out that in less than two months the Turkish Minister for Foreign Affairs has thus far arranged for the transportation of approximately 900 refugees arriving on "illegal" boats, such transportation being in addition to the railroad's regular traffic. Steinhardt stated that there are only two trains weekly from Istanbul to the Syrian frontier, and these trains require approximately 48 hours to cover the 1,000 miles on single track lines. Steinhardt therefore repeated his previous assertion that the question is not so much the disposition of the Turkish Government, which continues to be most cooperative, but rather the number of cars and locomotives available and particularly the condition of the locomotives.

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Although Steinhardt anticipates that, in the event the "Tari" disembarks as many as 1800 refugees at a Turkish port and it is found impossible to transport all of them to Palestine immediately by coastal schooners, he may have to secure permission to house some of the refugees temporarily at their port of arrival, it was indicated that the necessary arrangements could undoubtedly be made with the British authorities to transport the excess number by rail.

Ambassador Winant has advised us of the receipt from the British Foreign Office of a formal reply confirming Winant's previous report that the British now have no objection to the diversion from the Greek relief fleet of the Swedish "S.S. Bardalanda" for the purpose of evacuating refugees from Balkan areas, provided the Swedish Government agrees and safe-conducts are obtained from Russia and from the German Government on behalf of itself and its allies. Because of the recent ban in Britain on code cables for foreign diplomats other than U. S. or Russian, no action was taken by Winant in connection with our request that he approach the Swedish Government on this matter through the Swedish Minister in London. We are therefore cabling Minister Johnson in Stockholm directly with the request that he ask the Swedish Government whether it would be willing to make the "Bardalanda" available for refugee evacuation from Rumania to Turkey or Palestine, and whether as a preliminary step it would immediately sound out the German Government's willingness to grant safe-conduct for such evacuation operations. Johnson is being advised that if use of the "Bardalanda" can be obtained, a charter would be executed in the name of the Board, which would also arrange for insurance, British and Russian safe-conducts, etc.

C. Evacuation of Children from France to Spain and Portugal

In accordance with our recommendation, a Treasury license has been issued to the World Jewish Congress permitting the remittance of \$50,000 to its representative in Portugal for rescue and relief work. The license stipulates that the funds may be utilized by the World Jewish Congress representative in Lisbon only as authorized by Robert Dexter, our Special Representative in Portugal. An initial remittance of \$10,000 has been made.

D. Evacuation of Children from France to Switzerland

In response to our inquiry, Minister Harrison has advised us from Bern that according to a spokesman for the Swiss Foreign Office, Minister Stucki in approaching the French

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was understood to have attempted to secure general permission for refugee children to leave France and did not restrict the request to exit permits for Spain alone. In order to be sure, however, Harrison is pressing for an answer to this inquiry from Stucki himself. It was pointed out in this connection that for some time now children have been denied permission to go to Switzerland from France for temporary sojourns for rehabilitation purposes.

We have been advised by our Embassy in Managua that the Nicaraguan Consul in Bern has been authorized by his Government to grant visas to 100 refugee children, without regard for nationality or religion, and to keep these visas valid until transportation becomes available to Nicaragua.

From Montevideo we have been advised that, in response to our suggested approach through the Embassy there, the personal reaction of the Uruguayan Under-Secretary handling refugee questions was favorable. Early consideration of the matter has been promised.

In a report from El Salvador we have learned that the Salvadoran Government has expressed its sympathy with our efforts to obtain havens for refugee children from enemy territory. El Salvador has indicated that it would be willing to accept approximately 100 children, but before reaching a final conclusion would like to know whether the cost of constructing a suitable building and other maintenance expenses would be borne by the War Refugee Board.

Our Embassy in the Dominican Republic has advised us that the Foreign Office there has indicated that it would receive a minimum of 1,000 refugee children up to 16 years of age and a maximum of 2,000. Upon their arrival in the Dominican Republic, it was stated that private institutions subsidized by the State would take care of them.

In a communication from Honduras we have been advised that President Carias appears willing for Honduras to receive a maximum of 50 refugee children. Acceptance of these children would be on condition that all transportation and maintenance expenses would be met by other than Honduran agencies. Inasmuch as Honduras has no diplomatic or consular representatives in Switzerland, we were requested to suggest some practicable form of visa procedure. Clarification was also requested as to whether the children would be expected to remain in Honduras or would be returned to their countries of origin after the war.

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B. Latin American Passports

According to a cable from Minister Harrison in Bern, the Papal Nuncio in Bern has now been informed of the warm appreciation of this Government for the Holy See's efforts in connection with the problem of obtaining recognition of Latin American passports and travel papers. Harrison was advised that the matter was taken up with the Spanish Government by the Papal Nuncio at Madrid. The Spanish Government is reported to have indicated that on several occasions it has concerned itself with the fate of the Jews, but that the German Government has looked with disfavor upon such intervention. With respect to the Jewish internees at Vittel, however, the Spanish Government is said to have promised to make an effort to accomplish exchanges of such internees against civilian internees in America.

1. Colombia

According to a communication from our Embassy in Colombia the Polish Minister there has consulted the Embassy to ascertain whether certain proposed notes on his part to the Governments of Colombia, Venezuela and Ecuador would be consistent with the policy of this Government. In the proposed notes inquiry would be made as to whether these three governments would be disposed to issue public declarations of their willingness to accept interned citizens of their respective countries in exchange for German nationals now in Colombia, Venezuela, and Ecuador. The Polish Minister is said to feel that while such an exchange probably could not take place under present conditions, mere declarations by these governments along the lines proposed would serve a useful purpose in preventing further inhuman acts. We have been asked to indicate to the Embassy our judgment as to whether the proposed note should be sent.

2. Cuba

The U. S. Embassy in Havana reports that the Cuban Ministry of State has indicated that on the matter of passport recognition it was approached by the Netherlands Embassy in Washington rather than by the Vatican, and that its answer was that the question of the validity of passports issued in the name of Cuba would not be raised by the Cuban Government for the duration. If the German Government should make an issue of the fact that certain of these passports were improperly issued, however, it was reported that the Cuban Government would be "unable" to extend its protection.

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No categorical answer regarding the possible eventual immigration to Cuba of Bearers of illegal passports appears to have been given to the Netherlands Embassy. According to the Embassy's report, Cuba apparently will defer solution of this problem until the persons involved are outside enemy territory.

3. Ecuador

A reply has been received from the U. S. Embassy in Quito with respect to passports issued in the name of Ecuador. The Ecuadorian Minister for Foreign Affairs, when approached on the matter is said to have referred to a reply given on March 30th to the British Minister in response to a similar inquiry. In this reply the Ecuadorian Government is said to have stated that it is not disposed to confirm the validity of unauthorized passports, but that it will not cancel such documents prior to the date their holders reach places of safety. Ecuadorian consular officers abroad are said to have been advised of the Ecuadorian position on this matter.

4. Haiti

The Haitian Foreign Minister reportedly maintains a negative position with respect to acknowledgment by the Haitian Government of the validity of passports issued in the name of that country. Blanket approval of outstanding documents, it was contended, might prejudice later bona fide cases.

5. Venezuela

The U. S. Ambassador in Caracas reports that the Venezuelan Foreign Minister has informed him that Venezuela is taking active measures along the lines previously promised in connection with passport recognition and exchange possibilities. He is said to have added that the Venezuelan Government has no precise information regarding the number of Venezuelan passports that may have been issued to refugees in Europe.

F. Reinstatement of Turkish Citizenship to Refugees in France

We are advising Ambassador Steinhardt of certain requests we have directed to the Turkish Ambassador here in connection with rescuing refugees in France claiming Turkish citizenship.

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We have urged that the Turkish Government advise German and other authorities in France that upon the assertion of a claim to Turkish nationality, the claimant is to be extended all the rights, privileges and immunities of a Turkish national unless and until, after investigation, the Turkish Government advises such authorities that it has rejected the claim. The position of this Government with respect to refugees in German-controlled areas claiming U. S. citizenship was cited in support of our request.

Steinhardt is being advised that we have also indicated that, in the event the Turkish Government should find it possible, pending investigation, to bring about the evacuation from German-controlled areas of claimants to Turkish nationality whose lives may be in danger, we will undertake to make funds available from American sources for the maintenance and support of such refugees and will undertake to find havens promptly outside Turkey for any such refugees whose claims to Turkish nationality are eventually rejected by the Turkish Government.

Steinhardt is being asked to continue his efforts along the same lines begun some time ago with the Turkish Minister for Foreign Affairs in Ankara.

G. Recognition of Jews in Greece

We have received from the U. S. Consulate in Istanbul information obtained in an interview with a Turkish Jew recently evacuated from Greece, where he was a prominent businessman. According to Consul General Berry, with whom the interview was held, this informant appeared to be unusually reliable. The refugee in question confirmed previous reports to the effect that on March 24th all registered Jews in Athens were sent to a concentration camp. According to this informant, the total number of the refugees interned was between 900 and 1400. Any Jews not registered and any Greeks aiding such Jews were reported to be subject to immediate execution. Between 6,000 and 8,000 unregistered Jews were said to be remaining in the vicinity of Athens. This informant urged that efforts be made to persuade Turkey to give recognition to those of its nationals who had previously been refused visas because of their failure to pay certain taxes in the past. Efforts were also urged to persuade Spain and Argentina to approach Turkey for transit visas, or Germany for exit permits, for their respective nationals.

- 14 -

In a cable to Minister Harrison we are requesting that the International Red Cross be asked to bring all possible aid to these victims of Nazi oppression, including those reportedly evacuated. We are also asking that information be forwarded, if possible, as to the destination of the evacuees.

Minister Harrison has informed us that he has made the requested approach to Vatican authorities in connection with the recognition of Spanish Jews in Athens and the Vatican has in turn approached the Spanish Government on the matter.

Minister Norweb has advised us that the matter has been discussed with the Portuguese Ministry of Foreign Affairs, which has promised "sympathetically to inform the Embassy of possible action."

In follow-up cables to Ambassador Hayes at Madrid, to Minister Norweb and Board Representative Dexter at Lisbon, and to Harold Tittmann at Vatican City, we are reporting the substance of reports received relating to the fate of Jews in Greece. We are indicating that under these circumstances the steps previously requested to rescue Jews in Greece claiming Spanish and Portuguese nationality become especially urgent.

(Signed) J. W. Pehle

Released for distribution 5/27/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, San Jose
TO: Secretary of State, Washington
DATED: May 13, 1944
NUMBER: 299

SECRET

You are advised that of the six persons which the German Government approved, Manuel Cano de Castro and Cano de Castro nee Maure, believed to be his adopted son, are bona fide nationals. There is doubt about Pedro Chuprine and his wife and apparently Jules Grunstein and wife have no claim to Cost Rican citizenship. According to verbal assurances of the Foreign Office, all four will be admitted to Costa Rica, however, and absolutely minimum amounts of money may be extended them. I will cable as soon as confirmatory note is received. Also the Foreign Office wants to know why the Swiss Government did not propose the children of Jorge Cordero Arias, although it understands that Mrs. Cordero has died.

Since their relatives here have funds, advances may be made to all persons whom the Swiss Government has proposed.

DES PORTES

SFL-744

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

Quite

Dated May 13, 1944

Rec'd 9:23 p.m.

Secretary of State

Washington

471, May 13, 5 p.m.

Proposal regarding refugee children (Department's
circular airgram April 20) has been referred by
Foreign Minister to the President and is under con-
sideration by the latter. Embassy expects decision
soon and will cable promptly.

CANTERBURY

NFL
NRP

ADJUTANT
J. P. M. H. S.

ADJUTANT
J. P. M. H. S.

ADJUTANT
J. P. M. H. S.

ADJUTANT
J. P. M. H. S.

DMH - 668

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

Cairo

Dated May 13, 1944

Rec'd 4:35 p.m.

Secretary of State,

Washington.

1257, May 13, 1 p.m.

TO GEORGE WASHINGTON FROM LANDIS

In view of assent by Russians you are authorized
sell to joint Jewish Distribution Committee goods requested
by them for on shipment to Polish refugees. After this
disposal send fast bag of all remaining stores.

Repeated to Department as No. 1257.

JACOBS

RR
WSB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: May 13, 1944
NUMBER: 3915

SECRET

A copy of a confidential message from the Geneva office of the Jewish agency for Palestine has just been received by the Embassy from the London office of the Jewish agency for Palestine and is requested that there be transmitted to the War Refugee Board the substance of that cable. It is also stated by them that it would be appreciated if the American Department dealing with broadcasts to Hungary receives the information in the message.

The following is the substance of the message:

New decrees prescribing the confiscation of Jewish property of various kinds, the shutting up of Jewish shops and the blocking of Jewish bank accounts have been issued in Hungary. The Jews will not be entitled to receive from their bank accounts more than one thousand pengoes per month. We suggest that officials and commercial people of Hungary should be warned by means of radio broadcasts against receiving stolen property and aiding in carrying out unlawful decrees such as these.

We have merely informed Mr. Linton of the Jewish agency for Palestine that there has been forwarded to Washington the information from his Geneva office.

BUCKNELL

DOR:IDS:EL 5/15/44

CORRECTION OF
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Tangier
TO: Secretary of State, Washington
DATE: May 13, 1944
NUMBER: 38

CONFIDENTIAL

In the heading of this paraphrase the serial number of the telegram was inadvertently omitted, please insert No. 79.

DCR:MAB:HM
5-15-44

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2093

Asuncion, Paraguay, May 13, 1944

Subject: Transmitting copy and translation of plans of the Paraguayan Minister of Agriculture for the immigration into Paraguay of war refugees and displaced populations.

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer further to the Department's circular airgram of January 26, 1944, 7 p.m. with reference to the acceptance by Paraguay of war refugees.

In this connection there are transmitted herewith a copy and translation of a communication received from the Foreign Office on May 12 embodying a letter prepared by the Paraguayan Minister of Agriculture stating the policy to be followed by Paraguay on immigration. Comment will follow in a subsequent despatch.

Respectfully yours,

Wesley Frost

Enclosures:

Copy and translation of a
communication from Foreign
Office, as described above.

848

WF/wsr

Original (carbon reversed) to Department by air mail.

Page 2 of Enclosure to despatch No. 2093
from American Embassy, Asuncion, dated
April 13, 1944.

TRANSLATION

D.P. y D.-
No. 363

Asuncion, April 28, 1944

Mr. Ambassador:

I have pleasure in transmitting to Your Excellency the following communication received from the Ministry of Agriculture which states: "S-351, Asuncion, April 25, 1944.
Mr. Minister: I have pleasure in addressing Your Excellency to request you to kindly present for the consideration for the Government of the United States of North America through the intermediary of its Embassy in this Capital, a summary of the project regarding immigrants into Paraguay in the future, drawn up by this Government Department, the execution of which is assured with the good reception of our government, as a form of collaborating with the high-minded humanitarian work which the United Nations of America under the auspices of the North American Government for the purposes of carrying out for the assistance of the European peoples. With the offer of collaboration, we wish to alleviate the difficult position of the war victims furnishing them a future of peace and work on the fertile lands of our country with the assurance that they will find an atmosphere of respect and brotherhood necessary for their future happiness. The general bases of our plan of immigration are the following:

1. Our country may receive possibly more than 100,000 families.
2. Paraguay raises no question with respect to race, color, or religion of the immigrants, with the following exceptions:
 - a. The black and yellow races are excluded.
 - b. There are excluded and mutilated and deaf, dumb, and blind.
 - c. There are excluded those of more than 70 years of age.
3. The proposed immigrant groups will be offered under this program (by right) to establish themselves in colonies partially developed. Arable lands will be furnished them in the first year with access to the markets of the country and financial credits will be facilitated to them in order to stimulate the development and operation of the farms.
4. The general plan for the development of colonies contemplates the union (mixture?) of Paraguayan farmers with immigrants in order to assure the assimilation of the latter in Paraguay.

-2-

5. A preliminary step to this program would be the systematic classification of the immigrants before they embark for the purpose of giving preference to young families of farmers or artisans skilled in small industries; those of merchants or of workmen without special talent would not be accepted. The project of colonization is still being studied because the expense and receipts of this enterprise should be calculated more exacting. Considering that the carrying out of this enterprise will require the assurance of a considerable number of officials, this Ministry hopes in consequence to receive the necessary allotments to carry out this project. In this connection, I take this opportunity to salute the Minister with my distinguished consideration. Signed: Juan Plate. Minister."

I take this opportunity to salute Your Excellency with my most distinguished consideration.

/s/ Horacio Chiriani

Your Excellency
Mr. Ambassador of the United States of America,
Honorable Wesley Frost

CABLE TO LISBON

Following message is for Dexter from War Refugee Board:

World Jewish Congress is making an initial remittance of \$10,000 to Dr. Weissman under Treasury license which specified that such funds may be utilized by Dr. Weissman only as authorized by you, as representative of the War Refugee Board.

In approving the use of any such funds by Dr. Weissman, you should of course be satisfied that there will be no duplication of the rescue and relief activities of other private agencies operating in Portugal.

For your guidance, the funds may be used by Weissman in order to arrange for the rescue of persons in enemy territory whose lives are in imminent danger and to sustain and safeguard the lives of such persons pending evacuation to places of safety. The funds may also be used for the maintenance of refugees in Portugal. The necessary funds, goods or services from persons in enemy territory may be acquired against payment by any of the following methods:

1. The purchase of currency or exchange of the country in which the operations are to be effected from persons in Portugal who Dr. Weissman, after consulting with the United States Embassy in Lisbon when feasible, is reasonably certain have held such currency or exchange since prior to the freezing of such currency by the United States or have since acquired such currency or exchange in such manner as has not benefited the enemy. The sellers of such currency or exchange may be reimbursed therefor in escudos at the prevailing unofficial rates of exchange in Portugal;
2. The acquisition of local currencies or exchange from persons in enemy or enemy-occupied territories for which reimbursement will not be made until after the war. In order to insure reimbursement after the war to the persons supplying such currencies or exchange, blocked accounts may be established on the books of the World Jewish Congress in the United States, or in a bank in the United States or a bank in Portugal. No payments may be made from any such blocked account without the specific approval of the Treasury Department and no assignments may be made of any interest in such blocked account without such approval;
3. If it is not feasible to obtain the local funds by either of the first two methods, the necessary local funds, goods or services from persons in enemy or enemy-occupied territory

- 2 -

may be acquired against payment in free exchange or free currency notes. Dr. Weissman should take reasonable steps to avoid such foreign exchange or free currency notes being paid to persons who will make it available to the enemy.

You and Dr. Weissman should consult with James Wood, Financial Attache at the Embassy, with respect to the financial aspects of operations desired to be effected by Weissman with World Jewish Congress funds remitted from the United States under the above-mentioned license.

THIS IS WRB LISBON CABLE NO. 24

May 13, 1944
10:50 a.m.

FH:lab 5/12/44

PROPOSED CABLE TO MINISTER NORMES FOR DEXTER, LISBON, PORTUGAL

Reference to Department's 1265 of May 6.

Consul at Istanbul reports substantially as follows:
QUOTE All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Repatriation was ordered for Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans. UNQUOTE

In light of above information, the requested steps to rescue Jews in Greece claiming Portuguese nationality assume particular urgency.

THIS IS WEB LISBON CABLE NO. 23.

May 13, 1944
9:40 A.M.

Bakwin: MStandish/jfh-jp 5/12/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Lisbon
TO: Secretary of State, Washington
DATED: May 15, 1944
NUMBER: 1446

SECRET

Following is VEB no. 31 from Weissman, for Pierre Mendes-France Finance Commissar of French National Liberation Committee now in Washington.

I am happy to inform you that children's rescue program bringing excellent returns. Among children in Portugal now six French. Entrance of large number of children without papers has been agreed to by both Iberian countries. Our frontier organization is now developing on scale that we hope to save hundreds. Also we have offered to rescue non-Jewish children. List of Catholics is being prepared by Monsignor Meyer-Mas, French Red Cross delegate in Spain, and we have other lists Protestants.

I am reminding you of your promise to place money at our disposal in view of the fact that we are suffering from shortage of funds for intensified work. I am now asking for immediate help. You can send funds through the War Refugee Board.

NORMAL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Lisbon
TO: Secretary of State, Washington
DATED: May 13, 1944
NUMBER: 1447

CONFIDENTIAL

Following is WRB No. 32.

If refugees are to get out, absolutely essential are large disbursements in Spain either by WRB or private agencies. The first question at issue is whether or not facilities can be provided for purchasing and transmitting pesetas at reduced rates or shall the legal rate be paid by the agencies or Board. If the former, what channels are available? Would save 40% cost operations.

The second question is more fundamental. Unless: (One) the World Jewish Congress is able to transmit considerable funds at once; (two) the Joint Distribution Committee turns over part of their funds to Congress for evacuation or; (Three) money is sent by WRB direct for work in Portugal and Spain, Weissman's project endangered. Except for comparatively small sums promised from WRB funds here, at present he is financing it personally, or on his and Congress credit. Imperative is an immediate decision.

NORWEB

DCR:VAG:HL 5/15/44

PROPOSED CABLE TO AMERICAN EMBASSY, MADRID

Reference Department's 1108 of April 21.

Consul at Istanbul reports substantially as follows:
QUOTE All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Repatriation was ordered for Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans. UNQUOTE

In light of above information, the requested steps to rescue Jews in Greece claiming Spanish nationality assume particular urgency.

May 13, 1944
9:40 A.M.

BAKrin: MStandish/lcm-jp 5/12/44

CABLE TO MINISTER HARRISON FOR McCLELLAND, BERN, SWITZERLAND

Consul at Istanbul reports substantially as follows:
QUOTE All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Repatriation was ordered for Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans. UNQUOTE

Missions at Istanbul, Madrid and Lisbon have been instructed to obtain action to help victims in Greece claiming the nationalities of the respective countries. The American representative in the Vatican City has been requested to obtain the cooperation of the Holy See.

You are requested to ask Intercross to bring all possible aid to said victims, including those evacuated from Greece. Would appreciate information as to destination of evacuees.

THIS IS WRB CABLE TO BERN NO. 17

May 13, 1944
9:40 a.m.

BAksin:MSStandish/jh-jp 5/12/44

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: May 13, 1944
NUMBER: 1571

SECRET

TO UNITED STATES REPRESENTATIVE TITTMANN, VATICAN CITY

Reference to Department's 1561 to Bern of May 6.

Consul at Istanbul reports substantially as follows:

"All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4,000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Expatriation was ordered from Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans."

In light of above information, the requested steps to rescue Jews in Greece claiming Portuguese and Spanish nationality assume particular urgency.

THIS IS WEB CABLE TO BERN NO. 4 12.

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: May 13, 1944
NUMBER: 1672

SECRET

THIS IS WRB CABLE TO BERN NO. 17 FOR McCLELLAND

Consul at Istanbul reports substantially as follows:

"All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Repatriation was ordered for Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans."

Missions at Istanbul, Madrid and Lisbon have been instructed to obtain action to help victims in Greece claiming the nationalities of the respective countries. The American representative in the Vatican City has been requested to obtain the cooperation of the Holy See.

You are requested to ask InterCross to bring all possible aid to said victims, including those evacuated from Greece. Would appreciate information as to destination of evacuees.

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Bern
TO: Secretary of State, Washington
DATED: May 13, 1944
NUMBER: 3046

SECRET

Following is for WRB from McClelland.

We refer herewith to the Department's telegram of April 8, 1944, No. 1198.

The following report is made by IRC:

(1) In the three camps of Gredjan Isalas, Starogradiska and Jasenovac, there are twelve hundred Groatian Jews interned.

(2) and (3) Packages containing one can 500 gram tuna fish, one package 500 gram sweet potato paste, two packages 20 cigarettes and one can 500 gram chinchard sardines can be purchased for ten Swiss francs, according to previous estimates submitted to IRC from Portugal. It is planned to distribute two parcels per internee per month. With reference to Legation's telegram of April 22, 1944, No. 2581, the purchases doubtless can be arranged more satisfactorily as to price and types of products if negotiated by IRC representative on the spot.

(4) The distribution is to be made through the Jewish community of Zagreb which has aided these people to date and which apparently has access to camps under the supervision of the delegates of IRC in Zagreb, the latter to report back regarding effectiveness of scheme to IRC Geneva.

HARRISON

DCR:IDB:ML

5/15/44

CABLE TO AMBASSADOR STEINHARDT, ANKARA

Following is personal for Ambassador Steinhardt from
Ira Hirschmann.

Considering all circumstances I feel strongly that I
should return to Ankara at first opportunity to help complete
War Refugee program you and I started. Regards.

THIS IS WRB ANKARCABLE NO. 37

May 13, 1944
4:05 p.m.

IAH:JWPehle:lhk 5/13/44

CABLE TO AMBASSADOR STEINHARDT, ANKARA

Following is personal for Ambassador Steinhardt from J. W. Pehle.

Your No. 828 of May 8, 1944, has been given the fullest consideration. The Board nevertheless continues to believe that Hirschmann's return to Ankara as soon as practicable to continue to assist in the fine job which you and he have begun is most desirable. Moreover, his immediate return would appear particularly desirable in view of your contemplated departure from Turkey next month. Under the circumstances and because of Hirschmann's familiarity with conditions in Turkey to which you refer, his failure to return there during this crucial period might with some justification result in serious criticism in informed relief circles. Consequently, we will continue to urge Hirschmann's prompt return to Ankara and would like to have your concurrence. In response to the penultimate sentence of your No. 828, arrangements are being made for the prompt departure for Ankara of Herbert Katski, a member of the Board's staff, who formerly served the JDC in Portugal and elsewhere. Hirschmann has seen this cable and is fully in agreement.

THIS IS WRB ANKARA CABLE NO. 38

May 13, 1944

4:05 p.m.

LSL:JWPehle:llh 5/13/44

ORIGINAL TEXT OF TELEGRAM SENT

148

FROM: Secretary of State, Washington
TO: American Embassy, Ankara

DATED: May 13, 1944

NUMBER: 425

CONFIDENTIAL

This is WRB Cable No. 35.

Your 43 to War Refugee Board of April 22 received. Accordingly, letter despatched to Turkish Ambassador requesting that the Turkish Government advise German and other authorities in France that upon the assertion of a claim to Turkish nationality, the claimant is to be extended all the rights, privileges and immunities of a Turkish national unless and until, after investigation, the Turkish government advises such authorities that it has rejected such claim. It is further requested that the Turkish government postpone making adverse determinations of such claims until after the termination of the war. The Ambassador has been informed that this Government has taken a similar position with respect to refugees within German-controlled areas claiming American citizenship.

We further stated that, should the Turkish government find it possible, pending investigation, to bring about the evacuation from German-controlled areas of claimants to Turkish nationality who may be in danger, the Board will undertake to make funds available from American sources for their maintenance and support and will further undertake promptly to find havens outside Turkey for such evacuees whose claims to Turkish nationality are rejected by the Turkish government.

Please continue your efforts along same lines.

We also understand that many Spanish nationals in Greece are interned for deportation. We are urging Spain to take action similar to that asked of Turkey, but we suggest that you might support our action by urging Spanish Minister at Ankara who, we are informed, is handling the matter. We are also asking Vatican to intercede with Spain.

HULL

CABLE TO UNITED STATES REPRESENTATIVE TITTMANN, VATICAN CITY

Reference to Department's 1531 to Bern of May 6.

Consul at Istanbul reports substantially as follows:
 QUOTE All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4,000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Repatriation was ordered for Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans. UNQUOTE

In light of above information, the requested steps to rescue Jews in Greece claiming Portuguese and Spanish nationality assume particular urgency.

THIS IS THE CABLE TO BERN NO. 18.

There is enclosed herewith for appropriate clearance and prompt despatch a telegram to the American Legation at Bern for transmission to the American representative at the Vatican City.

May 13, 1944
 10:50 A.M.

BAK:ini: MStandish/jfb-jp 5/12/44

OFFICE
SECRETARY OF THE ARMY
1944 MAY 15 AM 9 42

NOT TO BE RETRANSMITTED

SECRET

COPY NO. 11

TREASURY DEPARTMENT

OPTEL 153

Information received up to 10 a.m. 13th May 1944.

1. NAVAL

Early yesterday M.T.B's attacked 2 ships escorted by 3 Trawlers off Cherbourg. A 3,000 ton ship was torpedoed and 2 of the Trawlers damaged by gunfire. On 12th one of H.M. Submarines shelled an R.D.F. Station in Crete.

2. MILITARY

ITALY. Fair progress against very stubborn resistance. The advance in the mountains from our salient North of Cassino by Polish troops is being very bitterly contested, numerous German counter attacks, heavy casualties inflicted on enemy. South of Cassino in U.K. and Indian sector we are across the Rapido at many points although a heavy ground mist in the Liri Valley caused some initial confusion and loss of direction. South of the Liri opposition is severe, French troops have taken and are firmly established upon Monte Faito and repulsed a strong counter attack. U.S. troops made some progress against bitter resistance and fighting is going on in villages of Ventosa - half mile West of Castelforte and Santa Maria Infante - 1 1/2 miles North of Minturno: 2 German counter attacks repulsed. Little progress elsewhere.

BURMA. Kaladan. Japanese have occupied a village 8 miles West of Daletme. On Imphal-Kohima Road they have established another road block 14 miles North of Imphal. On 10th/11th we launched a fresh attack on Japanese positions at Kohima: Satisfactory progress reported.

3. AIR OPERATIONS

Western Front. 11th/12th. Ground haze in various intensity hampered main operations. Bourg, 527 tons H.E., operation unsatisfactory. Boulogne, 471 tons H.E., fair bombing concentration, obtained eventually one very large explosion. Hasslet, 197 tons H.E., thick haze, attack abandoned. Louvain, 499 tons H.E., visibility only fair, bombing generally concentrated though reported scattered by some crews.

12th. 740 Fortresses and Liberators out of 886 despatched dropped total 960 tons on four synthetic oil plants near Leipzig, 276 tons on similar plant Brux, Czechoslovakia and 141 tons on aircraft repair factory Zwickau near Chemnitz with good results. Enemy casualties reported 155/26/37, ours 42 bombers, 10 fighters missing. 362 medium and light bombers and 640 fighter bombers - one missing, attacked airfields, communications and military objectives in Northern France and Belgium dropping total 664 tons and firing 790 rockets.

12th/13th. Aircraft despatched - goods yards Louvain 120 - 6 missing and Hasselt 111 - 6 missing. Sea Mining 65 - one missing, bomber support Intruders etc. 74 - one missing. Preliminary reports indicate good attacks at Louvain and Hasselt.

~~NOT TO BE RE-TRANSMITTED~~

CIFT NO. 11

SECRET**OPTEL No. 154**

Information received up to 10 a.m., 14th May, 1944.

1. NAVAL

12th/13th. A French Destroyer sank one E-boat and damaged another south of ISLE OF WIGHT. Other E-boats were engaged and driven off by patrol vessels. One of H.M. Destroyers probably damaged one. Norwegian motor torpedo boats engaged trawlers and E-boats off Hook of HOLLAND: the trawlers were hit and one motor torpedo boat damaged. On 10th/11th coastal forces torpedoed an escorted ship south of LEGHORN and damaged an R-boat. On 11th one of H.M. Destroyers bombarded positions in ANZIO area.

2. MILITARY

ITALY. With the exception of one sector the attack on 8th and 5th Army fronts is progressing satisfactorily although the Germans are clearly fighting it out where they stand.

8th Army. The ground gained northwest of CASSINO on 12th and held against numerous counter attacks has been lost and the Poles are back on their starting line where they are reorganising for further attacks. Further south U.K. and Indian troops now hold bridgehead across the RAPIDO varying between 1,500 and 2,000 yards in depth. We have taken ST. ANGELO and are clearing up an enemy strong point north of it. Three bridges are across the river, two of them fit for tanks.

5th Army. On the right French forces are pushing up the West bank of the GARIGLIANO and are now fighting in the ANDREA area. They have captured MONTE GIROFANO, MONTE MAJO and four other hill features and are still advancing. Progress is also being made in direction of RUSONIA. CASTELFORTE is now ours and U.S. forces have held all their gains of 12th between this point and the sea against counter-attacks.

BURMA. Japanese have established a third road block on IMPHAL-KOHIMA road 12 miles north of IMPHAL. In southwest outskirts KOHIMA our troops have made some progress but several pockets Japanese troops still holding out.

3. AIR OPERATIONS

WESTERN FRONT. 12th/13th. HASSETT. 434 tons tons H.E., weather clear, bombing well concentrated on accurate markers, one large and prolonged explosion reported. Slight A/A, numerous fighters en route.

LOUVAIN. 355 tons H.E., excellent visibility but ground mist. Markers accurately placed and bombing well centred on them. During attack a violent explosion completely obliterated markers, defences negligible.

13th. 3,345 offensive and escort sorties flown including 731 by U.S. heavy bombers which attacked STRALSUND and ship-building yards at STETTIN - 500 tons (10 bombers missing); TOTOW airfield - 500 tons (1 missing); OSNAERUCK Goods Yards - 425 tons (1 missing); enemy casualties reported 71, 7, 18 in the air and 16, 0, 27 on the ground. 14 Allied fighters missing. Escorted medium and light bombers (6 missing) attacked 10 transportation targets - 250 tons; 5 military objectives and coastal defences - 255 tons; and 4 airfields - 196 tons. Two enemy aircraft destroyed.

ITALY. 12th. Cloud and haze predominated. About 1,150 offensive sorties were flown and total 1,900 tons dropped in widespread attacks on railway centres, harbours and airfields. Enemy casualties 1, 1, 0 in the air and 5 destroyed on the ground. Ours - 7 missing.

From: Mayer F. Steinglass
Director of Publicity
UNITED JEWISH APPEAL
342 Madison Avenue
New York City

152
FOR RELEASE ON OR AFTER MONDAY, MAY 15

TEXT OF RADIO INTERVIEW

With John W. Pehle,
Executive Director, PRESIDENT'S WAR REFUGEE BOARD

SUNDAY, MAY 14 - NOON TO 12:30 P.M.

NATIONAL BROADCASTING COMPANY

Auspices, UNITED JEWISH APPEAL FOR REFUGEES,
OVERSEAS NEEDS AND PALESTINE

(Mr. Pehle spoke from Washington, D.C.)
The interviewer was H. R. Baukhage

BAUKHAGE: Baukhage talking! From Washington where on January 22 of this year by executive order the President set up the War Refugee Board consisting of the Secretary of State, the Secretary of the Treasury and the Secretary of War, quote "to take action for the immediate rescue from the Nazis of as many as possible of the persecuted minorities of Europe -- racial, religious and political -- all civilian victims of enemy savagery," end quote. These were the words of the official statement.

A full-time executive director of that Board was appointed. He is John Pehle, assistant to the Secretary of the Treasury, and on leave as director of Foreign Funds Control. Mr. Pehle is sitting right here with me now.

The driving force in every successful effort is a personality -- a human being -- and I want to bring that personality before you. Mr. Pehle, I want you to tell me in your own words something about the motives behind the formation of the War Refugee Board.

PEHLE: Well, in the first place, Mr. Baukhage, let me say that there is more than a personality behind this effort. A nation is behind it and I think that the effort is typically American. The fact that in the midst of a great war the President saw fit to assign to his three top

PEHLE:
(CONT)

cabinet officers the task of rescuing the refugees from the clutches of the enemy is significant. It brings home with great force the urgency of the problem.

BAUKHAGE: Yes, I can understand that urgency. We know that thousands of persons are being rounded up every day and shipped to execution centers like those in Poland. We hear about these things, but they seem rather vague.

PEHLE: Let me tell you, Mr. Baukhage, one typical story -- a story that began in Poland but, thank heaven, didn't end there. There is nothing vague about David, a little boy, a Polish Jew, 8 years old when he saw his parents killed in Warsaw by a Nazi firing squad. He ran away to the woods. For weeks he wandered alone until a kindly Christian farmer and his wife hid him in their home. Later the underground helped him across the border to Roumania. There he was caught in the general roundup of foreign Jews and sent to exile in Transnistria which, you know, was German-occupied Russia.

BAUKHAGE: It was in that particular exile, wasn't it, that over half of 200,000 refugees died of mistreatment and starvation.

PEHLE: That's right. Several months ago -- along with 40,000 fellow exiles -- David was brought back to Bucharest, Roumania, when pressure was put on the Roumanians to save the surviving refugees from annihilation by the retreating German army.

A few weeks ago, with the help of the Jewish Agency for Palestine, David obtained passage on a ship which sailed from Constanza across the Black Sea to Istanbul. The Joint Distribution Committee provided funds for the voyage. David had no documents -- none of the exit and entrance permits required of travelers. But thanks to the efforts of Ambassador Steinhardt and the War Refugee Board representative in Turkey he got through Turkey and on to Palestine. David has been through fire. But now he's safe. He faces life instead of death.

BAUKHAGE: That brings it home. But just how, Mr. Pehle, does your Board function at this end? Where does Washington come in?

PEHLE: Much of the work is done through diplomatic channels, with the assistance of the State Department and its foreign representatives. Today the United States, as one of the recognized leaders among nations, is in a position to bring home to other countries -- Allies, neutrals, and Axis satellites alike -- what the American people want done about refugees. After all, the job of the War Refugee Board is to carry out the desires of the American people on this subject.

BAUKHAGE: What about diplomatic pressure on the satellite countries, Mr. Pehle? Can that actually be used to save lives?

PEHLE: It certainly can.

BAUKHAGE: How?

PEHLE: The satellites no longer have any illusions about the outcome of the war.

BAUKHAGE: They certainly shouldn't have.

PEHLE: They know that Germany will be defeated. We can bring about a more liberal attitude toward the refugees by making it crystal-clear to these countries that the United States and the United Nations will bear in mind their treatment of minorities when the time for final settlement comes.

BAUKHAGE: Let's see, it was only a few weeks ago, wasn't it, that the President warned Germany and the satellites of the consequences of further persecution of the Jews.

PEHLE: That's right. And he called upon all the free peoples of Europe and Asia "to open their frontiers to all victims of oppression."

BAUKHAGE: Have you any way of knowing that such warnings have had any effect?

PEHLE: We are sure that they do, although it is obviously difficult to measure their effectiveness exactly. The fact that Roumania permitted the

PEHLE:
(CONT)

refugees to return from Transnistria to Roumania proper may well be an example of the success of this technique. We have evidence that these warnings have injected new life and hope into thousands of downtrodden, tormented people -- have been "booster shots" to sinking hearts.

BAUKHAGE: Is the work which the War Refugee Board is doing in any way duplicating the activities of private agencies such as those which are represented in the United Jewish Appeal?

PEHLE: Definitely not, Mr. Baukhage. Private agencies and the Board work as a team. Through the Board things are done that only Government can do. Private agencies meet the principal costs and assist in functional ways. We need them and they need us.

BAUKHAGE: Well, Mr. Pehle, can you tell us a little more concretely how this works out?

PEHLE: Let me tell you about Leon and Ruth, a Jewish couple whose martyrdom began when the Germans took France. For a time they hid in the outskirts of Paris and then in the surrounding country. Last winter they made their way to Spain. Their only possessions were the clothes on their backs. After making this treacherous journey they were held in custody until provision could be made for them. The Joint Distribution Committee -- one of the agencies in the United Jewish Appeal -- secured their freedom by guaranteeing their maintenance. Leon and Ruth are in Barcelona now. They are candidates for evacuation to a camp which the United States and Great Britain have set up near Casablanca in North Africa. The War Refugee Board is going to see that they get there -- soon.

BAUKHAGE: That's fine!

PEHLE: You see, Mr. Baukhage, the agencies in the United Jewish Appeal -- the Joint Distribution Committee, the United Palestine Appeal, and the

(MORE)

PEHLE:
(CONT)

National Refugee Service — have a very distinguished record of achievement. We want to supplement and reinforce their activities. We want to cooperate with them wherever it is appropriate. We hope that those who wish to further the program of the War Refugee Board will do it by responding generously to the campaigns of effective private agencies such as those in the United Jewish Appeal. As President Roosevelt said, through them "the American people can make their contribution to the fight for decency, human dignity, and freedom for all to live in peace."

BAUKHAGE: Now there's one more question I want to ask you, Mr. Pehle. How is the present military situation — the invasion — we're all waiting for — affecting your work?

PEHLE: Mr. Baukhage, we realize that the exigencies of war may suddenly reverse or delay some of our plans. We realize that the very nature of our problem may change. But let me assure you that we are determined to save as many lives as we can, as fast as we can. We are prepared to use this Nation's growing power and our coming victory for the humane purposes for which we fight.

BAUKHAGE: Thank you very much, Mr. Pehle, for giving us this clear picture of the part the War Refugee Board is playing in helping the refugees.

E N D

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Ankara
TO: Secretary of State, Washington
DATED: May 14, 1944
NUMBER: 852

CONFIDENTIAL

Kelley sends the following for Pehle.

Reference is made herewith to the Department's telegram of May 9, 1944
No. 408; No. 53 Ankara.

You are informed that on the twenty-first of April the money in
question was received here.

STEINHARDT

DCR:IDB:HL

5/15/44

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 15, 1944

TO Secretary Morgenthau
FROM Mr. Haas
Subject: Walter Stewart's comments on the problem of large denomination currency.

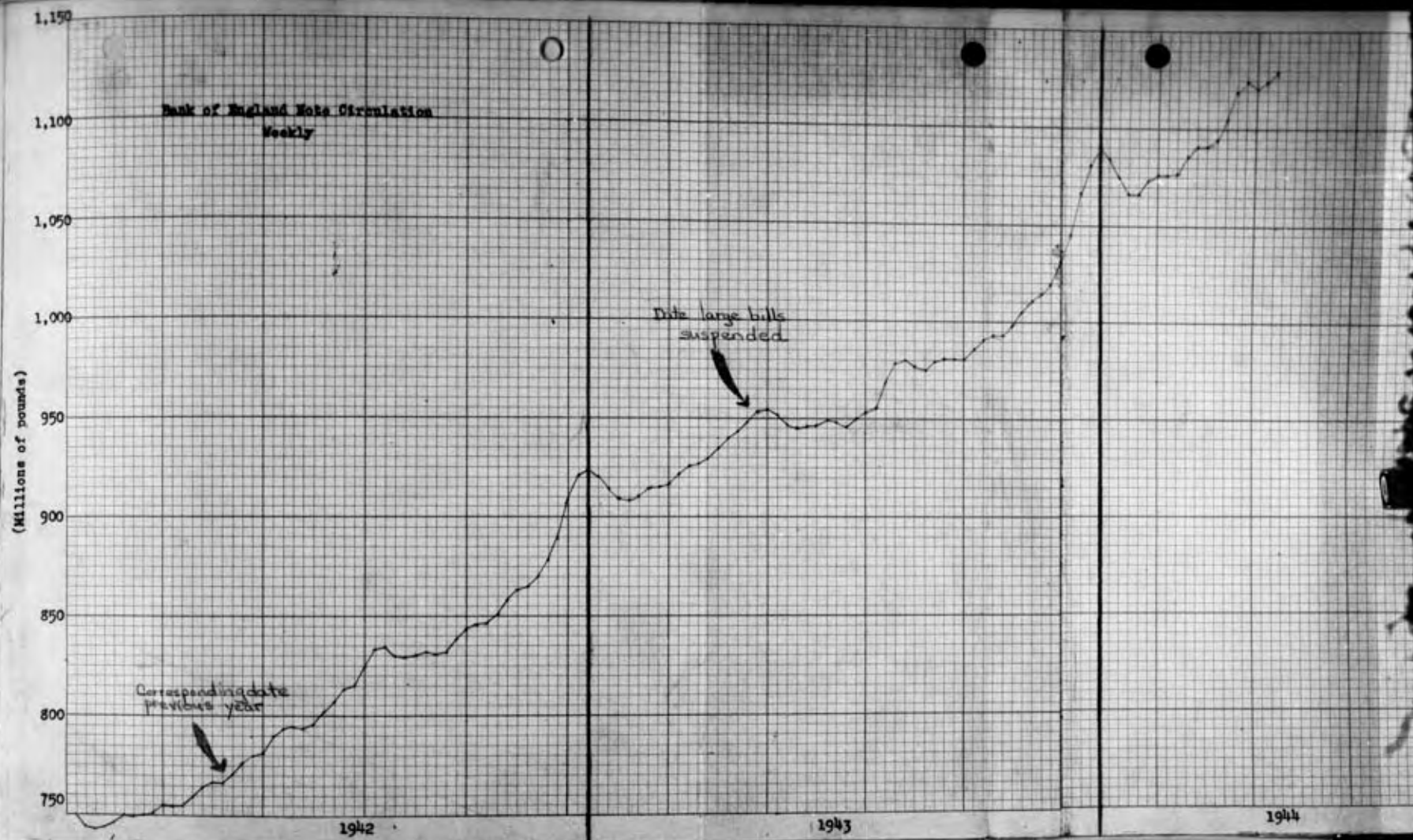
In accordance with your request, I discussed with Walter Stewart a proposal to stop the issuance of large denomination currency, i.e., bills over \$20, or to conduct an experiment in one city in which no currency over \$20 would be issued over a certain period.

Dr. Stewart's conclusion was that he would advise against such action, his main reason being that he felt the risks involved were much greater and clearer than the gains, if any, that might result. Some people, he said, are worrying about the currency situation and related problems and such a move would definitely indicate that you are also worried. He feels that the people's confidence in the currency is of great importance and that such confidence is generally good at the present time and should not be upset by an experiment which might prove ineffectual in meeting the major problem.

Such a method was employed in England. The issuance of all notes over 10 pounds was stopped in April of 1943. The effect was that the currency increase flattened out for a few months and then resumed its upward trend. Currency outstanding in England in April 1943, the date of the stop order, was about 950 million pounds. It has since risen to 1129 million pounds. See chart attached.

Dr. Stewart further pointed out that if the war continues, a major operation with regard to currency, the Federal Reserve ratio and related factors, will have to be undertaken next year. The large denomination currency question, he suggested, should be considered at that time along with the major problem (this major problem to which he refers was discussed in our memorandum of March 8, 1944 on Money Market Management During 1944.)

We have written several memoranda on the problem of the issuance of large denomination currency since the war, the most recent one being that of February 23, 1944, which Mr. Bell, as Acting Secretary, submitted to the President in response to an inquiry the President received from Mr. David Stern, publisher of the Philadelphia Record. Copies of the memorandum and correspondence in this connection are attached.



55523

February 23, 1944

My dear Mr. President:

In accordance with your request, I am submitting herewith a proposed letter to Mr. J. David Stern, in reply to his letter with reference to the increase in the circulation of large denomination currency. I am also attaching a memorandum in which the principal points at issue are discussed.

Faithfully yours,

(Signed: D. W. Bell)

Acting Secretary of the Treasury

The President

The White House

Attachments

February 23, 1944

MEMORANDUM FOR THE PRESIDENT

The attached letter from Mr. J. David Stern, and the accompanying pages from the Philadelphia Record, call attention to the large increases in the amounts of currency of large denominations in circulation; and suggest the discontinuance and recall of denominations above \$20 as a means of checking hoarding, black market operations, and tax evasion.

Mr. Stern makes a comparison between the amount of currency in circulation in 1929 and 1943. It should be noted, however, that the major portion of the increase in money in circulation has occurred since 1940 and may be considered as being very largely the result of the war. From the end of 1940 to the end of 1943, the amount of money in circulation increased by \$11,717 millions, distributed by denomination groups as follows:

Increases in Money in Circulation by Denomination Classes
Calendar Years 1941 - 1943

Denomination classes	: 1941	: 1942	: 1943	: Total	: Percent increase
(Amounts in millions of dollars)					
Coin and \$1 to \$5	419	584	542	1,545	64
\$10 and \$20	1,455	2,871	2,752	7,078	185
\$50 and \$100	507	772	1,464	2,743	166
\$500 and over	47	20	280	347	41

The greatest absolute and percentage increase has been that of the \$10 and \$20 bills; but the increase of \$50 and \$100 bills has not been small. Although \$50 and \$100 bills are seldom found in active circulation, they are often used in pay envelopes; and a part of the increase in this class is probably due to an actual demand for this purpose.

Memorandum for the President - 2

The causes of the increase have been various. The overall explanation is business expansion and the growth of the national income. Other contributory factors include:

- (1) Low interest rates which have greatly reduced the "cost" of holding currency in terms of the interest lost on alternative investments.
- (2) The imposition of service charges on checking accounts which has encouraged the use of cash in place of checks.
- (3) The depression, subsequent recovery, and the establishment of war industries which have induced a shifting of population -- a process which requires more money.
- (4) The receipt of a larger proportion of the national income by persons in the low-income groups who tend to make their payments by currency rather than by check. This tendency has been greatly accelerated since the beginning of the defense program.
- (5) Sharply higher taxes which have probably increased the demand for currency for the purpose of concealing transactions.
- (6) Black market transactions, which are another occasion for concealment.

Bills larger than \$20 have practically no real currency function. There would seem, therefore, to be no objection to discontinuing their use. A precedent exists in the recent discontinuance in the United Kingdom of the issuance of notes of £10 and up. This action had the effect of temporarily halting the outflow of notes into circulation. Since the British banks were merely requested not to reissue big notes paid in by their customers and no effort was made to induce holders of such notes to pay them into the banks, it is not possible to draw a parallel with what might be the result of adopting Mr. Stern's suggestions. However, it does not appear that the present is an appropriate time to do so. Such action would run the danger of being interpreted by the public as the first step in the confiscation of currency holdings, as the discussions of compulsory savings were misinterpreted and gave rise

Memorandum for the President - 3

to rumors that savings deposits were to be confiscated. Similar rumors with respect to currency would be detrimental to the war finance program.

In addition, Mr. Stern's proposal would probably be ineffective in reducing the volume of hoarded funds; and it is doubtful that hoarding in the form of large bills constitutes a serious inflationary threat. Individuals who were determined to hoard currency, evade taxes, or engage in black market operations, would merely shift to available denominations, which would increase the production burden of the Bureau of Engraving and Printing. Moreover, it seems unlikely that the larger denominations of currency are hoarded by the individuals who are most likely to indulge in a spending spree after the war. Hence Mr. Stern's fears of inflation arising from such hoards would appear to be somewhat exaggerated.

The accompanying reply to Mr. Stern has been written on the basis of the foregoing considerations.

(Signed: D. W. Bell)

My dear Mr. Stern:

I have your letter of February 18, 1944, enclosing a copy of a story and editorial on the increase of currency in circulation, and suggesting that the Government stop issuing bills of large denominations and require the exchange of those now outstanding for currency of smaller denominations.

The increase in currency in circulation has been the subject of a great deal of study in the Treasury Department. Although paper currency in large denominations, say over \$50, has very little true currency use, it has not appeared desirable to the Treasury to terminate its issuance and to call in outstanding bills. Such action would be likely to result in considerable misunderstanding and might cause rumors of impending confiscation of currency holdings to the detriment of the war finance program, just as the discussion of compulsory saving led to rumors that savings deposits would be confiscated. The discontinuance of large-denomination currency, moreover, would be unlikely to deter those who are determined on hoarding currency or using it for the purpose of concealing transactions; and, of course, from a production point of view, the task of replacing a given dollar amount of \$20 bills withdrawn for hoarding would be five times as great as that of replacing the same amount of \$100 bills. I doubt also that the inflationary threat represented by currency of the larger denominations is as serious as you suggest. The individual whose spending has an important impact on the prices of things ordinarily entering into the cost of living is unlikely to be an important holder of those bills.

I appreciate your interest in the success of the war finance and stabilization programs; and I want to thank you for sending me a copy of the article and editorial.

Very truly yours,

Mr. J. David Stern
Publisher
Philadelphia Record
Philadelphia, Pennsylvania

THE WHITE HOUSE
WASHINGTON

February 21, 1944.

MEMORANDUM FOR
THE SECRETARY OF THE TREASURY
FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F. D. R.

J. DAVID STERN

Philadelphia Record, Philadelphia
Evening Courier, Camden, N. J.
Morning Post, Camden, N. J.

Philadelphia 1, February 18, 1944

The President
The White House
Washington, D. C.

Dear Mr. President:

I enclose story and editorial on currency which may be of interest to you.

The question which I did not ask in my editorial and which I wish you would ask the Treasury Department, is why it supplies the demand for banknotes in denominations above \$20.

I have checked with the concerns which handle the largest payrolls in this industrial center, and none of them use hundred dollar bills.

As a matter of curiosity, I had my cashier find out how much money in \$20 bills he could place in a \$5 safe deposit box. The answer is \$70,000 in old bills, and considerably more in new bills which pack closer.

I think we should grant the man of money the privilege of placing some immediately usable currency in his safe deposit box. If this gentleman of large cash balances could not obtain notes above \$20, the only hardship that would be visited upon him would be the necessity of renting additional boxes at a cost of less than 100th of one per cent of the money he crammed into his boxes.

Why should the Treasury of the United States continue to serve the convenience of hoarders and racketeers?

It would be a popular move for the Government to stop issuing big bills and demand an exchange of big bills for smaller denominations within a reasonable period.

With kind regards,

Yours sincerely,

(Signed: J. David Stern)

RM
Enc.

May 15, 1944

Dear Henry:

Mr. Gamble has advised me of your very fine talk before the Association of Mutual Savings Banks in New York last week. I also noted the prominent mention of this talk in the New York Times. I think your message to the savings bankers was very constructive, and I sincerely hope your recommendations and the example of The Bowery Savings Bank will be followed. I want to thank you for your continued interest.

Sincerely yours,

(Signed) Henry Morgenthau, Jr.

Mr. Henry Bruere,
President, The Bowery Savings Bank,
110 East 42nd Street,
New York, New York.

HWC:cha

TREASURY DEPARTMENT *M*

INTER OFFICE COMMUNICATION

DATE May 15, 1944

TO Secretary Morgenthau
FROM Charles Bell *Paul*
Subject: Surplus Property Disposal

The following major developments have taken place during the past week:

1. A Government-wide Procurement directive is under consideration and a proposed draft has been tentatively concurred in by the Bureau of the Budget which will accelerate Treasury's sale of surplus consumer goods by:

- (a) Eliminating the preparation of a monthly catalog of surpluses and doing away with the necessity for a 20-day solicitation of Federal agencies before a public offering can be made.
- (b) Placing upon the purchasing agents of Federal establishments the responsibility for requesting goods from surplus stocks without prior solicitation from the Procurement Division.

- 2 -

2. A summary report prepared manually was devised to keep Mr. Olrich informed on goods available for sale. This type of report covering items of major importance will make it unnecessary for Mr. Olrich to rely entirely on the first IBM tabulations produced by a system still in the formative stage. Mr. Olrich has indicated that he would prefer information on items of \$50,000 and over.

- (a) Within the next 60 to 90 days the machine prepared reports will provide excellent operating information and reliable accounting control.

3. The Surplus War Property Administration issued their Regulation No. 1 on May 8. Briefly, it accomplishes the following:

- (a) Establishes procedures governing declaring agencies.
- (b) Specifically designates commodities to be sold by each of the disposing agencies.

TREASURY DEPARTMENT

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INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE May 15, 1944

TO Secretary Morgenthau

FROM Mr. Haas

Subject: The Business Situation,
Week ending May 13, 1944.

Summary

Stock market: Despite a brief flurry of selling near the end of the week, the net change in stock prices last week was virtually nil. Existence of considerable bearish sentiment, however, is seen in the fact that the short interest on the New York Stock Exchange at the end of April was the largest since May 1938. Meanwhile, industrial stock prices in London last week rose to a new war-time high. Bonds of some Axis occupied countries have made further gains.

Commodity prices: Commodity futures turned downward last week, with wheat and rye futures off noticeably following a favorable Government wheat crop forecast. Spot markets showed very little change, although the BLS index of 28 basic commodities rose 0.2 percent due to a sharp rise in rosin prices. With the BLS all-commodity index unchanged in the week ended May 6, it now stands at exactly the same level as a year ago.

Crop prospects: Winter wheat prospects improved substantially in April and a crop of 662 million bushels, 25 percent larger than last year, is now forecast. Nevertheless, a prospective reduction in our total supply of wheat will doubtless require a curtailment in wheat consumption.

Employment and wages: Factory employment in April decreased 1.5 percent, showing the fifth consecutive monthly decline. Factory payrolls in March declined less rapidly than employment, and as a result average weekly earnings of factory workers rose to a new high 91 percent above the 1939 average.

Corporation earnings: Preliminary reports indicate that net profits of leading industrial corporations were moderately higher in the first quarter of 1944 than a year earlier, with a National City Bank tabulation of 295 companies showing a rise of 6 percent. This gain, however, may eventually be reduced by renegotiations. Net railway operating income in the first quarter of 1944 was 23 percent below the first quarter of 1943, despite a 9 percent rise in operating revenues.

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- 2 -

Stock prices steady

After moving in a very narrow range during most of last week, stock prices sold off moderately on Friday as reports of the new Allied offensive in Italy apparently touched off some selling on the part of nervous traders and investors. However, selling pressure lifted on Saturday, and at the close of trading the Dow-Jones average of 65 stocks was only fractionally below week-earlier levels. Moreover, industrial stock prices for the week as a whole averaged slightly higher than in the previous period. Industrial stock prices in London continued their recent upswing, and despite a moderate reaction on Friday the average for the week was the highest of the entire war period. (See Chart 1.)

In the face of a firm undertone in stock prices at New York in recent months, considerable bearishness on the outlook continues to be manifested by speculators and investors. Evidence of this is seen in a further rise in the short interest on the New York Stock Exchange, which increased 6 percent in April. The total short interest of 1,091,000 shares at the end of the month was the largest since the end of May 1938. While some of this short selling doubtless consists of outright short sales by bearish traders, in other instances long positions have been hedged as a protective measure against unpredictable impending events. At the same time speculators and investors in foreign bonds at New York appear to view the campaign against the Axis with considerable confidence. Thus, representative Eastern European dollar bonds have advanced to the highest level since the summer of 1939, and Western European dollar bonds have substantially maintained gains made earlier this year. (See Chart 2.)

Futures ease but spot prices largely unchanged

Commodity futures showed weakness last week but spot markets, for the most part, registered little change. Influenced by the favorable Government wheat crop forecast, wheat and rye futures declined noticeably, but the tight grain situation held cash prices unchanged around ceiling levels. Cotton prices, both future and spot, were off moderately, due in part to nervousness over war developments. The BLS index of 28 basic commodities rose 0.2 percent, the rise being caused entirely by a sharp advance in rosin prices. Prices of all other commodities in the index, except cotton, were unchanged. (See Chart 3.)

The BLS all-commodity index in the week ended May 6 was unchanged from the previous week, with advances in prices of some commodities offset by declines in others. During the past

- 3 -

year this index has moved within a very narrow range and now stands at exactly the same level as a year ago. The index, however, is 38.3 percent above the pre-war level of August 1939.

Factory employment and payrolls continue to decline

Continuing the decline which has been in progress since the war-time peak was reached last November, factory employment in April, according to confidential data, dropped 1.5 percent below the previous month and fell to the lowest level since October 1942.

Factory payroll data for April are not yet available, but confidential figures just obtained for March indicate that the 1.3 percent decrease in factory employment in that month was accompanied by a decrease of 0.9 percent in payrolls. This recession carried factory payrolls down to the lowest level since last August, although the aggregate decline from the peak reached last November has been only 3.5 percent. Moreover, it should be noted that as a result of employment declining more rapidly than payrolls, estimated average weekly earnings of factory workers in March showed a further moderate rise, and attained a new peak 91 percent above the 1939 average. (See Chart 4.)

Rise in steel industry payrolls contributes to earnings decline

Although employment in the steel industry continued to decline in March, payrolls rose to a new high in that month. According to the American Iron and Steel Institute, average weekly earnings of steel workers during March reached a new peak of \$55.28, as compared with \$54.57 in February and only \$46.88 in March last year. Wage-earning employees worked an average of 47.7 hours per week during March 1944, as compared with 42.5 hours a year earlier, while hourly earnings averaged \$1.16 as compared with \$1.10 in March 1943.

Despite the fact that steel ingot production in the first quarter of 1944 rose to the highest level on record, earnings of 14 leading steel producers (including U. S. Steel and Bethlehem) showed a drop in profits of 5 percent below the first quarter of 1943, and 31 percent below the first quarter of 1942. In addition to rising labor costs, other factors have contributed to the decline in earnings, including increased prices for materials and supplies, the shift in demand toward lower grades of steel, and the maintenance of ceilings on steel prices.

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The drop in earnings has been accompanied by a substantial decline in income tax liability. A comparison of first quarter earnings and income taxes during the past 3 years for 14 companies, comprising about four-fifths of the steel industry's ingot capacity (compiled by "Steel"), is shown in the following table:

First quarter	Net profits	Income taxes
1942	\$53,100,000	\$113,500,000
1943	38,900,000	107,200,000
1944	36,900,000	69,900,000

Industrial earnings rose in first quarter

Despite the decline in steel company profits, preliminary reports indicate that leading industrial corporations as a whole showed higher earnings in the first quarter of 1944 than a year earlier. Thus a tabulation of earnings reports for 295 leading industrial corporations, compiled by the National City Bank of New York, reveals that net income in the first quarter of 1944 rose 6 percent above the corresponding period in 1943 and 13 percent above the first quarter of 1942. However, it should be noted that earnings reports for this year are subject to renegotiation, hence the final showing may be less favorable than now indicated.

The largest year-to-year gain in earnings in the first quarter was shown by the petroleum industry, while the widest decline was shown by the wholesale and retail trade group. Income tax details reported by 157 companies showed that reserves for federal income and excess profits taxes were at the rate of 70 percent of net income before taxes, or at the same rate as a year ago.

Railroad earnings declined in first quarter

Although railroad operating revenues in the first 3 months of 1944 were 9 percent above year-earlier levels, net railway operating income (earnings before charges) dropped 23 percent, with the decline in March widening to 29 percent. (See Chart 5.) The decline in net railway operating income in the face of increased revenues is attributable to higher costs of wages and materials as well as higher tax payments. In addition, higher freight rates were in effect during the first 4½ months of 1943 but have been suspended by the Interstate Commerce Commission since May 15, 1943.

In announcing that the railroads would not oppose a further suspension of the previously authorized freight rate increases, the Association of American Railroads recently took

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the occasion to point out that annual operating expenses of the railroads in the current year are running about \$535 millions higher than in 1943. Of this amount, \$400 millions is estimated to be due to higher wages and payroll taxes, while \$135 millions is attributed to higher prices.

Winter wheat prospects improve but rains
affect total crop acreage

Although winter wheat prospects improved substantially in April, a full acreage of farm crops can no longer be expected, since too frequent rains have seriously interfered with planting operations, according to the May 1 crop report of the Department of Agriculture. In the country as a whole, farmers appear to have finished less of their spring work by May 1 than in any season in many years. Specifically, the central and eastern portions of the country have been seriously handicapped by the excessive rainfall, but in the western portion moisture had been needed and the rains were beneficial. While farmers will partially counteract the delay in farm operations by planting later crops, they will be handicapped by labor shortages and by difficulties in securing needed repairs, services, supplies, and feed.

A winter wheat crop of 662 million bushels is indicated on the basis of May conditions. This is 60 million bushels greater than was forecast a month ago, and is 135 million more than was forecast last December. The crop now indicated is 25 percent larger than the 1943 crop and is 16 percent above the 10-year (1933-42) average. Due to a reduced acreage, the rye crop this year is expected to be slightly below that of last year and considerably below the 1933-42 average.

Fruit crop prospects on the whole seem substantially better than average for this time of year, according to the Department of Agriculture. Very little statistical information, however, is yet available. The peach crop in the 10 Southern States, despite material frost damage in late March and early April, is now expected to be more than two and a half times as large as the small 1943 crop, although 16 percent below the 1933-42 average. The condition of the California peach crop is 84 percent of normal, which is appreciably better than last year or the 1933-42 average. Prospects for the cherry crop in the Pacific Coast states is generally favorable, and above-average crops of plums, prunes, and apricots are expected in California.

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A record aggregate tonnage of spring-season commercial truck crops was in prospect on May 1, despite unfavorable weather in many sections during April. Total tonnage is expected to be 15 percent more than last year, with an acreage 20 percent larger than in 1943.

Old-wheat supplies tightening

An increasing tightness in supplies of old-crop wheat is becoming evident, particularly in hard-wheat milling areas of the Southwest. Some mills in that area have been forced to curtail or suspend operations, according to press reports, while millers in the Northwest are becoming concerned over the growing tightness of wheat supplies. Country sellers appear to be reluctant to sell wheat in advance of the harvest, as farmers are reported to be holding the wheat they have for use as feed. To forestall a shortage, the southwestern branch of the CCC announced last week that limited quantities of wheat will be supplied to millers in that area who prove their immediate need.

Meanwhile, imports of Canadian wheat continue large. In the first three weeks of navigation up to April 28, over 57 million bushels of grain (the bulk of which was wheat) had been moved on the Great Lakes, as compared with only 38 million bushels up to June 1 last year. The movement was so great that elevators in the lower lake ports became congested, and it was recently necessary for the ODT to reinstate a permit system for bulk grain cargoes. Moreover, it is reported that 400 railroad cars are being sent daily to Canada for the importation of wheat and coarse grains, and that 19,400 railroad cars have been sent to Canada to move wheat since the program was started on January 12. (The rail program, however, will terminate at the end of May.) The Canadian Board of Grain Commissioners reports wheat shipments to the United States totaling 121 million bushels in the period August 1 to March 30, as compared with only 25 million bushels shipped in the corresponding period last year.

Reduced wheat consumption seen

While the recent improvement in the winter wheat crop is an encouraging factor in the supply picture, the wheat supply on the basis of present prospects is not large enough to permit consumption at the present rate in the next crop year. Taking the May 1 forecast of the winter wheat crop, and assuming an average yield from the indicated spring wheat acreage based on farmers' intentions-to-plant reports, a total wheat crop of 885 million bushels this year is indicated. Adding the 300 million bushel carryover of old crop wheat, as expected by the BAE, the total supply (excluding imports) would be about 1,185 million bushels for the 1944 crop year, as compared with 1,453 million

- 7 -

bushels in 1943. (See Table I.) With the total wheat disappearance in the current year estimated at 1,260 million bushels, it is obvious that a curtailment in wheat consumption in the coming crop year would be necessary even though imports were to increase substantially. Continued large imports from Canada appear possible, in view of an expansion in wheat acreage in that country and an expected Canadian carryover on August 1 of nearly 400 million bushels.

Egg prices continue to show easiness

While egg prices recovered moderately in the first part of April from the sharp break of late March, prices in the past few weeks have again shown easiness, and have become increasingly dependent on WFA support. Wholesale prices of fresh standard eggs at Chicago rose about 2-2/3 cents in the first two weeks of April to 31.75 cents per dozen, but by the week ended May 6 they were a quarter of a cent lower. (See Chart 6, upper section.) Last week a marked decline occurred, with the average price of fresh standards down to 30.60 cents a dozen. The lower grade eggs, however, showed somewhat more resistance to declines, reflecting support from WFA purchases.

Egg receipts at the four leading markets continued to rise in April, averaging 5 percent higher than last year. (See Chart 6, lower section.) Production reached its seasonal peak at a record level, 4 percent above that of April 1943.

The current weakness in the egg markets is due in part to a reduction in Army purchases, a tightness in storage space, and less inclination to store on private account. Moreover, shortages of egg cases and labor have hindered marketing operations. Without the active support of the WFA in the markets, egg prices would doubtless be appreciably lower.

Suspension of beef rationing forecast

The removal of all beef from rationing, or at least a reduction in the ration cost for a few months this fall, was forecast last week by the OPA Deputy Administrator of Rationing, Col. Bryan Houston. Insufficient feed to maintain the heavy livestock population will cause great numbers of beef cattle to move to market this summer and fall, thus increasing civilian supplies.

By the end of the year, however, it is expected that meat and canned vegetables will be returned to rationing. Nevertheless, Col. Houston indicated that serious food shortages are unlikely for the duration of the war. The extent of vegetable rationing will depend on two factors: (1) the output of commercial canneries and (2) victory garden crops.

Table I

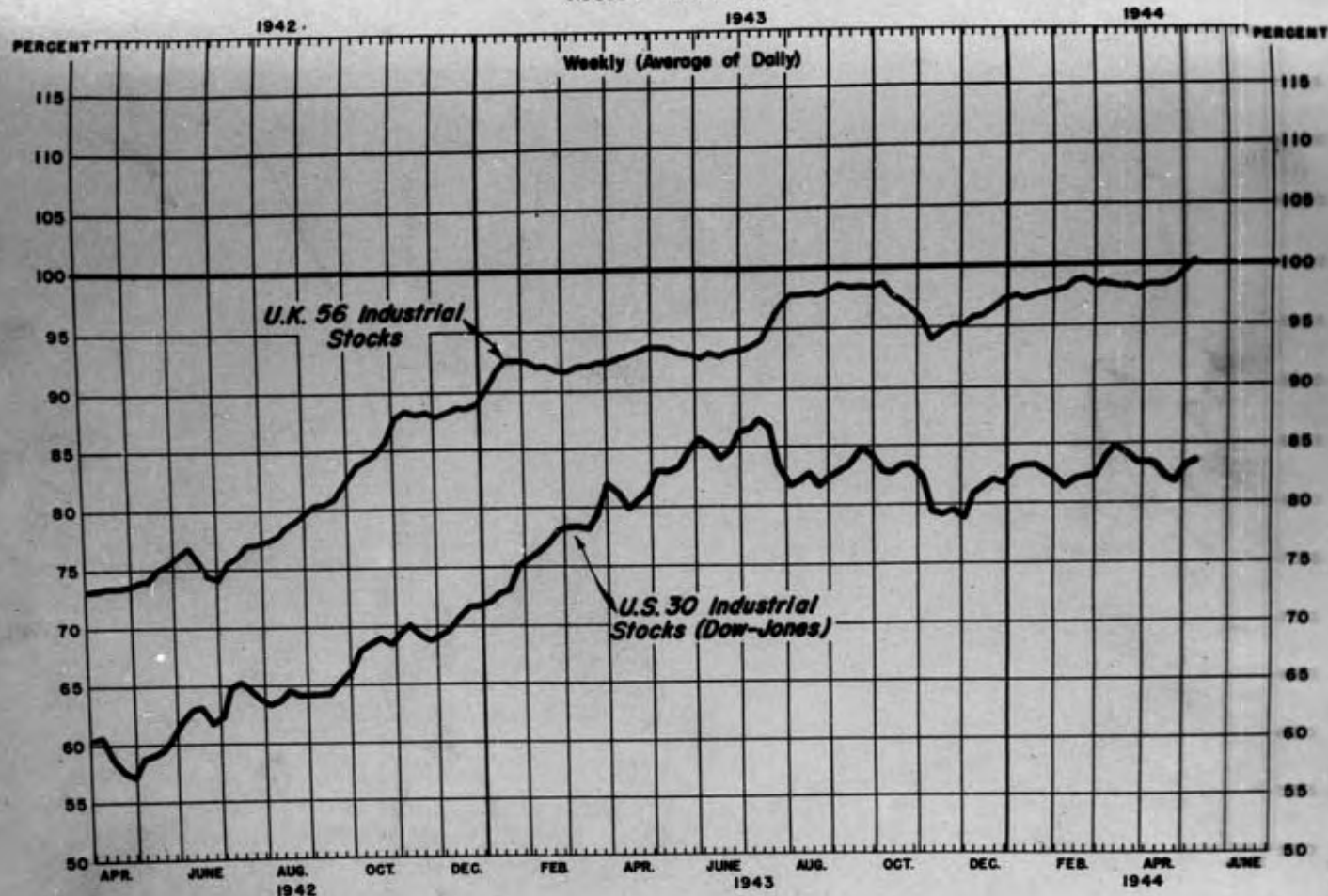
Wheat supply and distribution
1939 - 1944

Year	Supply ^{1/}			Disappearance			
beginning	Stocks	Production	Total	Food	Feed	Other	Total
July	July 1						
(-----Millions of bushels-----)							
1939	250.0	741.2	991.2	482.4	108.2	121.2	711.8
1940	279.7	813.3	1,093.0	485.9	114.0	111.7	711.6
1941	384.9	943.1	1,328.0	489.5	111.8	94.9	696.2
1942	631.8	974.2	1,606.0	526.0	312.0	151.7	989.7
1943	616.3	836.3	1,452.6	540 est.	470 est.	240 est.	1,260 est.
1944	300 est.	885 est.	1,185 est.				

^{1/} Excluding imports.

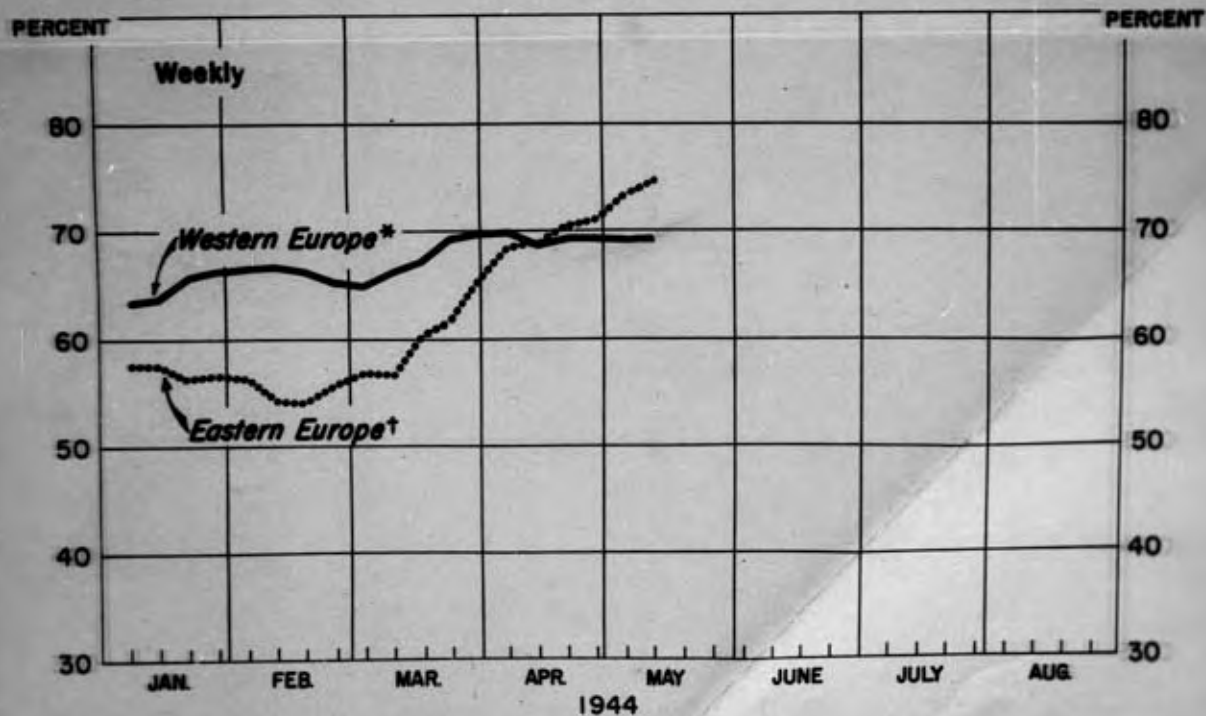
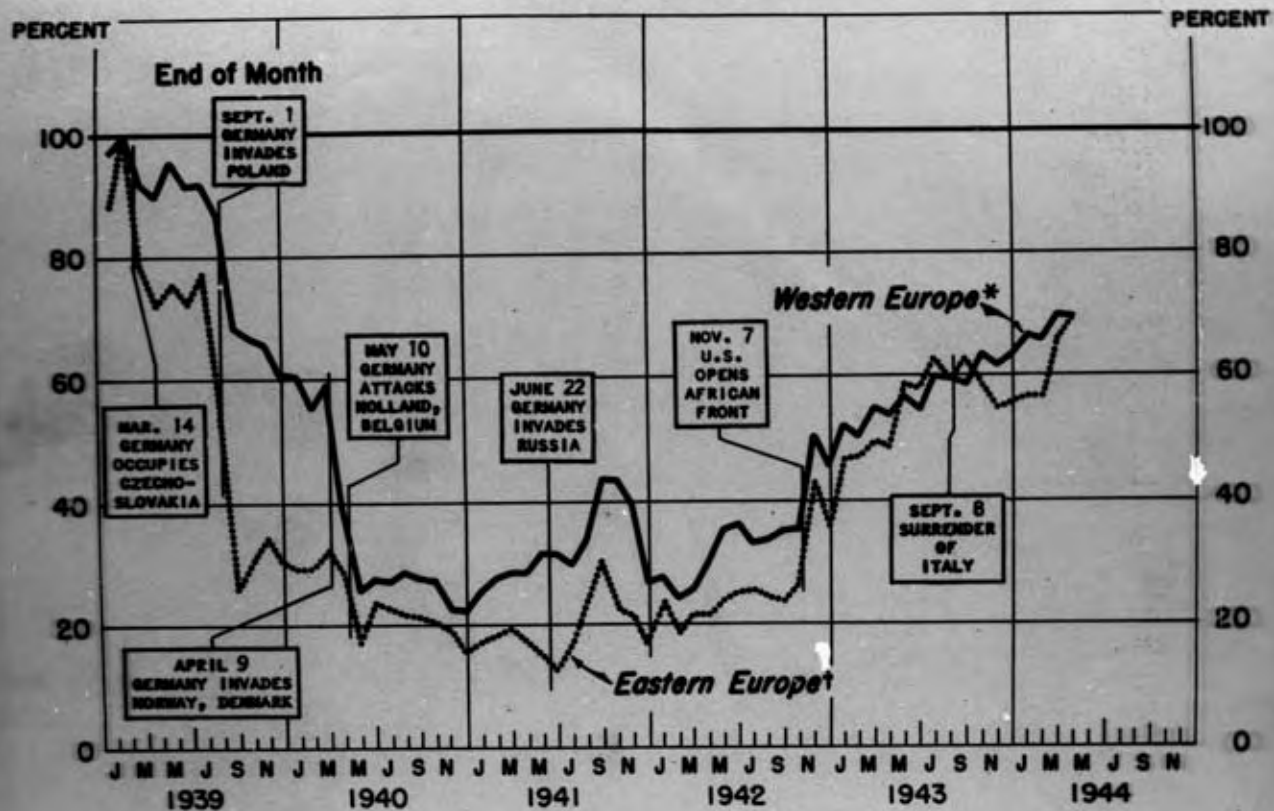
INDUSTRIAL STOCK PRICES IN U.S. AND U.K.

AUGUST 1936 = 100



PRICES OF SELECTED DOLLAR BONDS OF AXIS OCCUPIED COUNTRIES

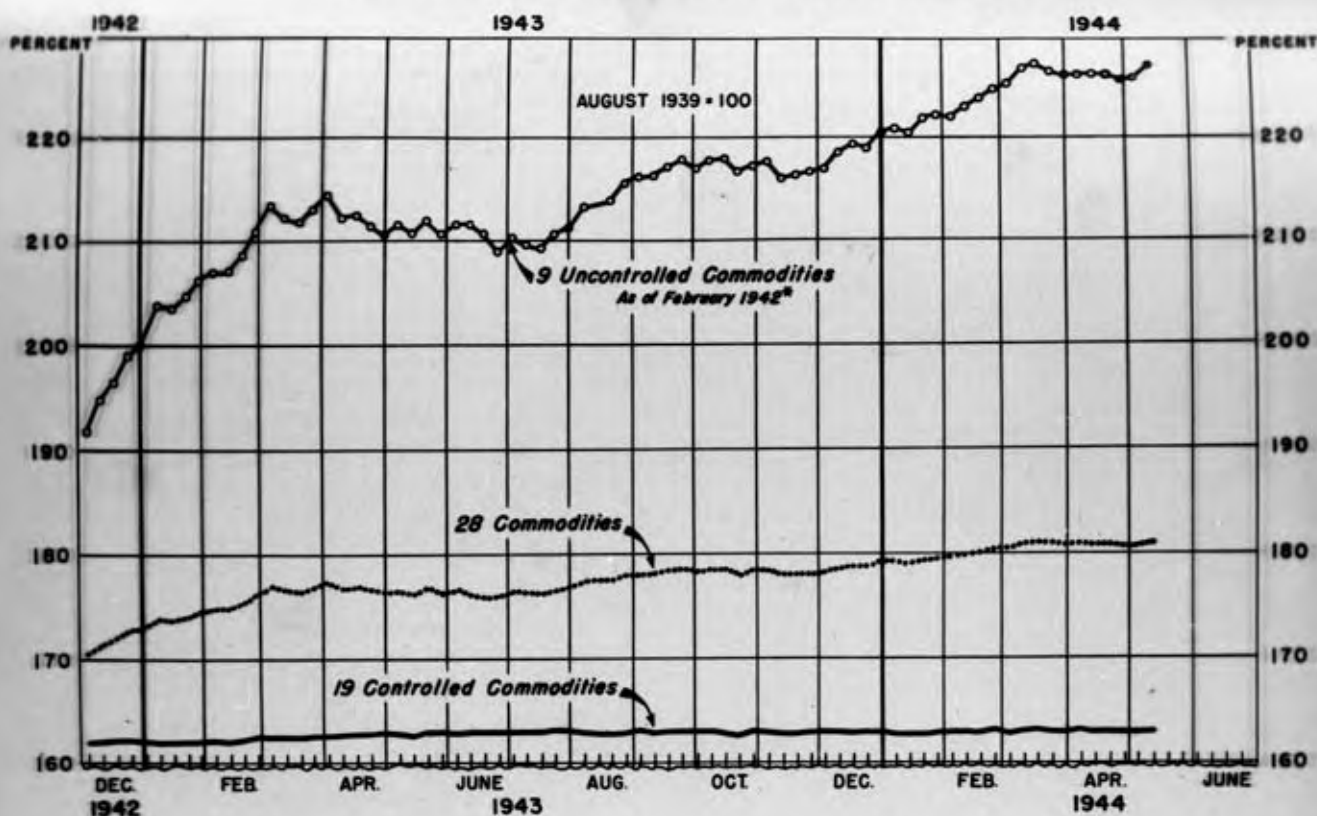
February 28, 1939=100



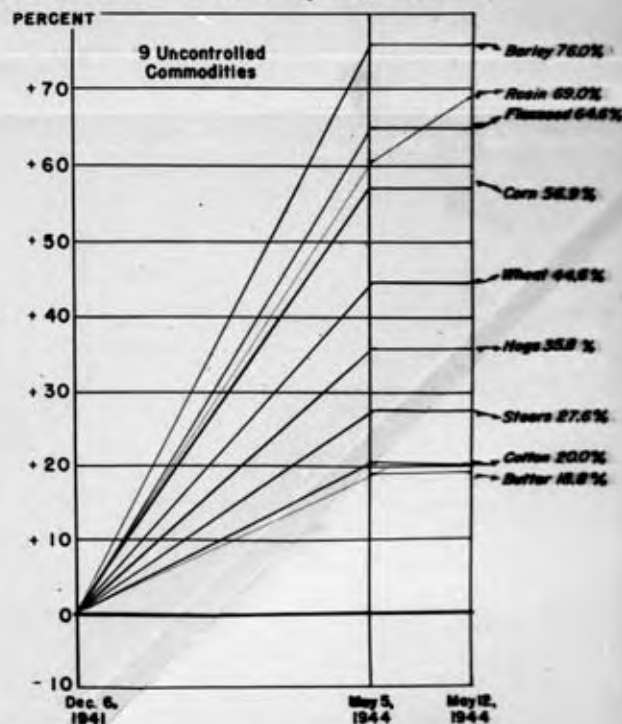
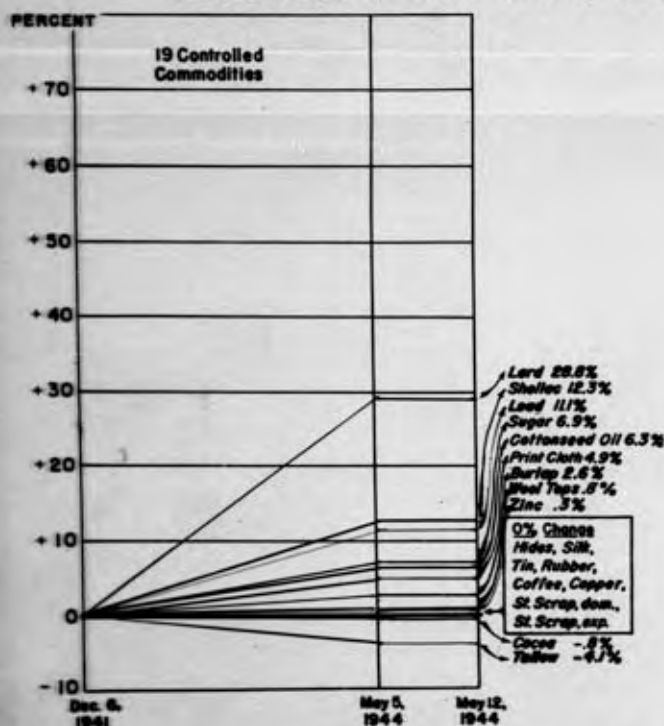
* Denmark 6's, 1942; Antwerp 5's, 1958; Copenhagen 5's, 1952

† Czechoslovakia 8's, 1951; Poland 4½'s, 1968, assented; Serbs, Croats and Slovenes 8's, 1962

MOVEMENT OF BASIC COMMODITY PRICES

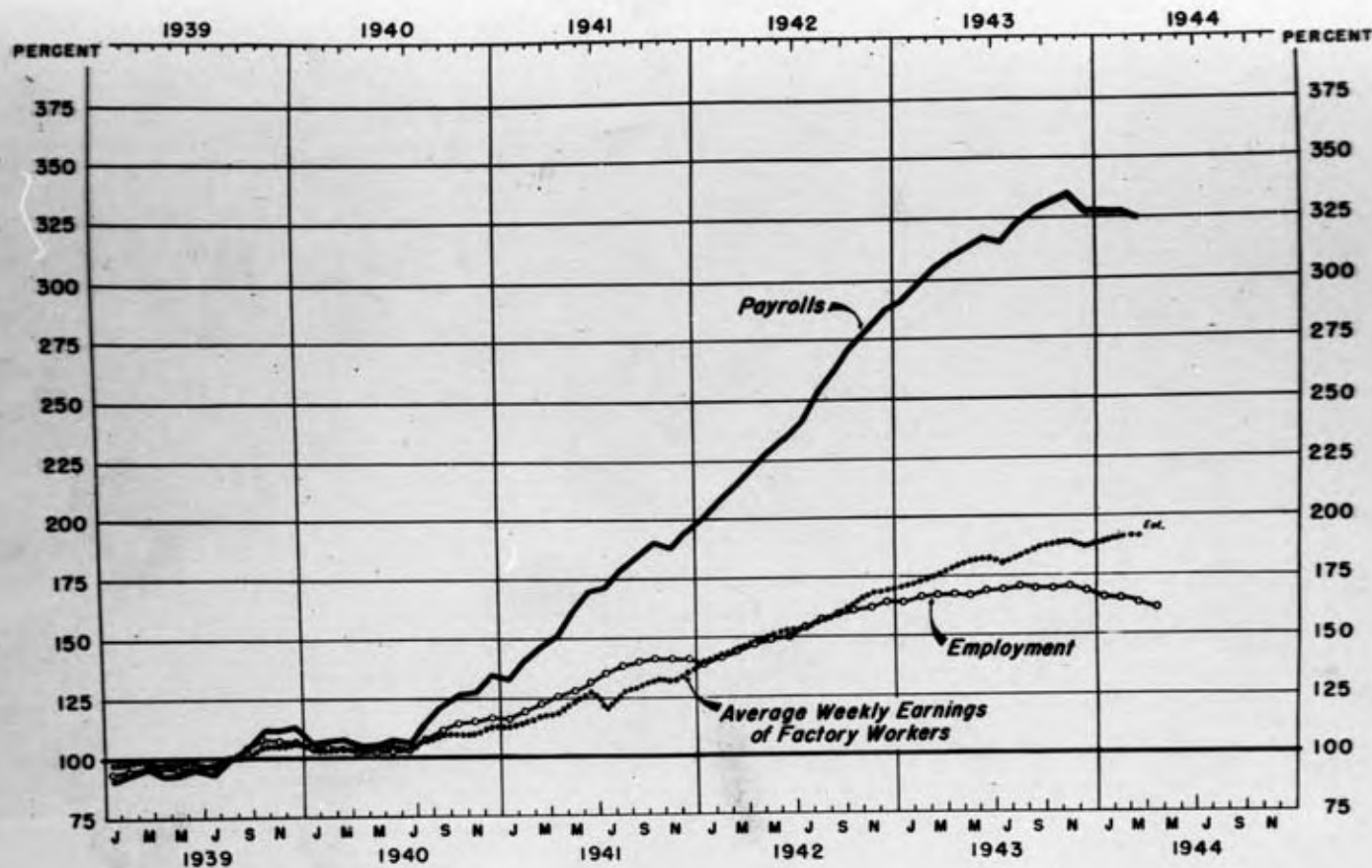


PERCENTAGE CHANGE DEC. 6, 1942 TO MAY 5 AND May 12, 1944



*All commodities in index are now under some form of price control, except resin and cotton.

FACTORY EMPLOYMENT, PAYROLLS AND WAGES 1939=100, Unadjusted



Office of the Secretary of the Treasury
Division of Research and Statistics

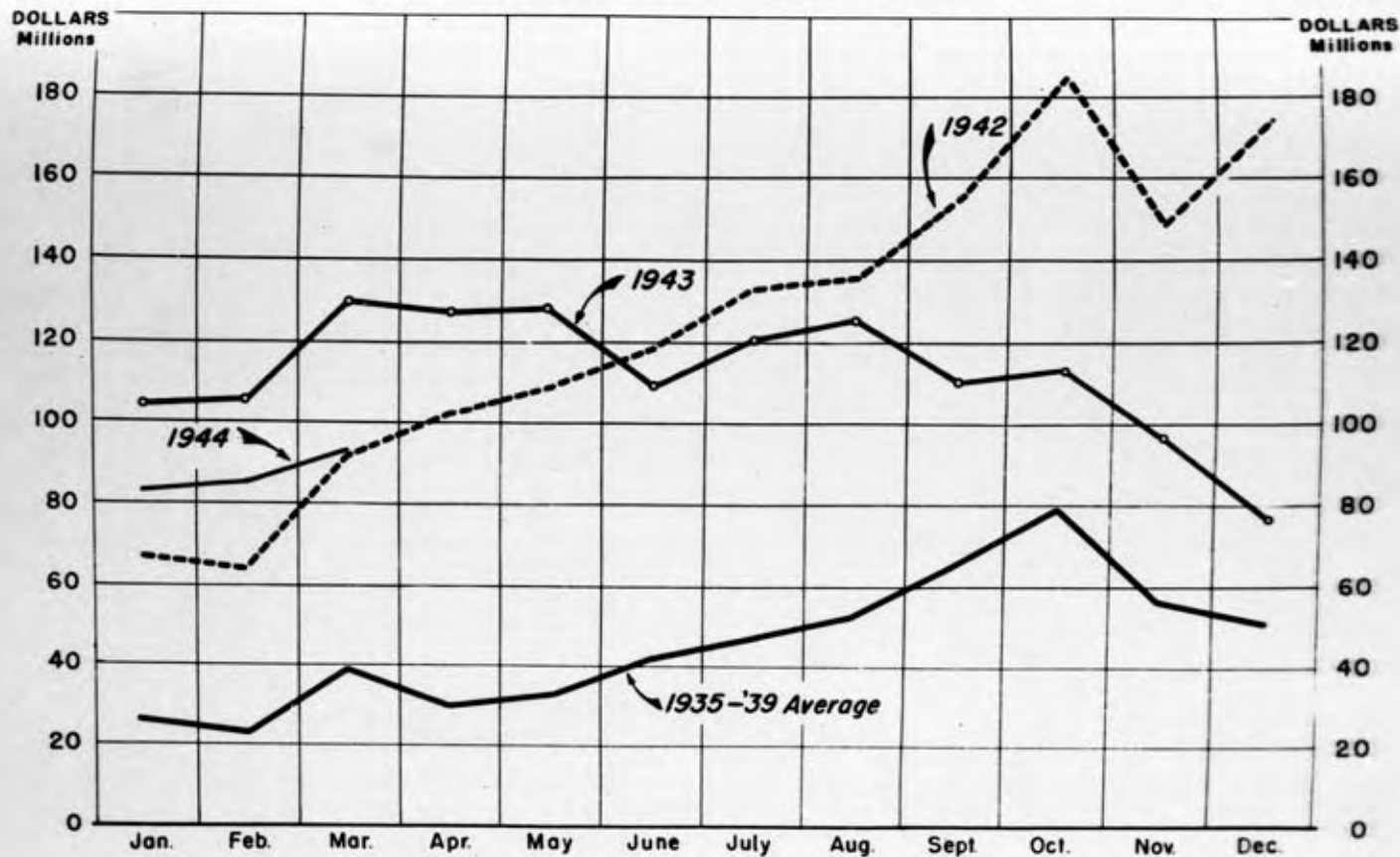
C-488-A

CONFIDENTIAL
Chart 4
181

Regraded Unclassified

RAILROAD EARNINGS

Net Railway Operating Income*, Class I Railroads



Office of the Secretary of the Treasury
Division of Research and Statistics

*Earnings after taxes, but before interest and other fixed charges.

C-483-A

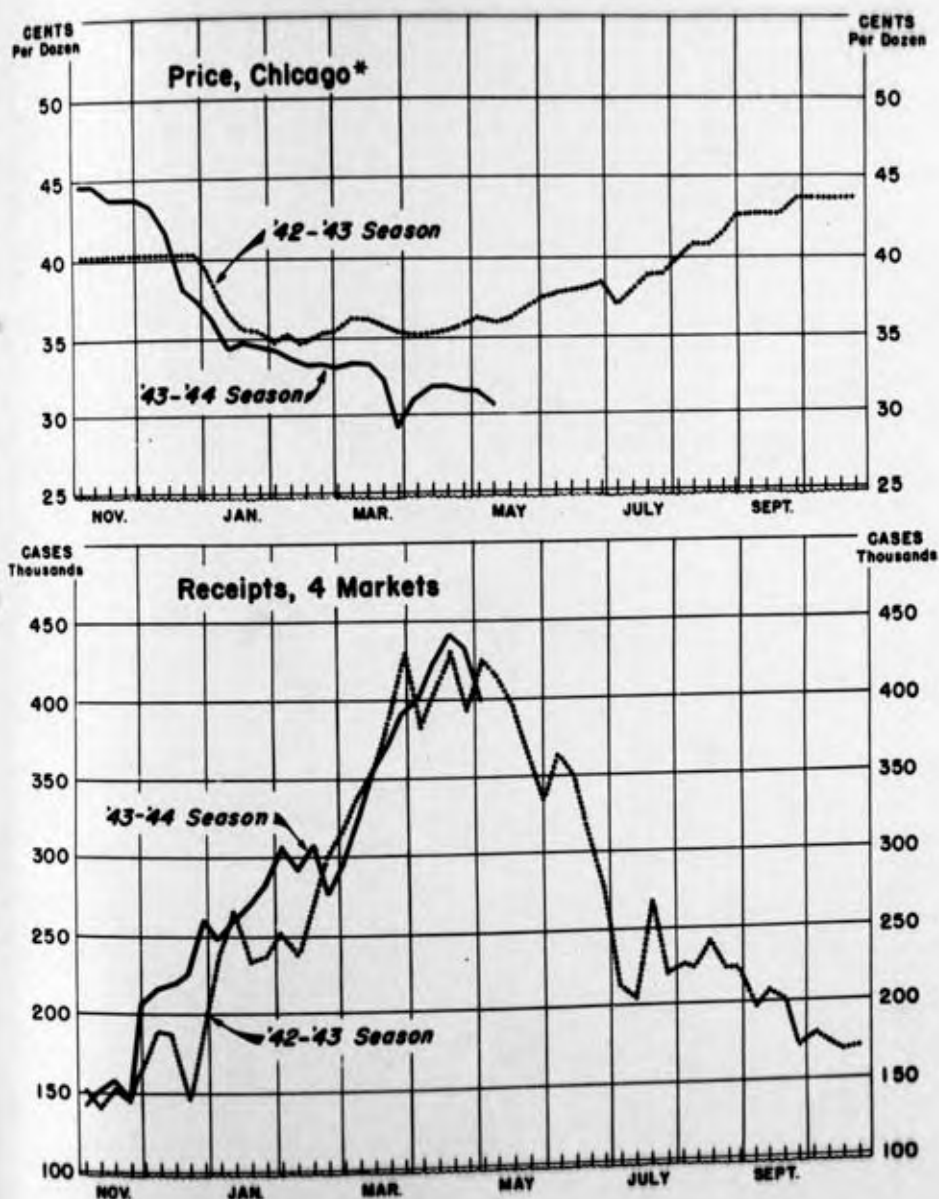
162

Chart 5

Regraded Unclassified

EGG PRICES AND RECEIPTS

Year Beginning in November



* Weekly average, fresh standards. Previous to July 17, 1943 certain comparable grades used

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY.

May 15, 1944

CONFIDENTIAL

Received this date from the Federal Reserve Bank of New York, for the confidential information of the Secretary of the Treasury, compilation for the week ended May 3, 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.

EAB

FEDERAL RESERVE BANK
OF NEW YORK

May 12, 1944.

CONFIDENTIAL

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

- I am enclosing our compilation for the week ended May 3, 1944, showing dollar disbursements out of the British Empire and French accounts at this bank and the means by which these expenditures were financed.

Very truly yours,

/s/ H. L. Sanford,

H. L. Sanford,
Assistant Vice President.

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

Enclosures

C O P Y

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

Week Ended May 3, 1944

Strictly
Confidential

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)										BANK OF FRANCE		
	DEBITS				CREDITS						Total Debits (e)	Total Credits (e)	Net. Incr. (+) or Decr. (-) in Funds (d)
	Total Debits	Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Gold	Securities (Official) (b)	Transfers from Official Australian Account	Other Credits (c)	Net Incr. (+) or Decr. (-) in Funds (d)			
First year of war (g)	1,793.2	605.6	20.9	1,166.7	1,828.2	1,356.1	52.0	3.9	416.2	+ 35.0	866.3(f)	1,095.3(f)	+ 299.0
War period through December, 1940	2,782.3	1,425.6	20.9	1,335.8	2,793.1	2,109.5	108.0	14.5	561.1	+ 10.8	878.3	1,098.4	+ 220.1
Second year of war(h)	2,203.0	1,792.2	3.4	407.4	2,189.8	1,193.7	274.0	16.7	705.4	- 13.2	36.9	8.8	- 30.1
Third year of war (i)	1,235.6	904.8	7.7	223.1	1,361.5	21.8	5.5	57.4	1,276.8	+ 125.9	18.5	4.4	- 14.1
Fourth year of war(j)	764.0	312.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3
<u>1941</u>													
September	49.4	16.8	10.6	22.0	86.2	-	-	15.0	71.2	+ 36.8	-	-	-
October	38.2	16.0	-	22.2	115.4	-	-	40.5	74.9	+ 77.2	-	-	-
November	65.9	42.4	5.9	17.6	89.0	-	-	3.5	85.5	+ 23.1	-	-	-
December	98.1	16.3	-	81.8	134.5	-	-	36.5	98.0	+ 36.4	-	-	-
<u>1942</u>													
January	44.6	25.2	10.6	12.0	127.5	-	-	1.0	126.5	+ 52.7	-	-	-
February	143.6	14.3	2.1	127.4	144.5	-	-	39.0	115.5	+ 0.7	-	-	-
March	152.9	11.1	12.5	69.3	133.3	-	-	24.5	108.8	- 19.6	-	-	-
April	134.8	14.9	-	119.9	122.2	-	-	27.5	94.7	- 13.6	-	-	-
May													
June													
July													
August													
<u>Week Ended</u>													
April 12, 1944	57.3	3.5	-	53.8	26.7	-	-	10.0	16.7	- 30.6	-	-	-
April 19, 1944	7.9	2.2	-	5.7	14.4	-	-	6.0	8.4	+ 6.5	-	-	-
April 26, 1944	5.0	2.2	-	2.8	67.8	-	-	5.0	62.8	+ 62.8	-	-	-
May 3, 1944	59.2(1)	4.0	-	55.2(1)	43.7(k)	-	-	17.5	26.2(k)	- 15.5	-	-	-

Average Weekly Expenditures Since Outbreak of War

France (through June 19, 1940) \$19.6 million
 England (through June 19, 1940) \$27.6 million
 England (through June 20, 1940 to March 12, 1941) \$54.9 million
 England (since March 12, 1941) \$21.2 million

See attached sheet for Footnotes.

- (a) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (b) Estimated figures based on transfers from the New York Agency of the Bank of Montreal, which apparently represent the proceeds of official British sales of American securities, including those effected through direct negotiation. In addition to the official selling, substantial liquidation of securities for private British account occurred, particularly during the early months of the war, although the receipt of the proceeds at this Bank cannot be identified with any accuracy. According to data supplied by the British Treasury and released by Secretary Morgenthau, total official and private British liquidation of our securities through December, 1940 amounted to \$334 million.
- (c) Includes about \$85 million received during October, 1939 from the accounts of British authorized banks with New York banks, presumably reflecting the requisitioning of private dollar balances. Other large transfers from such accounts since October, 1939 apparently represent current acquisitions of proceeds of exports from the sterling area and other accruing dollar receipts. See (k) below.
- (d) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (e) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (f) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (g) For monthly breakdown see tabulations prior to April 23, 1941.
- (h) For monthly breakdown see tabulations prior to October 8, 1941.
- (i) For monthly breakdown see tabulations prior to October 14, 1942.
- (j) For monthly breakdown see tabulations prior to September 29, 1943.
- (k) Includes \$ 23.6 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports.
- (l) Of which \$50.1 million represents cost of gold purchased for export.

ANALYSIS OF CANADIAN AND AUSTRALIAN ACCOUNTS
(In Millions of Dollars)

Week Ended May 3, 1944

Strictly
Confidential

PERIOD	BANK OF CANADA (and Canadian Government)									COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)							
	D E B I T S			C R E D I T S					Net Incr. (+) or Decr. (-) in \$ (Rund.)	D E B I T S			C R E D I T S				
	Total Debits	Transfers to Official British A/C	Others Debits	Total Credits	Proceeds of Gold Sales	For Own A/C	For French A/C	Other Credits		Total Debits	Transfers to Official British A/C	Others Debits	Total Credits	Proceeds of Gold Sales	Other Credits	Net Incr. (+) or Decr. (-) in \$ (Rund.)	
First year of war (a)	323.0	16.6	306.4	504.7	412.7	20.9	38.7	32.4	+ 181.7	31.2	3.9	27.3	36.1	30.0	6.1	+ 4.9	
War period through December, 1940	477.2	16.6	460.6	707.4	534.8	20.9	110.7	41.0	+ 230.2	57.9	14.5	43.4	62.4	50.1	12.3	+ 4.5	
Second year of war (b)	460.4	-	460.4	462.0	246.2	3.4	123.9	88.5	+ 1.6	72.2	16.7	55.5	81.2	62.9	18.3	+ 9.0	
Third year of war (c)	525.8	0.3	525.5	566.3	198.6	7.7	-	360.0	+ 40.5	107.2	57.4	49.8	112.2	17.2	95.0	+ 3.0	
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	+ 3.6	
1941																	
September	47.2	-	47.2	70.1	-	10.6	-	59.5	+ 22.9	16.8	15.0	1.8	20.0	-	20.0	+ 3.2	
October	32.1	-	32.1	71.3	-	-	-	71.3	+ 39.2	42.8	40.5	2.3	26.5	-	26.5	+ 16.7	
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																	
January	32.3	-	32.3	78.5	-	-10.6	-	67.9	+ 46.2	6.0	1.0	5.0	11.3	-	11.3	+ 5.3	
February	25.4	-	25.4	118.5	23.1	2.1	-	93.3	+ 93.1	31.3	29.0	2.3	28.6	-	28.6	+ 2.7	
March	30.3	0.5	29.8	88.6	15.0	12.5	-	61.1	+ 58.3	27.6	24.5	3.1	29.9	-	29.9	+ 3.2	
April	143.6	-	143.6	96.7	-	-	-	96.7	- 86.9	29.5	27.5	2.0	39.4	-	39.4	+ 9.9	
May																	
June																	
July																	
August																	
Week Ended																	
April 17, 1944	2.9	-	2.9	7.9	-	-	-	7.9	+ 5.0	10.0	10.0	-	5.3	-	5.3	+ 4.7	
April 19, 1944	2.9	-	2.9	28.7	-	-	-	28.7	+25.8	6.0	6.0	-	9.5	-	9.5	+ 3.5	
April 20, 1944	2.8	-	2.8	29.5	-	-	-	25.5	+22.7	5.0	5.0	-	15.2	-	15.2	+ 10.2	
May 3, 1944	8.4(f)	-	8.4	24.0(f)	-	-	-	24.0(g)	+ 15.6	20.0	17.5	2.5	0.1	-	0.1	- 19.9	

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 May 3, 1944) 14.6 million.

- (a) For monthly breakdown see tabulations prior to April 23, 1941.
(b) For monthly breakdown see tabulations prior to October 8, 1941.
(c) For monthly breakdown see tabulations prior to October 14, 1942.
(d) For monthly breakdown see tabulations prior to September 29, 1943.
(e) Reflects changes in all dollar holdings payable on demand or maturing in one year.
(f) Does not reflect transactions in short term U. S. securities.
(g) Includes \$ 2.8 million deposited by War Supplies, Ltd.
and \$ 19.5 million received from New York account of Canadian Chartered Bank.

Regraded Unclassified

**BRITISH AIR COMMISSION**

1785 MASSACHUSETTS AVENUE

WASHINGTON, D. C.

TELEPHONE HOBART 9000

PLEASE QUOTE

REFERENCE NO.....

With the compliments of British Air Commission
who enclose Statements Nos. 135 and 136 --
Aircraft Despatched -- for the weeks ended
April 28th and May 5th respectively.

The Honourable Henry Morgenthau, Jr.
Secretary of the Treasury
WASHINGTON, D. C.

May 15, 1944.

STATEMENT NO. 135

DEFENSE S. SECRET

Aircraft Despatched from the United States
Week Ended April 26, 1944

<u>TYPE</u>	<u>DESTINATION</u>	<u>ASSEMBLY POINT</u>	<u>BY SEA</u>	<u>BY AIR</u>	<u>FLIGHT DELIVERED FOR USE IN CANADA</u>
<u>CONSOLIDATED</u>					
Liberator B-VI	M.E.	M.E.		11	
Liberator B-VI	India	India		13	
Liberator B-VI	Canada	Canada			2
<u>BOEING</u>					
Fortress III	U.K.	U.K.		1	
Catalina IV B	U.K.	U.K.		3	
<u>GLENN-MARTIN</u>					
Marauder III	M.E.	M.E.		27	
Baltimore V	M.E.	M.E.		14	
<u>DOUGLAS</u>					
Boston IV	U.K.	U.K.		6	
Dakota III	U.K.	U.K.		2	
Dakota III	M.E.	M.E.		2	
Dakota III	India	India		6	
<u>BEECH</u>					
Expediter II	Canada	Canada			2
Beechcraft	U.K.	U.K.	8		
<u>STINSON</u>					
Reliant	Trinidad	Trinidad		7	
Reliant	U.K.	U.K.	10		
<u>VOUGHT-SIKORSKY</u>					
Corsair	Ceylon	Colombo	4		
Corsair	U.K.	U.K.	8		
<u>NORTH AMERICAN</u>					
Mustang	Australia	Melbourne	1		
Mustang	U.K.	U.K.	27		
Harvard	S. Africa	Capetown	9		
Harvard	S. Rhodesia	Capetown	8		
<u>VULTEE</u>					
Vengeance	U.K.	U.K.	8		
Vengeance	India	Karachi	4		
<u>REPUBLIC</u>					
Thunderbolt	India	Karachi	6		
<u>GRUMMAN</u>					
Avenger	U.K.	U.K.	3		
<u>FAIRCHILD</u>					
Argus	U.K.	U.K.	18		
Argus	Algiers	Algiers	2		
<u>CANADIAN CAR & FOUNDRY</u>					
Helldiver	U.K.	U.K.	1		
			117	92	4
Total:					

Movements Division
British Air Commission
May 5, 1944.

m-h

STATEMENT NO. 136

Aircraft Despatched from the United States
Week Ended May 5th, 1944

<u>TYPE</u>	<u>DESTINATION</u>	<u>ASSEMBLY POINT</u>	<u>BY SEA</u>	<u>BY AIR</u>	<u>FLIGHT DELIVERED FOR USE IN CANADA</u>
<u>BOEING</u>					
Fortress II	U.K.	U.K.		2	
Catalina IV B	U.K.	U.K.		1	
<u>CONSOLIDATED</u>					
Liberator B VI	M.E.	M.E.		14	
Liberator B VI	India	India		20	
Liberator B VI	Canada	Canada			1
Liberator GR VI	U.K.	U.K.		3	
Liberator GR VI	India	India		1	
Coronado GR I	Canada	Canada			1
<u>GLENN MARTIN</u>					
Marauder III	M.E.	M.E.		26	
Baltimore V	M.E.	M.E.		17	
<u>NORTH AMERICAN</u>					
Mitchell III	U.K.	U.K.			1
Harvard	M.E.	Alexandria	5		
Harvard	S. Rhodesia	Capetown	20		
Harvard	S. Africa	Capetown	1		
<u>VEGA</u>					
Ventura GR V	S. Africa	S. Africa		1	
<u>DOUGLAS</u>					
Boston IV	U.K.	U.K.		3	
Dakota III	U.K.	U.K.		3	
Dakota III	India	India		5	
<u>STINSON</u>					
Reliant	Trinidad	Trinidad			3
Reliant	India	Cochin	1		
<u>GRUMMAN</u>					
Goose	Bahamas	Nassau		1	
<u>VOUGHT-SIKORSKY</u>					
Corsair	India	Cochin		8	
<u>REPUBLIC</u>					
Thunderbolt	India	Madras		7	
Thunderbolt	Sues	Port Said		9	
Thunderbolt	India	Karachi		29	
<u>IRCHILD</u>					
Argus	U.K.	U.K.		5	
<u>VULTEE</u>					
Vengeance	U.K.	U.K.		16	
Vengeance	Kenya	Mombasa		6	
<u>BEECH</u>					
Beechcraft	U.K.	U.K.		2	
Expediter II	Canada	Canada			2
			109	101	4

Note: Statement No. 131

1 Boston IV reported exported to U.K. transferred
to R.C.A.F.

Dr. White says this has to do with
the War Refugee Board

WAR DEPARTMENT

WASHINGTON, D. C.

WDOB-C 201 Bergman, Alfred
N. (18 Apr 44)

MAY 15 1944

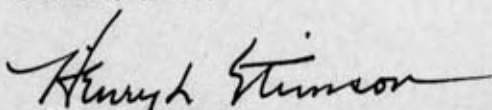
The Honorable,

The Secretary of the Treasury.

Dear Mr. Secretary:

For your information, the services of
Mr. Alfred N. Bergman as consultant to the War
Department were concluded as of April 13, 1944.
He no longer represents the War Department in
any capacity.

Sincerely yours,



Secretary of War.



RECEIVED MAY 10 1944
OFFICE

WDDB-C 201 Bergman, Alfred
N. (18 Apr 44)

MAY 15 1944

The Honorable,

The Secretary of the Treasury.

Dear Mr. Secretary:

For your information, the services of
Mr. Alfred N. Bergman as consultant to the War
Department were concluded as of April 13, 1944.
He no longer represents the War Department in
any capacity.

Sincerely yours,

HENRY L. STIMSON

Secretary of War.

AMERICAN CHAPTER RELIGIOUS EMERGENCY COUNCIL
OF THE CHIEF RABBI OF GREAT BRITAIN
Registered with President's War Relief Control Board
No. 111

55 LEONARD STREET -- -- -- -- -- NEW YORK, N.Y.
Telephone: Worth 4-8818

May 15, 1944

DRAFT MEMORANDUM ON SUGGESTED

RESCUE OF HUNGARIAN JEWS.

1. Reports from newspaper correspondents and foreign observers indicate the intention of the Hungarian Regime and its Nazi cohorts to liquidate Hungarian citizens of the Jewish faith by inhuman annihilation. The New York Times of May 10 contained a despatch from its correspondent in Istanbul, which confirms the worst fears. So called "baths" or gas chambers are being prepared to slaughter not only the Jews of Hungary, but large numbers of their co-religionists, refugees from Poland and other Nazi-dominated lands, who have found asylum within Hungary's borders.

2. According to the figures appearing in the Jewish Year Book, in July 1940 there were 444,567 Jews in Hungary out of a total population of 10,817,286. Of this number, 204,371 Jews resided in Budapest. It is estimated that following territorial changes, resulting from Hungarian expansion, and arising from refugee immigration, the Jewish population of Hungary now numbers close to one million. This figure includes also persons not previously included within these statistics, but who would be classified as Jews under the Nuremberg Laws.

3. Exigencies of war, and political obstacles will prevent large numbers of Jews escaping through underground channels. Turkey is the closest neutral country. Undoubtedly, the War Refugees Board is impressing on Turkey the urgency of the situation. The time has arrived for the strongest pressure, because the death of thousands depends on prompt attention. It is therefore suggested:-

a. Turkey be approached with a view to her permitting the entry of all genuine refugees. If necessary, she could assign specified locations, where temporary shelters can be erected. Such zones could be designated 'free zones'. The cost of maintenance and other expenses should be underwritten by the United Nations, through UNRRA and other agencies created for such purposes. Private relief groups, i.e. the American Jewish Joint Distribution Committee would be able to supplement the funds and provide personnel.

b. On the completion of hostilities, these refugees should either be allowed to return to the countries of origin, or be permitted to emigrate to Palestine, etc., and to other areas of resettlement.

May 15, 1944

Page 2.

c. To overcome German and Hungarian objection, it is suggested that the Apostolic Delegate in Washington be approached with a view to enlisting the aid and cooperation of the Vatican. The Roman Catholic Church might be able to influence the authorities in Budapest to permit the gradual exodus of Jews. The Vatican flag could be hoisted on the boats, to transport these refugees down the Danube, through the Black Sea to the nearest Turkish port. (The Danube traverses Hungary, enters Rumania, forming the boundary line between Bulgaria and Rumania, re-emptying itself into the Black Sea at Salina, Rumania. From this point, it is approximately 150 miles by sea to Istanbul, Turkey.)

d. Passenger steamers ply on the Danube; the average boat could accommodate about 500 to 700 passengers. The Vatican might instruct its Delegate in Budapest to hire 6 or more boats, which would travel under the aegis of the Church and with the consent of all belligerents. The journey from Budapest to Istanbul should take anywhere from three to six days, under the present conditions.

4. Religious Considerations.

As its title indicates, the Religious Emergency Council is concerned primarily with these Hungarian citizens because they are adherents of the same religious group. In beseeching the Church's intervention, we stress the religious nature of this proposed rescue. Despite ideological differences, the spiritual leaders of the world's religions must surely be eager to seize such an opportunity as this 'to save' lives and thereby, ennoble the spirit of good will among all men. Turkey, during the peace conversations on the cessation of hostilities may not be in the same category as the other neutral powers. Being a non-belligerent, her bargaining position will be none too strong. Her status will be materially raised if she were now to demonstrate a willingness to help those in need of succor. A declaration by Turkey at this time would be analogous to the momentous Balfour Declaration, issued by Britain at the end of the last war. The prestige of Turkey would be raised in the eyes of the civilized world, and enhance her position in the post-war settlement.

5. Simultaneous intervention might be undertaken through diplomatic channels in Washington, London, and Ankara.

Footnote: The Hungarian Jews represent the last remnant of European Jewry. They have resided in the Danubian country for centuries, contributing to its wealth

May 15, 1944

Page 3.

and progress. Large numbers are orthodox, observing the tenets of their religion with genuine fervor. The Theological Schools (Yeshivot) of Hungary are world-renowned. Hungary's Jewish scholars and writers have brought their message to every country. To cite a few living examples:- Dr. Joseph H. Hertz, Companion of Honor and Chief Rabbi of the British Empire; Dr. Stephen S. Wise, and Professor Hans Kohn of Smith College. Both Theodore Herzl and Max Nordau were products of Hungarian Jewry.

Constant daily reports of mass killings have deadened our sensibilities. The calamity is too grandiose for human comprehension. Let us imagine that the entire population of Boston were in jeopardy would we stand by idly? No, we should find a way.....

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: May 15, 1944
NUMBER: Belge 5

SECRET

Schoenfeld sends the following for the War Refugee Board.

Substance of this message has been repeated to Lisbon.

It is stated by the Foreign Office that already all Belgian missions have been instructed to cooperate fully with the Board, but it will communicate again with its Legation at Lisbon in the sense of your message dated May 10, 1944, no. 3755.

BUCKNELL

CORRECTION OF
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London
TO: Secretary of State, Washington
DATED: May 15, 1944
NUMBER: Belge 5

SECRET

In the first line change the reference number from
"no. 3755" to "no. 3735. Line should then read "1944,
no. 3735.

BUCKNELL

Embassy

No. 1104.

Guatemala, May 15, 1944.

Subject: Evacuation of Refugee Children
from Europe.

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

Sir:

I have the honor to refer to the Department's circular airgram dated April 20, 7:35 p.m., 1944, outlining the Department's policy with regard to the acceptance by the United States of up to 4000 refugee children under immigration visas and requesting that assurances be sought of the Government to which I am accredited that a proportionate number of children would be accepted by it in like circumstances.

1/2/ The matter having been broached to the Government of Guatemala in the Embassy's note no. 154 of April 25, 1944, I have now received in reply, a note from the Foreign Office (no. 6130 dated May 11, 1944), which is enclosed in copy and translation. It will be observed that the Guatemalan Government has agreed to accept up to 100 children under the conditions outlined, but would prefer that so far as it will be possible, these children be selected from French and Belgian refugees.

Respectfully yours,

Boaz Long.

Enclosures:

1/2/: Copy and translation of
Foreign Office note no. 6130,
May 11, 1944.

848

WCA/js

Original and hectograph to Department.

ENCLOSURE No. 2 to DESPATCH No. 1104, dated MAY 15, 1944,
from AMERICAN EMBASSY, GUATEMALA:

201

Translation:
SECRETARIAT FOR FOREIGN AFFAIRS
REPUBLIC OF GUATEMALA
DIPLOMATIC SECTION
No. 6130

Guatemala, May 11, 1944.

Mr. Ambassador:

I have had the honor of receiving Your Excellency's courteous note No. 154 of April 25, 1944, in which you informed me of the willingness of the Government of the United States to receive in its territory four thousand refugee children, from those who have been abandoned or orphaned in Europe as a consequence of the hardships of war.

I have taken due note of the conditions of this acceptance, which Your Excellency is good enough to set forth in your courteous communication.

Your Excellency is good enough to transmit an invitation from the United States Government to the Guatemalan Government to collaborate in this relief work and to receive, in a similar manner, a specified number of these children, victims of war; and, to this end, offers the contribution and necessary help of the War Relief Board.

I take pleasure in informing Your Excellency that the Government of Guatemala gladly accepts participation in the humanitarian work of aiding these helpless children, and is willing to receive in its territory a number proportionate to that accepted by the United States.

In consequence I am pleased to beg Your Excellency's valuable cooperation so that arrangements necessary may be made for the Swiss Government to give provisional refuge to one hundred children, who will be brought to Guatemalan territory as soon as possible.

I courteously beg Your Excellency to note that, even though in this participation the Government of Guatemala does not wish to make nationality distinctions, or any of race or religion, it would appreciate it if the hundred children to be given refuge in this Republic might be selected, preferably, from French or Belgian children.

In due time this Secretariat will give appropriate instructions to the Guatemalan representative at the place indicated for the issuance of the necessary visas on the documents of these children.

I avail myself of this opportunity, Mr. Ambassador, to renew the assurances of my highest and most distinguished consideration.

CARLOS SALAZAR

His Excellency Boaz Long
Ambassador E. and P. of the United States,
Guatemala,
hss.

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Lisbon
DATED: May 15, 1944
NUMBER: 1364

SECRET

To Norweb From War Refugee Board

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

"Understand Allied Control Commission Naples agreed we Quakers station representative Naples under sponsorship Heathcote-Smith Intergovernmental Committee representative.

We considering Arthur Greenleigh for this post and would appreciate your views. If you agree and Greenleigh decides go we would hope you could meet Greenleigh in Naples to organize refugee program. We arranging remittance \$10,000 to Heathcote-Smith for relief to refugees southern Italy."

THIS IS WEB LISBON CABLE NO. 20.

HULL

DATE OF TRANSMISSION: 1944

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Lisbon
DATED: May 15, 1944
NUMBER: 1365

SECRET

TO MINISTER NORWEB FOR DEXTER

Reference to Department's 1285 of May 6.

Consul at Istanbul reports substantially as follows:

"All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Repatriation was ordered for Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans."

In light of above information, the requested steps to rescue Jews in Greece claiming Portuguese nationality assume particular urgency.

THIS IS WRB LISBON CABLE NO. 23

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Lisbon
DATED: May 15, 1944
NUMBER: 1566

SECRET

From War Refugee Board to Nerveb

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

"Greatly interested your cable regarding Saly Mayer report
conditions Budapest. Can you secure additional information
concerning \$200,000 payment especially whether such funds
could be blocked Switzerland for payment after war."

THIS IS WEB LISBON CABLE NO. 19

HULL

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Lisbon
TO: Secretary of State, Washington
DATED: May 15, 1944
NUMBER: 1456

SECRET

Filpel sends the following, as WRB no. 37, for Leavitt, Joint.

There are indications that Joint borrowed 180,000,000 French francs at approximately 90 to the dollar. This report to Schwartz of Jules Jefroykin. Accounts and fuller discussions will be included in further details coming later.

All well planned apparently for evacuation of young people and adults from France, but movement of children probably small, owing to difficulties involved, regarding which more later. It is hoped we can bring Jefroykin to Barcelona, where he will work with our office, May 16.

NORWEB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Lisbon
TO: Secretary of State, Washington
DATED: May 15, 1944
NUMBER: 1458

SECRET

Elisabeth Dexter sends the following as WRB no. 34,
for Cahill Unitarian Service Committee.

Until situation is clarified, no money whatever should be sent to Spain. Meantime please send to Lisbon 5,000 for Spanish cases purposes as indicated in your letter 117. All remittances for Rene Zimmer should go through Geneva until further notice. Reference is to your letter 115 C. With reference to the same letter it is urged that you refuse to accept money in part settlement for individual packages but it is suggested that you obtain full names and complete addresses of non (?) s in occupied territory without publicity, which would be dangerous and troublesome, and send them to Lisbon. It is impossible to guarantee anything, but on receipt of lists an attempt will be made.

NORWEB

(?) Serviced

CORRECTION OF
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Lisbon
TO: Secretary of State, Washington
DATED: May 15, 1944
NUMBER: 1458

SECRET

In line 11 delete "(?)# " and add "collaborators".
Line should then read "and complete addresses of non
collaborators in occupied territory".

NORWEB

NJK-120

PLAIN

Lisbon

Dated May 15, 1944

Rec'd 9:32 p.m.

Secretary of State,
Washington.

1459, 15th, noon.

WEB 35. FOR LEAVITT JOINT FROM ROBERT PILPEL.

Jules Jeffreykin Spain leader group 55 adults
followed by 11 more total 66. Total recently arrived
Spain 200, all our care.

NOHWEB

SNK
MEV

GMY - 118

PLAIN

Lisbon

Dated May 15, 1944

Rec'd 9 p.m.

Secretary of State,

Washington,

1460, Fifteenth, Noon

WRB 33 for Cahill Unitarian Service Committee from
Elisabeth Dexter.

Reference Congregationalist workers Robert Dexter
remembers conversation as purely tentative and considers
special worker for package service unnecessary.

Would remind committee our obligations to Portuguese
and American Governments require we have full control all
personnel including right to send home if unsatisfactory.

Former experience representative Congregationalist
Committee unsatisfactory but willing try another if you
satisfied she is best allover candidate available and
that Congregationalists surrender all control. Relation-
ship Congregationalist Committee to us should be similar
private agencies lending staff to UNRRA. However, urge
conserving limited passport and visa facilities for per-
sonnel committed to our future work or government program.
Quynn Green Ammonds should come first. After that greatest
need worker with secretarial ability. Knowledge German an
asset.

NORWEB

HTM

CORRECTION ON
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Lisbon
TO: Secretary of State, Washington
DATED: May 15, 1944
NUMBER: 1465

SECRET

This message was erroneously marked NUMBER: 1456
instead of NUMBER: 1465.

NORWEB

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Madrid
DATED: May 15, 1944
NUMBER: 1360

SECRET

Reference Department's 1108 of April 21.

Consul at Istanbul reports substantially as follows:

"All registered Jews in Greece were confined in Haidari concentration camp late March. On April 2, 4000 were evacuated from camp to unknown destination, believed to be Theresienstadt, Czechoslovakia. Repatriation was ordered for Portuguese, Turkish and Spanish Jews. Assistance has been complicated by these developments since there are officially no Jews in Greece, the Jews who are registered having been removed while the Jews in hiding have lost the last remnant of rights through failure on their part to comply with registration order issued by the Germans."

In light of above information, the requested steps to rescue Jews in Greece claiming Spanish nationality assume particular urgency.

HULL

VMT-126

PLAIN
Stockholm
Dated May 15, 1944
Rec'd 9:25 p.m.

Secretary of State,
Washington.
1719, fifteenth.

Our No. 13. FOR WAR REFUGEE BOARD

The question is frequently raised here as to what concern the WRB will have with the problems of bringing immediate relief to the European refugee groups at the moment hostilities cease, as is generally known the bulk of these refugees will be in critical need of medical attention, of food and clothing and of housing. Thousands of them will want to return to their homelands immediately and will cause a tremendous transportation problem. Thousands of others will be looking for new domiciles. It is generally considered here that failure to have a plan prepared for immediate action will result in losses of thousands of lives, since these people are dying off so rapidly that even a month's neglect will mean substantial losses. Accordingly there are numerous Swedish organizations engaged in promulgating plans for immediate postwar action. The Swedish Government itself has made a large appropriation for these purposes and has appointed a commission to develop programs. They are obviously interested in what the United States is planning along similar lines, and would like to cooperate. It is not clear to us what we should advance at the War Refugee Board jurisdictional field in these activities as contrasted with UNRRA or IGC. Please instruct.

JOHNSON

HTM

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Consulate General, Istanbul
 TO: Secretary of State, Washington
 DATE: May 15, 1944
 NUMBER: 268

SUMMARY

According to representatives of Jewish refugee organizations here reliable evidence is available that extermination of Jewish Hungary along Polish patterns will begin in the near future.

I am forwarding their suggestions without approval or recommendation. They include: (1) Allied declaration that refuge will be granted in United Nations territory to all Jews who escape from Hungary; (2) Hungarian people be invited to note names and identify all German committing acts of terror against civilian population; (3) Announcement that individual Hungarians aware of atrocities will be held responsible for death of Jews, and that the entire Hungarian population will be considered hostages for Jewish refugees; (4) Declaration that citizenship will be granted by Allied Nations to all stateless refugees in Hungary especially Slovaks whose citizenship has been lost; (5) Suggest that German soldiers prevent atrocities, warn victims and list the names of criminals; and warning to the German Army that their role in pogrom will foul their arms with crimes unprecedented in the annals of history.

Request has been made by Josef Klarman representative of New Zionist organization, Jacob Griffl representative of Agudas Israel and Loderit Kasnes manager of Czechoslovak Social Institute for Refugees, that above recommendations be forwarded to New York for Vashbarakas Emergency Committee.

SQUINES

DOCS 10813 IN
 5/17/44

Secretary of State,

Washington.

1733, fifteenth

PRAVDA for May 13 publishes as its longest and most prominent foreign news despatch a seventeen-inch London item reporting debate in the British Parliament regarding the plan for an international monetary fund. About three-quarters of the despatch reports Anderson's remarks that the plan does not involve acceptance of the gold standard by the British, his statements regarding the sterling bloc and England's desire for cooperation with United States but unwillingness to be in a position in which economic calamities in America would necessarily involve Britain. Critical remarks of the Laborites Shinwell and Strauss, the Conservative Warr and the Liberal Schuster are cited. Item concludes by reporting Commons' adoption of resolution regarding recently published statements on principles of fund as appropriate basis for further international consultation aimed at improving postwar monetary cooperation.

LMS
MRM

HAMILTON

ef:copy
5-17-44

PEM

AIRGRAM

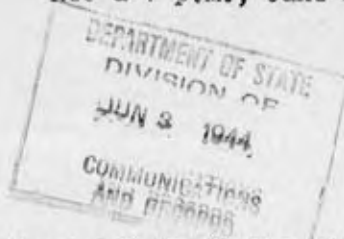
Kweilin, China.

Dated May 15, 1944

Rec'd 7 p.m., June 2

Secretary of State,
Washington.

A-7, May 15, 5 p. m.



During the past few weeks a substantial number of raised American currency notes has appeared on the market. These notes are mostly US\$2 bills raised to \$20 and \$100. According to the opinion of experts the work has been well done; although no attempt has been made to change the portrait of Jefferson appearing on the \$2 bills, or the engraving on the reverse side thereof, the amounts in the margin of the bills have been very cleverly raised. A junior official in the Central Bank of China here is known to have had in his possession some sixty forged \$100 notes, which he purchased at the rate of 120 to 1, or about 30% under the current open market rate at the time. The notes are believed to have been brought into Kweilin from Hong Kong by a Japanese agent and marketed through room boys at a local hostelry. When an effort was made

- 2- #A-7, May 15, 3 p. m., from Kweilin, China.

made to confront him with the false notes, he had already disappeared.

It is understood that during the recent campaign in North Africa German agents resorted to a similar trick, presumably in the hope of causing a lack of confidence in the currency of the United States.

During the past month, rumors have been current in Kweilin that some sort of "invasion currency" or money other than money of the United States was to be introduced into China by the American Armed Forces. This rumor has caused considerable nervousness and may have contributed to the decline in value of United States dollars on the local open market from a high of about 220 to 1 at the end of March to 135 to 1 about April 15. The present quotation is approximately 105 to 1.

RINGWALT

In duplicate direct to the Department.
Copy to the Embassy, Chungking.

051,5

ARR:hcl

COPY NO 11NOT TO BE RE-TRANSMITTEDSECRETOPTEL No. 155

Information received up to 10 A.M. 15th May 1944.

1. NAVAL

Considerable shelling of ANZIO 11th/12th and 12th/13th. but no damage to shipping. At 9.00 p.m. 11th a U.S. Eastbound convoy off ALGIERS was attacked by 30 bombers and Torpedo-Bombers. Fighters shot down five enemy aircraft and damaged three others; no damage to convoy.

2. MILITARY

Italy Progress during 13th/14th and 14th was on the whole satisfactory.

Eighth Army The Poles North-West of CASSINO have re-organised while further south between CASSINO and the junction of the rivers RAPIDO and LIRI many small counter attacks have been repulsed by U.S. and Indian troops and our previous gains have been maintained. STANGENO has now been cleared of all pockets of resistance and the German strong point to the North has been over-run. Five bridges have been put into use in this sector.

Fifth Army West of the Garigliano French Moroccan troops have again made good progress, they have captured AUSONIA and have advanced into the mountains north and south of the town. U.S. troops have now occupied SANTA MARIA INFANTE and have held all their gains. Over 2,000 prisoners have been captured during the present offensive.

3. AIR OPERATIONS

Western Front 14th. Beaufighters attacked a German convoy of Dutch Coast; two 3,000 tons ships were torpedoed and set on fire and R.N. escort vessel damaged. One Beaufighter missing.

14th/15th. Aircraft Despatched:

COLOGNE	29
Intruders	60
Other minor operations	34

One enemy aircraft destroyed. About 44 German aircraft operated over South West ENGLAND; 14 were destroyed by night fighters for the loss of one Mosquito. Scattered bombing over six counties killed four persons.

Italy 12th/13th. Wellingtons dropped total 65 tons at PORTO FERRAIO, ELBA and PORTO SAN STEFANO and 37 tons on steel works and railway centre PIOMBINO.

13th. 713 Fortresses and Liberators bombed railway centres in the VENICE area and on the main lines PIACENZA-RIMINI and VERONA-BOLZANO dropping total 1,613 tons Two Liberators missing.