

DIARY

Book 760

August 1-3, 1944

- A -

Atcheson, Frederick R.  
See Post-War Planning: Surplus Property, Disposal of

Book Page

- C -

Chesapeake & Potomac Telephone Company  
Federal Government rate reduction: See Olrich and  
Mack memoranda - 8/1/44..... 760 27,28

China  
Communist-Kuomintang relations: Behind-the-scenes  
developments reported by Friedman - 8/2/44..... 131  
Foreign Funds Control transactions discussed in Treasury  
cable to Friedman - 8/2/44..... 134

Contract Settlement, Office of  
See Office of Contract Settlement

- F -

Financing, Government  
War Savings Bonds  
5th War Loan Drive  
"Thank you" notes to radio, newspapers, outdoor  
advertisers, etc. - 8/1/44..... 1, etc.  
Total figures reported to FDR - 8/2/44..... 94  
a) FDR's congratulatory reply - 8/3/44..... 166  
1) Explanation of why it was never published -  
8/18/44: See Book 763, page 232  
Gamble thanked personally and publicly by HMJr -  
8/5/44: Book 761, pages 54,55

Foley, Edward H., Jr. - Colonel  
Return to United States from Italy discussed in  
HMJr-Foley correspondence - 8/3/44..... 167

- H -

Hilton, Homer  
See Post-War Planning: Surplus Property, Disposal of

Hinckley, Robert H.  
See Office of Contract Settlement

- L -

Lend-Lease  
Weekly report - 8/1/44..... 30  
" " - 8/9/44: See Book 761, page 280  
" " - 8/17/44: Book 763, page 246  
" " - 8/24/44: Book 765, page 146  
" " - 8/29/44: Book 767, page 97

United Kingdom  
Gold and dollar holdings as of June 30, 1944 - 8/1/44.. 32  
Federal Reserve Bank of New York statement showing  
dollar disbursements, week ending July 26, 1944 -  
8/1/44..... 33

	Book	Page
Lend-Lease (Continued)		
United Kingdom (Continued)		
Aircraft flight delivery as at July 31, 1944 - British Air Commission report - 8/3/44.....	760	216

Office of Contract Settlement		
Contract Settlement Act of 1944 digest by Hinckley - 8/3/44.....		178
Advisory Committee on Statistics, Records, etc.: Haas (Division of Research and Statistics) and Sims, W. J. (Office of Surplus Property, Procurement Division), to represent Treasury - 8/25/44: See Book <u>766</u> , page 98		

Phillips, Edgar P.		
See Post-War Planning: Surplus Property, Disposal of Post-War Planning		
Bretton Woods Monetary Conference		
London press reports summarized:		
8/1/44.....		38
8/5/44: See Book <u>761</u> , pages 119,278,348		
8/23/44: Book <u>765</u> , pages 90,187		
8/26/44: Book <u>766</u> , page 199		
8/31/44: Book <u>767</u> , page 63		
U.S.S.R. thanked for increasing subscription - 8/2/44..		96
Surplus Property, Disposal of		
System of recording discussed in Olrich memorandum - 8/1/44.....		29
(See also Book <u>761</u> , page 236; and Book <u>767</u> , page 89)		
25 largest classes - reports as of July 15 by Olrich - 8/2/44.....		101
Special items valued in excess of \$50,000 - report as of July 31 - 8/2/44.....		112
" " " August 14 - 8/15/44: Book <u>762</u> , page 137		
" " " August 28 - 8/29/44: Book <u>767</u> , page 68		
Hilton, Homer: Experience record - 8/3/44.....		174
Deficiency appropriation discussed in Olrich memorandum - 8/3/44.....		177
Atcheson, Frederick R.: Experience record - 8/7/44: Book <u>761</u> , page 216		
Phillips, Edgar P.: Experience record - 8/21/44: Book <u>764</u> , page 194		
Potomac Electric Power Company		
Federal Government rate case decided in favor of Government - O'Connell memorandum - 8/1/44.....		26
Public Utilities		
Electric Light and Telephone Rates: For reduction appeal by Federal Government see <u>Potomac Electric Power Company</u> and <u>Chesapeake &amp; Potomac Telephone Company</u>		

- S -

Book Page

Surplus Property, Disposal of  
See Post-War Planning

- U -

U. S. S. R.

See Post-War Planning: Bretton Woods Monetary Conference

- W -

War Refugee Board

Report for week ending

July 22, 1944 - 8/1/44.....	760	55
" 29, 1944 - 8/7/44: See Book <u>761</u> , page 222		
August 5, 1944 - 8/16/44: Book <u>763</u> , page 32		
" 12, 1944 - 8/23/44: Book <u>766</u> , page 122		
" 19, 1944 - 8/28/44: Book <u>767</u> , page 35		
" 26, 1944 - 9/4/44: Book <u>768</u> , page 241		

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE August 1, 1944

TO: Mr. Gamble

FROM: Mr. Lane

Here are the Secretary's "thank you" letters I spoke to you about this morning which he has sent out at the end of each previous Drive to the following:

Ad Council	--	Harold Thomas
Y & R	--	Larmon
Ruthrauff & Ryan	--	Grady
Erwin, Wasey	--	Williams
G. M. Basford	--	Wensley
Albert Frank-		
Guenther Law	--	Corrigan
Newspapers	--	Tripp
Magazines	--	Warner
Outdoor	--	Fulton
Advertisers	--	West (ANA)
Agencies	--	Gamble (4 A's)
Radio		
N. A. B.	--	Ryan
CBS	--	Kesten
NBC	--	Trammel
Blue	--	LaRoche
MBS	--	McClintock

The Frank Tripp letter should be returned here after being signed; the rest can be sent directly.

Miss Chauncey  
2f

August 2, 1944

Dear Mr. Harmon:

Through your personal efforts as Executive Vice-Chairman of the War Activities Committee, the work of your organization with the War Finance Division has resulted in a closely coordinated program for war financing. I want you to know that I personally appreciate your part in this program and I look forward to the continuation of the pleasant relationship existing between our two organizations.

Sincerely,

Mr. Francis Harmon  
c/o War Activities Committee  
1501 Broadway  
New York, N. Y.

Typed 7/28/44  
CFL:mf

3  
Miss Chauncey

August 2, 1944

Dear Mr. O'Donnell:

Under your fine leadership the Motion Picture Industry has again distinguished itself in service to the War Finance Program of our government. The outstanding results of your Fifth War Loan Drive bespeak the thorough planning and vigorous administration given to it by you and your associates of the War Activities Committee.

May I personally express to you the appreciation of the Treasury Department for the invaluable service rendered in your capacity as National Chairman.

We realize the personal contribution which this job involves. We know something of the time and energy required to do it. Your accomplishments were inspiring to all of us, and Ted Gamble joins me in this expression of our gratitude.

Sincerely,

Mr. R. J. O'Donnell  
National Chairman  
c/o Interstate Circuit Inc.  
Majestic Theatre Building  
Dallas, Texas

Typed 7/28/44  
CFL:mf

*Miss Chauncey<sup>4</sup>*

August 2, 1944

Dear Mr. Lee:

It is my privilege to convey to you the appreciation of the Treasury Department for your tireless efforts in our War Finance Program. In your capacity as Special Consultant, you have made a valuable contribution to the success of our Program generally and particularly in the Fourth and Fifth War Loans.

The War Finance activities of the Motion Picture Industry have been outstanding. In helping to shape these campaigns and in representing that industry here on Ted Gamble's staff, you have brought its far-reaching operations in splendid harmony with the work of our own organization.

This has been a real service to your government and you can feel a keen sense of satisfaction in it.

Sincerely,

Mr. Claude Lee  
Consultant to the  
Treasury Department  
c/o Paramount Pictures Inc.  
1501 Broadway  
New York, N. Y.

Typed 7/28/44  
CFL:mf



Miss Chauncy <sup>5</sup>

August 2, 1944

Dear Mr. Friedl:

The Motion Picture Industry in the Fifth War Loan has again distinguished itself. The effectiveness of the thorough planning and vigorous administration given by you and your associates of the War Activities Committees is reflected in the outstanding results of your Fifth War Loan Drive.

I want you to know that your invaluable service as Campaign Director of this Drive is deeply appreciated. Your accomplishments are an inspiration to all of us, and Ted Gamble joins me in this expression of gratitude.

Sincerely,

Mr. John J. Friedl  
Minnesota Amusement Company  
17 North 6th Street  
Minneapolis, Minnesota

Typed 7/28/44  
CFL:mf

Miss Chauncy <sup>6</sup>

August 2, 1944

Dear Mr. Kennedy:

The Motion Picture Industry in the Fifth War Loan has again distinguished itself. The effectiveness of the thorough planning and vigorous administration given by you and your associates of the War Activities Committees is reflected in the outstanding results of your Fifth War Loan Drive.

I want you to know that your invaluable service as National Vice-Chairman of this Drive is deeply appreciated. Your accomplishments are an inspiration to all of us, and Ted Gamble joins me in this expression of gratitude.

Sincerely,

Mr. Richard M. Kennedy  
Alabama Theatre  
Birmingham, Alabama

Typed 7/28/44  
CFL:mf

August 2, 1944

Dear Mr. Balaban:

In view of the services rendered our War Finance Program by your associate, Mr. Claude Lee, I wish to express to you our appreciation that he has been available to us through the cooperation of your company.

In representing your industry in our War Loan operations, Mr. Lee has been indispensable in coordinating your activities with our own. He has brought to the job a combination of tireless energy and resourcefulness that has meant much in the task confronting our War Finance Division.

His personal attitude has won him many friends in the various departments in Washington with whom he has had to deal and we enjoy having him with us.

Ted Gamble, National Director of War Finance joins me in this expression of gratitude to you and Mr. Lee.

Sincerely,

Mr. Barney Balaban  
President  
Paramount Pictures Inc.  
1501 Broadway  
New York, N. Y.

CFL:mf  
Typed 7/28/44

Miss Chauncey<sup>8</sup>

August 2, 1944

Dear Mr. Depinet:

My attention has been called to the manner in which you have so greatly implemented the outstanding work of the Motion Picture Industry in our War Finance Program.

The resources and manpower of your industry have proved effective forces in the success of our War Bond Campaigns, and your contribution in the Fifth War Loan was invaluable to us.

As National Distributor Chairman, you have personally brought new strength to the Drives and new laurels to your industry.

Ted Gamble joins me in this expression of gratitude.

Sincerely,

Mr. Ned E. Depinet  
Vice-President  
RKO Radio Pictures Inc.  
1270 Sixth Avenue  
New York, N. Y.

Typed 7/28/44  
CFL:mf

August 2, 1944

Dear Mr. Fabian:

Through your personal efforts as Chairman of the Theatre Division, the work of the War Activities Committee with the War Finance Division has resulted in a closely coordinated program for war financing.

I want you to know that the Treasury Department appreciates your part in this program, and that I look forward to the continuation of the pleasant and very helpful relationship between our organizations.

Sincerely,

Mr. Si Fabian  
c/o War Activities Committee  
1501 Broadway  
New York, New York

Typed 7/31/44  
JMM:mdt

August 2, 1944

Dear Mr. Williams:

Your splendid cooperation in creating effective 5th War Loan advertisements has been of inestimable value in bringing the 5th War Loan drive to its successful conclusion.

For this, and for your notable contributions to the important farm advertising in the interim periods, please accept, on behalf of yourself and all concerned, my sincere thanks and appreciation.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Howard D. Williams  
Vice President  
Erwin, Wasey & Co., Inc.  
420 Lexington Avenue  
New York, New York

August 2, 1944

Dear Mr. West:

The Fifth War Loan Drive, which has just come to an end, has exceeded a goal far beyond that which the Treasury Department's original estimates had set for it.

I am well aware of the essential and outstanding part which private advertisers throughout the country have played in supporting this most necessary program.

It is with sincere pleasure, therefore, that I express to you, and through you to all advertisers, the appreciation of the Treasury Department for your consistently generous cooperation.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Paul West  
President  
Association of  
National Advertisers  
330 West 42nd Street  
New York, New York

SK:bak

August 2, 1944

Dear Mr. Wensley:

Please accept my sincere appreciation for the excellent part played by you and your agency in preparing advertisements for use in the 5th War Loan.

The outstanding success of the 5th War Loan campaign was due in no small measure to the sense of awareness of the drive and its meaning which you helped to create in Americans everywhere.

For this, and for your generous cooperation in the interim periods, you are to be congratulated.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Roger L. Wensley  
President  
G. M. Basford Company  
60 East 42nd Street  
New York, New York

SK:bak



August 2, 1944

Dear Mr. Warner:

The periodicals of America -- the general magazines, business and trade papers, and farm publications -- have defined once again, during the Fifth War Loan the significance of their contribution.

The continued and consistent impact of War Bond advertising messages in more than 1,300 publications, and the unique War Bond covers, colorfully displayed by more than 2,000 publications during the loan campaign, attest to the patriotism and generosity of these publishers.

The general magazines have successfully stressed to their millions of family readers the urgent necessity of voluntary financing of this most costly conflict. The business and trade papers, from the very inception of our program, have guided the executives of business and industry in the establishment of Payroll Savings and retail sales. The farm publications have demonstrated their power in the important rural market.

For the publications' continuing War Bond cooperation, every American is deeply indebted. Please extend my deep personal appreciation and that of the Treasury Department to the publishers for their effective assistance.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. William B. Warner  
President  
National Publishers  
Association  
230 Park Avenue  
New York, New York

August 2, 1944.

Dear Mr. Trammell:

Now that the 5th War Loan Drive has drawn to a close I would like you and your associates to know how much we appreciate your efforts. The special programs arranged by the National Broadcasting Company staff played an important part in enabling us to exceed our initial quota of sixteen billion dollars.

Your countrymen will not forget NBC's contribution to the war effort.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Niles Trammell  
President  
National Broadcasting Company  
30 Rockefeller Plaza  
New York, New York.

rja/lt

August 2, 1944

Dear Mr. Thomas:

It is with deep appreciation that I compliment you, and, through you, the various affiliates which compose the War Advertising Council, for the splendid cooperation you have given to the recent 5th War Loan Drive.

The importance of a continued, sustained endeavor in behalf of the War Bond program cannot be over-estimated. The War Advertising Council has been consistent and effective in its support. For this, my sincere thanks and appreciation.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Harold Thomas  
President  
War Advertising Council  
60 East 42nd Street  
New York, New York

SK:bak

August 2, 1944

Dear Mr. Ryan:

In your capacity as the representative of the radio industry, please accept the sincere thanks of the Treasury Department and the people of America for the time and talent placed at our disposal in the Fifth War Loan by the four networks and the 912 radio stations throughout the country.

Radio's contribution in terms of money has been most outstanding, but radio's contribution in terms of our success and the country's welfare is beyond appraisal. Without it we could not have raised the tremendous sum necessary to pursue the war.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Harold Ryan  
President  
National Association  
of Broadcasters  
1760 N Street, N. W.  
Washington, D. C.

BK:bak

August 2, 1944.

Dear Mr. McClintock:

The friendly cooperation of you and your associates at the Mutual Broadcasting System has been most helpful to us in the 5th War Loan Drive.

You have made an effective contribution to the war effort in aiding us to exceed our original quota.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Miller McClintock  
President  
Mutual Broadcasting System  
1440 Broadway  
New York, New York.

rjs/lc

August 2, 1944.

Dear Mr. LaRoche:

Speaking in behalf not only of the Treasury Department but of your countrymen, I would like to express to you our appreciation of the support the Blue Network gave to the 5th War Loan Drive.

The special programs produced by your staff added to the impetus of War Bond sales and have played an important part in putting us over the top.

Sincerely,

(Signed) ~~Henry~~ Morgenthau, Jr.

Mr. Chester J. LaRoche  
Chairman of Executive Committee  
Blue Network Inc.,  
30 Rockefeller Plaza  
New York, New York.

rjs/lt

August 2, 1944

Dear Mr. Larmon:

Please accept my sincere appreciation for the splendid role you and your organization played in helping to make the Fifth War Loan drive a success.

The notable series of War Bond advertisements which were prepared by the Young & Rubicam agency, both for our bond drives and for the important interim periods, have done much to forward the War Finance program among Americans of all stations in life. You and all concerned are to be congratulated on a job well done.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Sigurd S. Larmon  
President  
Young & Rubicam, Inc.  
285 Madison Avenue  
New York, New York

SK:bak

August 2, 1944.

Dear Mr. Kesten: ~~-----~~

The cooperative spirit shown by you and your associates of the Columbia Broadcasting System should not pass unnoticed now that the 5th War Loan Drive is over.

Our success in going well over our original quota is due in no small part to the special programs arranged by your staff.

I would like you to feel that the Columbia Broadcasting System has been of great service to the country.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Paul W. Kesten  
Vice President  
Columbia Broadcasting System  
485 Madison Avenue  
New York, New York.

rja/lt



August 2, 1944

Dear Mr. Grady:

With the success of the 5th War Loan, I want to take this opportunity of thanking you and all members of your organization who contributed their time and talents to create the series of 5th War Loan advertisements produced by your agency in cooperation with the War Advertising Council.

There is no question but what your contribution to the Drive played a major part in its success. For this and for your equally splendid cooperation in past war loan drives, please accept my sincere gratitude and appreciation.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. E. J. Grady  
Executive Vice President  
Ruthrauff & Ryan, Inc.  
405 Lexington Avenue  
New York, New York

SK:bak

August 2, 1944

Dear Mr. Gamble:

Please accept my sincere appreciation for the splendid part played by the advertising agencies of America in helping to make the Fifth War Loan such an outstanding success.

This patriotic cooperation in publicizing the sale of War Bonds was an important factor in the success of the campaign.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Frederic R. Gamble  
American Association of  
Advertising Agencies  
420 Lexington Avenue  
New York, New York

SK:bak

August 2, 1944

Dear Mr. Fulton:

I want to thank you again, and also the members of the Outdoor Advertising Industry, for the generous support you gave us during the recent Fifth War Loan.

The achievement of our goals was due in no small part to the patriotic efforts of this effective medium in helping to publicize the Fifth War Loan campaign.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. K. H. Fulton  
President  
Outdoor Advertising  
Association of America  
60 East 42nd Street  
New York, New York

SK:bak

August 2, 1944

Dear Mr. Corrigan:

Now that the Fifth War Loan has established another milestone on the road to victory, I want to express to you and to the members of your organization who had a part in planning Fifth War Loan advertising my sincere appreciation for the splendid role you played in the success of this highly important drive.

There is no question but the advertisements you created inspired millions of patriotic Americans with the sense of urgency and vital importance of buying extra War Bonds in the Fifth War Loan.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Emmett Corrigan  
Chairman of the Board  
Albert Frank-Guenther Law, Inc.  
131 Cedar Street  
New York, New York

SK:bak

TRANSMITTED TO TOM LANE

August 2, 1944

Dear Mr. Tripp:

Will you please convey to the newspaper publishers of America my sincere appreciation for the outstanding contribution they have made to the success of the Fifth War Loan drive.

In spite of difficult paper shortages, newspapers gave greater advertising and editorial support to the Fifth Drive than any previous one.

The newspaper advertising performance has been truly outstanding, and I hope you will ask all publishers to express our thanks to the patriotic sponsors who have so unselfishly supported this vital war financing effort.

Newspapers have every right to be proud of the part they are playing in this financing program -- and the Nation can be thankful for a free press, which is serving our country so well and unselfishly.

We acknowledge with gratitude the splendid assistance of the Allied Newspaper Council and your fellow publishers.

Sincerely,

(Signed) Henry Morgenthau, Jr.

Mr. Frank E. Tripp  
Chairman  
Allied Newspaper Council  
Washington, D. C.

SK:bak

## TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE AUG 1 1944

TO Secretary Morgenthau  
FROM Joseph J. O'Connell, Jr.

FOR YOUR INFORMATION

5484, 612 a 613

You may recall that early in 1943 you approved having the Procurement Division intervene in a rate case before the Public Utilities Commission of the District of Columbia, in an effort to force a reduction in rates.

The struggle has been going on ever since, and as you may have noticed we have, during that time, received at least our share of brickbats from the local press, as well as from the Commission itself.

Particularly in view of the "kicking around" our people got during the battle, it is with a great deal of pleasure that I am able to report that last week the Public Utilities Commission handed down a decision which supports most, if not all of the contentions we have been making, and provides for a yearly reduction in public utility rates in excess of \$1,000,000.

Since the Government is the largest single consumer of electric energy in the District, paying in excess of \$5,000,000 yearly for current, the victory is one which means a saving to the Government of at least \$300,000 a year.

Joseph J. O'Connell Jr



TREASURY DEPARTMENT  
WASHINGTON 25



August 1, 1944

MEMORANDUM TO THE SECRETARY

I am attaching a memorandum that was prepared by Mr. Mack, at my suggestion, in which he sets forth that as a result of discussions between his office and the telephone company, they have agreed to a voluntary reduction of approximately \$200,000 annually and the benefits of this saving will extend to renewal contracts.

As a result of hearings before the Public Utilities Commission, the Potomac Electric Power Company was ordered to reduce their rates, which will accomplish an annual reduction of electric energy cost to the Federal Government in the District of Columbia of \$1,000,000 per annum.

*E. L. Olrich*

E. L. Olrich  
Assistant to the Secretary

Attachment





OFFICE OF THE DIRECTOR

## TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



July 28, 1944

## MEMORANDUM TO THE SECRETARY:

During the late summer of 1942 preliminary work and investigation conducted by this office indicated that in certain respects charges made to the Government for telephone services and electric energy could be profitably reviewed.

As a result of discussions with the Chesapeake and Potomac Telephone Company, they agreed to a voluntary reduction of approximately \$200,000 annually, and the benefit of this savings will extend to renewal contracts.

In the case of the Potomac Electric Power Company, it was not possible to effect voluntary reductions, and it became necessary for the Procurement Division to intervene in the rate hearings held in February and March 1943 before the Public Utilities Commission; at which time Procurement was joined by the Office of Price Administration, and shortly before the convening of the hearings the Federal Works Agency also intervened.

The decision of the Commission on July 22, 1944, achieved largely due to the action initiated by the Procurement Division, accomplished an annual reduction of electric energy costs in excess of \$1,000,000, the writing out of the rate base of some \$5,300,000 in water, and a reduction in such base undepreciated from \$105,000,000 in 1943 to approximately \$81,000,000 undepreciated in 1944. Under our contracts, the Federal agencies purchase electric energy in excess of \$5,000,000 out of an approximate gross of \$22,000,000 annually.

Mr. Thurman Hill, Chief Counsel, and Mr. A. J. Swanick, of the Legal Division, ably represented the Procurement Division in this matter, and Mr. Robert LeFevre, Assistant to the Director, cooperated with them in the development of the evidence.

*Clifton E. Mack*  
Clifton E. Mack  
Director of Procurement



TREASURY DEPARTMENT

WASHINGTON 25

August 1, 1944

MEMORANDUM TO THE SECRETARY

To insure an adequate system of recording surplus property in Treasury, I asked the Comptrollers' Institute (one of the country's most important professional business organizations) to form a committee to review our I.B. M. installation.

The committee was made up of: L. M. Nichols, Comptroller, General Electric Supply Corporation; Mr. E. B. Miller, Comptroller, Yardley, Inc.; Captain F. M. Farwell, Ordnance; Lt. Comdr. Ludlow, Navy; Lt. E. J. Livesey, Navy; Lt. (jg) Coxon, Navy; the I.B.M. was represented by Mr. R. A. Soderberg; and Treasury by Mr. F. R. Atcheson and Mr. W. J. Sims.

The following is their report:

The basic principles upon which the surplus property accounting procedure was established, were thoroughly discussed. Attention was given to several of the technical phases, particularly the problem of classification and item identification. This latter problem was recognized as the most difficult, regardless of whether the procedure provided punch cards or other accounting machinery. With a reservation in this direction, the procedure received general approval of those present.

The conference terminated at 4:30 P.M. with the understanding that each group would make a more detailed study of the procedures set forth in the Surplus Property Accounting Manual (copies of which were supplied), and submit recommendations or suggestions accordingly.

*E. L. Olrich*  
E. L. Olrich  
Assistant to the Secretary



OFFICE OF THE DIRECTOR

TREASURY DEPARTMENT  
PROCUREMENT DIVISION  
WASHINGTON 25



30

August 1, 1944

**SECRET**

MEMORANDUM TO THE SECRETARY:

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

A requisition has been received for 10,080,000 lbs. of Magnesium Alloy Ingot costing approximately \$2,409,120 for the production of incendiary bombs in the United Kingdom.

  
Clifford E. Mack  
Director of Procurement



LEND-LEASE  
 TREASURY DEPARTMENT, PROCUREMENT DIVISION  
 STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND  
 DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS  
 AS OF JULY 26, 1944  
 (In Millions of Dollars)

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous &amp; Undistributed</u>
Allocations	\$5489.2 (5479.2)	\$2627.0 (2627.0)	\$2257.3 (2257.3)	\$133.9 (133.9)	\$15.9 (15.9)	\$455.1 (445.1)
Requisitions in Purchase	\$ 140.9 ( 128.6)	\$ 29.6 ( 28.5)	\$ 54.1 ( 54.1)	\$ .3 ( .3)	-	\$ 46.9 ( 45.7)
Requisitions not Cleared by W. P. B.	\$ 116.8 ( 114.6)	\$ 35.1 ( 30.7)	\$ 68.3 ( 67.9)	\$ .1 ( .1)	-	\$ 13.3 ( 15.9)
Obligations (Purchases)	\$3822.1 (3779.7)	\$1945.0 (1938.3)	\$1541.6 (1514.2)	\$ 62.8 ( 62.8)	\$12.8 (12.7)	\$259.9 (251.7)
Deliveries to Foreign Governments at U. S. Ports*	\$2211.7 (2200.7)	\$1382.9 (1380.0)	\$ 758.8 ( 751.8)	\$ 24.0 ( 23.8)	-	\$ 46.0 ( 45.1)

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

Note: Figures in parentheses are those shown on report of July 19, 1944.

SECRET  
31

## UNITED KINGDOM TREASURY DELEGATION

BOX 880  
 BENJAMIN FRANKLIN STATION  
 WASHINGTON, D. C.

REFERENCE:

4-A

TELEPHONE EXECUTIVE 2020

1st August 1944.

Dear Dr. White:

I write to inform you that the figures for our gold and dollar holdings in million dollars as at June 30th, 1944 are as follows:

Gold	1,408	
Less Gold Liabilities	<u>323</u>	
Net Gold		1,085
Official Dollar Balances	763	
Less Dollar Liabilities	<u>244</u>	
Net Dollars		<u>519</u>
Net Gold and Dollars		<u><u>1,604</u></u>

Yours sincerely,

*F. G. Lee*

F.G. Lee.

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

FEDERAL RESERVE BANK  
OF NEW YORK

August 1, 1944.

CONFIDENTIAL

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

I am enclosing our compilation for the week ended July 26, 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.

Enc.

C O P Y

TREASURY DEPARTMENT  
OFFICE OF THE SECRETARY

August 2, 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 July 26, 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.

*CMB*

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

Week Ended July 26, 1944.

Strictly  
Confidential.

PERIOD	BANK OF ENGLAND (BRITISH GOVERNMENT)									BANK OF FRANCE			
	D E B I T S				C R E D I T S					Net Incr. (+) or Decr. (-) in \$ Funds (d)	Total Debits (e)	Total Credits (e)	Net. Incr. (+) or Decr. (-) in \$ Funds (d)
	Total Debits	Gov't Expendi- tures (a)	Transfers to Official Canadian Account	Other Debits	Total Credits	Proceeds of Sales of Reserves (Official (b) (c))		Transfers from Official Australian Account	Other Credits (c)				
First year of war (a)	1,791.2	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 November, 1940	2,782.3	1,421.6	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)	2,201.0	1,782.2	3.4	407.4	2,189.8	1,193.7	274.0	16.7	705.4	- 13.2	38.9	8.8	- 30.1
Third year of war (i)	1,235.6	804.8	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	388.7	170.4	280.9	1,072.3	-	0.5	155.1	916.7	+ 308.3	10.3	1.0	- 9.3
<b>1941</b>													
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	-	-	-
<b>1944</b>													
January	44.8	22.2	10.6	12.0	127.5	-	-	1.0	126.5	+ 62.7	-	-	-
February	143.6	14.3	2.1	127.4	144.5	-	-	29.0	115.5	+ 0.7	-	-	-
March	152.9	71.1	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	- 12.6	-	-	-
May	125.1	28.8	8.1	88.2	164.7	-	-	37.0	127.7	+ 39.6	-	-	-
June	101.9	24.1	-	77.8	95.7	-	-	28.0	67.7	- 6.2	-	-	-
July													
August													
<b>Week Ended</b>													
July 5, 1944.	72.8	5.7	0.2	66.9	6.7	-	-	1.0	5.7	- 66.1	-	-	-
July 12, 1944.	6.7	2.1	-	4.6	41.6	-	-	10.0	31.6	+ 34.9	-	-	-
July 19, 1944.	12.3	4.7	-	7.6	12.7	-	-	-	12.7	+ 0.4	-	-	-
July 26, 1944.	61.4	2.3	7.1	52.0(1)	10.3(k)	-	-	-	10.3 (k)	- 51.1	-	-	-

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) \$21.6 million

See attached sheet for footnotes.



- (j) Includes payments for account of British Ministry of Supply Mission, British Supply Board, Ministry of Supply Timber Control, and Ministry of Shipping.
- (k) 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.
- (l) 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.
- (m) Reflects net change in all dollar holdings payable on demand or maturing in one year.
- (n) For breakdown by types of debits and credits see tabulations prior to March 10, 1943.
- (o) Adjusted to eliminate the effect of \$20 million paid out on June 26, 1940 and returned the following day.
- (p) For monthly breakdown see tabulations prior to April 23, 1941.
- (q) For monthly breakdown see tabulations prior to October 8, 1941.
- (r) For monthly breakdown see tabulations prior to October 14, 1942.
- (s) For monthly breakdown see tabulations prior to September 29, 1943.
- (t) Includes \$ 5.1 million apparently representing current and accumulated dollar proceeds of sterling area services and merchandise exports, and \$3.4 million transferred from New York accounts of the State Bank of the U. S. S. R.
- (u) Of which \$50.1 million represents cost of gold purchased for export.

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

Strickley  
Week Ended July 26, 1944. Confidential

PERIOD	BANK OF CANADA (and Canadian Government)								COMMONWEALTH BANK OF AUSTRALIA (and Australian Government)							
	DEBITS			CREDITS					DEBITS			CREDITS				
	Total Debits	Transfers to Official British A/C	Others	Total Credits	Proceeds of Gold Sales	Transfers from Official British A/C	For Own A/C	For French A/C	Other Credits	Net Incr. (+) or Decr. (-) in \$Mills (e)	Total Debits	Transfers to Official British A/C	Others	Total Credits	Proceeds of Gold Sales	Other Credits
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)	525.6	0.3	525.5	566.3	198.6	7.7	-	360.0	+ 40.5	107.2	57.4	49.8	112.2	17.2	95.0	- 5.0
Fourth year of war (d)	723.6	-	723.6	958.8	47.1	170.4	-	741.3	+ 235.2	197.0	155.1	41.9	200.4	-	200.4	+ 3.4
1943																
September	47.2	-	47.2	70.1	-	10.6	-	59.5	+ 22.9	16.8	15.0	1.8	20.0	-	20.0	+ 3.2
October	32.1	-	32.1	71.3	-	-	-	71.3	+ 39.2	42.8	40.5	2.3	26.5	-	26.5	- 16.3
November	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	110.5	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	+ 2.3
April	183.6	-	183.6	96.7	-	-	-	96.7	- 86.9	29.5	27.5	2.0	39.4	-	39.4	+ 9.9
May	154.2	-	154.2	86.3	-	8.1	-	78.2	- 67.9	42.6	37.0	5.6	39.6	-	39.6	- 3.0
June	100.1	0.1	100.0	63.3	-	-	-	63.3	- 36.8	31.4	28.0	3.4	21.8	-	21.8	- 9.6
July																
August																
Week Ended																
July 5, 1944.	67.5	-	67.5	26.7	-	0.2	-	26.5	- 40.8	3.0	1.0	2.0	13.5	-	13.5	+ 10.5
July 12, 1944.	8.7	-	8.7	13.1	-	-	-	13.1	+ 4.4	14.1	10.0	4.1	1.2	-	1.2	- 12.9
July 19, 1944.	4.2	-	4.2	6.6	-	-	-	6.6	+ 2.4	1.9	-	1.9	0.2	-	0.2	- 1.7
July 26, 1944.	16.8(f)	-	16.8	23.1(f)	-	7.1	-	16.0(g)	+ 6.3	2.1	-	2.1	3.3(h)	-	3.3(h)	+ 1.2

**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 July 26, 1944.) 17.1 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 charges 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 \$ 8.7 million deposited by War Supplies, Ltd.  
 and \$ 7.0 million received from New York account of Canadian Chartered Bank.  
 (h) Includes \$3.0 million in connection with the expenses of our armed forces abroad.

Treasury Department  
Division of Monetary Research

38 ✓

Date ..... August 1 ..... 1944

To: Secretary Morgenthau

From: Mr. White

Subject: Summary of the London Press Reports  
of July 23 relating to the Bretton  
Woods Conference. (London cable  
5865, July 24, 1944)

The tenor of London press reports of July 23 is indicated by the concluding words of a Telegraph editorial, "The pattern of things to come is gradually taking shape. Bretton Woods reflects at once the confidence of the United Nations in victory and their resolve to use it well."

Your statement at the close of the conference received considerable emphasis. Special interest was apparent in your references to the success of the conference, to the significance of the Russian agreement at the last moment to raise their Bank subscription, and to the fact that national delegations had not lost sight of their particular national interests. The Daily Herald feels that your statement "seems to suggest that Roosevelt will call for changes in the United States tariff policy."

KEM-275

PLAIN

London

Dated July 24, 1944

Rec'd 8:56 p.m.

Secretary of State,  
Washington.

5865, Twenty-fourth.

FOR THE SECRETARIES OF STATE AND TREASURERS

There follows a summary of the London press reports of July 23 relating to the Bretton-Woods Conference:

The SUNDAY TIMES carried a summary of the radio address by Lord Keynes on the bank and mentioned that Mr. White had delivered a radio address on the fund. The TIMES also contained a discussion of Britain's sterling balance problems by Norman Crump, city editor, which dealt with its significance in relation to the fund and bank.

Crump's article opens by stating: "one point should be made clear about the matters which have been under discussion at the Bretton-Woods Conference. The object of both the proposed International Monetary Fund and the proposed

DEPARTMENT OF STATE  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS  
JUL 25 1944

\*2- #5865, July 24, from London.

the proposed World Bank is to give the world a fresh start after the war. For this reason it is essential that neither should be clogged with any legacy of international debts which may be left behind by the war".

After some discussion of the problem of sterling balances not directly related to the fund and the bank, Mr. Crump continues by suggesting that the British might wish to consider the conversion of some of its sterling obligations into a loan from the bank thereby permitting Britain's creditors to purchase capital equipment from anywhere in the world and substituting long term debt for short term debt and a debt to one international institution in place of a multiplicity of debts to particular countries. He adds that this would be only a palliative, there being no single or quick means of repaying Britain's obligations.

The Reuters despatch in the SUNDAY OBSERVER announced the publication of the draft of the fund proposal and summarized the provisions of the draft with reference to the gold subscription to the fund, the imposition of "sanctions" for unauthorized changes in the war values of currencies, and the conditions under which the agreement shall come into effect. The report concludes

-3- #5865, July 24, from London.

concludes by referring to Secretary Morgenthau's statement to the effect that the members of the conference "had succeeded in their task of working out methods to do away with the economic evils, the competitive currency devaluation and destructive impediments to trade, which preceded the war".

Reynolds NEWS carried a summary of Lord Keynes' radio address.

The following press reports refer to articles appearing in the London papers of July 24.

The LONDON TIMES carried a despatch from its Washington correspondent on the conference, an article-by-article summary of the draft agreement on the fund as released in London by the United Nations Information Office, and a long editorial on "Bretton-Woods and after".

The despatch from the TIMES Washington correspondent was devoted primarily to a summary of some of the statements made by Secretary Morgenthau and Lord Keynes at the close of the conference. Regarding Russia's agreement to raise its subscription to the bank the article quotes Secretary Morgenthau that the action was "fraught with more significance and more hopeful meaning

-4- #5865, July 24, from London.

meaning to the future of the world than any which those of us here have heard of so far". The correspondent also states "Mr. Morgenthau said he was certain that no delatation had for a moment lost sight of particular national interests, and added that the American delegation had been 'at all times conscious of its primary obligation, the protection of American interests'".

Lord Keynes was reported to have said that no conference in living memory had achieved "such a bulk of lucid solid construction", and that although a decisive point had been reached, it was "only a beginning" and that the delegates would have to leave Bretton-Woods as "missionaries". The correspondent reports "he was hopeful that, when the critics and the skeptics looked more closely, the plans would turn out to be so much better than they expected 'that the very criticism which we have suffered will turn things in our favor'".

The correspondent notes that the two final articles of the fund and the bank carry "general reservations" which are interpreted to mean that the proposals will be submitted to the various governments "without  
recommendation

-5- #5865, July 24, from London.

recommendation for or against" them by the delegates in the conference.

The TIMES editorial comments on the outcome of the conference as follows: "the recommendations of the experts at Bretton-Woods, after three weeks of intensive deliberation, in favor of establishing two powerful institutions for the world wide organization of international money and investments open a new phase in the collaboration of the United Nations".

After noting that the purpose of the fund is to provide short term credits to "overcome temporary difficulties arising out of the balance of payments without resorting to restrictive monetary practices injurious to trade" and of the bank to provide long term credits for reconstruction and development, the editorial comments "the functions of the two institutions, although different, are clearly complementary, the distinction between short term and long term credits itself being fluid. The fund, by establishing order in the field of international exchange rates, will serve to facilitate the flow of international investments, and the bank, by supplying needy nations with international purchasing power, may serve to free the  
RESOURCES



-6- #5865, July 24, from London.

resources of the fund from abnormal strain.

The editorial continues by stating that a promising beginning has been made "that forty four nations, welded together by common purposes in war, have been able to agree on the desirability of setting up these two novel institutions to give unity to their purpose in peace is a heartening achievement"--even though many vital questions still appear to remain unanswered. The next step, the editorial states, is "to ensure that ultimate community of purpose--the existence of which is not in doubt--shall not be frustrated by disagreement on methods" and goes on to emphasize the importance of suitable internal policies in all countries, of stability in production, and of appropriate commercial policies in order to carry through the work begun at Bretton-Woods. Commercial policy is suggested as the next problem which should be the subject of international study. The editorial concludes by raising a number of questions and commenting thereon as follows: "before the last war international loans went to undeveloped, underpopulated areas which could supply valuable food stocks and raw materials required by the lending countries. After the present war international credits, short term or long term, will be

-7- #5865, July 24, from London.

term, will be required and demanded mainly by developed countries devastated by war and by overpopulated areas anxious to industrialize themselves. Any the new lending countries, unlike their predecessors, are unlikely to be eager to import the products of their capital investment. Will international lending under these new conditions be able to serve its former purposes? Will it lead to international equilibrium in the semi-automatic way of the nineteenth century, or will it be necessary for all countries, singly and jointly, to engage in a much fuller measure of planning and direction in their international economic relations? (\*\*\*) Bretton-Woods has cleared the way for the creation of two essential instruments to do internationally what has hitherto in the main been done or left undone nationally, unilaterally. The framework is there. The methods to be employed within it remain for further debate".

The MAIL TELEGRAPH contains a despatch from its special correspondent at Bretton-Woods and an editorial on the significance of the conference.

The special correspondent of the TELEGRAPH writes that "The Monetary Conference has now ended with a greater measure of achievement to its credit than  
seemed possible

-8- #5865, July 24, from London.

seemed possible in the earlier stages of the conference". The rest of the despatch is devoted principally to a verbatim report of Secretary Morgenthau's closing statement on the accomplishments of the conference and on the functions of the fund and bank. A closing paragraph is devoted to the provision in the draft agreement on the determination of the par values of currencies in terms of gold and to the provisions regarding gold subscriptions to the fund.

The TELEGRAPH editorial states "nothing between the two wars contributed more to the worlds economic distresses than the breakdown of the gold standard coupled with the failure to set up anything in its place. This was due in part to tardiness in realizing that a system which had worked reasonably well in the Nineteenth Century was no longer applicable to the altered circumstances of the Twentieth. Now that this has become well and universally understood the nations are showing a heartening and timely willingness to agree on a workable alternative. That is the outstanding significance of Bretton-Woods".

The editorial

-9- #5865, July 24, from London.

The editorial emphasizes that the conference has provided "nothing more than the machinery" and that "if the nations should revert to the bad practices of restriction, barriers and competitive devaluations Bretton-Woods cannot save them from the consequences". The editorial continues by differentiating the functions of the fund from those of the bank, the former "to combine stability with flexibility in the exchanges and thus to facilitate an adjustment between domestic and international conditions of trade without resort to deflation on the one hand or unregulated devaluation on the other" and the latter "to smooth the flow of investment into war scarred and undeveloped countries and to hasten their rehabilitation".

The editorial concludes "the pattern of things to come is gradually taking shape. Bretton-Woods reflects at once the confidence of the United Nations in victory and their resolve to use it well".

A FINANCIAL TIMES article states that "the great benefits which are expected to follow the launching of the biggest financial scheme the world has ever known-- the International Reconstruction Bank and the Stabilization Fund

-10- #5865, July 24, from London.

Fund--were stressed in broadcasts on Saturday night by Lord Keynes and Mr. Harry D White, the British and American economists". Lord Keynes' broadcast was quoted at length. An editorial in the FINANCIAL TIMES states that the conference "has achieved a notable measure of success in formulating plans for the most far reaching monetary measures ever attempted". With reference to final acceptance of the plan by the various governments the editorial states "it remains to be seen whether in all cases legislatures will back up the votes of their representatives, but in view of the extent to which various nations have been prepared to meet objections raised in the course of discussion there would seem a good prospect that the two new institutions will soon be created to take a hand in resettling the world after the war. In this respect, the new bank will have a particularly important part to play in the earlier years of peace, and it is essential that its framework should be created as speedily as possible"

The editorial also points out that since the objectives of the new bank will be wider than those of the BIS and some overlapping might take place "little surprise" should be felt that conference decided to "disband"

-11- #5865, July 24, from London.

to "disband" the BIS. The editorial refers to the allocation of the bank's funds for development purposes and states "this is an innovation which will test the view that loans made by the new bank will be little liable to default (\*\*\*) the substitution of international for private operations means introducing a novel mechanism to which adjustments will have to be made wherever experience proves them to be necessary".

In an article headlined "money talks success 'vast benefits to world'" the FINANCIAL NEWS quotes at length from Lord Keynes' broadcast and Secretary Morgenthau's speech made at the Plenary Session of the Conference. The article also summarized fully the provisions of the monetary agreement.

An article in the MANCHESTER GUARDIAN quotes extensively from Secretary Morgenthau's speech. The article also contains excerpts from Lord Keynes' radio address.

The DAILY HERALD captions its article "money pact is 'blow to monopolists'" and states "one of the first tests of the willingness of the United States Congress to cooperate in a 'brave new world' is about to begin".

The article

-12- #5865, July 24, from London.

The article summarizes the statement made by Secretary Morgenthau which, it adds, "seems to suggest that Roosevelt will call for changes in the United States tariff policy".

The DAILY MAIL article headlines "Russia to pay more" merely states that the announcement that Russia had agreed to an increase in her subscription to the bank came as a surprise and conference came to a "successful conclusion".

The DAILY EXPRESS features the Russian decision to increase its subscription to the bank in a brief statement which is headlined "money pact saved at last minute". The statement adds that the conference "was saved from ending in a disagreement by a last minute decision made in Moscow".

Robert Waithmans "American Diary" in the NEWS CHRONICLE is headlined "world insurance against ruin". The article states "but now it has been shown that the United Nations can sink their differences and reconcile their several interests when they try to do it. The political effect of this revelation may be greater as time goes on".

Waithman states

-13- #5865, July 24, from London.

Waithman states that "one of the really great results of the conference has been the entry of Russia into the International monetary fold" and quotes Secretary Morgenthau on significance of this development. He concludes with statement from Keynes that "no similar conference within memory has achieved such a bulk of lucid, solid construction".

WINANT

HTM



AIRGRAM

UNRESTRICTED

Secretary of State,  
Washington

FROM  
Curacao, N.W.I.  
Dated August 1, 1944  
Rec'd August 5, 12 pm

A-67 August 1, 1944, 5 p.m. Department's circular airgram dated April 17, 1944, 3 p.m.

FINANCE: Mr. I.H. Capriles, a Director of Maduro & Curiel's Bank, who was appointed by the Governor of Curacao as an advisor to the Netherlands Delegation at the Monetary Conference recently held at Bretton Woods, New Hampshire, has returned to Curacao. According to press reports, Mr. Capriles, before his departure from Bretton Woods, expressed the hope that, as a result of the discussions at Bretton Woods, Curacao would have at its disposal, in the future, sufficient dollars to satisfy its needs. He said that, by its geographical position, Curacao is, in great measure, dependent on the United States as concerned raw materials, foods and clothing.

CREDIT: Banks have plenty of money to lend concerns here, but complain that these firms are not in need of credit. On the contrary, many of them have more money than they require to carry on their business affairs.

COLLECTIONS  
1944 AUG 5 PM 3 54  
DEPARTMENT OF STATE  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS  
(LIAISON)

-2-

COLLECTIONS: Banks and business men report that collections were good throughout the month of July.

INDUSTRIAL PRODUCTION: The production of refined oil products, including high octane gasoline, proceeded at an active rate during the month under review. The mining of phosphate rock at Newport was at a reduced level.

EXPORT TRADE: A large volume of export trade, particularly of refined oil products, the principal export, continued during July.

LABOR AND EMPLOYMENT - BANKRUPTCIES: The demand for labor, both skilled and unskilled and of office workers, exceeded the supply. This is not a new development in Curacao, nor primarily a result of the war, although it has been accentuated by the war.

No bankruptcies of any importance were reported during the month under review.

IMPORTS: Crude oil imports, the largest single item, continued at a high level. Imports of foodstuffs and general merchandise from the United States, the chief supplier, were important. No complaints were heard regarding food supplies, although temporary scarcities of various food items have developed from time to time. In connection with imports of hardware, textiles, household goods, etcetera, a different situation prevails, there being many items which retailers are unable to obtain or which they can obtain in very limited quantities.

RETAIL TRADE

-3-

RETAIL TRADE: Retailers report smaller sales in July than in the previous month. Some report that sales were down as much as 20 percent from June sales, others report the decline at around 10 percent.

Retailers of dry goods complain that they are having great difficulty in obtaining such items as underwear, shirts, pajamas, corsets, printed textiles, draperies, children's suits, girls' dresses, etcetera.

J. F. Huddleston  
American Consul

850  
JFH/hc

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



OFFICE OF THE  
EXECUTIVE DIRECTOR

AUG 1 1944

My dear Mr. Secretary:

I am enclosing herewith a copy of the report of the War Refugee Board for the week of July 17, to 22, 1944.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. W. Pehle".

J. W. Pehle  
Executive Director

The Honorable,  
The Secretary of the Treasury,

Enclosure.

Report of the War Refugee Board  
for the Week of July 17 - July 22

CONDITIONS IN THE SATELLITE COUNTRIES

Minister Harrison has forwarded to us the text of his note to the Swiss Foreign Office, including the message on behalf of this Government which the Foreign Office subsequently transmitted to the Hungarian Government. The message transmitted requested that the appropriate authorities in Hungary "state their intentions with regard to the future treatment to be accorded to Jews in ghettos and concentration camps, particularly whether the Hungarian authorities contemplate the imposition of discriminatory reduction in food rations, forced deportations to Poland or elsewhere, or the adoption of other measures which, like those mentioned will be tantamount to mass execution." The message concluded with a reminder of the grave view which this Government takes concerning the persecution of Jews and other minorities and of our determination to see to it that all those who share the responsibility for such acts are dealt with in accordance with the warning issued by the President in March.

Hungarian Anti-Semitic Measures Reportedly Modified

Board Representative McClelland meanwhile advised us that credible intimations have reached him to the effect that the Hungarian Government has modified its anti-Jewish standpoint. Certain concessions are said to have been made already, including an indication of the Hungarian regime's willingness to discuss with the International Red Cross the emigration of children and possible measures of relief to Jews remaining in Hungary.

This reported softening of the Hungarian attitude was confirmed in cables from Lisbon and Ankara.

Minister Harrison subsequently indicated that he had been advised by the Swiss Foreign Office that authorization has been given by the Hungarian Government for the departure from Hungary of all Jews holding entry permits for other countries, including Palestine. The Swiss Foreign Office was said to have received this information through its Legation at Budapest, which also reported that transit through occupied territories was to be permitted by the German Government.

The encouraging nature of these reports from abroad have led us to increase our efforts to develop some program through which there could be made available to threatened persons in Hungary the balance of Palestine certificates available, 5,000 U. S. visitors visas, additional U. S. immigration visas to persons entitled to non-quota or preference status and to persons to whom U. S. immigration visas now expired were issued after July 1, 1941, along with a comparable number of visas of the other American republics, British dominions, and neutrals.

Swiss Propose Taking Children and Expectant Mothers

Another message from Harrison reported details of a conversation held with Mr. Pilet-Golaz of the Swiss Foreign Office. Although previous Swiss representations toward obtaining permission for children to go to Switzerland from German and German-occupied territory have thus far been unsuccessful, Mr. Pilet indicated that the Swiss are now considering proposing to the Hungarian Government that 5,000 children and expectant mothers be permitted to go to Switzerland. Should this proposal be accepted, Harrison added, the Swiss would expect aid in arranging for the evacuation of these refugees from Switzerland after the war.

With respect to the reports that deportations from Hungary include some 400,000 persons, Mr. Pilet stated that it is difficult to ascertain the exact figure, but that so far 250,000 such deportations have been indicated by reports to the Foreign Office. It was asserted that 80 percent of the Hungarians were opposed to the arrests of Jews carried out by Hungarian authorities and the Gestapo. In many instances Hungarians are said to have been punished for endeavoring to aid and protect Jews.

The concern of both the government and people of Switzerland over the fate of the Jews in Hungary was stressed by Mr. Pilet, who indicated, again in strictest confidence, that the Swiss Government is facilitating communication between interested groups in Switzerland and Jewish organizations in Hungary. The Swiss Minister in Budapest is under instructions to leave the Hungarian Government in no doubt as to the attitude of the Swiss Government and Swiss people with regard to these persecutions. Mr. Pilet indicated that a similar message had been conveyed to the Hungarian Charge d'Affaires in Bern.

- 3 -

With respect to Hungarian Regent Horthy, Mr. Pilet indicated that while the Regent is said to have "washed his hands" of all responsibility, Horthy had professed to be opposed to the persecution of Jews. The conclusion was drawn by Harrison that Horthy fears being named as one of those responsible for these atrocities.

In response to our proposal that the Swiss approach the Germans on the matter of improving the treatment of un-assimilated civilian internees in Axis territory, Mr. Pilet declined on the ground that such a request would be resented and might jeopardize present efforts of the International Red Cross to furnish relief to the persecuted.

#### International Red Cross Appeal to Horthy

Harrison also indicated that the Swiss Foreign Office had reported having transmitted a direct appeal from President Huber of the International Red Cross to Horthy with respect to the situation in Hungary.

Messages reaching us through private sources have confirmed the sending of a "handwritten" appeal to Horthy from Intercross President Huber. This letter is said to have enumerated known facts concerning the anti-Jewish persecutions and to have offered to send a special Intercross mission to Hungary to be present at deportations, to assist people with medicines and food, and to exercise some control over the ultimate fate of the deportees.

The New York Times on July 19 carried an article dated Bern to the effect that, in response to President Huber's message, the International Red Cross had received assurances from Horthy that the deportation of Hungarian Jews had been suspended and that Intercross might assist detained Jews and aid in the evacuation of Jewish children. Another report appearing in the Times on July 20 indicated that Intercross had announced having obtained assurance from the Hungarian Government of unrestricted transit for refugees through Axis-controlled countries.

Harrison and McClelland have been asked to forward to us whatever information they can obtain with respect to these reports.

#### British Newspaper Reports

Ambassador Winant has reported to us the substance of various newspaper articles appearing in British papers

- 4 -

regarding the proposal the Germans are reputed to have made recently to the effect that they would spare the lives of the remaining Jews in Hungary in exchange for certain war materials. All articles strongly condemned the proposal as blackmail and as a fantastic attempt to sow suspicion among the Allies.

#### WAR CRIMES

According to the Intergovernmental Committee representative in Italy, records had been discovered there listing the names of more than 15,000 individual refugees -- Yugoslavs who are not Jews, Jews, and other persons -- who have been in Italy at one time or another since war began, but whose present whereabouts are unknown. Other available data were said to give the names of refugees held at "free detention" places and of those held in certain camps at various times. The IGC representative suggested that notification be given Axis authorities that this information is in the possession of the Allies and that due punishment will be inflicted upon those responsible for the ill treatment or death of the persons named.

In view of the joint agreement as to our respective fields of action, the Intergovernmental Committee has referred this matter to us. Information on this score has also been sent to the British Foreign Office as of possible special interest to the War Crimes Commission.

We are asking Board Representative Ackermann, who is still in Naples, to examine the records mentioned, if possible, and to determine their usefulness either for the psychological purposes suggested or for purposes of initiating action that might result in the rescue or relief of persons whose names and whereabouts may be available.

#### MERCY SHIP PROPOSAL

Myron Taylor has transmitted to us the substance of another telegram sent to the IGC by its representative in Italy. This cable described the organized deportation by the Germans of Jews and other refugees from Italy to German concentration camps for the ultimate purpose of their extermination.

The IGC representative suggested that the President of the United States be approached "to intervene on behalf of these persons in German camps and possibly for this purpose utilize the Pope, if thought advisable, as intermediary." Under the proposal advanced, the Axis would be asked to deliver to a



- 5 -

named port in the North Atlantic all internees, including stateless persons in particular. A mercy ship would be sent to that port to carry on a shuttle service to some nearby port in liberated Italy until all had been removed to safety. Under this proposal threats would not be used; the invitation itself would be "courteous and direct" and Germany would merely "be informed beforehand that we hold the names of the majority of those who were interned in Italy."

In a cable to London for the IGC, we are indicating our view that any approach to the Germans should indicate the willingness of the Allied Governments, with due regard for military necessities, to consider measures for the reception in Allied and neutral territory of any Jews in German-occupied territory, including but not limited to deportees from Italy. The IGC is being advised that this Government has, in fact, recently indicated to the British our willingness to join in such an approach to the Germans. We are indicating that while we are prepared to consider sympathetically any plan designed to meet the Italian problem referred to by the IGC representative, we believe it to be more feasible for the Intergovernmental Committee first to determine the practical problems involved and to discuss the matter with the British Government.

#### REPORTS DESCRIBE CONDITIONS IN GERMAN CONCENTRATION CAMPS

Through our Embassy in London we have now been furnished a copy of the widely publicized report prepared by the Czechoslovakian Government-in-Exile on the frightful conditions prevailing in the German concentration camps of Oswiecim and Birkenau. The first of these camps, it was stated, was originally reserved for political prisoners, and thousands of Germans, Czechoslovaks, Poles, and Russians were kept there in "protective custody." Professional criminals were subsequently added, and later, Jews from the occupied countries.

During the period from April 1942 to April 1944 between 1,500,000 and 1,750,000 Jews were said to have been put to death by gas or in some other way in these two camps. Half of these victims were said to have been Polish, the others being from Holland, Greece, France, Belgium, Germany, Yugoslavia, Czechoslovakia, Italy, Norway, Lithuania, Austria, and other countries. About 90 percent of the persons arriving in Oswiecim and Birkenau were taken directly from the trains to be put to death, it was said, while the others became inmates of the camp, performing arduous labor in the vicinity and serving as human guinea pigs in some instances.

- 6 -

Death by gas was said to be reserved as the special fate of Jews taken to the two camps, the gassing of Aryans being carried out only in exceptional cases. Aryans were said to be shot with pistols on a special execution ground. The deaths of still other thousands from hard work, typhus, malaria, and other illness, and from ill treatment were described.

Another report, in sickening detail, concerning the systematic extermination of Jews and other persons in the two camps to which the Czechoslovakian report referred, was subsequently transmitted to us by Board Representative McClelland. McClelland's report was based upon the personal experiences related by two Slovakian Jews who managed to escape from these camps and upon the experiences independently related by a non-Jewish political internee who likewise escaped from Oswiecim. The names of a number of individuals responsible for these persecutions were also forwarded by McClelland.

#### British Editorials Call for Retribution

Retribution for such Nazi savagery was discussed recently in two British editorials, according to a communication from Ambassador Winant. The News Chronicle concluded that the only way of stopping such murders and persecutions is by letting them know that the ringleaders will not be allowed to escape. The Daily Mail declared that terms of our "code of retribution" should be hammered home to the Germans by all possible means. Lists of those to be tried, it added, should be distributed and broadcast all over Germany.

#### TEMPORARY HAVENS FOR REFUGEES IN THE UNITED STATES

Board Representative Ackermann has reported having completed the selection and processing of the refugees who are to be given temporary havens in this country. A total of 985 refugees were subsequently reported to have left Italy in mid-July aboard an Army transport, after medical inspection had been completed at a camp near Naples. Inoculations for typhoid, typhus, small pox, and tetanus were to be completed on ship and at Fort Ontario. The clothing, health, and general condition of these refugees were reported to range from fair to good. No cripples or serious chronic cases were said to be involved, though there may possibly be a few stretcher cases.

The Director of the Displaced Persons Sub-Commission meanwhile advised Ackermann that an additional 4,000 to 5,000 stateless refugees can be expected to be found when Florence is liberated.

- 7 -

EVACUATIONS TO AND THROUGH PORTUGAL

James Mann has returned from Portugal and has brought with him a copy of the agreement which was worked out in order to eliminate conflict in the operations of various refugee organizations operating in Spain and Portugal.

COOPERATION WITH THE BRITISH

Ambassador Winant has advised us of the receipt by our Embassy there of a letter from the British Foreign Office in response to our proposal that additional transblockade supplies be permitted certain neutral countries to meet the needs of incoming refugees. The Foreign Office indicated that British representatives have now approached the five neutral governments concerned and have also been directed to act in concert with U. S. representatives in this matter.

Report from Ankara

Board Representative Hirschmann meanwhile advised us that the proposed joint approach to the Turkish Government on this score was discussed with his British colleague. Both were of the opinion that at this time, joint action of the nature suggested would not achieve the desired purpose and might in fact tend to bring about the adoption of a less liberal policy than that now being pursued by the Turks. In place of making a joint approach, Hirschmann and the British representative propose to take advantage of the first favorable opportunity to emphasize the readiness of the U. S. and British Governments to assist Turkey, whenever it may become necessary, by arranging the onward movement of refugees to other havens and by making available food and other supplies as well as funds.

EVACUATIONS TO AND THROUGH TURKEY

In another communication from Ankara Hirschmann reported to us his belief that the successful completion of the voyage of the "S. S. Kazbek" indicates that the Rumanian authorities have undergone a change of heart in their attitude toward the Jewish people in Rumania. Hirschmann stated that all reports indicate that they are being more helpful in furthering the emigration of Jews from Rumania via Turkey to Palestine.

Hirschmann also indicated that he had been informed that instructions were sent to Turkish border guards in May of this year by the Turkish authorities, calling for the admission into Turkish territory of refugees attempting to cross the border illegally from Bulgaria. These instructions were said to have been issued after written assurance had been given by the British Ambassador that Palestine immigration certificates

- 8 -

would be issued to those arriving in this way. It was said that 11 or 12 refugees who presented themselves at the Turkish border during May and early June were permitted to enter Turkey, after being detained and investigated by the police.

Hirschmann was informed by a representative of the Jewish Agency, however, that later in June seven additional persons tried unsuccessfully to cross the border. Despite efforts made in Ankara to have affirmative instructions sent to the border authorities, these refugees are said to have been sent back from the frontier. Hirschmann indicated that at the present time no persons are entering Turkey illegally by this route. The attitude of the Turkish officials in this matter seems to be that it is dangerous from the point of view of Turkish security to open the border indiscriminately because of the difficulty involved in distinguishing between genuine refugees and political agents. Hirschmann indicated his intention of pressing our request that Turkish frontier authorities permit the entry of refugees from Bulgaria.

Counselor Kelly of our Embassy there subsequently stated that in view of the assurance given as to the availability of Palestinian entrance visas for all Jewish refugees who reach Turkey, he was requesting that the Turkish Foreign Minister instruct Turkish consuls in Bulgaria, Rumania, and Hungary to issue without prior reference to Ankara individual or collective Turkish transit visas to any Jewish refugees who may apply, and also that he instruct the authorities at Turkish frontier posts to permit Jewish refugees to enter Turkey and proceed to Istanbul, irrespective of the means by which they arrive at the frontier, and even though they arrive at the frontier without Turkish visas.

#### "Bardaland" Claim Being Pressed

Despite the statement transmitted by Minister Johnson to the Swedish Foreign Office with respect to our intention of withholding action on the preliminary indemnity claim presented by the owners of the "Bardaland" pending submission of a final itemized claim, the Swedish Foreign Office has renewed the owners' request for a preliminary payment of some \$20,000. The owners of the "Bardaland" are said to have indicated that a full itemization cannot be made until the "Bardaland" arrives at Gothenburg toward the end of July. It was said that the total indemnity to be claimed was not likely to exceed approximately \$30,000.

#### EVACUATIONS TO AND THROUGH SPAIN

According to a communication from Madrid, as a result of representations made by our Embassy there, the Spanish Government has authorized the issuance of visas to 500 Jewish

- 9 -

children in Hungary whom Jewish organizations in Tangier hope to transfer to temporary refuge in Spanish Morocco. It was stated that the Spanish Legation in Budapest has been instructed to do everything possible to facilitate the travel of this group to Spain. It was also understood that the Vatican has requested papal representatives in Berlin and Budapest to use their good offices to the same end.

#### Proposal To Close Camp Lyautey Opposed

Through Ambassador Winant and Sir Herbert Emerson of the IGC we were advised of a suggestion made by the IGC representative in Algiers that Camp Lyautey, which now holds 600 persons, be closed. In the opinion of the IGC representative, as a result of the improving international situation no more large contingents of refugees are to be expected. The costly maintenance of an organization designed to care for 2,000 persons is therefore, he felt, not justified. The IGC representative further asserted that the local management of the camp had recommended closing it and transferring the 600 inmates to existing camps in Egypt and Palestine and to other countries willing to receive them.

The IGC replied that the question of the future of the camp is one primarily for the U. S. and British Governments in consultation with French authorities. While the IGC had no instructions to give, it stated its feeling that any decision to close the camp now would be premature.

We are indicating to Winant our full agreement with the IGC position. Such a suggestion is, in fact, difficult to understand, in view of the necessity for caring for increasing numbers of refugees escaping from enemy territory and in view of recent decisions to expand at once existing refugee facilities in the Middle East and to open new camps in French North Africa, Tripolitania, and at Fort Ontario in this country.

#### EVACUATIONS TO AND THROUGH SWITZERLAND

Board Representative McClelland has advised us that a census has now been completed of refugee children presently in Switzerland for whom overseas emigration is considered desirable after the war, including those arriving both before and since January 1, 1944. It was stated that the organizations to whom the children have been entrusted have begun a careful selection of children based on the various countries of destination. McClelland indicated that within two months, these organizations are expected to start presenting children to our consulates for the special U. S. immigration visas that have been authorized. It was

- 10 -

estimated that the total number, however, would not exceed 500. McClelland added that, unfortunately, owing to other circumstances, the availability of these visas has encouraged only slightly the arrival of more children from France.

In another communication from Bern we were advised that some 505 refugee children entered Switzerland from France between January 1 and June 7. The number would have been considerably greater, it was thought, had it not been for the upset conditions in areas along the Franco-Swiss border, especially the disruption of all regular transportation in France.

#### Discussions Continue Re Cuban Acceptance of Child Refugees

Ambassador Braden has asked us to supply detailed information as to the procedure which would be followed in making available for the support of some 1,000 refugee children the funds which the American Jewish Joint Distribution Committee has agreed to supply, should the Cuban Government agree to their entry. Braden added that, despite continuing discussions with Cabinet officials and with the President of Cuba, he has not yet been able to obtain a definite acceptance of the proposal.

#### Evacuation of Norwegians to Sweden

In response to our recent request for a report as to the total amount, in the dollar equivalent, of free currency, if any, sent into enemy territory during the period ending June 1 under the Treasury license authorizing such expenditures, if necessary, in accomplishing certain evacuations from Norway to Sweden, Johnson and Olsen promptly indicated that virtually no free exchange had been made available to Norway.

On the basis of a more detailed report subsequently filed with Johnson and Olsen covering activities in Norway, we were advised that of the \$50,000 originally received, approximately 100,000 Swedish kronor were used to purchase 328,000 Norwegian kroner. This Norwegian currency was said to have been purchased locally from Norwegian refugees who had brought the currency to Sweden, and it was stressed that there could be no possible benefit to the enemy from these transactions. Of this Norwegian currency, approximately 50,000 kroner have been sent back to Norway through the underground for relief purposes, including the support of families of persons in concentration camps.

As a result of these operations, substantial numbers of Norwegians have been enabled to escape to Sweden. It was reported that during June about 850 Norwegians made such escapes, despite a severe tightening of border controls.

- 11 -

During July Norwegian refugees are said to be arriving in Sweden at the rate of approximately 65 a day.

Some 10,000 youths who failed to respond to the Nazi labor mobilization are reported to be hiding in the forests in the vicinity of Oslo. Funds supplied by American Relief for Norway are likewise assisting in maintaining these youths. Other expenditures include the purchase in Sweden of food, clothing, and shoes for severe hardship cases in Norway.

#### RECOGNITION OF LATIN AMERICAN PASSPORTS

Minister Harrison has reported that, in response to our request that Switzerland obtain detailed information concerning the treatment of Jews in Hungary and as to the fate of Jews holding Latin American documentation in particular, the Swiss Foreign Office stated that since Switzerland is charged only with the protection of Uruguayan and Chilean interests in Hungary, it is unable to obtain the detailed information requested except as regards Jews holding documents issued in the name of these two republics.

The Swiss Legation at Budapest has indicated that thus far Hungarian authorities appear disposed to accord exceptional treatment to such foreign nationals under Swiss protection. It was stated that the obligation to wear the Jewish star and to declare property had thus been dispensed with, insofar as these persons were concerned, and reductions in food rations had also been avoided. In the opinion of the Swiss Legation, all Jews able to demonstrate foreign nationality would be spared anti-Semitic action on the basis of requests from their protecting power.

#### Exchange Plans Being Made

The State Department has now advised our Embassy in Madrid that definite indications have been received through trusted channels that the German Government is now disposed to cooperate in effecting exchanges on Spanish territory of German nationals from South America against refugees from German-controlled territory. It is proposed to send the refugees involved to Camp Lyautey. The State Department has suggested that our representatives in Madrid investigate the possibility of making arrangements at Madrid and Algiers, with Spanish and French authorities and with the military, whereby special treatment might be given refugees included in official exchanges whose bona fides may possibly be less open to question than those of refugees appearing on Spanish territory as a result of their own efforts. While several alternatives were suggested, State indicated that it is not particularly interested in the actual means devised, but is more concerned that this

Government's program to rescue threatened persons shall not be imperiled by any lack of material arrangements in Spanish territory for their reception and prompt onward transportation.

#### Representations Made to Brazilian Government

We have been advised by our Embassy in Brazil that representations have been made to the Brazilian Government urging concrete action on the part of Brazil in line with the exchange standards resolution adopted by the Emergency Advisory Committee for Political Defense at Montevideo. In these representations emphasis was placed upon the attitude expressed last year by Dr. Aranha to the effect that it might be a good thing for Brazil to get rid of a large number of Germans there.

#### Report from El Salvador

From El Salvador we have been advised of the text of a note sent by the Salvadoran Foreign Minister to the Emergency Advisory Committee. In this note it was stated that there are only a few Salvadorans in German territory. Outside of Germany there were said to be five Salvadorans who should be repatriated. The Salvadoran note promised that direct negotiations would be begun with respect to the repatriation of these Salvadorans.

#### Cuban Action Promised

As a result of further representations by Ambassador Braden, the Cuban Minister of State has now agreed to supplement Cuba's original representations concerning the return of deportees to Camp Vittel, by directing the Cuban Embassy in Madrid to request that the protecting power inform the German Government that Cuba will not permit the validity of any of its passports to be questioned by the Germans. It was also indicated that the Cuban Government now agrees to consider as exchange material all holders of documents issued in Cuba's name, although the right is reserved to refuse admission to such passport holders as Cuba may later prefer to exclude.

We have communicated to our Embassy in Madrid the substance of Braden's communication, along with a request that efforts be made to speed the Cuban representations.

Since some confusion exists as to whether the Cuban representations should be made through Spain as Germany's protecting power in Cuba, or through Switzerland as Cuba's protecting power, clarification has been requested.

#### Haiti Agrees To Act

We have been advised by our Embassy in Haiti that the Haitian Government has likewise agreed to issue instructions



- 13 -

to its Legation at Bern to inform the German Government through Swiss authorities that Haiti recognizes the validity of all its passports held by persons in enemy or enemy-occupied territory until an examination of each case shall have been made. This applies to those persons who were unable to comply with the decree-law of February 1942, as well as to those persons holding documents whose validity is open to doubt. While this decision has yet to be confirmed in writing and will require the approval of the Haitian Council of Ministers, no difficulties were anticipated.

It was emphasized that Haiti's action on this score is purely a humanitarian measure, and that Haiti likewise reserves the right to refuse to admit any such persons subsequently held to be undesirable as immigrants.

#### NEW RELIEF PROPOSALS RECEIVED

Board Representative McClelland has relayed to us the substance of a memorandum submitted by the International Red Cross on certain critical clothing requirements of civilian prisoners in German concentration camps. To date, Intercross has not undertaken to send clothing to such civilian prisoners and therefore has no information based on practical experience with this type of relief. The possibility of such clothing distributions was to be investigated more fully by Intercross, and a further report is expected.

#### Polish Relief

Johnson and Olsen have explored with a relief group in Sweden the nature of its activities in Poland, as well as facilities for expanding the scope of its operations. At the present time, this organization is said to be receiving urgent requests from Poland for substantial additional amounts of clothing for children, as well as for basic foodstuffs and vitamins. We were advised that funds to meet these requirements in full are lacking, and that immediate use could be made of \$25,000. The Polish Legation in Stockholm has spoken highly of the effectiveness of this organization's activities and has expressed the strong hope that American financial assistance can be obtained.

#### COOPERATION WITH THE INTERGOVERNMENTAL COMMITTEE

The Intergovernmental Committee has now agreed to assume certain credit obligations for previously scheduled European rescue and relief activities. Arrangements have been made in this connection whereby the JDC is to act as an agent of the IGC.

*J. W. Pehle*  
J. W. Pehle  
Executive Director

CABLE FROM WAR REFUGEE BOARD TO AMBASSADOR WINANT, LONDON.

Please refer to your 6005 of July 28 concerning the suggestion made by the IGC Director that the Vatican be asked by the British and American Governments to intervene with the German Government for the release of non-Italian civilian refugees held in North Italy.

As mentioned in our 5791 of July 24, the American Government has made clear to the world its willingness to cooperate with other sympathetic governments in finding havens of refuge for victims of enemy oppression able to leave German occupied territory. Therefore, Emerson's proposal is completely acceptable to this Government.

It is suggested that Emerson now discuss this matter with the British Government and secure its consent to requesting the Vatican to intervene, on the understanding that the British will share with the American Government the responsibility of making arrangements for the maintenance, care and transportation of the refugees involved in the event that the Vatican's efforts prove successful.

The Board would appreciate being advised as soon as the British Government has signified its consent.

11:00 a.m.  
August 1, 1944

MJMarks:AA:oss 7/31/44

EEM

PLAIN

Department

August 1, 1944

AMEMBASSY,

LONDON

6065, First

Department <sup>←</sup> approves allocation funds of IGC proposed for  
survey Switzerland. Refer your 6045 July 29.

STETTINIUS  
(ACTING)  
(GLW)

WRB:GLW:OMH  
8/1/44

BC

S-CR

## PARAPHRASE OF TELEGRAM RECEIVED

71

FROM: AMEMBASSY, London  
TO: Secretary of State, Washington  
DATED: August 1, 1944, 2 p.m.  
NUMBER: 6108

## CONFIDENTIAL

Delivery of the following message to Dr. Kubowitzky of World Jewish Congress, New York, is requested by Mr. Ernest Frischer of Czechoslovak State Council. This message is in reply to message from Kubowitzky transmitted by WNB in Department's telegram of July 21, no. 5754.

We greatly appreciate your report. It is now possible for me to obtain further means for Czechoslovak relief action from (1) proceeds of funds donated by Czechoslovak citizens and (2) the Government of Czechoslovakia. Furthermore, the Central Council of Jewish Refugees in London has promised to allocate to the action 9,000 pounds for the purpose of buying food parcels and transporting them to Terezin and elsewhere from Lisbon. Consequently it will be possible for us to continue activities on the same scale as before. Kindly give JDC my cordial thanks for its understanding and invaluable assistance. The action of the gentlemen in New York in this matter is also greatly appreciated by me.

VINANT

: IIB: RHN: SS

Secretary of State  
Washington

6111, Paris

Following press communique is being released  
to British papers today by Intergovernmental Committee.

For the first time since its reorganization  
in August 1943 and the fourth time since its formation  
in July 1939, the Intergovernmental Committee on  
refugees will hold a plenary session in London  
beginning on 15th August. Thirty seven Governments  
both United Nations and neutrals, are now members  
of this international body. In addition to their  
official delegates, it is expected that the meetings  
will be attended by observers from the United Nations  
Relief and Rehabilitation Administration, the Supreme  
Headquarters of the Allied Expeditionary Force,  
the War Refugee Board of the United States, the  
International Red Cross Committee, the International  
Labour Organizations, and the Office of the League  
of Nations High Commissioner for Refugees, as  
well as voluntary organizations interested in refugees  
and relief. The plenary session will be public,  
but, as accommodation is limited, admission will be  
by ticket, for which application should be made  
to the Secretary, Intergovernmental Committee on  
Refugees, 11D Regent Street, S.W. 1.

Prominent among matters to be considered  
by this first plenary session of the reorganized  
committee are the adoption of a new constitution  
procedure and financial regulations, and the election  
of an enlarged committee. The plenary session  
will also have presented to it for general discussion  
a full report by Sir Herbert Morrison, the director,  
on the work of the committee during the last year.  
This work falls into three classes:

- (1). Measures relating to the receipt and preservation  
of threatened persons still within the territory of  
Germany and her European Allies or territory occupied  
or controlled by them.
- (2) Pre-arrival measures relating to persons  
who may have come out of such areas to neutral or  
liberated areas; and
- (3) Post-arrival measures for relief, repatriation,  
and resettlement of those who cannot be repatriated.

In cmo

-2- #6111, First from London

In one or more of these types, the committee, in order to insure the maximum benefit to the refugees with the minimum of duplication, has developed cordial working relations with the other national and international bodies mentioned above.

The Intergovernmental committee was formed as a result of the conference which was convened, on the initiative of the American Government, at Evian in 1938. During the four years following the outbreak of war in 1939, the activities of the committee were restricted; but in August 1943 the executive committee adopted a series of recommendations which involved a great expansion of the committee's membership, scope, functions and finance. Under its expanded mandate, the committee has during the last year been engaged in humanitarian activities aimed at alleviating the present position of refugees and in preparations designed to assist materially in solving the post-war refugee problem."

Intergovernmental Committee suggests Department or WSB might wish to release same communique to American papers.

WINANT

WSB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London  
TO: Secretary of State, Washington  
DATE: August 1, 1944  
NUMBER: 6123

CONFIDENTIAL

The message given below is for WRB and the Department from Emerson, IGC, and refers to the July 28 telegram No. 5948 from the Department.

Telegram relative to Hungary was communicated to us by the Embassy. Following is our position as regards funds which are available for the maintenance of refugees arriving in neutral countries from Hungary: Our budget for 1944 operational expenses is one million pounds underwritten equally by the Governments of Great Britain and the United States. Both have made the necessary provision. IGC made it clear when estimate was presented that adoption of estimate should not exclude consideration of supplementary estimates in case development of work should require further provision during the year.

Credit scheme has been allocated £900,000 of above sum of £-1,000,000. £100,000 balance is being reserved for other expenditures of operational nature.

In view of the fact that maintenance and other expenses including perhaps refugees' transportation from Hungary would constitute new project before expenditure could be made it would be necessary to have prior approval of the two governments. At present stage it would clearly be impossible in placing such a project before the two governments, to make other than a very rough estimate due to uncertainty as to number of persons involved, contributions which voluntary organizations might make, period during which maintenance would be required, and attitude of neutral governments toward receipt of financial assistance. The proposal would, therefore, have to be in form of an assurance from two governments that necessary funds as required would be furnished to IGC. Rough initial estimate could not be less than £5,000,000 for the remainder of this year and all of 1945, and possibly considerably more. It would be essential to have final agreement of two governments and subject to that it may be assumed that project would be strongly supported by executive committee, on the understanding that IGC would be an active participant in project and not merely an agent for providing funds.

£400,000 could

- 2 -

£400,000 could be appropriated out of 1944 budget provision of £1,000,000 for this new project but then beyond end of current year we would be left without provision for credit scheme. We consider credit scheme highly important and would therefore certainly request two governments to implement the understanding that funds needed for its continuance would be supplied. £400,000 would be available at once to facilitate beginning stages of project for Hungary if this condition prevails.

This maintenance period is of great concern to IGC not only from angle of finance but also because its function will be finding permanent homes for those who are unable to return to Hungary. IGC is deeply interested, therefore, in extent and nature of assurances which the United Nations may propose to give that with due consideration to military situation havens in their territories will be provided as rapidly as possible. We think that in this regard, providing Governments concerned give consent, existing offers concerning children in France should be availed of by transferring them to children in Hungary. Offers by the U. S. Government to take five thousand and by Canadian Government to take one thousand are two examples.

Above are director and associates' personal views.

It is premature to refer matter to the Executive Committee until there is agreement between two governments but there is no doubt that Executive Committee will wish to avail itself of this opportunity to save lives of defenseless people by making every possible effort to utilize it.

WINANT



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

August 1, 1944  
10 p.m.

AMBASSY,

LISBON.  
2149

The following for Dexter is WRB 64.

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

QUOTE We cabled Selig Mayer on July 26 INNER QUOTE  
Sternbueh cabled Rabbincal group here that 1,200 Hungarian  
Rabbis other leaders are now entrained Vienna for deportation.  
He claims you refused help to save this group and that immedi-  
ate action may still rescue them by repatriation. He also  
claims that no understanding has been reached with you for  
coordination rescue activities despite such report to WRB.  
Orthodox groups here deeply disturbed by this situation and  
exerting great pressure on us. We are convinced that you and  
McClelland are doing everything to rescue as many people as  
possible, but we are not in position to answer such charges  
made by Sternbueh. Although we realize that Sternbueh is  
concerned primarily with Rabbincal groups we are just as  
interested in rescuing these elements and we hope that every  
effort is being made to save them and that every possible  
measure is utilized by you to effect their rescue. Please  
cable soonest. END INNER QUOTE Can you ascertain whether  
this group similar to 1200 to 1700 you reported from Ankara  
as en route to Spain STOP Urgent you send us soonest as full  
information as available STOP Remitted \$60,000 to British  
Passport Control Office Istanbul STOP Accordance your analysis  
Balkan rescue program for 5700 people we estimate total cost  
to us would be \$2,060,000 which we authorized STOP View your  
plan to transfer Result to Lisbon shall we still set up  
\$100,000 revocable credit as you requested UNQUOTE

STETTINIUS  
(Acting)  
(GLM)

WRB:DMV:KG  
7/31/44

S/OR

WE

SMP

CABLE TO LISBON

From War Refugee Board to Norweb

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

"On July 15 we remitted \$1,500,000 to McClelland for Saly Mayer, of which \$1,000,000 was for special fund requested by McClelland and Mayer and \$500,000 for Balkan rescue program as you requested from Istanbul STOP Regarding your proposal for \$500,000 for camps for 30,000 Hungarian refugees, this proposal came originally from Saly Mayer and WRB requested McClelland to ascertain reason why (1) foreign currency was required, (2) whether local funds could not be raised for maintenance against blocked dollar accounts and (3) whether food supplies could not be sent in under International Red Cross supervision. WRB has had no reply to these questions. STOP Expect Arthur Greenleigh arrive Rome momentarily".

THIS IS WRB CABLE TO LISBON NO. 67

10:15 a.m.  
August 1, 1944

FH:lab 7/31/44

BAS

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

TO BE SENT IN SECRET "W"

August 1, 1944  
7 p.m.

AMEMBASSY,  
LISBON.

2146

The following for Dexter is WEB 68.

Reference your 2345 of July 28, your 127 to WEB.

Board would appreciate list and other documents mentioned. Minister Harrison and McClelland, Amlegation Bern, are fully familiar with problem of safeguarding lives of persons holding documents issued in the names of American republics and claiming such nationality. They have been in frequent communication with Swiss Foreign Office on this subject, including deportations from Vittel, and several important measures have been taken with Swiss assistance. For these reasons, Board suggests that you communicate facts and problem to Minister Harrison and McClelland immediately by quickest available means. Please repeat such message to Board.

STETTINIUS  
Acting  
(GLW)

ACTING

WEB:MMV:KG S/CR  
8/1/44

WE SWP

**CABLE TO MINISTER HARRISON AT BERN AND McCLELLAND**

Reference Department's 2486 of July 21, WRB's 84.

Turkish Embassy, Washington, now advises that early last June Turkish Consulate Bucharest was instructed to issue transit visas to Schleiffer family.

**THIS IS WRB BERN CABLE NO. 107.**

4:20 p.m.  
August 1, 1944

CABLE TO HARRISON FOR McCLELLAND, BERN, FROM THE DEPARTMENT AND WAR REFUGEE BOARD.

Reference Legation's No. 4802 of July 26, 1944.

We rely entirely on your judgment in this matter and accordingly, and in view of the pending consideration of the reported Hungarian offer to permit emigration, we concur in your view that it is not (repeat not) feasible to undertake the transaction in question at this time. We assume that if further information is received you will keep us fully advised. We also assume that you will continue to make all possible efforts to rescue refugees from Hungary and other German-occupied areas.

The foregoing has been discussed with the JDC and it is in accord with the views expressed.

THIS IS WRB CABLE TO BERN NO. 106

11:00 a.m.  
August 1, 1944

FH:lab 8/1/44

MAE-602  
 Distribution of true  
 reading only by special  
 arrangement. (SECRET W)

Lisbon

Dated August 1, 1944

Rec'd 5:03 p.m.

Secretary of State,

Washington.

2371, August 1, Noon

WRB 130

Embassy has received telegram No. 142 from Amembassy London which was sent to Washington as London's 6040, July 29, 1944 regarding admission Portugal Hungarian children under 10. However, REURTEL 2118 (WRB 62) July 28 both British and American Embassies question wisdom making separate approach for children. British have telegraphed Foreign Office asking if they agree with policy outlined in Department's 2118, July 28, 10 p.m. and if they do, to authorized British Embassy Lisbon to proceed along those lines. It seems best for both approaches to follow procedure indicated 2118. This would include children under 10.

In order that approach to Portuguese may be made with better chance of success, desire information on following points: (a) Have definite arrangements been made for food to come through blockade? (b) Is provision for Hungarian refugees to be governmental or, as previously, at expense private organizations? (c) Embassy should have as definite assurances as possible as to when evacuation from Portugal is to take place and, if possible, ultimate destination. (d) Is United States Government prepared to cover administrative costs incurred by Portuguese in handling influx? This would include police, clerical, governmental work, et cetera. British asking similar questions. Telegraph reply urgently.

NORWEB

JT  
 WTD

MAE-624  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Lisbon

Dated August 1, 1944

Rec'd 3:56 p.m.

Secretary of State,  
Washington.

2374, August 1, 1 p.m.

Have given Schwartz orally conclusion Department's  
2112, July 28, 5 p.m. This is WRB 131. He apparently  
reluctantly accepts Department's decision.

NORWEB

EH

EMB

BE-758

PLAIN

Lisbon

Dated August 1, 1944

Rec'd 10:16 p.m.

Secretary of State  
Washington

2379, First

FOR EDWARD CAHILL FROM ELISABETH DEXTER. WRB  
132 UNITARIAN 310.

Am cabling Kuhlman inter-Governmental Committee:  
"Have just learned of inter-Governmental Committee's  
meeting August 15. Would attendance representative  
Unitarian Committee be advantageous? If so could  
you expedite British visa for me?" Is Committee  
interested May attending, if reply favorable? Other  
organizations here planning send representatives.  
Think possibility good getting visa and air passage.

NORWEB

HTM



ORIGINAL TEXT OF TELEGRAM SENT

84

FROM: SECRETARY OF STATE, WASHINGTON  
TO: American Legation, Bern  
DATED: August 1, 1944  
NUMBER: 2605

CONFIDENTIAL

FOR MCCLELLAND AND HARRISON.

1. Please express to appropriate officials of the Swiss Foreign Office the deep appreciation of this Government for the information contained in your 4508 of July 14 and your 4604 of July 19.

2. There are a number of persons in enemy controlled areas to whom American visas were issued on and after July 1, 1941, the date when present existing procedures and security checks became effective, who, by reason of transportation difficulties and the advent of war, were unable to make effective use of such visas. It is believed that a large proportion of such persons are among those groups subject to enemy persecution. In the belief that the availability of new American visas for such persons may save their lives, please request appropriate officials of the Swiss Government to advise enemy governments that American consular officers in neutral countries have been authorized to issue an immigration visa to any person to whom an American immigration visa was issued or for whom a visa was authorized on or after July 1, 1941 and who has been in areas controlled by Germany or any of Germany's allies since December 8, 1941, provided that such person presents himself to an American consular officer in a neutral country and is found not to have become disqualified for the issuance of a visa.

Accordingly, American consular officers in Switzerland are hereby authorized to issue new American immigration visas to any such person to whom an American visa was issued or for whom such visa was authorized after July 1, 1941, provided that (a) such person other than a child under 16 years of age is found upon telegraphic reference to the Department for security check not to be the subject of an adverse report dated subsequent to the previous approval, (b) such person is not affirmatively found by the consul to be inadmissible into the United States under the law, or (c) the consul does not consider that the case is one which should be recommended for consideration under the committee procedure.

In advising Swiss officials of the foregoing please attempt to secure their prompt agreement to advise enemy governments of Switzerland's willingness to permit the entry into Switzerland, with or without transit visas, of all persons to whom American immigration visas were issued on or subsequent to July 1, 1941. You may assure such officials that any such persons so admitted will be adequately maintained and that any who may be found not (repeat not) to be qualified for the issuance of a visa will be evacuated

as promptly

- 2 -

as promptly as possible. Detailed instructions in connection with the issuance of new American immigration visas pursuant to the foregoing authority will follow promptly. The same request is being made of Sweden, Turkey, Spain, and Portugal.

3. There follows the substance of the pertinent portion of a message to Amembassy London:

QUOTE In further response to message from Amlegation Bern, the substance of which is quoted above, this Government is prepared to advise the Hungarian and neutral governments that all Jews arriving in neutral countries from Hungary will be afforded havens in United Nations territory just as promptly as military considerations permit, neutral governments to be given adequate assurances as to the maintenance of such persons. Please endeavor to ascertain from the Foreign Office whether the Government of the United Kingdom will join this Government in this attempt to save lives. American missions in neutral countries are being instructed to take appropriate action along these lines in collaboration with their British colleagues if possible, alone if necessary. Since time is of the essence, British missions should be advised of Foreign Office views promptly. UNQUOTE

Accordingly, you are requested to consult with your British colleague and either in collaboration with him or alone, as the circumstances may develop, approach appropriate officials of the Swiss Government with the request that Switzerland advise the Hungarian Government that it is prepared to receive Jews released by Hungary and permitted to go to Switzerland. You may assure appropriate Swiss officials that if Switzerland so advises the Hungarian Government, Jews arriving in Switzerland from Hungary will be evacuated to United Nations territory as promptly as possible and that in the meantime the United States will undertake to make arrangements for their maintenance and support in Switzerland. You should inform the Department and the Board promptly of the results of your consultation with your British colleague and your approach to the Swiss Government.

4. Refer Department's 891 of March 18 and Department's 2236 of July 3. The availability of the visas therein authorized for Jewish children should not be overlooked. At later date further communications on this subject will follow.

5. In view of your 4257 of July 5 please consider the advisability of requesting Rumania to admit Jews from Hungary and to afford them refuge in Southeastern Rumania until evacuation can be effected.

6. Turkey is being requested to admit all persons in enemy territory holding Palestine certificates and to advise enemy governments of its willingness to do so.

7. Please keep

- 3 -

7. Please keep Department and Board currently advised of all developments.

THIS IS WRB BERN CABLE NO. 94.

HULL

CABLE TO OFFICER IN CHARGE, AMEMBASSY, ANKARA, AND HIRSCHMANN

Reference Department's \_\_\_\_\_ of \_\_\_\_\_, WEB's 81.

Turkish Embassy, Washington, now advises that early last  
June Turkish Consulate Bucharest was instructed to issue transit  
visas to Schleiffer family.

THIS IS WEB ANKARA CABLE NO. 90

8:30 p.m.  
August 1, 1944

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

Dated August 1, 1944

Rec'd 8:52 a.m. 2nd

Secretary of State,  
Washington.

1400, August 1, noon.

FOR PEHLE, WRB, FROM HIRSCHMANN, Ankara's 112.

A group of 40 children, 12 girls and 28 boys between the ages of twelve and seventeen years, accompanied by two adult escorts, arrived in Istanbul on July 30 by rail from Bulgaria. All were in possession of Turk transit visas and departed for Palestine on July 31 by rail. The children were part of a group of 100 for whom lists were submitted many months ago but whose documentation because of technicalities was only recently completed. Some of the children all of whom are Bulgarian had been waiting two years for the completion of immigration formalities.

Inquiry among the children indicated that an additional group of approximately 200 have their documentation for emigration to Palestine in varying stages of completion. Efforts are being made here to evacuate them during August in the same manner as the group of 40. In view of the statement made to me by Balaban of R (EMB'S 1371, July 26) I am pursuing this among other possible steps by the Bulgarians in order to obtain a concrete indication of the intentions of the Bulgarian Government in the matter of the amelioration of the conditions of its Jewish citizens and facilitating without delay the movement of those desiring to depart.

According to information received in Istanbul the Jewish Community of Rouse in Bulgaria has been designated by the Bulgarian Government as the agency which is to concern itself with the preparation of Jews desiring to emigrate to Palestine. Until now the Bulgarian regulations did not permit the existence of any Jewish organization in consequence of which all steps for emigration had to be undertaken for individuals by attorneys at large fees. The designation of the Rouse Jewish Community for this purpose may indicate a first step in a more orderly emigration of Jews from Bulgaria.

KELLEY

HPM

CABLE FROM WAR REFUGEE BOARD TO KELLEY FOR HIRSCHMANN, ANKARA.

The War Refugee Board is sending the following cable to Ambassador Harriman in Moscow:

QUOTE The War Refugee Board has received the following cable from its representative in Bern.

INNERQUOTE Recently received urgent appeal from Mixed Relief Commission of ICRC based on reports from de Steiger ICRC delegate Bucharest regarding plight several thousand Soviet refugees who have been forced leave their homes by retreating German Army. 5500 such refugees are in Transylvania 1200 Tatars Province of Dobrudjia and many more thousands in other provinces of Rumania. Their situation is extremely precarious they have no right to work and no relief for them has been organized. ICRC appeals for funds purchase pharmaceutical products clothing Switzerland and to supply their delegates on spot with money to purchase foodstuffs and fuel. ICRC delegates have already approached Rumanian Government in attempt to secure work permits for these people. I forward this appeal to you for any helpful action you feel might be undertaken. END OF INNERQUOTE

The War Refugee Board is anxious to do everything possible to arrange for aid for these refugees if they are bona fide Soviet victims of enemy oppression. It is suggested that inquiry be made of the appropriate Russian officials whether the Russian Government has any information concerning the plight of these refugees and also whether the Russian Government has any specific suggestion as to the manner in which the War Refugee Board could assist in ameliorating their condition. Meanwhile the Board is requesting its representative in Ankara to investigate and report concerning the situation disclosed by the ICRC cable. UNQUOTE

Please investigate and report to the Board any information which you may obtain concerning this situation.

This is War Refugee Board cable to Ankara No. 89

2:30 p.m.  
August 1, 1944

MSargoy/MJMarks:dh 7/31/44

CABLE TO AMERICAN EMBASSY, MOSCOW

Please deliver following message from War Refugee Board to Mr. Jerome Davis, Hotel Metropole, Moscow:

QUOTE Thanks your cable July 4 stop Kindly forward through American Embassy and War Refugee Board report and list your possession also concrete suggestions regarding ways and means forwarding relief to Jews liberated regions Rumania. Dr. Stephen S. Wise, World Jewish Congress, New York. UNQUOTE

\* \* \* \* \*

We are advised that the July 4 cable referred to reads as follows:

"Spent four days liberated regions Roumania investigating conditions Jews stop Have names addresses Three hundred seventy eight including addresses relatives American stop Believe helpful if Jewish Congress provided some relief Jews Roumania My address Hotel Metropole Moscow. Jerome Davis."

12:45 p.m.  
August 14 1944

LSLesser:tmh 7/31/44

CABLE TO AMBASSADOR HARRIMAN AT MOSCOW

The War Refugee Board would appreciate any information that you can obtain through official channels with respect to numbers and condition of Jews found in areas liberated by Soviet armies. The Board would also appreciate any information such sources will disclose concerning treatment of civilian populations including Jews during enemy occupation.

12:45 p.m.  
August 1, 1944

LSLesser:tmh 7/31/44



CABLE FROM WAR REFUGEE BOARD TO AMBASSADOR HARRIMAN, MOSCOW

The War Refugee Board has received the following cable from its representative in Bern:

QUOTE Recently received urgent appeal from Mixed Relief Commission of ICRC based on reports from de Steiger ICRC delegate Bucharest regarding plight several thousand Soviet refugees who have been forced leave their homes by retreating German Army. 5500 such refugees are in Transylvania 1200 Tatars Province of Dobrudjia and many more thousands in other provinces of Rumania. Their situation is extremely precarious they have no right to work and no relief for them has been organized. ICRC appeals for funds purchase pharmaceutical products clothing Switzerland and to supply their delegates on spot with money to purchase foodstuffs and fuel. ICRC delegates have already approached Rumanian Government in attempt to secure work permits for these people. I forward this appeal to you for any helpful action you feel might be undertaken. UNQUOTE.

The War Refugee Board is anxious to do everything possible to arrange for aid for these refugees if they are bona fide Soviet victims of enemy oppression. It is suggested that inquiry be made of the appropriate Russian officials whether the Russian Government has any information concerning the plight of these refugees and also whether the Russian Government has any specific suggestion as to the manner in which the War Refugee Board could assist in amelioration their condition. Meanwhile the Board is requesting its representative in Ankara to investigate and report concerning the situation disclosed by the ICRC cable.

2:30 p.m.  
August 1, 1944

MSargoy/MJMarks:dh 7/31/44

SECRETOPTEL No. 250

Information received up to 10 A.M. 1st August 1944.

**1. NAVAL**

On 29th and 30th German batteries bombarded COURSELLES; A British Monitor and a Dutch Gunboat retaliated on battery positions.

On 30th/31st considerable E-boat activity between CAP D'ANTIFER and assault area. One E-boat set on fire; one of our MTB's damaged. A British Destroyer damaged a E-boat. Same night one mine sweeper and landing craft sunk by mines off NORMANDY. Satisfactory progress reported in mine clearance of CHERBOURG Harbour.

Mediterranean on 26th, the first Liberty ships were berthed in ANCONA harbour. One 27th/28th U.S. MTB's engaged enemy convoy GULF OF GENOA and torpedoed coaster off SPEZIA. On 27th a British Submarine attacked an escorted convo of 4F Lighters off TOULON, one being sunk, another probably sank.

Pacific On 30th a U.S. force landed at CAPE SANSAPOR on West coast NEW GUINEA under cover of Naval bombardment. MIDDLEBURG and AMSTERDAM Islands were occupied. In attack on convoy off Beachy Head reported yesterday, 5 ships each just over 7,000 tons, torpedoed; one sank, one reached port, one was beached and two are beached awaiting tows.

**2. MILITARY**

Normandy Further satisfactory progress on both U.S. and British fronts. U.S. troops entered AVRANCHES at 8 p.m. 30th and captured two bridges over the river intact. GRANVILLE was also captured and further north an advance of about 2 miles resulted in capture of TORIGNY SUR VIRE. Attack on right of British 2nd Army going well; our armour has reached high ground immediately west of LE BENY BOCAGE.

Russia Russians have further advanced SW of PSKOV and have captured JALGAVA, MARIAMPOLE and have entered KOVNO West of DVINSK they have again advanced up to 10 miles. In the central sector they have captured SIEDLICE and LUKOV and are between 12 and 15 miles from WARSAW on East, North-east and South East. Further Russian advances are also reported west and south of PRZEMYSL.

**3. AIR**

Western Front 31st. More than 3,000 offensive and escort sorties. Escorted heavy bombers bombed objectives FRANCE and GERMANY as follows: Bomber Command FRANCE Railway Centre, JOIGNY 595 tons, Supply dumps of REIMS 470, Naval vessels LE HAVRE 295, U.S. 8th Air Force: FRANCE, airfields LAON and CREIL, total 165 tons. GERMANY, MUNICH 1340; LUDVIGSHAVEN 1110, Aero engine factory and airfield north of MUNICH 150. In FRANCE bombing was well grouped at all aiming points but in GERMANY it was carried out by instrument. Escorted medium bombers attacked 7 bridges south and west of NORMANDY battle area 305 tons. Results were seen good to excellent. German casualties 2 destroyed in the air and 18:1:12 on the ground. Ours 20 bombers, 5 fighters missing.

31st/1st. Aircraft despatched: 3 flying bomb launching sites 97 (one missing), Flying bomb supply dump: FORET DE NIEPPE 105 (one missing); Sea mining 4. Preliminary reports: launching sites, bombing generally well concentrated; supply dump, good concentration on and around markers, through cloud.

Italy 30th. 319 bombers and fighters (2 missing) attacked communications etc, in battle area and west of RAPALLO RUMANIA. 31st. 5 oil targets at PLOESTI and BUCHAREST bombed by Fortresses and Liberators 710 tons. Enemy casualties 31:1:14, ours 5 bombers 4 fighters missing.



## THE UNDER SECRETARY OF THE TREASURY

WASHINGTON

August 2, 1944

TO MRS. KLOTZ:

The Secretary telephoned me at my home last evening about seven-thirty to get the final results of subscriptions to Series E bonds in the Fifth War Loan. After I told him that we had slightly exceeded our quota of \$3 billion, he asked me to send the following message through the White House to the President:

"For the President from the Secretary of the Treasury.

"I am very happy to be able to inform you that the 5th War Loan brought in over 20 billion dollars to the Treasury, which was more than 4 billion in excess of our goal.

"We also exceeded our quota of 3 billion for 'E' bonds.

"You may want to send me a message which I can give to the American Public in your behalf."

*sub*



THE WHITE HOUSE  
WASHINGTON

2 August 1944

MEMORANDUM FOR:

Mr. Daniel N. Bell,  
The Under Secretary of the Treasury.

This memorandum will confirm a message received orally by Lieutenant Collins last evening. For your information, this message was released from the Map Room at 9:25 p.m., 1 August 1944.

There is quoted below the text of the message as sent:

"For the President from the Secretary of the Treasury.

"I am very happy to be able to inform you that the 5th War Loan brought in over 20 billion dollars to the Treasury, which was more than 4 billion in excess of our goal.

"We also exceeded our quota of 3 billion for 'E' bonds.

"You may want to send me a message which I can give to the American Public in your behalf."

*Richard Park, Jr.*

RICHARD PARK, JR.  
Colonel, GSC

*Copy to Henry at  
from 8/3/44*

ADDRESS OFFICIAL COMMUNICATIONS TO  
THE SECRETARY OF STATE  
WASHINGTON, D. C. 25



DEPARTMENT OF STATE  
WASHINGTON

August 2, 1944

Dear Henry:

I am enclosing a paraphrase of a telegram from  
Harriman in which, I think, you will be interested.

Sincerely yours,

*Dean Acheson*  
Assistant Secretary.

Enclosure:

Paraphrase of telegram  
from Harriman.

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



PARAPHRASE OF TELEGRAM RECEIVED

FROM: AMEMBASSY, Moscow  
TO: Secretary of State, Washington  
DATED: July 29, 1944, 3:35 a.m., 30th  
NUMBER: 6039

Today, I expressed to Vyshinski my Government's gratitude for the decision of the Soviet Government to increase its subscription to the International Bank of Reconstruction and Development, and also for the Soviet Delegation's co-operation during the Financial and Monetary Conference. Vyshinski replied by expressing the Soviet Government's appreciation of the friendly relations which prevailed between their delegation and that of the United States, and for the courtesies which the Soviet Delegates had received.

HARRIMAN

10710  
SECRETARY OF STATE  
JUL 29 1944  
SUA - CI

*Mr. Fallon*

*Clipping sent to  
Hijr at farm 8/2/44*

25

August 2, 1944.

Dear Mr. Flayer:

Mr. Morgenthau is at his New York State farm for a few days, and I am therefore acknowledging your thought in sending him a clipping of the very readable column in which you mention the Bretton Woods experience, and the press conference after his return here. I want to thank you both for what you said in this column, and for your thought in seeing that Mr. Morgenthau received a copy. Of course, I shall see to it that this is sent to him at once.

Sincerely yours,

(Signed) H. S. Klotz  
*H.S.K.*

H. S. Klotz,  
Private Secretary.

Mr. William O. Flayer, Jr.,  
1887 National Press Building,  
Fourteenth and F Streets, N.W.,  
Washington, D. C.

GEF/dbs

## Washington Memo

By Charles Van Devander and William O. Player Jr.

### Now That We've Sold Monetary Plan To Rest of World, How About US?

Washington, July 28.

When the U. S. delegation to the United Nations monetary conference at Bretton Woods succeeded, against great obstacles, in pushing through an agreement with 43 other countries for an international currency-stabilization fund and world bank, only half its work was done. The other—and quite possibly the more difficult—half will be to sell the merits of the proposed fund and bank to the American public itself: i. e., to push the necessary enabling legislation through Congress.

If the experience of Bretton Woods still applies, it'll be almost entirely an educational job.

As we pointed out here during the conference, a very large percentage of the opposition which it encountered at its outset, the confusion which marked its early stages and the criticism still being voiced in certain quarters was based upon pure ignorance.

And, as the few who were really in the know gradually managed to beat the big idea into the brains of the many who hadn't been able—or perhaps simply hadn't wanted—to get it theretofore, it was remarkable to watch the erstwhile opponents and critics cast off their doubts and suspicions, one by one, and finally fall into line.

Sponsors of the monetary plan feel sure that, if it can be put across in the same comprehensible way to the public and to Congress, there'll be no difficulty in getting the needed legislation.

But how to put it across—how to overcome the opposition of Senators and Representatives who possibly jumped to stubborn conclusions weeks ago on the basis of some editorial they read about Uncle Sam "pouring more money down the rat-hole," "swapping good currency for bad," "playing Santa Claus again," etc.—is the real problem.



SEC'Y MORGENTHAU



## Washington Memo

By Charles Van Devander and William O. Player Jr.

### Now That We've Sold Monetary Plan To Rest of World, How About US?

Washington, July 28.

When the U. S. delegation to the United Nations monetary conference at Bretton Woods succeeded, against great obstacles, in pushing through an agreement with 43 other countries for an international currency-stabilization fund and world bank, only half its work was done. The other—and quite possibly the more difficult—half will be to sell the merits of the proposed fund and bank to the American public itself: i. e., to push the necessary enabling legislation through Congress.

If the experience of Bretton Woods still applies, it'll be almost entirely an educational job.

As we pointed out here during the conference, a very large percentage of the opposition which it encountered at its outset, the confusion which marked its early stages and the criticism still being voiced in certain quarters was based upon pure ignorance.

And, as the few who were really in the know gradually managed to beat the big idea into the brains of the many who hadn't been able—or perhaps simply hadn't wanted—to get it theretofore, it was remarkable to watch the erstwhile opponents and critics cast off their doubts and suspicions, one by one, and finally fall into line.

Sponsors of the monetary plan feel sure that, if it can be put across in the same comprehensible way to the public and to Congress, there'll be no difficulty in getting the needed legislation.

But how to put it across—how to overcome the opposition of Senators and Representatives who possibly jumped to stubborn conclusions weeks ago on the basis of some editorial they read about Uncle Sam "pouring more money down the rat-hole," "swapping good currency for bad," "playing Santa Claus again," etc.—is the real problem.



SEC'Y MORGENTHAU

## New York Post

JUL 28 1944

Yesterday, at the first press conference which Secretary Morgenthau has held since his return to Washington, we asked him if any sort of "sales" program was being worked out.

Morgenthau jokingly replied that he believed he was the only one of the Treasury crowd who had recovered sufficiently from the rigors of Bretton Woods to come back to work as yet—and that therefore it was a little too early to say anything about that phase.

From other sources, though, we hear that very definite plans to familiarize Congressmen with the projects and to clarify any lingering doubts still in their minds are already afoot; and that both the Treasury and State Depts. have selected from among their Bretton Woods alumni several outstanding experts who, after Congress reconvenes, will devote their full time if necessary to testifying before appropriate committees and answering the questions of individual legislators.

From a monetary standpoint, the Bretton Woods proposals are by all means the Treasury's babies, and it'll have to nurse them through the Senate and House Banking and Currency Committees or any other committees which may assume jurisdiction on strictly financial grounds.

But, from the broader standpoint of international politics, they're the State Dept.'s babies, too—and, therefore, not only will it back up the Treasury to the limit at those hearings but, in the event the Senate Foreign Relations and House Foreign Affairs Committees also become involved, it'll probably take over a large share of the full burden.

Speaking of the rigors of Bretton Woods:

At Secretary Morgenthau's press conference, a woman reporter for a New York financial sheet complained to the Secretary that she had been having trouble getting information from some of his subordinates on a subject in which she was interested.

"You just give 'em that old Bretton Woods look," Morgenthau suggested, "and I feel sure they'll come across!"



## TREASURY DEPARTMENT

WASHINGTON 25

August 2, 1944



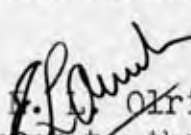
## MEMORANDUM TO THE SECRETARY

Attached are a group of five memoranda, the first of which nature have been compiled by Treasury Procurement.

Because of the condition of the records in Treasury Procurement Division the reports are not up-to-date as of the date on which they are issued, but we anticipate by the end of August that the reports will be in a more satisfactory condition.

These reports are the twenty-five largest classifications of commodities and are as follows: Inventory of Surplus Property On Hand, Inventory of Surplus Property out on Invitation to Bid, Transit Account of the Work in Process, Disposals -- both Transfers and Sales, and also the Analysis of Acquisitions. All of these figures are at the appraised value.

We have recently made an inventory and analysis of all declarations and documents in each regional office with the result that by the end of August a very great improvement will take place in our reports to you. It will not be too long before we furnish you with accurate reports rather than unsatisfactory excuses.

  
F. L. Olrich  
Assistant to the Secretary

Attachments

July 24, 1944

102

Analysis of  
Transit Account (Work in Process)  
(25 Largest Classes)  
As of July 15, 1944

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Furniture & Fixtures	54	2 079 949	11.6%
Apparel, Except Footwear	67	1 608 396	8.9
Motor Vehicles	45	1 555 350	8.6
End Products of Metal Industries, Except Machinery & Equipment	75	1 344 404	7.5
Aircraft	42	1 266 141	7.0
Fabricated Textile Products, Except Apparel	69	1 246 641	6.9
Leather	11	617 652	3.4
Professional & Scientific Instruments & Apparatus, Except Indicating, Recording, & Controlling	58	543 439	3.0
Communication Equipment & Electronic Devices	41	543 210	3.0
Chemicals	19	533 437	3.0
Textile Basic Manufactures	15	527 390	2.9
Photographic Goods & Processed Motion Pictures	55	518 523	2.9
Construction, Mining, Excavating Related Machinery	36	500 795	2.8

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Nonmetallic Mineral Basic Products	27	25 577	.7
Electrical Machinery & Apparatus	32	22 297	.6
Fabricated Metal Basic Products	25	21 472	.6
Plumbing & Heating Equipment	51	17 435	.5
Office Machines	38	14 691	.4
Tractors	37	13 400	.4
Nonmetallic Mineral Basic Products	26	10 051	.3
Fibers, Vegetable and Animal, Unmanufactured	06	8 102	.2%
Misc. End Products of Manu- facturing Industries	79	7 986	.2
Nonferrous Metals	24	7 194	.2
Miscellaneous Machinery	39	6 716	.2
All Other		<u>41 771</u>	<u>1.1</u>
Total		3 663 997	100.0

July 24, 1944

Inventory of Surplus Property  
(25 Largest Classes)  
As of July 15, 1944

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Motor Vehicles	45	6 597 714	21.2%
Furniture & Fixtures	54	2 318 872	7.4
Apparel, Except Footwear	67	2 218 568	7.1
Fabricated Textile Products, Except Footwear	69	2 062 455	6.6
Leather	11	1 922 411	6.2
End Products of Metal Industries Except Machinery & Equipment	75	1 629 938	5.2
Footwear	68	1 579 753	5.1
Fabricated Metal Basic Products	25	1 037 801	3.3
Misc. End Products of Manufactur- ing Industries	79	1 019 368	3.3
End Products of Leather, Except Footwear and Luggage	71	913 560	2.9
Professional & Scientific Instruments, & Apparatus, Except Indicating & Recording	58	645 478	2.1
Small Arms & Components	81	600 189	1.9
Plumbing & Heating Equipment	51	519 586	1.7
Aircraft	42	461 886	1.5

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Construction Equipment	36	422 257	1.4
Electrical Machinery & Apparatus	32	411 798	1.3
Textile Basic Manufactures	15	399 334	1.3
General Purpose Industrial Machinery	31	396 024	1.3
Steel	22	385 096	1.2
Special Industrial Machinery	33	377 666	1.2
Metal Working Machinery	34	341 244	1.1
Rubber End Products, Except Footwear & Clothing	74	284 530	.9
Chemicals	19	279 569	.9
Drugs & Medicines	65	270 413	.9
Non-metallic Minerals Basic Products	26	260 665	.8
All other		<u>3 818 858</u>	<u>12.3</u>
Total		31 175 033	100.0

July 24, 1944

Analysis of Acquisitions  
July 1 to 15, 1944  
(25 Largest Classes)

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Motor Vehicles	45	1 637 803	21.5%
Fabricated Textile Products, Except Apparel	69	1 616 373	21.2
Leather	11	710 891	9.4
Apparel, Except Footwear	67	642 948	8.4
Miscellaneous Equipment	59	386 526	5.0
Footwear	68	313 172	4.1
Furniture & Fixtures	54	300 184	4.0
Fabricated Metal Basic Products	25	244 571	3.2
End Products of Metal Industries Except Machinery & Equipment	75	239 270	3.2
Textile Basic Manufactures	15	155 877	2.1
Construction, Mining, Excavating & Related Machinery	36	148 157	2.0
Motor Parts	94	89 963	1.2
Miscellaneous End Products of Manufacturing Industries	79	83 342	1.1
End Products of Leather, Except Apparel, Footwear, & Luggage	71	73 973	1.0
Pulp, Paper, and Paperboard	14	72 673	1.0



<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Plumbing and Heating Equipment	51	65 392	.9
Electrical Machinery & Apparatus	32	60 971	.8
General Purpose Industrial Machinery & Equipment	31	59 428	.8
Iron, and Iron and Steel Scrap	21	50 036	.7
Nonmetallic Mineral Basic Products	27	46 030	.6
Converted Paper Products & Pulp Goods	72	43 485	.6
Miscellaneous Basic Materials	29	39 820	.5
Ships, Small Watercraft, & Marine Propulsion Machinery	43	35 560	.5
Drugs and Medicines	65	33 087	.4
Aircraft	42	31 774	.4
All Other		<u>414 376</u>	<u>5.4</u>
Total		7 595 682	100.0

July 24, 1944

Analysis of Confirmed Inventory Out on Bid  
 (25 Largest Classes)  
 July 1 to 15, 1944

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Motor Vehicles	45	2 213 174	27.6%
Fabricated Textile Products, Except Apparel	69	1 438 650	17.8
End Products of Metal Industries, Except Machinery & Equipment	75	738 818	9.2
Footwear	68	670 276	8.3
Furniture & Fixtures	54	526 196	6.5
Apparel, Except Footwear	67	324 396	4.0
Steel	22	255 667	3.2
Fabricated Metal Basic Products	25	203 149	2.5
General Purpose Industrial Machinery & Equipment	31	148 961	1.8
Misc. Ammunition & Related Products	86	128 066	1.6
Air-Conditioning & Refrigeration Equipment	52	125 841	1.6
Professional & Scientific Instruments & Apparatus, Except Indicating, Recording, & Control- ling	58	112 033	1.4
Nonmetallic Mineral Basic Products	27	97 202	1.2
Construction, Mining, Excavating & Related Machinery	36	89 600	1.1

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Small Arms & Components	81	73 143	.9
Rubber End Products, Natural & Synthetic, Except Footwear & Clothing	74	66 877	.8
Finished Wood Products, Except Furniture & Millwork	76	62 286	.8
End Products of Leather, Except Apparel, Footwear, & Luggage	71	60 344	.7
Miscellaneous Machinery	39	58 355	.7
Coal, Crude Petroleum, & Related Crude Hydrocarbons	07	54 793	.7
Chemicals	19	50 312	.6
Communication Equipment & Electronic Devices	41	46 207	.6
Electrical Machinery & Apparatus	32	45 911	.6
Plumbing & Heating Equipment	51	41 828	.5
Office Machines	38	29 396	.4
All Other		<u>390 222</u>	<u>4.9</u>
Total		8 051 702	100.0

July 24, 1944

Analysis of Disposal  
 July 1 to 15, 1944  
 (25 Largest Classes)  
 Transfers & Sales

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Motor Vehicles	45	1 607 404	43.8%
Apparel, Except Footwear	67	565 736	15.4
Leather	11	560 546	15.2
Live Animals	01	168 142	4.6
Fabricated Textile Products, Except Apparel	69	125 646	3.4
Misc. Transportation Equipment	49	77 616	2.1
Furniture & Fixtures	54	57 663	1.6
Pulp, Paper, & Paperboard	14	57 053	1.6
End Products of Metal Industries, Except Machinery and Equipment	75	54 058	1.5
Textile Basic Manufactures	15	43 748	1.2
Construction, Mining, Excavating & Related Machinery	36	38 546	1.1
General Purpose Industrial Machinery & Equipment	31	38 534	1.1
Chemicals	19	37 328	1.0
Converted Paper Products and Pulp Goods	72	35 285	1.0

<u>Description</u>	<u>Class</u>	<u>Appraised Value</u>	<u>% of Total</u>
Footwear	68	499 399	2.8
Electrical Machinery & Apparatus	32	483 912	2.7
Fabricated Metal Basic Products	25	478 418	2.6
Drugs & Medicines	65	435 315	2.4
Motor Parts	94	412 524	2.3
End Products of Leather, Except Apparel, Footwear, and Luggage	71	324 927	1.8
Rubber End Products, Natural & Synthetic, Except Footwear & Clothing	74	254 238	1.4
Plumbing & Heating Equipment	51	228 804	1.3
Misc. End Products of Manufacturing Industries	79	202 209	1.1
Finished Wood Products, Except Furniture & Millwork	76	182 740	1.0
Office Machines	38	120 948	0.7
Converted Paper Products & Pulp Goods	72	118 212	.6
All Other		<u>1 414 121</u>	<u>7.8</u>
Total		18 041 094	100.0



TREASURY DEPARTMENT  
WASHINGTON 25



August 2, 1944

MEMORANDUM TO THE SECRETARY

I am enclosing a list of the  
special items valued in excess of \$50,000  
as of July 31, 1944.

*E. M. Ulrich*  
Assistant to the Secretary

Enclosures

PROPERTY OR DISPOSAL

SPECIAL ITEMS VALUED IN EXCESS OF \$50,000

AS OF JULY 31, 1944

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>1. Textiles and Wearing Apparel</u>			
<u>Mosquito Bars, new (with rods)</u>			
Rectangular tents of netting. Excellent quality. Advertising program under way. Will sell to anyone at \$1.50 each, in- cluding a set of support rods.	464,676	\$ 5.91	\$2 746 097
<u>Leggings</u>			
Spiral wool and laced canvas types. Old and in poor con- dition. Holding for opportunity to put out on bid.	213,280		109 833
<u>Hats, Army Service</u>			
The old-style, broad brimmed campaign hat. 28,000 were sold to Boy Scouts at \$0.90. A chain store group in Arizona bid \$0.60 each for lot. Negotiating for higher price.	91,928	3.00	275 784

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>W.A.C. Caps</u>	76,712	\$ 2.20	\$ 168 766
Appears to be a salvage item. Contacts have been made with uniform houses.			
<u>Filter felt (new)</u>	163,086 yds.	2.00	326 172
54 in. to 72 in., rolls. Samples have been sent to large users of felt; trying to negotiate sale.			
<u>Cotton Duck, #4</u>	76,741 yds.		115 879
42" fire, water, and weather resistant. Will probably be sold to Lend-Lease.			
<u>Blankets, cotton</u>	99,479	2.15	213 879
Will be transferred to F.E.A.			
<u>Shoes, nurses, new</u>	42,000 pr.	3.00 (av.)	126 000
F.E.A. has offered \$2.35 a pair, which is being considered while an effort is being made to get a better price.			



	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Cloth, parachute flare</u>			
Natural white, pure silk and Bemberg. Thin. High quality. Negotiating with converters to purchase in 50,000 yd. lots.	502,032 yds.	\$ 0.35 (av.)	176 032
<u>Rubber gloves</u>			
An offer of 35¢ a pr. has been received for standard household type of gloves. The majority are long-sleeved anti-gas gloves, of which a sample is awaited.	441,213 prs.		404 835
<u>Slide Fasteners</u>			
16½" zippers; 500,000 Talon zippers sold to manufacturer at cost price; negotiations on remainder with original manufacturers.	2,876,828	0.19	537 190
<u>Shearlings</u>			
Tanned sheepskin with wool left on. This is remainder of approximately 11 million sq. ft. which have been sold to F.E.A. and the trade.	800,000 sq.ft.	0.50	400 000

QuantityUnit CostCost to Govt.2. Automotive ProductsSpare parts, automobile, new and used

Majority are used parts, taken from used motors and put in stock. The bulk of the new parts are obsolete, or are parts for discontinued military vehicles. Inspection, boxing, and listing by manufacturers is going forward prior to offering them to manufacturers.

\$2 000 000

Tires, Rubber, Truck & Bus  
 Tubes, Inner, Truck & Bus

74,707  
 25,137

1 309 336

New and used. Regions have been instructed to circularize Federal Agencies; remainder to be sold to manufacturers.

3. FurnitureBed Parts

Springs, metal fabric, heads, feet, and side rails, etc. We are working with bed manufacturers looking towards repurchase.

50 000

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Pillows, new and used</u>			
Some cotton, some feather, some mixed. 134,710 new. 470,845 used. Sales program being developed.	605,555	\$ 0.73	\$ 442 055
<u>Mattresses, new and used</u>			
182,879 new; 895,415 used. Large quantity of used mattresses were sold to manufacturer to make cotton picker's bags; the cotton was disposed of for insulation purposes. This type of disposal will be promoted to the fullest extent possible. Program details for new mattresses are being developed.	1,078,294	5.50	5 930 617
<u>4. Hardware</u>			
<u>Wood screws, brass, new</u>			
Bids were opened July 27th. Award data awaited.	500 tons 1634 items		357 000

	<u>Quantity</u>	<u>Unit Cost</u>	
<u>Drums, 55 gallon, used</u>			
Includes 12, 14, 16, and 18 gauge drums, in small lots, located in 11 regions. Require re-conditioning if drums are to be used for other than petroleum products. W.P.B. requests sale of portion to a reconditioner for use as lard kettles.	130,773	\$ 2.50	\$ 326 933
<u>Gasoline cans, 5 to 10 gal.</u>			
1 million are "Jerricans" similar to our Blitz cans. The remainder are about equally divided between 5 gal. cylindrical cans and 7½ gal. square cans. The latter are suitable for shipping paint and may be sold for such use. A program for sale of others, for use as designed, is being formulated.	2,000,000	2.00 (av.)	4 000 000
<u>Snowshoes, emergency</u>			
Paratroopers' special type, of no value for sport purposes.	22,837	4.25	96 915

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Snowshoes, used</u>			
Serviceable, trail and bear paw type snowshoes. New declaration - no action as yet.	11,745	\$ 9.00	\$ 105 654
<u>Skis, laminated, new &amp; used</u>			
7 ft. and 7½ ft. hickory, ridge-top skis with steel edges. Painted white. The longer skis not popular for general sport use. Many interested in purchasing and method of disposal being developed.	5,874 pr.	14.50	85 173
<u>Shotguns, double barrel, new &amp; used</u>			
A great variety of makes, purchased from many sources at start of war at prices over the present ceiling prices. All are out of original boxes. Many are "mail order" brands.	6,882	40.00 (av.)	275 000

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Furnaces, hot air, oil fired</u>			
New, for homes. Cannot be installed in <u>new</u> homes because of fuel regulations. An offer from the trade is believed on the way, looking towards use for replacing worn-out furnaces.	659	\$ 69.25	\$ 51 058
<u>Incinerators, new</u>			
Designed for human excretion but can be used for other purposes. A hospital and a park system each have a slight interest. Apartment house use may develop.	34	9,818.00	333 812
<u>Smoke generator, vehicular, parts</u>			
Motorized generator piping, valves, fittings oil filter cartridges, etc., in great quantities. New declarations just received. No action, as yet. These are standard parts that can be sold in hardware stores.			277 000

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Rafts, pneumatic life</u>			
Capacity is 5 men - 1000 lbs. Completely equipped, including carrying case. Many individuals and some wholesalers and dealers are interested, at a price. Sales methods to recover 50% of cost are being projected. Macy is selling identical rafts (rejects purchased from manufacturer) for \$69.00.	2,185	\$ 200.00	\$ 437 000
<u>Scabbards, bolo</u>			
An obsolete scabbard for a bolo knife. Made of hickory, duck covered, trimmed with calfskin, with web belt. Has no value except for use with a particular knife none of which is available.	114,290	\$ 1.60	190 864

QuantityUnit CostCost to Govt.5. Medical and Hospital SuppliesSurgical & Dental Instruments,  
Medicines & Supplies

Mostly non-standard, obsolete, or deteriorated. Includes \$52,228 in N.Y. Depot, \$250,000 in Louisville Depot, and \$100,000 dental supplies at Perry Point, Md. Bid invitations are being prepared for Louisville stock. Disposal policy for non-standard items is being formulated.

\$1 846 000

Talc, (decontaminating agent)

A coarse grade of talc in 4½ and 50 lb. packages. An equal quantity was sold last week at \$5.00 a ton for small packages and \$8.75 for 50 lb. package. Must be sold in 30 days or Army will withdraw and throw it away to get the storage space.

2900 tons

\$ 100 000

Hydrogen Peroxide, 8%

In lb. bottles. Samples are being tested to determine utility in beauty trade and as a bleaching agent for textiles.

445,600 lbs.

0.35

\$ 155 960



	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Foille (burn preparation)</u>			
A proprietary preparation for treatment of burns; use discontinued by Army. Put up in gallons and quarts. Effort is being made to sell it back to its manufacturer.	10,800 gal.	\$ 9.50	\$ 102 600

Dichlorimine T. (Antiseptic)

World War I item, called Dakin's Antiseptic. Has no marketable value. Has oil base that may be rancid. Being tested by American Pharmaceutical Ass'n.

	298,646 pts.	1.67	498 738
--	--------------	------	---------

6. Paper and Wood Products

Ammunition Boxes, wood

Small size, fastened with wing nuts. Bids opened last week. Award data awaited.

	85,000	0.75 (est)	63 500
--	--------	------------	--------

QuantityUnit CostCost to Govt.7. MachineryConstruction Machinery, heavy

All in inventory; all used. Cost estimate is probably high. The general condition of the equipment is poor.

2555

\$1,000 (av.)

\$2 555 000

Shoes for Tractor Treads

New "grousers" (shoes to be bolted to the flat tracks of crawler type tractors to give traction.) These are standard replacement parts - enough for 700 tractors. Will be offered to manufacturer of tractor for which they are designed.

43,853

3.00

131 559

Ice Grousers, new

Ice gripping shoes to be attached to special rubber tired treads of high speed military tractors. Each weighs 6 lbs. A tractor needs 296 pieces. There is no known application on standard machines; no market except for scrap.

76,726 pieces

2.70

207 160

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Disc Wheels for Gun Carraige</u>			
An offer has been made by a distributor interested mainly in the tires. It is being evaluated pending decision in regard to disposing of the tires as part of the regular tire and tube program.	7,417	\$ 12.00 (est)	\$ 89 000
<u>Diesel Engines, Complete</u>			
Air cooled, nine cylinder, radial type. Army is returning money to manufacturer, who thought he had repurchased the engines for \$22,000. New disposal arrangement in process.	131		2 300 000
<u>Platform trucks, steel, new</u>			
Steel trucks on casters, designed to move airplane engines undergoing repairs. Will be offered on public sale.	13,287	75.00	996 525

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>8. Equipment</u>			
<u>Cameras, Aircraft</u>			
Each camera has great variety of collateral equipment. Obsolete type. Physical inspection being made. Informal negotiations with Fairchild Camera Co. in process.	96		\$ 307 386

9. Electrical ProductsBatteries, drycell and packs

50 types, varying quantities, ranging in cost from \$.05 to \$5.80 each. Over-age for Army use. Large percentage now on invitations-to-bid. Survey letter to regions now in process.

(over) 50 000

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>10. Miscellaneous Products</u>			
<u>Imprinting Machines, new</u>			
An Addressograph plate press, portable, used to obtain impression of soldier's "dog tag" in the field. Four oil companies studying possibility of using device in service stations to obtain impression of customers' "Charge-A-Plates". Manufacturer now showing interest in re-purchase.	52,636	\$ 21.95	\$1 052 720
<u>Belt pockets for Cartridge Clips</u>			
Web pocket with fastener. A radio advertiser has taken option on lot after purchasing a small lot at \$0.06.	1,000,000	.10	100 000
<u>Spurs, new and used</u>			
Radio advertiser's decision is to take balance for novelty "give away". Contacting Chicago office for final sale.	261,000 pr.	1.40 (av)	365 400

TOTAL.....

\$32 790 342

127

SURPLUS USED CARS REPORT  
 For 7 Days and Period Ended July 29, 1944  
 (Period Began Jan.1, 1944)

	<u>7 Days to July 22</u>	<u>Period of Date</u>
Total Used Cars Declared	103	3488
Less Declarations Withdrawn	4	68
Less Loans to Other Federal Agencies	-	19
Less Transfers to Other Federal "	6	547
Net Used Cars Declared for Sale	93	634
Less Used Cars Sold	46	1989
Balance of Used Cars on Hand		865

ANALYSIS OF INVENTORY

Inspected and Ready for Sale	531
Not Inspected	334

ANALYSIS OF DISPOSAL ACTIVITY

	<u>Declarations</u>	<u>Disposals</u>	<u>Inventory End of Period</u>	<u>Inventory Change</u>
Period ending July 1	2864	2013	851	
7 Days to July 8th	41	260	632	-219
7 days to July 15th	290	266	656	+ 24
7 Days to July 22nd	190	28	818	+162
7 Days to July 29th	103	56	865	+ 47

SURPLUS MOTORCYCLES REPORT  
 For 7 Days and Period Ended July 29, 1944  
 (Period Began Jan.1, 1944)

	<u>7 Days to July 22</u>	<u>Period to Date</u>
Total Motorcycles Declared	744	5644
Less Declarations Withdrawn	0	1
Less Loans to Other Federal Agencies	0	0
Less Transfers to Other Federal Agencies	<u>0</u>	<u>290</u>
Net Motorcycles Delcared For Sale	744	5434
Less Motorcycles Sold	622	<u>4523</u>
Balance of Motorcycles on Hand		906

ANALYSIS OF INVENTORY

Inspected and ready for sale	736
Not Inspected	<u>170</u>
	906

ANALYSIS OF DISPOSAL ACTIVITY

	<u>Declarations</u>	<u>Disposals</u>	<u>Inventory End of Period</u>	<u>Inventory Change</u>
Period Ending July 1	4518	4102	416	
7 Days to July 8th	26	0	442	+ 26
7 Days to July 15th	289	1	730	+ 288
7 Days to July 22nd	67	13	784	+ 54
7 Days to July 29th	744	622	906	+ 122

SURPLUS TRUCK REPORT  
 For 7 Days and Period Ended July 29, 1944  
 (Period Began Jan.1, 1944)

	<u>7 Days to July 22</u>	<u>Period to Date</u>
Total Trucks Declared	545	22049
Less Declarations withdrawn	33	881
Less Loans to Other Federal Agencies	0	125
Less Transfers to Other Fed. Agencies	54	<u>2531</u>
Net Trucks Declared for Sale	<u>87</u>	<u>3537</u>
Less Trucks Sold	458	18512
Balance of Trucks on hand	1135	12071
		6441

ANALYSIS OF INVENTORY

Inspected and ready for sale	4419
Not Inspected	<u>2022</u>
	6441

ANALYSIS OF DISPOSAL ACTIVITY

	<u>Declarations</u>	<u>Disposals</u>	<u>Inventory End of Period</u>	<u>Inventory Change</u>
Period Ending July 1	20311	10300	10011	
7 days to July 8th	293	1150	9150	-857
7 days to July 15th	417	1083	8488	-666
7 days to July 22nd	483	1853	7118	-1370
7 days to July 29th	545	1222	6441	-677



AA

August 2, 1944 Secret

Dear Mr. White:

The situation here has been comparatively quiet during the last week in that there have been no major military developments and no overt political developments, while the economic situation is practically unchanged. There have, however, been a number of behind-the-scenes developments which are of considerable interest and importance. Thus, according to a reliable American source, <sup>?</sup> negotiations between the Kuomintang and the Communists have completely collapsed and the suggestion is made that one of the basic causes for the present political mess is that the liberal and left-wing elements in Free China (within and without the Kuomintang) are completely disgusted with the Gimo and demand his retirement from the political scene as a prerequisite for any agreement. The Gimo is, of course, unwilling to make this sacrifice and the impasse continues.

A story being whispered around town these days is that T.V. Soong approached the Russians on the desirability and possibility of his going to Moscow to discuss Chinese-Russian relations. The Russians are supposed to have replied that they did not think the present time was suitable for such discussions. The anti-T.V. circles interpret this as a Russian refusal to deal with him, while the more objective Americans say that it is an indication of Russia's displeasure with China, particularly with the failure of the Kuomintang-Communist negotiations and with the manner in which Chinese official circles have spread anti-Russian propoganda such

- 2 -

as the existence of a secret Russian-Japanese agreement which has made it possible for Japan to withdraw about 12 to 15 divisions from the Manchurian border.

The other day I was told in "strictest confidence" (by a Chinese) that about 6 or 7 days ago, the Gimo sent a cable to Kung ordering him to return home and not to stay for the political discussions. The "secret" became a public rumor after a few days, although when I passed it on to the Embassy it was still unknown to them since I had gotten it the day after it was supposed to happen. Of course, I do not know whether it is true or not, although the Embassy here saw fit to cable the information to State.

Another "most secret" story that was whispered to me is that General Stratmeyer was forced down over the "hump" and is being held for ransom! Only one person told me this "story".

One of the really interesting and significant developments here has been the use of the technique in the past month by the Chungking Government of "shanghaiing" men off the streets here to be sent into the Army. In effect, it means that only the poorest and least influential are taken since anyone can buy his way out by paying the required "squeeze", while people of influence or with influential connections are freed after they have dearly established their identification. It resulted in riots and bloodshed, but it has quieted down in the last week. It went practically unnoticed in the press and has not even been a subject of discussion among the Americans here.

- 3 -

I am enclosing a memorandum which I prepared on the sales of checks and transfers by the United Clearing Board here. You might be interested in glancing at it. Gauss is very concerned about U.S. governmental employees here purchasing these checks and transfers and making exchange profits of 60 to 70 per cent.

I still have not heard from the office since I have been here. I do hope that by the time you receive this letter, it will have been possible for you to have informed me of your plans for me.

Regards to the Division,

Sincerely yours,

(signed) Irving

(Rec'd August 12, 1944)

Regraded Unclassified

UNRESTRICTEDDEPARTMENT OF STATE  
DIVISION OF

A-173

3:00PM

1944 AUG 3 PM 5 05

August 2, 1944

COMMUNICATIONS  
AND RECORDS  
(LIAISON)

AMBASSY,  
CHUNGKING.

TO FRIEDMAN FROM THE SECRETARY OF THE TREASURY

Reference your 591 of April 4 and our 781 of June 6.

Since June 2 Treasury has licensed specific transfers from the account with the National City Bank of New York of the United Clearing Board, Chungking, to blocked accounts in the names of persons in China with domestic banks and business concerns of the following amounts on the dates indicated: June 2, \$13,000; June 14, \$50,000; June 30, \$291,000, of which \$250,000 was paid to Bank of China, New York Agency for account Central Bank of China; and July 1, \$100,000; making a total of \$454,000.

On July 5 Treasury authorized issuance of a blanket license in following terms to National City Bank, New York in respect to the operation of the account of the United Clearing Board, Chungking:

NOTE You are hereby authorized to:

1. Receive deposits in U.S. dollars into the blocked account of the United Clearing Board of

Chungking A-18 -2-

Mission, Educational and Relief Agencies, Chungking, from the headquarters in the United States of various recognized American mission, educational and relief agencies operating in Free China and participating in the operation of such Board, provided such deposits consist solely of the dollar equivalent of funds to be transferred to China for the purpose of providing for the bona fide and official operating, administrative, educational, religious and philanthropic purposes in Free China of such American mission, educational or relief agencies; and

2. Transfer funds from such account on the instructions of the United Clearing Board, Chungking, to blocked accounts now existing or hereafter to be opened with domestic banks or reputable business concerns within the United States, provided such blocked accounts are maintained in the names of those persons within Free China who have provided to the United Clearing Board, Chungking, the Chinese dollar equivalent of the amount of such U.S. dollar transfers.

*Chengkin*

-3-

A-173

You are required to file calendar quarterly reports recording the total amount of transfers from such account for each month of each calendar quarter, and to maintain your records in such manner that you could provide upon request the name, amount and domestic bank or business concern to which payment was made, in respect to individual transfers from such account effected under this license. URGENT

In accordance with the last sentence of 591 of April 4 you should advise the Commission for Control of Foreign Exchange assets of the foregoing. Treasury also advising Kung and Chi.

Stettinius acting  
GL

FHA:GL:cb  
8/2/44

DEPARTMENT OF STATE

OUTGOING TELEGRAM

DIVISION OF COMMUNICATIONS AND RECORDS

August 2, 1944  
11 a.m.

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

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

COMMUNICATIONS AND RECORDS (HASSON)

1944 AUG 4 AM 11 18

DEPARTMENT OF STATE DIVISION OF

AMEMBASSY,

CHUNGKING, CHINA.

1027

FOR FRIEDMAN FROM TREASURY

(1) Treasury would appreciate following information on gold market (re B of your 1231 of July 17 and your 1269 of July 22):

- (a) Net July daily sales and how much they rose toward end of month.
- (b) Existing government stocks of gold in China.
- (c) Gold price movements during July.
- (d) Impact, if any, of recent sales on note issue and prices.
- (e) Probable impact on price of gold and general price situation of institution of forward sales of gold. Who would gain from such sales?

(2) Above information desired primarily for Chungking market, but information on other sizeable markets also desired if and when available.

STETTINIUS  
(Acting)  
(GL)

FMA:GL:db  
8/1/44

AIR MAIL

UNRESTRICTED

London, August 2, 1944

No. 17252

Subject: Transmitting Letter for Executive Director of  
War Refugee Board.

The Honorable  
The Secretary of State,  
Washington.

Sir:

1/ I have the honor to transmit herewith a letter from  
the Intergovernmental Committee on Refugees for delivery  
to Mr. John W. Pehle, Executive Director of the War Refugee  
Board.

Respectfully yours,

For the Ambassador:

Howard Bucknell, Jr.,  
Minister-Counselor.

Enclosure:  
1/ Letter.

SHB:dm



Following is message from Emerson to Phale:

"We have just received through Polish Legation in Lisbon and Polish authorities here a detailed report dated July 7 brought by exchanged British internee on recent tragic developments in Vittel including 260 names of Polish Jews holding South American nationality certificates classified by issuing country with indication as to whether and when each person was deported or whether still in Vittel. Since most of them apparently hold Palestine Certificates also the Jewish Agency here has wired Geneva to try to ascertain whereabouts and condition of deportees. Only hope for either those already deported or those still in Vittel seems to be their inclusion in actual exchange list for Palestine or American hemisphere. After consultation with Jewish Agency and British government exchange authorities we are convinced that everything possible is being done here and in Jerusalem to include Palestine Certificate holders in next exchange for which arrangements have been started and to notify German government exchange authorities of their inclusion. However Jewish Agency in Geneva reports that Germans prefer South American exchange and Jewish Agency here is asking Jewish Agency in New York to present matter to War Refugee Board which may already have had the recent reports through its Lisbon representative. In view of the Board's long and active interest in this matter and particularly the information contained on pages 8 and 9 of its report for the week of June 26 to July 1 we are sending by airmail copies of materials mentioned for whatever action may be found possible."

COPY

The people on the following list arrived in the camp of Vittel, part in January 1943, and the rest in May 1943. They are all Jews of Polish origin possessing certificates of citizenship of the various South American States issued by the consulates of the respective States, mainly from Bern.

These certificates were generally given to cover an entire family, with even the detail of names.

In December 1943 all Jews in the camp of Vittel had to give up their identity papers, which were never returned to them. All other British and American internees remained in possession of their papers.

From January 1944 certain families received certificates from a Zionist Organisation in Geneva saying that they were on first or second repatriation list for Palestine. But as these had not been ratified by London, they were considered worthless by the German Authorities.

In March nearly all these people were moved at 24 hours notice to an hotel outside the precincts of the camp and deprived of all communication with the camp for a week, until a passage had been constructed. The Commandant assured the Camp Committee that this was purely an internal measure, but added that unless their papers were recognized within a short time, these people would all be considered as "Staatenlos" and sent back to Poland to share the fate of the other Jews there. Messages were sent to Switzerland and also to London to acquaint the powers of the situation.

Mrs. Tamara Schorr was guaranteed of their safety by the Commandant, as it was on her word that they agreed to move. It was as a result of the broken promise that Mrs. Schorr finally committed suicide.

Four weeks later the gate connecting the hotel with the camp was closed and the people told that they were being sent to Drancy, a Jewish sorting camp near Paris - from which regular deportations of French and other Jews were made to Poland. There were 17 attempts of suicide, of which 3 were fatal, officially. Mrs. Thompson, head of the British Nursing Service, informed as there were 4 others, but names unknown, the others being transported to hospital. The scenes of panic and despair are indescribable as also the consequent impression on the camp.

The first transport for Drancy took place on the 18th April and comprised 173 men, women, and children, including infants in arms. They left in a train with windows boarded. It was subsequently learned that they left Drancy on the 29th April for an unknown destination.

Recognition had meanwhile arrived from Chile, but as yet no news has been received of the subjects.

Four weeks later on 16th May, the second transport took place, when all except 2 or 3 families and the absolutely untransportable cases in hospital, of which there were 10, were taken. Thus for example, one person whose both

141  
-2- COPY

legs were paralyzed in consequence of attempted poisoning, was removed on stretchers, etc. etc.

A fortnight after this second transport, on the 6th of June, the Commandant informed the Committee that a collective list for repatriation to Palestine had arrived for the whole group and had been accepted by Berlin, which was now only waiting for the ratification from London. The number of this collective certificate is 438. Up to the moment of our departure from Vittel no such affirmation had been received from London. Shortly after came further news that each South American State had accepted all those papers as bona fide, thus placing their holders on an equal status with any other American internees. In spite of this, the Commandant said that he had an order from Berlin to deport those yet remaining in camp, which I believe to have been done about the 18th July. The Commandant ~~also informed the Committee~~ that they had been sent to Bergen Belsen, a camp to which some 2,000 similar cases had been sent in May 1943. But this was proved to be untrue as a transport arrived from there and had never seen them.

The Commandant also said that neither the recognition of the papers nor the certificate for exchange to Palestine would have any validity in the eyes of the German authorities unless an exchange either to Palestine or to South America actually took place. It is therefore essential and most urgent now to find those people, who are probably in some Jewish Camp in Upper Silesia (such as Birkenau, Auschwitz, Sosnowitz, Kattowitz, Fredorf, Innbruck, Treblinka, Belses, Trawniki, Monowitz) and to afford them the full protection of the Red Cross and the Protecting Powers. This is the only way of saving even this handful of lives. The gravity of the situation cannot be exaggerated neither the urgent need for immediate action.

(Upon Mr. Akzin's recommendation, list of names not duplicated)

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London  
 TO: Secretary of State, Washington  
 DATE: August 2, 1944  
 NUMBER: 6150

## CONFIDENTIAL

Please deliver the message given below to Mr. Pehle, WRB, at request of the Director of ICC:

A detailed report on recent tragic developments in Vittel, dated July 7, has just been furnished us by the Polish Legation at Lisbon, and Polish authorities here. Report includes the names of two-hundred-sixty Polish Jews holding Latin American certificates of nationality classified by issuing country and listed according to whether and when each person was deported or whether in Vittel yet. Exchanged British internee brought this report. Telegram has been sent to Geneva by Jewish agency here requesting effort be made to ascertain whereabouts and condition of deportees since apparently Palestine certificates are held by most of them also. The only hope for either those deported already or those still in Vittel seems to be that they be included in actual exchange list for Palestine or the American hemisphere. Exchange authorities of the British Government and Jewish agency have been consulted and everything possible, we are convinced, is being done here and in Jerusalem to include in the next exchange those in possession of Palestine certificates and to advise German Government's exchange authorities of the inclusion of these people. As regards next exchange, arrangements have been begun already. However, we have been advised by Geneva Jewish agency that Germans prefer South American exchange, and Jewish agency here is requesting that matter be taken up with WRB by Jewish agency New York. WRB may already have been furnished with recent reports in this regard by its Lisbon representative. Copies of material mentioned are being forwarded by us via airmail in view of WRB's long and active interest in this matter and the information of its report for week ending July 1, especially pages 8 and 9, for whatever action may be found possible.

WINANT

DCR:EBH  
 8/4/44

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Embassy, London  
DATED: August 2, 1944  
NUMBER: 6897

## CONFIDENTIAL

FROM WAR REFUGEE BOARD TO AMBASSADOR WINANT.

Please refer to your 6005 of July 38 concerning the suggestion made by the IGC Director that the Vatican be asked by the British and American Governments to intervene with the German Government for the release of non-Italian civilian refugees held in North Italy.

As mentioned in our 5791 of July 24, the American Government has made clear to the world its willingness to cooperate with other sympathetic governments in finding havens of refuge for victims of enemy oppression able to leave German occupied territory. Therefore, Emerson's proposal is completely acceptable to this Government.

It is suggested that Emerson now discuss this matter with the British Government and secure its consent to requesting the Vatican to intervene, on the understanding that the British will share with the American Government the responsibility of making arrangements for the maintenance, care and transportation of the refugees involved in the event that the Vatican's efforts prove successful.

The Board would appreciate being advised as soon as the British Government has signified its consent.

STETTINIUS  
(Acting)

August 2, 1944  
5:20 p.m.

CABLEGRAM FROM WAR REFUGEE BOARD TO ACKERMANN, AMERICAN CONSULATE GENERAL,  
NAPLES, ITALY.

Please refer to your No. 102 of July 29th in reply to our No. 36 of July 21.

The following is for your information:

It is assumed that you have seen Heathcote-Smith's cable to Emerson of July 15, copy of which was transmitted to the War Refugee Board by Myron Taylor as cable No. 237 of July 17, concerning Heathcote-Smith's suggestion among others that the German Government be requested to release refugees deported from Allied Italy and to deliver such refugees to Allied authorities at a North Atlantic port whence they would either be returned to Allied Italy or taken to temporary havens of refuge elsewhere.

After receiving Taylor's message, the Board cabled Emerson in London referring to the President's pronouncement of March 24 and his message to Congress concerning the 1000 refugees, both of which make clear this Government's willingness to cooperate with other sympathetic Governments in finding havens of refuge for all victims of enemy persecution able to leave German-occupied territory. We also advised Emerson that this Government was prepared to cooperate in every way with the British and other Governments in facilitating any feasible plan of action in regard to the matter referred to by Heathcote-Smith, even though it is quite possible that many of the deportees from Italy have already been executed. The following is an extract of the Board's cable to Emerson:

QUOTE It is our view that any approach to the Germans should indicate the willingness of the allied governments, with due regard to military necessities, to consider measures for the reception in allied and neutral territory of any Jews in German occupied territory, and should not be limited to deportees from Italy. This Government has recently advised the British Government of its willingness to join in such an approach to the German Government. However, we are prepared to consider sympathetically any plan designed to meet the Italian problem referred to by Heathcote-Smith. In the circumstances it would appear most feasible for the Intergovernmental Committee to determine the practical problems involved and discuss the matter with the British Government. UNQUOTE

The Board received a reply from Emerson suggesting that the intervention of the Vatican be requested by the British and American Governments in approaching the German authorities with a request that non-Italian civilian refugees held in North Italy be released. Emerson also suggested that the British and American Governments assure the Vatican that they would make arrangements for the maintenance, care and transportation of the refugees involved in the event that the Vatican's efforts prove successful.

The Board is cabling Emerson that his proposal is completely acceptable to the American Government and suggesting that Emerson now discuss the matter with the British Government and secure its consent to requesting the vatican to intervene, on the understanding that the British will share with the American Government the responsibilities indicated by Emerson in the event that the Vatican's efforts prove successful.

WRB CABLE TO NAPLES NO. 40

MJMarks:AA:ews 8/2/44

Regraded Unclassified

EMBASSY OF THE  
UNITED STATES OF AMERICA

Lima, August 2, 1944.

**Secret**

No. 1009

Subject: Attitude of Foreign Office toward claimants of Peruvian nationality who were removed from the internment camp at Vittel, France.

The <sup>A</sup>Ambassador has the honor to acknowledge the receipt of the Department's instruction no. 3425 of July 24, 1944, with enclosure relating to claimants of Peruvian nationality who have been removed from the German internment camp at Vittel, France.

Responsive to the Department's direction that appropriate action be taken in the sense of the enclosure to the instruction under acknowledgment, the matter was brought to the attention of the Secretary General of the Foreign Office. Dr. Correa, in perusing the list of claimants, professed to have no information whatever in regard to any of the seven persons listed and furthermore observed that no indication of the nature of documentation to support their claim to Peruvian nationality had been adduced.

The Foreign Office would be glad to receive information as to the bases of these persons' claim to Peruvian nationality with a view to investigation.

711.5  
JP/bw

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

~~170-9~~

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

Lisbon

August 2, 1944

Rec'd 6:49 p.m.

Secretary of State,

Washington.

2386, August 2, 5 p.m.

Recent details which have been sent Board and Department of apparent stopping of deportation of Jews from Hungary and relaxation of some anti-Jewish provisions as well as possible facilities for emigration bear out statement Apostolic Delegate in Department's 2139, July 31. This is WRE 133. The important question is whether these changes are genuine and permanent or only for some immediate ulterior motive.

NORWEB

HTM



LC - 940  
Distribution of  
true reading only by  
special arrangement  
(SECRET W)

Lisbon

Dated August 2, 1944

Rec'd 8 p.m.

Secretary of State,  
Washington.

2383, August 2, 3 p.m.

THIS IS WRB 134

Conference today with Mexican Minister, representatives Unitarian Committee and consular section arranged details procedure matter covered Department's 1819, June 25 and 1820, June 26. Consider possible take care of situation accordance Department's suggestion.

However before granting visas Mexican Minister must await clarifying telegram from Mexican Foreign Office which he expects soon. Also, and more important, he thinks it unwise actually grant visas until his credentials have been accepted by Portuguese Government. In this Embassy concurs.

Little time is being lost however as preliminary security checking by both Mexicans and Americans can be done in interval. Please ensure no publicity whatever this project in America.

NORWEB

WTD WFS

MS-6  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Lisbon

Dated August 2, 1944

Rec'd 6:50 p.m.

Secretary of State,

Washington.

2393, August 2, 7 p.m.

Sending copies of despatch 789 sent Washington  
July 31 to Bern via Swiss pouch with covering letter.  
(REURTEL 2145, August 1, This is WRB 135.) Airmail-  
ing Department copy of covering letter. Full details  
given Department and Board in despatch above re-  
ferred to.

NORWEB

JJM HTM

KD-444  
Distribution of true  
reading only by special  
arrangement. (SECRET-W)

Madrid

Dated August 2, 1944

Rec'd 3:36 a.m., 4th

Secretary of State

Washington

2670, August 2, Noon.

Department's 2142, July 29, 9 p.m. crossed the  
Embassy's 112, July 28, 8 p.m. to Tangier, repeated  
to Department for War Refugee Board as 2624, which  
answers it.

RR

WSB

Miss Chauncey (For the Sec'y), Abrahamson, Akzin, Borenstein,  
Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Mann,  
Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Weinstein,  
Cable Control Files, Stewart

SECRET

CABLE TO MINISTER JOHNSON AT STOCKHOLM AND OLSEN

1. Refer Department's 1246 of June 23, WRB's 30, penultimate paragraph. Alfred Halasz, Budapest, said to be secretary general of printers' union, suggested by Ignatz Schultz whose name should be used.

2. Express Board's appreciation to Wallenberg for achievements mentioned in your 2779 of July 25, to WRB number 594. Would appreciate estimate of cost of operating suggested experimental camp as well as your views as to the extent to which it might be financed without supplying free foreign exchange to the enemy. Need of protection would appear to be proper basis of selection.

3. Refer your 2396 of June 30 incorporating your 12 to Lisbon of same date. Members of same family have arrived in Switzerland and Amlegation Bern states:

QUOTE From a reliable source it is stated that the Jewish director of AKCWSES AUVS I U, one Wilhelm Bielitz, organized the departure of these persons and is now trying to come here himself. UNQUOTE

Wallenberg may find it advantageous to contact him.

THIS IS WRB STOCKHOLM CABLE NO. 66

2:30 p.m.  
August 2, 1944

LSLesser:tmh 7/31/44

KEM-161  
Distribution of true  
reading only by special  
arrangement. (SECRET W)

Stockholm

Dated August 2, 1944

Rec'd 9:30 a.m., 3 p.m.

Secretary of State,

Washington.

2914, August 2, Midnight.

This is our No. 61 for War Refugee Board.

High officials of the Bulgarian Government have forwarded written assurances to Chief Rabbi Ehrenpreis that everything is being done and will continue to be done to ease the position of Bulgarian Jews. It will be recalled that Ehrenpreis for many years was Chief Rabbi of Bulgaria and has important connections. This information must be kept strictly confidential.

JOHNSON

RR WSB

FBM-160  
Distribution of true  
reading only by special  
arrangement. (SECRET-W)

Stockholm

Dated August 2, 1944

Rec'd 9:10 a.m., 3rd

Secretary of State,

Washington.

2915, August 2, 12 p.m.

Following message is for Rabbi Kalmanowitz of  
Vaadvehat Zala Emergency Committee from Rabbi Wolfe.

This is our No. 634 War Refugee Board. Rescue  
operations for our friends in Lithuania impossible  
now owing to military situation. Please advise  
whether money sent can also be used for general  
relief operations in Europe as well as for establishing  
religious homes here for Finnish children. Because  
congregation here is liberal, foundation of such  
homes urgent. Also advise if it will be possible to  
receive further funds for such purposes.

JOHNSON

BB RR

August 2, 1944  
10:20 a.m.

153

SECRET

CABLE TO MINISTER HARRISON AT BERN FOR MCCLELLAND

Please contact Alfred Schaeffer, general manager Union Bank of Switzerland, Zurich, personally and tell him orally that Eugene Bogdanffy of Los Angeles has communicated with you through the War Refugee Board and states that he has been considerably disturbed by the news of the persecutions in Hungary, that he feels that he should do as much as he can to help the unfortunate victims of oppression, and that he relies heavily on Schaeffer to assist him. You should further tell Schaeffer that Bogdanffy says that he is confident that Schaeffer will give him all the assistance he can in this purely humanitarian cause. Bogdanffy wants Schaeffer to know that Saly Mayer will probably contact him and that he can have complete confidence in Saly Mayer who may want to purchase pengos available in Hungary against blocked francs or dollars. Such penges will be used solely for humanitarian purposes and Bogdanffy urges Schaeffer, despite all difficulties, to arrange with Felix Szentirmay to have such pengos made available by Bogdanffy's enterprises to whomever Saly Mayer designates. Even before Saly Mayer contacts Schaeffer, Bogdanffy asks that Schaeffer arrange to have Szentirmay come to Switzerland immediately to see Schaeffer ostensibly in connection with the affairs of Bogdanffy's enterprises. Schaeffer should advise Bogdanffy through you when Szentirmay is expected so that you can be advised of further matters that Schaeffer is to take up with him. Bogdanffy particularly desires Schaeffer not (repeat not) to indicate to Szentirmay until he arrives in Switzerland that Schaeffer has heard from Bogdanffy.

You should advise Saly Mayer of the foregoing and request him to contact Schaeffer after you have spoken to Schaeffer. Whether or not (repeat not) Saly Mayer needs any pengos at the present time, he should inquire of Schaeffer concerning the possibility of acquiring them against francs or dollars. Please keep the Board advised promptly with respect to the effectuation of each of the foregoing steps.

For your information, Bogdanffy is a Hungarian with substantial interests in several large enterprises in Hungary. Schaeffer or his institution acts as trustee of these interests, and Szentirmay is the manager of one or more of such enterprises. You may tell Saly Mayer and Schaeffer that Bogdanffy is cooperating with the Board but such information should not (repeat not) be conveyed to Szentirmay. Further for your information only, it is expected that if Szentirmay arrives in Switzerland, Schaeffer will be asked by you to request Szentirmay in Bogdanffy's name, to undertake certain action upon his return to Hungary calculated to alleviate the condition of persecuted peoples. Bogdanffy and Szentirmay are not (repeat not) Jewish. If Saly Mayer should not (repeat not) wish for any reason to become involved, you may in your discretion substitute some other suitable person in his role. Furthermore, if the Legation or other American authorities have any reason to believe that Schaeffer is not a suitable person, do not (repeat not) contact him, advising the Board of the reason therefor.

THIS IS WRB BERN CABLE NO. 108  
LSLesser:tmh 8-1-44

CABLE TO MINISTER HARRISON AND MCCLELLAND, BERN, FROM THE DEPARTMENT, THE WAR REFUGEE BOARD AND THE FOREIGN ECONOMIC ADMINISTRATION.

Please refer to your No. 4874 of July 29 concerning Sternbuch scheme. As clearly indicated in Department's No. \_\_\_\_\_ of \_\_\_\_\_ (WRB No. 106) and for the reasons indicated therein we concur in your view that it is not (repeat not) feasible to undertake the transaction in question at this time.

However, in view of the comments contained in paragraph four of your cable it is feared that you may be under a misapprehension as to the policy of the Government of the United States concerning the licensing of financial operations in and communications with enemy territory for refugee rescue and relief purposes. It is to be emphasized that the decision not to undertake the Sternbuch proposal does not (repeat not) in any way change or derogate from the licensing policy which has been in effect since prior to the establishment of the War Refugee Board in January of this year. For your information and guidance the following is a statement of this Government's policy regarding licenses for rescue and relief purposes which was communicated several months ago to the British Government and which has been explained in person and detail to Mr. Dingle Foot of the MEW.

QUOTE The United States Government, with the approval of the Department of State, the Treasury Department, and the War Refugee Board, has issued a number of licenses to private organizations authorizing such organizations to finance operations in and communicate with enemy territory in an effort to save the lives of oppressed peoples. The British Government has already been advised of the basic provisions of these licenses. As the British Government knows, such licenses permit the acquisition of the necessary local funds, goods or services from persons in enemy or enemy occupied territory against payment in free exchange or free currency notes only if it is not feasible to obtain the local funds by the other methods which are prescribed.

The United States Government has concluded, in issuing these licenses, that any danger involved in permitting the enemy to acquire relatively insubstantial quantities of foreign exchange is far outweighed by the saving of lives. Experience has shown that the use of money is in many cases the only means by which refugees can be assisted to escape or otherwise save their lives, and it is felt that every effort should be made to see that adequate funds are available for this purpose.

The United States Government is convinced of the need for operations of this character, in addition to those to be undertaken by the Inter-governmental Committee in extension of credit operations hitherto conducted by private organizations.



- 2 -

The United States Government, motivated by humanitarian considerations, intends to continue to follow the policy which it has been pursuing now for several months in connection with the issuance of licenses to private organizations. It is most anxious that its efforts in this regard should not be unilateral, and that the two governments will be able to follow a common line so that there may be full co-operation in this matter as well as in the case of operations through the Intergovernmental Committee.

Accordingly, the United States Government hopes that the British Government will decide to adopt a similar policy in connection with authorizing and encouraging the sending of funds by private organizations to neutral countries for the relief and rescue of victims of enemy oppression. In this way, the two governments will be able most effectively to carry out the policy heretofore agreed upon to take all possible measures, consistent with the successful prosecution of the war, for the speedy rescue and relief of the oppressed minorities of Europe.  
UNQUOTE.

It is important that in continuing and intensifying our humanitarian efforts to rescue the victims of enemy oppression, you be guided by the policy indicated. In this connection, your attention is further directed to the Department's cable of March 15, 1944, No. 856.

THIS IS WRB CABLE TO BERN NO. 109

\* \* \* \* \*

In view of the fact that the cable which is being answered is also addressed to Foreign Economic Administration I assume that you will arrange for clearance with that organization.

2:30 p.m.  
August 2, 1944

JBFriedman:oss 8/1/44

## PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington  
 TO: AMLEGATION, BERN  
 DATE: August 2, 1944  
 NUMBER: 2657

## SECRET

With reference to offer of Hungarian Government to permit departure of Jews from Hungary (your 4604 of July 19) you are advised that the British Embassy here presented on July 26 two cables from the British Foreign Office suggesting that the matter of surveying and coordinating possible places of refuge for the Jews from Hungary be referred to the Inter-governmental Committee. The cables also stated that the possibility of receiving refugees in Palestine were limited and would have to be reviewed and also that the capacities of the camps at Casablanca and Phillipville in Algiers would need to be re-studied. The Department and the War Refugee Board on July 31 presented a memorandum for the British Embassy suggesting that the responsibility for dealing with the Hungarian offer rests on the British and United States Governments particularly and expressing the judgement that the Intergovernmental Committee cannot act in time to be effective because of the need of consulting other governments. Included in the memorandum to the British Embassy was the following draft of a proposed cable to Bern with the request that the British Government concur in its transmission to Bern by August 7, 1944 at the latest.

QUOTE Amlegation Bern. The following communication has been received by the Department from the delegate in the United States of the International Committee of the Red Cross. INNERQUOTE We have received today the following communication from ICRC in Geneva:

The Hungarian Government is willing to make possible the emigration of certain categories of Jews and has advised the ICRC of its readiness in this respect.

Very obviously from the viewpoint of maintaining the principle of neutrality, which in effect is based on reciprocity, the ICRC feels that the number of emigrant Jews to be admitted to the United States should be substantially increased, and that a corresponding number of entry permits should be accorded.

It would, furthermore, be desirable if the United States Government would make a public statement on this subject, indicating the number of entry permits accorded. The ICRC is of the opinion that such a statement would impress the Hungarian Government as the visible sign of a favorable reaction to their decision to cease the persecution of the Jews also on this side. Moreover, the possibility of an eventual withdrawal of the concession

granted would

- 2 -

granted would be made difficult by a public declaration, as suggested above, which would at the same time also forestall an attempt on the part of the countries of emigration to throw the blame for an eventual failure on the countries of immigration.

The ICRC would like to be informed whether the United States Government would be willing to transmit and support this proposal to the Governments of the South American Republics or whether the ICRC should do so directly.

The ICRC reserves the right to issue a communique concerning this proposal, which has simultaneously been submitted to the Government of Great Britain. END INNERQUOTE.

You should at once request the International Committee of the Red Cross to advise the Hungarian Government as follows:

INNERQUOTE The United States Government has learned through the ICRC of the Hungarian Government's willingness to permit the emigration from Hungary of certain categories of Jews. This Government, despite the substantial difficulties and responsibilities involved, has consistently made clear its determination to take all practicable steps to rescue victims of religious or political oppression. In view of the overwhelming humanitarian considerations involved concerning the Jews in Hungary, this Government now repeats specifically its assurance that it will arrange for the care of all Jews permitted to leave Hungary in the present circumstances who reach neutral or United Nation's territory, and will find for such people temporary havens of refuge where they may live in safety. These assurances have been communicated to the governments of neutral countries who have been requested to permit the entry of Jews who reach their borders from Hungary. This Government now awaits information concerning the concrete steps to be taken by the Hungarian Government to carry out its proposal. END INNERQUOTE.

The above mentioned proposal has also been addressed to the British Government which is taking parallel action. Accordingly, you may wish to join with your British colleague in conveying to the International Committee of the Red Cross this expression of joint action.

You should indicate to the International Committee of the Red Cross the opinion of this Government that in view of the above assurances it is considered unnecessary to consult the governments of the South American Republics at this time.

It is urgent

- 3 -

It is urgent that the International Committee of the Red Cross convey the foregoing representations to the Government of Hungary without delay. The cooperation of the International Committee of the Red Cross in this matter is appreciated.

Please advise promptly of the results of the action taken by you. UNQUOTE.

In order to prevent any possible misunderstanding it is repeated that the foregoing draft cable to Bern is now before the British Government for clearance and concurrence and is sent to you solely for your information and understanding at this time. Until you are specifically requested to do so, you are not (repeat not) to take the action suggested in the cable. However, in the meantime you are authorized to advise the ICRC informally that the British and United States Governments are in consultation on the matter and that a reply will be forthcoming shortly to the ICRC note.

Repeated to London as 6096, referring to Embassy's 5956 July 27.

STETTINIUS  
(Acting)

CABLE TO MINISTER HARRISON AT BERN AND McCLELLAND

Reference your 4223 of July 3 and the Department's \_\_\_\_\_  
of \_\_\_\_\_, WRB's 78.

Information has reached the Board that on May 16 further  
deportations from Vittel took place. Please make all appropriate  
inquiries to determine whether this report is correct. If it is,  
please make efforts in the manner outlined in Department's \_\_\_\_\_  
of \_\_\_\_\_, WRB's 78.

THIS IS WRB BERN CABLE NO. 110.

5:20 p.m.  
August 2, 1944

LSLesser:tmh 8-1-44

CABLE TO AMBASSADOR STEINHARDT, ANKARA, FOR HIRSCHMANN FROM THE WAR REFUGEE BOARD.

The Board has been informed that Eri Jabotinsky has a concrete proposal for evacuating approximately 1,000 refugees across the Black Sea to Turkey.

It will be appreciated if you will discuss this matter with Mr. Jabotinsky and ascertain the nature of the proposal and its feasibility. A report on the proposal and your decision is requested.

THIS IS WRB CABLE TO ANKARA NO. 91

2:30 p.m.  
August 2, 1944

JBFriedman:oss 8/2/44

AMT-737  
Distribution of true  
reading only by special  
arrangement. (SECRET-W)

Ankara

Dated August 2, 1944

Rec'd 10:45 p.m., 4th.

Secretary of State,  
Washington.

1414, August 2, 8 p.m.

FOR PEHLE WRB FROM HIRSCHMANN

Through an intermediary I have transmitted the following message to Bulgarian officials:

One. We intend to hold the Bulgarian Government responsible for the taking without delay of the steps which Balabanoff informed me would be taken (REEMBS1370, July 26) with a view to ameliorating the situation of the Jews in Bulgaria and eliminating all varieties of persecution and abuse and facilitating by every possible means the departure of those Jews who desire to emigrate.

Two. We will not be satisfied until the two scandalous anti-Jewish laws are completely revoked and we expect the Bulgarian Government to take steps to this end with the least possible delay.

Three. In the meanwhile the Bulgarian Government is expected to be completely lax in the enforcement of  
the aforesaid

-2- #1414, August 2, 8 p.m., from Ankara.

the aforesaid laws.

Four. The necessity for the evacuation of Bulgarian Jewish citizens should be removed without delay and the emigration of such citizens should be the result of voluntary action and not of a necessity imposed by discriminatory treatment and laws.

Five. The Bulgarian Government should in its own interest take steps to rehabilitate its Jewish population for productive work.

Six. Existing relief agencies in Turkey, with the assistance of the United States Government will endeavor within possibilities to provide food, clothing and economic aid for the rehabilitation of Bulgaria's Jewish citizenry, and we expect the Bulgarian Government to give all possible assistance to this work.

Balabanoff and his intermediaries have emphasized their urgent desire to do something which could win for the present Bulgarian Government the good will of the United States at this special juncture, and have reported in a pointed way the effect which the absence of the bombing of Bulgaria since March 20 had had on the Bulgarian Government and people.

It should be our aim to salvage and to put back  
on their



-3- #1414, August 2, 8 p.m., from Ankara.

on their feet as quickly as possible the entire remaining 45,000 Jewish population of Bulgaria rather than to press for the pitifully small sporadic movement of evacuation to Palestine which the circumstances prescribe at this time. We should emphasize that people rehabilitated in their own country will become more useful citizens and not create any postwar problem.

KELLEY

JT  
MRM

Miss Chauncey (For the Sec'y), Abrahamson, Akzin, Borenstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Mann, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Stewart, Weinstein, Cable Control Files.

## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Embassy, Moscow  
DATED: August 2, 1944  
NUMBER: 1835

## CONFIDENTIAL

The War Refugee Board would appreciate any information that you can obtain through official channels with respect to numbers and condition of Jews found in areas liberated by Soviet armies. The Board would also appreciate any information such sources will disclose concerning treatment of civilian populations including Jews during enemy occupation.

STETTINIUS  
(Acting)

COPY NO. 11NOT TO BE RE-TRANSMITTEDSECRETOPTEL No. 251

Information received up to 10 A.M. 2nd August 1944.

1. MILITARY

First U.S. Army advance has continued. River SELUNE reached at several points in spite of German resistance and Village of DUCEY captured. Further East VILLEDIEU LES POELES, strongly held, was by-passed and BRECEY captured. Groups of Germans between GRANVILLE and AVRANCHES have been mopped up.

On British front, the armoured thrust S. of CAUMONT continues successfully. LE BENY BOCAGE and CAHAGNES have been captured. Heavy fighting has taken place on Canadian Front S. of BOURGUEBUS.

Russia TUKUMS 30 miles N.W. of JELGAVA and KOVNO recaptured. Russians advance continues W. and N.W. of DVINSK and S.W. of BIALYSTOK and they are closing in on WARSAW.

Italy United Kingdom, New Zealand and Indian troops of 8th Army made slight advances S.E. and S. of FLORENCE

2. AIR OPERATIONS

Western Front 31st/1st. 664 tons dropped on flying bomb supply dump and three launching sites.

1st. 806 U.S. and 26 Bomber Command aircraft attacked objectives NORTHERN FRANCE including 5 airfields, 1110 tons, fuel dumps and railway bridges 672 and 4 flying bomb launching sites 199. 193 Fortresses successfully dropped supplies to F.F.I. units. In addition to flying armed reconnaissance and patrols, aircraft of A.E.A.F. dropped 338 tons on bridges and 105 tons on fuel and ammunition dumps. 4 German aircraft destroyed for loss of 7 heavy bombers, 3 medium and light bombers and 9 fighters.

Italy and Southern France 31st. 407 light bombers and fighters (4 missing) attacked communications in battle area and airfields in SOUTHERN FRANCE. Enemy casualties on the ground 15:0:19.

Balkans 30th/31st. 10 Liberators and 34 Wellingtons mined DANUBE.

German Activity During 24 hours ending 6 A.M. 2nd, 81 flying bombs plotted.

SECRET

166

THE WHITE HOUSE  
WASHINGTON

3 August 1944

MEMORANDUM FOR:

The Secretary of the Treasury

The below quoted message has been received via White House Map Room Communications Channels at 7:50 p.m. for transmittal to you:

"From the President for the Secretary of the Treasury.

"Reference your message of August 2, 1944. I am very happy to hear that the Fifth War Loan has passed the 20 billion mark. This proves that the American people understand the great objective of paying a very large percentage of the cost of this war currently thereby reducing the debt that must be paid in later years."

Very respectfully,

*Henry W. Putnam*

HENRY W. PUTNAM,  
Captain, A. C.

SECRET

August 3, 1944

Dear Ed:

Your letter of July 20th has arrived, and I am sorry that you appeal to me. As you know, the kind of request you make is entirely up to the War Department. I feel it would be presumptuous of me to request the War Department to order you home or even to ask that you be sent to Washington for a conference.

May I remind you that I did not ask you to take your present position. However, I did ask you if you would be interested in it, and you stated that you were very eager to go overseas for several reasons. Because of the interest which the Treasury Department had in the matter, I advised the War Department that I felt you were well qualified for the work.

I can understand your desire to come back home, but I am very sorry that, under the circumstances, there is nothing I can do about it. The decision as to that question is, as you must know, wholly up to the War Department.

With kind regards,

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Colonel Edward H. Foley, Jr.,  
Headquarters,  
Allied Control Commission,  
APO 394,  
c/o The Postmaster,  
New York, New York.

August 3, 1944

Dear Eddie:

Thanks for the draft of the letter to Ed Foley.

I made several changes, and I am sending you a copy of the letter which I have sent to Ed.

Sincerely yours,

General Edward S. Greenbaum,  
2500 Q Street, N.W.,  
Washington, D.C.

FROM EDWARD S. GREENBAUM  
3334 RESERVOIR ROAD  
WASHINGTON, D. C.

To ..... *Alvin* .....  
.....  
..... 169

"JUST A LINE"

Here's a draft. Change it as  
you think proper.  
Hope you're having a good  
rest.  
Eddie

DRAFT

July 31, 1944

Dear Ed:

Your letter of July 20th has arrived, but I am unable to understand why you are appealing to me. As you know, the matter is entirely up to the War Department. I feel that it would be presumptuous for me to request the War Department to order you home, or to ask that you be sent to Washington for a conference.

I did not ask you to take the position. I asked you if you would be interested in it and you stated that you would be very eager for it. Because of the interest which the Treasury Department had in the matter, I advised the War Department that I felt that you were well-qualified for the work.

I can well understand your desire to come back home but, ~~as you well know, there are many thousands of others who have a like desire. At any rate,~~ the decision as to that question is wholly up to the War Department.

*With kind regards*  
Sincerely yours,

*circumstances there is nothing I can do about it*



*Copy to Hqs at Jan 7/54*  
*.. .. Gen. Strubauer*  
*7/31/44*  
*171*

EDWARD H. FOLEY, JR. • 10 THOMPSON CIRCLE • WASHINGTON, D. C.

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
APO 394  
POSTMASTER N. Y. CITY

20 July 1944.

Personal and Confidential

Dear Mr. Secretary,

Henry Grady, who, at his request, has been relieved as Vice-President of the Economic Section of the Allied Control Commission, to return to private life, has volunteered to carry this letter to you.

The situation here, which I wish to bring to your attention, briefly is this. Dallas Dort of the State Department is here as the head of a small mission to accomplish the demilitarization of ACC. This he hopes to be able to do within the immediate future. As I understand it, the military personnel who are not given civilian status for continued service in Italy will be gradually released and used in other places.

When you asked me to take this position last summer you indicated, when the civilians took over I could come home, or if I so desired I could go on to another country. Frankly I want very much to come home. But this is what worries me. Gen. Hilldring has indicated to Col. O'Dwyer (Mr. Grady's successor, who, I understand is here only for a couple of months) that he regards me highly and is anxious to transfer me to another theatre in the immediate future. For this reason I appeal to you.

As you know, Emily has never taken kindly to my being away, although up to now she has been a good soldier about it. As the six months (after my talk with you I indicated this to her as the probable duration of my absence) has lengthened into a year she has become more distressed. Frankly, I am worried if I am not home by the time the children go off to school in September, when, for the first time she will be left entirely alone, her health

EDWARD H. FOLEY, JR. • 10 THOMPSON CIRCLE • WASHINGTON, D. C.

- 2 -

may be affected. Naturally, I am most anxious not to put this additional strain on her and me unless it is absolutely necessary. In any event, after a year overseas, I feel, for many reasons, I am qualified to perform more effective work in Washington.

No one is more aware than I am of the delicate nature of the situation which exists between the Treasury and the War Department. For what it is worth here is a possible solution, which I would like to put up to you. Now that the end of the war in Europe is in sight, if you could see your way clear to request my services in connection with the preparations for handling post war financial problems I would ask the War Department to give me inactive status. As I shall be forty on my next birthday this could be accomplished under existing regulations. If this suggestion does not appeal to you, I hope you will be willing to ask the War Department to order me to Washington for a conference so that I may make other plans. The printing of a new lira currency which has been under discussion with the Bank of Italy and the anti inflation program which we have submitted to Washington would seem to provide an adequate basis for such a request. In any event some plan should be worked out for the utilization of the former Treasury personnel in uniform who are now here and the substitution of qualified civilians to take their places.

I have had a good deal of hesitation about writing in this manner and I never would have done it if it were not for the understanding of my situation which you exhibited in our conversation last summer. No matter what happens I want you to know I am grateful for the opportunity you have given me to serve abroad during the past year, which from my standpoint as well as from the standpoint of the Treasury, I consider has been worthwhile.

Henry Grady is sympathetic to my desires in this matter and has indicated a willingness to give you additional background if you should want it.

EDWARD H. FOLEY, JR. • 10 THOMPSON CIRCLE • WASHINGTON, D. C.

- 3 -

Please give my best regards to Mrs. Morgenthau and my friends in the Treasury and forgive me for bothering you with a personal problem in these times.

As ever,

*Ed*

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



TREASURY DEPARTMENT

WASHINGTON 25

August 3, 1944



MEMORANDUM TO THE SECRETARY

Attached is the experience record of Homer Hilton, Head of the General Products Division, for the Surplus Property Division.

*E. L. Olrich*

E. L. Olrich  
Assistant to the Secretary

Attachment

August 3, 1944

HOMER HILTON  
(HEAD OF THE GENERAL PRODUCTS DIVISION, TREASURY SURPLUS  
PROPERTY DISPOSAL ORGANIZATION)

Business Experience:

- 1918 - 26 Director and General Sales Manager  
Winther Motor Truck Company  
Kenosha, Wisconsin  
(Manufacturer of 4-wheel drive trucks)
- 1927 - 29 Sales Manager  
Bell & Howell Company  
Chicago, Illinois  
(Manufacturer of professional and  
amateur motion picture cameras,  
equipment and accessories)
- 1930 - 33 Sales Manager  
Agfa Onesco Corporation  
Binghamton, New York  
(Manufacturer of photographic equip-  
ment, materials and films)
- 1934 - 37 President  
Mono Film Company  
New York, New York  
(Manufacturer of motion picture films)
- 1938 - 39 Retired (on farm)

HOMER HILTON

August 3, 1944

1940 to date      Sales and Advertising Manager  
Argus, Inc.  
Ann Arbor, Michigan  
(Manufacturer of cameras and  
accessories, telescopes and  
spottingscopes)

Offices Held:

Director	National Association Motor Truck Manufacturers 1922 - 26.
Director	National Photographic Manufacturers and Distributors Association.
Member	National Photographer Dealers Association
Member	Master Photo Finishers and Dealers Association
Member	Industry Advisory Committee Photographic Equipment War Production Board



## TREASURY DEPARTMENT

WASHINGTON 25

August 3, 1944



## MEMORANDUM TO THE SECRETARY

There was appropriated the sum of \$6,250,000 for expenditures of the Surplus Property Division of Treasury Procurement for the fiscal year, July 1, 1944, to June 30, 1945. It was understood that this was an estimate only and on proper determination of the requirements of the Division the Appropriations Committee would consider further appropriations for this work.

A careful estimate of the anticipated expenditures of Treasury Procurement for the five months beginning July 1 and ending November 30, 1944, indicate that this sum will be exhausted and that further appropriations will be necessary.

It is estimated that a deficiency appropriation of \$13,750,000 should be requested. This Division is preparing a deficiency request for such sum from a budget prepared under my direction.

A handwritten signature in cursive script, appearing to read "E. L. Olrich".

E. L. Olrich  
Assistant to the Secretary

25

August 3, 1944.

Dear Mr. Hinckley:

For the Secretary, who is away from Washington, I am acknowledging your letter of August 1, which forwarded a copy of the confidential report on the distribution of the provisions of the Contract Settlement Act of 1944, according to responsibilities assigned to the members of the Director's staff by the Director, and to other agencies by the Act. I am sure the Secretary will go through the folder with much interest, and would wish me to thank you for your courtesy in sending this material to him.

Sincerely yours,

(Signed) H. S. Klotz  
H.S.K.

H. S. Klotz,  
Private Secretary.

Mr. Robert N. Hinckley,  
Director, Office of Contract Settlement,  
Washington, D. C.

GEF/dbs



## OFFICE OF CONTRACT SETTLEMENT

WASHINGTON, D. C.

Robert H. Hinckley  
DIRECTOR

August 1, 1944

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

Dear Mr. Secretary:

I believe you will be interested in the enclosed report on the distribution of the provisions of the Contract Settlement Act of 1944 according to responsibilities assigned to the members of the Director's staff by the Director, and to other agencies by the Act. The report contains the tentative organization chart for the Office of Contract Settlement which was distributed at the July 21st meeting of the Joint Contract Termination Board.

Sincerely,

  
Robert H. Hinckley

Preliminary  
For Internal Use Only

CONFIDENTIAL

CONTRACT SETTLEMENT ACT OF 1944

DISTRIBUTION OF THE PROVISIONS OF THE ACT ACCORDING TO  
RESPONSIBILITIES ASSIGNED TO THE MEMBERS OF THE DIRECTOR'S  
STAFF BY THE DIRECTOR AND TO OTHER AGENCIES BY THE ACT.

Prepared for  
Robert H. Hinckley

by  
Martin Taitel

CONFIDENTIAL

July 19, 1944  
Regraded Unclassified

CONFIDENTIALINDEX

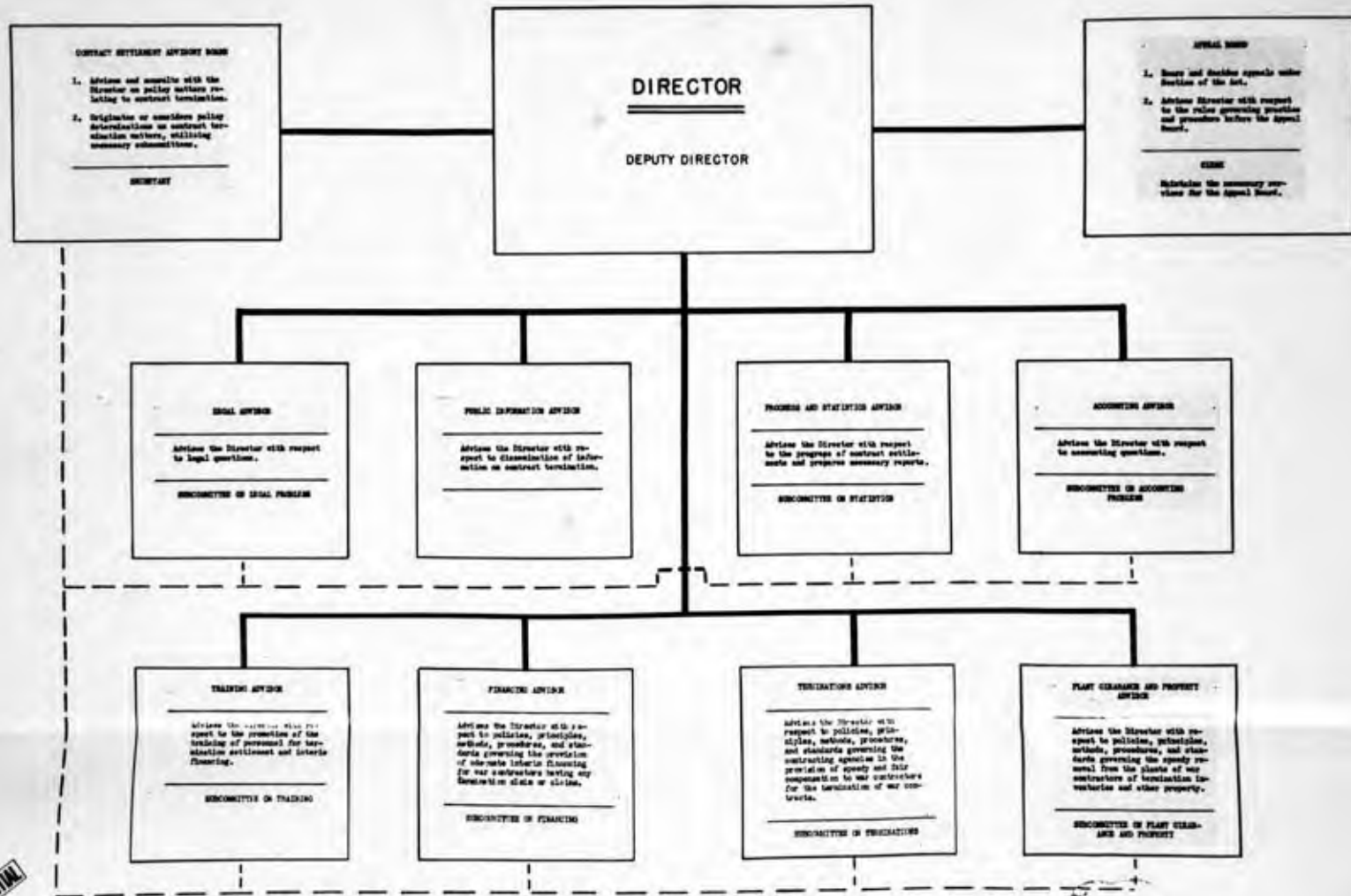
<u>TITLE</u>	<u>PAGE NO.</u>
Organization Chart	1
Table Showing Distribution of Provisions of the Act Congress	2 3
Contract Settlement Advisory Board	3
Secretary of Contract Settlement Advisory Board	3
Training Adviser	3
Financing Adviser	4
Terminations Adviser	7
Plant Clearance and Property Adviser	14
Public Information Adviser	17
Progress and Statistics Adviser	17
Legal Adviser	18
Accounting Adviser	18
Appeal Board	18
Clerk of the Appeal Board	18
Provisions of the Act Generally Applicable to the Whole Office of Contract Settlement and to Other Agencies (Not Shown Elsewhere)	21
Courts, Including Court of Claims	29
General Accounting Office	32
Smaller War Plants Corporation	33
Notes	34

CONFIDENTIAL

July 19, 1944

Regraded Unclassified

# OFFICE OF CONTRACT SETTLEMENT



**CONFIDENTIAL**

Note: Subcommittees will be composed of representatives of the interested members of the Contract Settlement Advisory Board, will normally act under the chairmanship of members of the Director's staff, will advise each staff member, and will originate and consider recommendations to the Board on policies on contract termination matters.

DISTRIBUTION OF THE PROVISIONS OF THE ACT ACCORDING TO RESPONSIBILITIES ASSIGNED TO THE MEMBERS OF THE DIRECTOR'S STAFF BY THE DIRECTOR AND TO OTHER AGENCIES BY THE ACT.

Section	Congress	Contract Settlement Board	Training Adviser	Financing Adviser	Terminations Adviser	Plant Clearance & Property Adviser	Public Information Adviser	Progress and Statistics Adviser	Legal Adviser	Accounting Adviser	Appeal Board	Provisions Gen. Applicable	Courts, Including Court of Claims	General Accounting Office	Smaller War Plants Corp.
1															
2 a	X											X			
2 b	X						X	X							
3, 4												X			
5		X													
6, 7					X										
8, 9, 10				X											
11					X										
12						X									
13 a					X						X <sup>*</sup>		X <sup>*</sup>		
13 b					X <sup>*</sup>						X		X		
13 c 1					X						X <sup>*</sup>		X <sup>*</sup>		
13 c 2					X						X <sup>*</sup>		X <sup>*</sup>		
13 c 3					X <sup>*</sup>						X		X		
13 c 4					X						X		X		
13 d 1											X				
13 d 2											X		X		
13 d 3											X				
13 e					X										
13 f					X						X				
14													X		
15 a												X		X	
15 b				X	X	X									
16 a, d														X	
16 b, c												X		X	
17					X										
18 a				X	X	X									
18 b								X							
18 c					X										
18 d, e												X			
19												X			
20 a					X										
20 b				X	X	X									
20 c, d, e, f												X			
20 g															X
21 a			X												
21 b												X			X <sup>*</sup>
21 c				X	X	X									
21 d												X			
22, 23, 24												X			
25 a, c					X										
25 b						X									
26, 27												X			

\* Shown for information only.

DISTRIBUTION OF THE PROVISIONS OF THE ACT ACCORDING TO RESPONSIBILITIES ASSIGNED TO THE MEMBERS OF THE DIRECTOR'S STAFF BY THE DIRECTOR AND TO OTHER AGENCIES BY THE ACT.

SURVEILLANCE BY CONGRESS

**Section 2 (a)**

Sec. 2. (a) To assist the Congress in appraising the administration of this Act and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of the Act, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this Act and shall otherwise maintain continuous surveillance of the operations of the Government agencies under the Act.

**Section 2 (b)**

(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this Act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

See also Public  
Information,  
Progress and  
Statistics

CONTRACT SETTLEMENT ADVISORY BOARD

**Section 5**

Sec. 5. There is hereby created a Contract Settlement Advisory Board, with which the Director shall advise and consult. The Board shall be composed of the Director, who shall act as its Chairman, and of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the Foreign Economic Administration, the chairman of the board of directors of the Reconstruction Finance Corporation, the Chairman of the War Production Board, the chairman of the board of directors of the Smaller War Plants Corporation, and the Attorney General or any alternate or representative designated by any of them. The Director shall request other Government agencies to participate in the deliberations of the Board whenever matters specially affecting them are under consideration.

SECRETARY OF CONTRACT SETTLEMENT ADVISORY BOARD

Note: Maintains the necessary services for the Board.

TRAINING ADVISER

**Section 21 (a)**

Sec. 21. In addition to his other functions under this Act, the Director shall—

- (a) promote the training of personnel for termination settlement and interim financing by contracting agencies, war contractors, and financing institutions;

FINANCING ADVISER

Section 8

Sec. 8. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, in accordance with and subject to the provisions of this Act, to provide war contractors having any termination claim or claims, pending their settlement, with adequate interim financing, within thirty days after proper application therefor.

(b) Each contracting agency shall, to the greatest extent it deems practicable, make available interim financing through loans and discounts, and commitments and guaranties in connection therewith, in contemplation of or related to termination of war contracts. Where interim financing is made by advance payments or partial payments, it shall, insofar as practicable, consist of the following:

(1) An amount equal to 100 per centum of the amount payable, at the contract price, on account of acceptable items completed prior to the termination date under the terms of the contract, or completed thereafter with the approval of the contracting agency; plus

(2) An amount equal to 90 per centum of the cost of raw materials, purchased parts, supplies, direct labor, and manufacturing overhead allocable to the terminated portion of the war contract; plus

(3) A reasonable percentage of other allowable costs, including administrative overhead, allocable to the terminated portion of the war contract not included in the foregoing; plus

(4) Such additional amounts, if any, as the contracting agency deems necessary to provide the war contractor with adequate interim financing.

(5) In lieu of the costs referred to in clauses (2) and (3) of this subsection, where a detailed ascertainment of such costs is not suitable to the conditions of any war contractor and is apt to cause delay in the obtaining of interim financing by him, that portion of such interim financing shall be equal to an amount not greater than 90 per centum of the estimated costs which are allocable to the terminated part or parts of the war contract or group of war contracts, and are ascertained in accordance with such methods and standards as the Director shall prescribe.

(6) There shall be deducted from the amount of such interim financing any unliquidated balances of advance and partial payments theretofore made to such war contractor, which are allocable to the terminated war contract or the terminated part of the war contract.

(c) The Director shall prescribe (1) the types of estimates, certificates, or other evidence to be required to support such interim financing; (2) the terms and conditions upon which such interim financing shall be made including the use of standard forms for agreements with respect to such interim financing to the extent practicable; (3) the classes of cases in which such interim financing shall be refused; and (4) such methods of supervision and control over such interim financing as he deems necessary or desirable to assure adequate and speedy interim financing to subcontractors of the war contractor.

(d) In case of an overstatement by any war contractor of the amount due on his termination claim or claims in connection with any interim financing under this Act, such contractor shall pay to the United States, as a penalty, an amount equal to 6 per centum of the amount of the overstatement, but the Director may suspend or modify any such penalty if in his opinion the imposition thereof would be inequitable. Any penalty may be deducted from any amounts due the war contractor upon such termination claim or claims, or otherwise, or may be collected from the war contractor by suit. The obligation to pay any penalty imposed and to repay any interim financing made or assumed by the United States under this Act shall constitute a debt due to the United States within the meaning of Revised Statutes, section 3466 (31 U. S. C., sec. 191).

(e) Any contracting agency may allow any advance payments, previously made or authorized by it in connection with the performance of a war contract, to be used for payments and expenses related to the termination settlement of such contract, upon such terms and conditions as it deems necessary or appropriate to protect the interest of the Government.

FINANCING ADVISER (CONT.)

**Section 8 (Cont.)**

(f) No interim financing shall be made by any contracting agency under this Act unless the terms of such financing provide for the liquidation by the war contractor of all loans, discounts, advance payments, or partial payments thereunder not later than the time of final payment of the amount due on the settlement of the termination claim or claims of the war contractor involved or such time thereafter as the contracting agency deems necessary for the liquidation of such interim financing in an orderly manner.

(g) Any contracting agency may settle, upon such terms and conditions as it deems proper, any claim or obligation due by or to the Government arising from or related to any interim financing made, acquired, or authorized by it. Any interim financing made, acquired, or authorized by any contracting agency before the effective date of this Act shall be valid to the extent it would be authorized under the provisions of this Act if made after its effective date.

**Section 9**

Sec. 9. (a) Any contracting agency may make advance or partial payments to any war contractor on account of any termination claim or claims, and may authorize, approve, or ratify any such advance or partial payments by any war contractor to his subcontractors, upon such conditions as it deems necessary to insure compliance with the provisions of subsection (b) of this section. Each contracting agency shall make final payments from time to time on partial settlements or on settlements fixing a minimum amount due before complete settlement, or as tentative payments before any settlement of the claim or claims.

(b) Where any such advance or partial payment is made to any war contractor by any contracting agency or by another war contractor under this section, except a final payment on a partial settlement, any amount in excess of the amount finally determined to be due on the termination claim shall be treated as a loan from the Government to the war contractor receiving it, and shall be payable upon demand together with a penalty computed at the rate of 6 per centum per annum, for the period from the date such excess advance or partial payment is received to the date on which such excess is repaid or extinguished. Where the advance or partial payment was made by a war contractor and authorized, approved, or ratified by any contracting agency, the war contractor making it shall not be liable for any such excess payment in the absence of fraud on his part and shall receive payment or credit from the Government for the amount of such excess payment.

**Section 10**

Sec. 10. (a) Any contracting agency is authorized—

(1) to enter into contracts with any Federal Reserve bank, or other public or private financing institution, guaranteeing such financing institution against loss of principal or interest on loans, discounts, or advances or on commitments in connection therewith, which such financing institution may make to any war contractor or to any person who is or has been engaged in performing any operation deemed by such contracting agency to be connected with or related to war production, for the purpose of financing such war contractor or other person in connection with or in contemplation of the termination of one or more such war contracts or operations; and

(2) to make, enter into contracts to make, or to participate with any Government agency, any Federal Reserve bank or public or private financing institution in making loans, discounts, or advances, or commitments in connection therewith, for the purpose of financing any such war contractor or other person in connection with or in contemplation of the termination of such war contracts or operations.



CONFIDENTIALFINANCING ADVISER (CONT.)**Section 10 (Cont.)**

(b) Any such loan, discount, advance, guaranty, or commitment in connection therewith may be secured by assignment of, or covenants to assign, some or all of the rights of such war contractor or other person in connection with the termination of such war contracts or operations, or in such other manner as the contracting agency may prescribe.

(c) Subject to such regulations as the Board of Governors of the Federal Reserve System may prescribe with the approval of the Director, any Federal Reserve bank is authorized to act, on behalf of the contracting agencies, as fiscal agent of the United States in carrying out the purposes of this Act.

(d) This section shall not limit or affect any authority of any contracting agency, under any other statute, to make loans, discounts, or advances, or commitments in connection therewith or guaranties thereof.

**Section 15 (b)**

(b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

See also  
Terminations,  
Plant Clearance  
and Property

**Section 18 (a)**

Sec. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

See also Terminations,  
Plant Clearance and  
Property

**Section 20 (b)**

(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this Act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this Act.

See also Terminations,  
Plant Clearance and  
Property

**Section 21 (c)**

(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible; and

See also Terminations,  
Plant Clearance and  
Property

CONFIDENTIAL

CONFIDENTIALTERMINATIONS ADVISER**Section 6**

Sec. 6. (a) It is the policy of the Government, and it shall be the responsibility of the contracting agencies and the Director, to provide war contractors with speedy and fair compensation for the termination of any war contract, in accordance with and subject to the provisions of this Act, giving priority to contractors whose facilities are privately owned or privately operated. Such fair compensation for the termination of subcontracts shall be based on the same principles as compensation for the termination of prime contracts.

(b) Each contracting agency shall establish methods and standards, suitable to the conditions of various war contractors, for determining fair compensation for the termination of war contracts on the basis of actual, standard, average, or estimated costs, or of a percentage of the contract price based on the estimated percentage of completion of work under the terminated contract, or on any other equitable basis, as it deems appropriate. To the extent that such methods and standards require accounting, they shall be adapted, so far as practicable, to the accounting systems used by war contractors, if consistent with recognized commercial accounting practice.

(c) Any contracting agency may settle all or any part of any termination claim under any war contract by agreement with the war contractor, or by determination of the amount due on the claim or part thereof without such agreement, or by any combination of these methods. Where any such settlement is made by agreement, the settlement shall be final and conclusive, except (1) to the extent otherwise agreed in the settlement; (2) for fraud; (3) upon renegotiation to eliminate excessive profits under the Renegotiation Act, unless exempt or exempted under that Act; or (4) by mutual agreement before or after payment. Where any such settlement

is made by determination without agreement, it shall likewise be final and conclusive, subject to the same exceptions as if made by agreement, unless the war contractor appeals or brings suit in accordance with section 13 of this Act: *Provided*, That no settlement agreement hereunder involving payment to a war contractor of an amount in excess of \$50,000 (or such lesser amount as the Director may from time to time determine) shall become binding upon the Government until the agreement has been reviewed and approved by a settlement review board of three or more members established by the contracting agency in the bureau, division, regional or district office, or other unit of the contracting agency authorized to make such settlement, or in the event of disapproval by the settlement review board, unless approved by the head of such bureau, division, regional or district office, or other unit. Failure of the settlement review board to act upon any settlement within thirty days after its submission to the board shall operate as approval by the board. The sole function of settlement review boards shall be to determine the over-all reasonableness of proposed settlement agreements from the point of view of protecting the interests of the Government. In determining, for purposes of this subsection, whether review of any settlement agreement is required because of the amounts involved, no deduction shall be made on account of credits for property chargeable to the Government or for advance or partial payments, but amounts payable under such settlement agreement for completed articles or work at the contract price and for the discharge of the termination claims of subcontractors shall be deducted.

(d) Except as hereinafter provided, the methods and standards established under subsection (b) of this section for determining fair compensation for termination claims which are not settled by agreement shall be designed to compensate the war contractor fairly for the termination of the war contract, taking into account—

(1) the direct and indirect manufacturing, selling and distribution, administrative and other costs and expenses incurred by the war contractor which are reasonably necessary for the performance of the war contract and properly allocable to the terminated portion thereof under recognized commercial accounting practices; and

CONFIDENTIAL

CONFIDENTIAL

TERMINATIONS ADVISER (CONT.)

**Section 6 (Cont.)**

- (2) reasonable costs and expenses of settling termination claims of subcontractors related to the terminated portion of the war contract; and
- (3) reasonable accounting, legal, clerical, and other costs and expenses incident to termination and settlement of the terminated war contract; and
- (4) reasonable costs and expenses of removing, preserving, storing and disposing of termination inventories; and
- (5) such allowance for profit on the preparations made and work done for the terminated portion of the war contract as is reasonable under the circumstances; and
- (6) interest on the termination claim in accordance with subsection (f) of this section; and
- (7) the contract price and all amounts otherwise paid or payable under the contract.

The following shall not be included as elements of cost:

- (i) Losses on other contracts, or from sales or exchanges of capital assets, fees and other expenses in connection with reorganization or recapitalization, antitrust or Federal income-tax litigation, or prosecution of Federal income-tax claims or other claims against the Government (except as provided in paragraph (8) above); losses on investments; provisions for contingencies; and premiums on life insurance where the contractor is the beneficiary.
- (ii) The expense of conversion of the contractor's facilities to uses other than the performance of the contract.
- (iii) Expenses due to the negligence or willful failure of the contractor to discontinue with reasonable promptness the incurring of expenses after the effective date of the termination notice.
- (iv) Costs incurred in respect to facilities, materials, or services purchased or work done in excess of the reasonable quantitative requirements of the entire contract.

The failure specifically to mention in this subsection any item of cost is not intended to imply that it should be allowed or disallowed. The Director may interpret the provisions of this subsection (d) and may provide for the inclusion or exclusion of other costs in accordance with recognized commercial accounting practice.

Where the small size of claims or the nature of production or performance or other factors make it impracticable to apply the principles stated in this subsection (d) to any class of settlements which are subject to this subsection (d), the contracting agencies may establish alternative methods and standards for determining fair compensation for that class of termination claims. The aggregate amount of compensation allowed in accordance with this subsection (excluding amounts allowed under paragraphs (3) and (4) above) shall not exceed the total contract price reduced by the amount of payments otherwise made or to be made under the contract.

(e) In order to carry out the objectives of this Act, termination claims shall be settled by agreement to the maximum extent feasible and the methods and standards established under subsection (b) of this section shall be designed to facilitate such settlements. To the extent that he deems it practicable to do so without impeding expeditious settlements, the Director shall require the contracting agencies to take into account the factors enumerated in subsection (d) above in establishing methods and standards for determining fair compensation in the settlement of termination claims by agreement.

(f) Each contracting agency shall allow and pay interest on the amount due and unpaid from time to time on any termination claim under a prime contract at the rate of 2 1/2 per centum per annum for the period beginning thirty days after the date fixed for termination

CONFIDENTIAL

TERMINATIONS ADVISER (CONT.)

**Section 6 (Cont.)**

and ending with the date of final payment, except that (1) if the prime contractor unreasonably delays the settlement of his claim, interest shall not accrue for the period of such delay, (2) if interest for the period after termination on any advance payment or loan, made or guaranteed by the Government, has been waived for the benefit of the contractor, the amount of the interest so waived allocable to the terminated contract or the terminated part of the contract shall be deducted from the interest otherwise payable hereunder, and (3) if after delivery of findings by a contracting agency, the contractor appeals or sues

as provided in section 13, interest shall not accrue after the thirtieth day following the delivery of the findings on any amount allowed by such findings, unless such amount is increased upon such appeal or suit. In approving, ratifying, authorizing, or making termination settlements with subcontractors, each contracting agency shall allow interest on the termination claim of the subcontractor on the same basis and subject to the same conditions as are applicable to a prime contractor.

(g) Where any war contract does not provide for or provides against such fair compensation for its termination, the contracting agency, either before or after its termination, shall amend such war contract by agreement with the war contractor, or shall authorize, approve, or ratify an amendment of such war contract by the parties thereto, to provide for such fair compensation.

**Section 7**

Sec. 7. (a) Where, in connection with the settlement of any termination claim by a contracting agency, any war contractor makes settlements of the termination claims of his subcontractors, the contracting agency shall limit or omit its review of such settlements with subcontractors to the maximum extent compatible with the public interest. Any contracting agency (1) may approve, ratify, or authorize such settlements with subcontractors upon such evidence, terms, and conditions as it deems proper; (2) shall vary the scope and intensity of its review of such settlements according to the reliability of the war contractor, the size, number, and complexity of such claims, and other relevant factors; and (3) shall authorize war contractors to make such settlements with subcontractors without review by the contracting agency, whenever the reliability of the war contractor, the amount or nature of the claims, or other reasons appear to the contracting agency to justify such action. Any such settlement of a subcontract approved, ratified, or authorized by a contracting agency shall be final and conclusive as to the amount due to the same extent as a settlement under subsection (c) of section 6 of this Act, and no war contractor shall be liable to the United States on account of any amounts paid thereon except for his own fraud.

(b) Whenever any contracting agency is satisfied of the inability of a war contractor to meet his obligations it shall exercise supervision or control over payments to the war contractor on account of termination claims of subcontractors of such war contractor to such extent and in such manner as it deems necessary or desirable for the purpose of assuring the receipt of the benefit of such payments by the subcontractors.

(c) The Director shall prescribe policies and methods for the settlement as a group, or otherwise, by any contracting agency of some or all of the termination claims of a war contractor under war contracts with one or more (1) bureaus or divisions within a contracting agency, (2) contracting agencies, or (3) prime contractors and subcontractors, to the extent he deems such action necessary or desirable for expeditious and equitable settlement of such claims. After consulting with the contracting agencies concerned, the Director may provide for assigning any war contractor to a contracting agency for such settlement, and such agency shall have authority to settle, on behalf of any other contracting agency, some or all of the termination claims of such war contractor.

CONFIDENTIAL

TERMINATIONS ADVISER (CONT.)

**Section 7 (Cont.)**

(d) Any contracting agency may settle directly termination claims of subcontractors to the extent that it deems such action necessary or desirable for the expeditious and equitable settlement of such claims. In making such termination settlements any contracting agency may discharge the claim of the subcontractor by payment or may purchase such claim, and may agree to assume, or indemnify the subcontractor against, any claims by any person in connection with such claim or the termination settlement. Any contracting agency undertaking to settle the termination claim of any subcontractor shall deliver to the subcontractor and the war contractor liable to him written notice stating its acceptance of responsibility for settling his claim and the conditions applicable thereto, which may include the release, or assignment to the contracting agency, of his claim against the war contractor liable to him; upon consent thereto by the subcontractor, the Government shall become liable for the settlement of his claims upon the conditions specified in the notice.

(e) Any contracting agency may make settlements with subcontractors in accordance with any of the provisions of this Act without regard to any limitation on the amount payable by the Government to the prime contractor.

(f) If any contracting agency determines that in the circumstances of a particular case equity and good conscience require fair compensation for the termination of a war contract to be paid to a subcontractor who has been deprived of and cannot otherwise reasonably secure such fair compensation, the contracting agency concerned may pay such compensation to him although such compensation already has been included and paid as part of a settlement with another war contractor.

**Section 11**

SEC. 11. (a) In order to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes, each contracting agency—

(1) shall provide its prime contractors with notice of termination of their prime contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security without permitting unneeded production or performance;

(2) shall establish procedures whereby prime contractors shall provide affected subcontractors with immediate notice of termination; and

(3) shall permit the continuation of some or all of the work under a terminated prime contract whenever the agency deems that such continuation will benefit the Government or is necessary to avoid substantial injury to the plant or property.

(b) Whenever a contracting agency hereafter directs a prime contractor to cease or suspend all or a substantial part of the work under a prime contract, without terminating the contract, then, unless the contract provides otherwise, (1) the contracting agency shall compensate the contractor for reasonable costs and expenses resulting from such cessation or suspension, and (2) if the cessation or suspension extends for thirty days or more, the contractor may elect to treat it as a termination by delivering written notice of his election so to do to the contracting agency, at any time before the contracting agency directs the prime contractor to resume work under the contract.

(c) The Director shall have no authority under this Act to regulate or control the classes of contracts to be terminated by the contracting agencies.

CONFIDENTIALTERMINATIONS ADVISER (CONT.)**Section 13 (a)**

**Sec. 13. (a)** Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this Act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and prepare and deliver such findings to the war contractor within ninety days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within thirty days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 per centum of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

See also Appeal  
Board, Courts

**Section 13 (b)**

(b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

(2) bring suit against the United States for such claim or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be brought against such corporation in any court of competent jurisdiction in accordance with existing law.

Shown here for  
information only,  
see also Appeal  
Board, Courts

**Section 13 (c)**

(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in his contract or, if no time is specified, within thirty days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest or appeal within thirty days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such findings within the contracting agency except in accordance with this paragraph.

(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor.

See also Appeal  
Board, Courts

CONFIDENTIAL

CONFIDENTIAL

TERMINATIONS ADVISER (CONT.)

**Section 13 (c) (Cont.)**

If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

See also Appeal Board, Courts

(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency; (ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

Shown here for information only, see also Appeal Board, Courts

(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

See also Appeal Board, Courts

**Section 13 (e)**

(e) The contracting agency responsible for settling any claim and the war contractor asserting the claim, by agreement, may submit all or any part of the termination claim to arbitration, without regard to the amount in dispute. Such arbitration proceedings shall be governed by the provisions of the United States Arbitration Act to the same extent as if authorized by an effective agreement in writing between the Government and the war contractor. Any such arbitration award shall be final and conclusive upon the United States to the same extent as a settlement under subsection (c) of section 6, but shall not be subject to approval by any settlement review board.

**Section 13 (f)**

(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them, by agreement with the other, may submit the dispute—

See also Appeal Board

(1) to the Appeal Board in accordance with subsection (d) of this section;

(2) to a contracting agency for mediation or arbitration whenever authorized by the agency or required by the Director.

Any award or decision in such proceedings shall be final and conclusive as to the parties so submitting any such dispute and shall not be questioned by the United States in settling any related claim, in the absence of fraud or collusion.

**Section 15 (b)**

(b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

See also Financing, Plant Clearance and Property

CONFIDENTIALTERMINATIONS ADVISER (CONT.)**Section 17**

SEC. 17. (a) Where any person has arranged to furnish or furnished to a contracting agency or to a war contractor any materials, services, or facilities related to the prosecution of the war, without a formal contract, relying in good faith upon the apparent authority of an officer or agent of a contracting agency, written or oral instructions, or any other request to proceed from a contracting agency, the contracting agency shall pay such person fair compensation therefor.

(b) Whenever any formal or technical defect or omission in any prime contract, or in any grant of authority to an officer or agent of a contracting agency who ordered any materials, services, and facilities might invalidate the contract or commitment, the contracting agency (1) shall not take advantage of such defect or omission; (2) shall amend, confirm, or ratify such contract or commitment without consideration in order to cure such defect or omission; and (3) shall make a fair settlement of any obligation thereby created or incurred by such agency, whether expressed or implied, in fact or in law, or in the nature of an implied or quasi contract.

(c) Where a contracting agency fails to settle by agreement any claim asserted under this section, the dispute shall be subject to the provisions of section 13 of this Act.

(d) The Director shall require each contracting agency to formalize all such obligations and commitments within such period as the Director deems appropriate.

**Section 18 (a)**

SEC. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

See also Financing,  
Plant Clearance  
and Property

**Section 18 (c)**

(c) The Director, by regulation, shall provide for making available to any interested Government agency such advance notice and other information on cut-backs in war production resulting from terminations or failures to renew or extend war contracts, as he deems necessary and appropriate.

CONFIDENTIAL



CONFIDENTIALTERMINATIONS ADVISER (CONT.)**Section 20 (a)**

SEC. 20. (a) Each contracting agency shall have authority, notwithstanding any provisions of law other than contained in this Act, (1) to make any contract necessary and appropriate to carry out the provisions of this Act; (2) to amend by agreement any existing contract, either before or after notice of its termination, on such terms and to such extent as it deems necessary and appropriate to carry out the provisions of this Act; and (3) in settling any termination claim, to agree to assume, or indemnify the war contractor against, any claims by any person in connection with such termination claims or settlement. This subsection shall not limit or affect in any way any authority of any contracting agency under the First War Powers Act, 1941, or under any other statute.

**Section 20 (b)**

(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this Act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this Act.

See also Financing,  
Plant Clearance and  
Property

**Section 21 (c)**

(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible; and

See also Financing,  
Plant Clearance and  
Property

**Section 25 (a) and (c)**

—SEC. 25. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this Act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

Only (a) and (c)  
apply here; (b)  
applies to Plant  
Clearance and  
Property

PLANT CLEARANCE AND PROPERTY ADVISER**Section 12**

SEC. 12. (a) It is the policy of the Government, upon the termination of any war contract, to assure the expeditious removal from the plant of the war contractor of the termination inventory not to be retained or sold by the war contractor.

(b) Any war contractor may submit to the contracting agency concerned or to any other Government agency designated by the Director, one or more statements showing the materials which such war contractor claims to be termination inventory under one or more war contracts and desires to have removed by the Government. Such statements shall be prepared in such form and detail, shall be submitted in such manner, through the prime contractor or otherwise, and shall be supported by such certificates or other data, as may be prescribed under this Act.

CONFIDENTIAL

CONFIDENTIALPLANT CLEARANCE AND PROPERTY ADVISER (CONT.)**Section 12 (Cont.)**

(c) Within sixty days after the submission of any such statement by a war contractor, or such shorter period as may be prescribed under this Act, or within such longer period as the war contractor may agree, the Government agency concerned (1) shall arrange, upon such terms and conditions as may be agreed, for the storage by the war contractor on his own premises or elsewhere of all such claimed termination inventory which the war contractor does not retain or dispose of, except any part which may be determined not to be allocable to the terminated war contract or contracts, or (2) shall remove from the plant or plants of the war contractor all of such claimed termination inventory not retained, disposed of, or stored by the war contractor or determined not to be allocable to the terminated war contract or contracts.

(d) Upon the failure of the Government so to arrange for storage by the war contractor or to remove any termination inventory within the period specified under subsection (c) of this section, the war contractor, subject to regulations prescribed under this Act, may remove some or all of such termination inventory from his plant or plants and may store it on his own premises or elsewhere for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation. If any war contractor intends so to remove any claimed termination inventory, he shall deliver to the Government agency concerned written notice of the date fixed for removal and a statement showing the quantities and condition of the materials so to be removed, certified on behalf of the war contractor to have been prepared in accordance with a concurrent physical inventory of such materials. Such notice and statement shall be delivered at least twenty days in advance of the date fixed for removal and may be delivered before or after the expiration of the period specified under subsection (c) of this section. If the Government agency fails to check such materials, at or before the time of their removal by the war contractor, a certificate of the war contractor specifying the materials shown on such statement which were so removed, and filed with the Government agency concerned within thirty days after the date fixed for removal, shall constitute prima facie evidence against the United States as to the quantities and condition of the materials so removed, and the fact of their removal.

(e) Notwithstanding any other provisions of law, but subject to subsection (h) of this section, the contracting agency concerned or the Director, or any Government agency designated by him, on behalf of the United States, may, by the exercise of any contract rights or otherwise, acquire and take possession of any termination inventory of any war contractor, and any materials removed by the Government or stored for its account under subsections (c) and (d) of this section, whether or not such materials are finally determined not to constitute termination inventory. With respect to any such materials,

the Government shall be liable to any war contractor concerned only for their return to such war contractor or for their disposal value at the time of their removal or for the proceeds realized by the Government from their disposal, at the election of the Government agency concerned, unless the Government agency and the war contractor agree or have agreed on a different basis. Any amount so paid or payable to a war contractor for materials allocable to a terminated war contract shall be credited against the termination claim under such contract but shall not otherwise affect the amount due on the claim, unless the Government agency concerned and the war contractor agree or have agreed otherwise. Any materials to which the Director takes title under this section shall be delivered for disposal to any appropriate Government agency authorized to make such disposal.

CONFIDENTIAL

CONFIDENTIAL

PLANT CLEARANCE AND PROPERTY ADVISER (CONT.)

**Section 12 (Cont.)**

(f) No contracting agency shall postpone or delay any termination settlement beyond the period specified in subsection (c) of this section for the purpose of awaiting disposal by the war contractor or the Government of any termination inventory reported in accordance with subsection (b) of this section.

(g) Whenever any war contractor no longer requires, for the performance of any war contract, any Government-owned machinery, tools, or equipment installed in his plant for the performance of one or more war contracts, the Government agency concerned, upon written demand by the war contractor, and within sixty days after such demand or such other period as may be prescribed under this Act, and upon such conditions as may be so prescribed, shall remove or provide for the removal of such machinery, tools, or equipment from such plant, unless the Government agency concerned, and the war contractor, by facilities contract or otherwise, have made or make other provisions for the retention, storage, maintenance, or disposition of such machinery, tools or equipment. The Government agency concerned may waive or release on behalf of the United States any obligation of the war contractor with respect to such machinery, tools, or equipment upon such terms and conditions as the agency deems appropriate. Upon the failure of the Government so to remove or provide for removal of any such machinery, tools, or equipment, the war contractor, subject to regulations prescribed under this Act, may remove all or part of such machinery, tools, or equipment from his plant and may store it on his own premises or elsewhere, for the account and at the risk and expense of the Government, using reasonable care for its transportation and preservation.

(h) Nothing in this Act shall limit or affect the authority of the War Department, Navy Department, or Maritime Commission, respectively, to take over any termination inventories and to retain them for their use for any purpose or to dispose of such termination inventories for the purpose of war production, or to authorize any war contractor to retain or dispose of such termination inventories for the purpose of war production.

(i) Nothing in this section shall be construed to prevent the removal and storage of any termination inventory by any war contractor, at his own risk, at any time after termination of any war contract to which it is allocable.

**Section 15 (b)**

§ (b) For the purpose of making termination settlements or interim financing any Government agency is authorized to rely upon such certificates of war contractors as it deems proper and to permit war contractors and other persons to rely upon such certificates without financial liability in the absence of fraud on their part.

See also Financing, Terminations

**Section 18 (a)**

SEC. 18. (a) The Director shall establish policies for such supervision and review within the contracting agencies of termination settlements and interim financing as he deems necessary and appropriate to prevent and detect fraud and to assure uniformity in administration and to provide for expeditious settlements. For this purpose he shall prescribe (1) such records to be prepared by the contracting agencies and by war contractors as he deems necessary in connection with such settlements and interim financing; and (2) the records in connection therewith to be transmitted to the General Accounting Office. He shall seek to reduce the amount of record keeping, reporting, and accounting in connection with the settlement of termination claims and interim financing to the minimum compatible with the reasonable protection of the public interest. Each contracting agency shall prescribe forms for use by war contractors in connection with termination settlements and interim financing to the extent it deems necessary and feasible.

See also Financing, Terminations

CONFIDENTIAL

CONFIDENTIAL

PLANT CLEARANCE AND PROPERTY ADVISER (CONT.)

**Section 20 (b)**

(b) Any contracting agency may prescribe the amount and kind of evidence required to identify any person as a war contractor, or any contract, agreement, or purchase order as a war contract for any of the purposes of this Act. Any determination so made that any person is a war contractor, or that any contract, agreement, or purchase order is a war contract, shall be final and conclusive for any of the purposes of this Act.

See also Financing, Terminations

**Section 21 (c)**

(c) promote decentralization of the administration of termination settlements and interim financing by fostering delegation of authority within contracting agencies and to war contractors, to the extent he deems necessary and feasible; and

See also Financing, Terminations

**Section 25 (b)**

Sec. 25. Subject to policies prescribed by the Director, any contracting agency may exempt from some or all of the provisions of this Act (a) any war contract made or to be performed outside the continental limits of the United States or in Alaska, or (b) any termination inventory situated outside of the continental limits of the United States or in Alaska, or (c) any modification of a war contract pursuant to its terms for the purpose of changing plans or specifications applicable to the work without substantially reducing its extent.

Only (b) applies here; (a) and (c) apply to Terminations

PUBLIC INFORMATION ADVISER

**Section 2 (b)**

(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this Act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information

See also Congress, Progress and Statistics

on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

**Note:** In general, staff responsibility for advice on the dissemination of information of benefit and interest to contracting agencies, war contractors, and the public.

PROGRESS AND STATISTICS ADVISER

**Section 2 (b)**

(b) In January, April, July, and October of each year, the Director shall submit to the Senate and House of Representatives a quarterly progress report on the exercise of his duties and authority under this Act, the status of contract terminations, termination settlements, and interim financing and such other pertinent information

See also, Congress, Public Information

on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

CONFIDENTIALPROGRESS AND STATISTICE ADVISER (CONT.)

## Section 18 (b)

(b) The Director shall require the Government agencies performing functions under this Act to prepare such information and reports regarding terminations of war contracts, settlements of termination claims, and interim financing, as he deems necessary to assist him in appraising their operations or to assist him or other Government agencies in performing their functions under this Act, and may prescribe the terms and conditions upon which such information and reports shall be made available to other Government agencies. The Director may require any Government agency to furnish such information under its control as he deems necessary for the performance of his functions under this Act, but any such agency, in its discretion, may furnish any such information deemed by it to affect the national security only to the Director himself.

Note: In general, staff responsibilities for advice on the progress of Contract Settlement.

LEGAL ADVISER

Note: Staff responsibilities for technical legal advice.

ACCOUNTING ADVISER

Note: Staff responsibility for technical accounting advice.

APPEAL BOARD

## Section 13 (a)

SEC. 13. (a) Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this Act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and prepare and deliver such findings to the war contractor within ninety days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within thirty days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 per centum of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

Shown here for  
information only.  
See also Terminations, Courts

CONFIDENTIAL

CONFIDENTIALAPPEAL BOARD (CONT.)

## Section 13 (b)

See also Terminations,  
Courts

7 (b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

(2) bring suit against the United States for such claim or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be brought against such corporation in any court of competent jurisdiction in accordance with existing law.

## Section 13 (c)

Shown here for  
information only.  
See also Terminations,  
Courts

7 (c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in his contract or, if no time is specified, within thirty days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest or appeal within thirty days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such findings within the contracting agency except in accordance with this paragraph.

(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

See also Terminations,  
Courts

(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency;

CONFIDENTIAL

CONFIDENTIALAPPEAL BOARD (CONT.)

## Section 13 (c) (Cont.)

(ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

See also Terminations  
and Courts

## Section 13 (d) (1)

(3) (d) (1) The Director shall appoint an Appeal Board, composed of such number of members as he deems necessary from time to time to hear appeals under this section. The members of the Appeal Board shall be qualified and experienced attorneys, engineers, accountants, or persons possessing sufficient business experience or professional skill. He shall, without regard to the provisions of the civil-service laws and the Classification Act of 1923, appoint and fix the compensation and term of office of the members of the Appeal Board: *Provided*, That no member shall receive compensation at a rate in excess of \$10,000 per annum nor be appointed for a term longer than two years.

See also Courts

## Section 13 (d) (2)

(4) (2) Panels of one or more members may act for the Appeal Board and shall sit from time to time in localities throughout the country, reasonably convenient for war contractors having proceedings before them. A panel of one member of the Appeal Board may hear any findings within the contracting agency except in accordance with this paragraph.

(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the

See also Courts

## Section 13 (d) (3)

(4) (3) The Director or, if authorized by him, the Appeal Board shall prescribe the practice and procedure to govern proceedings for the Appeal Board. The Appeal Board or any panel thereof shall have power to administer oaths to witnesses and to compel by subpoena the attendance of witnesses, and the production of books, papers, documents, and other records. All provisions of law (including penalties and provisions relating to self-incrimination) applicable with respect to subpoenas issued under the Federal Trade Commission Act shall be applicable with respect to subpoenas issued by the Appeal Board insofar as such provisions are not inconsistent with the provisions of this Act.

See Notes

CONFIDENTIAL

CONFIDENTIALAPPEAL BOARD (CONT.)

See also  
Terminations

## Section 13 (f)

(f) Whenever any dispute exists between any war contractor and a subcontractor regarding any termination claim, either of them, by agreement with the other, may submit the dispute—

- (1) to the Appeal Board in accordance with subsection (d) of this section;
- (2) to a contracting agency for mediation or arbitration whenever authorized by the agency or required by the Director.

Any award or decision in such proceedings shall be final and conclusive as to the parties so submitting any such dispute and shall not be questioned by the United States in settling any related claim, in the absence of fraud or collusion.

CLERK OF THE APPEAL BOARD

Note: Responsible for maintenance of the necessary clerical, docket and other services for the Appeal Board.

PROVISIONS OF THE ACT GENERALLY APPLICABLE TO THE  
WHOLE OFFICE OF CONTRACT SETTLEMENTS AND TO OTHER  
AGENCIES -- (Not shown elsewhere) --

## Section 1

SECTION 1. The Congress hereby declares that the objectives of this Act are—

- (a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;
- (b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;
- (c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;
- (d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;
- (e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;
- (f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

CONFIDENTIAL



CONFIDENTIALPROVISIONS GENERALLY APPLICABLE (CONT.)

## Section 3

Sec. 3. As used in this Act—

(a) The term "prime contract" means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term "prime contractor" means any holder of one or more prime contracts.

(b) The term "subcontract" means any contract, agreement, or purchase order heretofore or hereafter entered into to perform any work, or to make or furnish any material to the extent that such work or material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term "subcontractor" means any holder of one or more subcontracts.

(c) The term "war contract" means a prime contract or a subcontract; and the term "war contractor" means any holder of one or more war contracts.

(d) The terms "termination", "terminate", and "terminated" refer to the termination or cancellation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

(e) The term "material" includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

(f) The term "Government agency" means any executive department of the Government, or any administrative unit or subdivision thereof, any independent agency or any corporation owned or controlled by the United States in the executive branch of the Government, and includes any contracting agency.

(g) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, the Smaller War Plants Corporation, and the War Production Board.

(h) The term "termination claim" means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this Act authorize to be asserted and settled in connection with any termination settlement.

(i) The term "interim financing" includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guaranties of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

(j) The term "Director" means the Director of Contract Settlement.

(k) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(l) The term "termination inventory" means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract, except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

(m) The term "final and conclusive", as applied to any settlement, finding, or decision, means that such settlement, finding, or decision shall not be reopened, annulled, modified, set aside, or disregarded by any officer, employee, or agent of the United States or in any suit, action, or proceeding except as provided in this Act.

CONFIDENTIAL

CONFIDENTIALPROVISIONS GENERALLY APPLICABLE (CONT.)**Section 4**

Sec. 4. (a) There is hereby established the Office of Contract Settlement which shall be headed by the Director of Contract Settlement. The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per year, and shall serve for a term of two years.

(b) In order to insure uniform and efficient administration of the provisions of this Act, the Director, subject to such provisions, by general orders or general regulations—

(1) shall prescribe policies, principles, methods, procedures, and standards to govern the exercise of the authority and discretion and the performance of the duties and functions of all Government agencies under this Act; and

(2) may require or restrict the exercise of any such authority and discretion, or the performance of any such duty or function, to such extent as he deems necessary to carry out the provisions of this Act.

(c) The exercise of any authority or discretion and the performance of any duty or function, conferred or imposed on any Government agency by this Act, shall be subject to such orders and regulations prescribed by the Director pursuant to subsection (b) of this section. Each Government agency shall carry out such orders and regulations of the Director expeditiously, and shall issue such regulations with respect to its operations and procedures as may be necessary to carry out the policies, principles, methods, procedures, and standards prescribed by the Director. Any Government agency may issue such further regulations not inconsistent with the general orders or regulations of the Director as it deems necessary or desirable to carry out the provisions of this Act.

(d) The Director may, within the limits of funds which may be made available, employ and fix the compensation of necessary personnel in accordance with the provisions of the civil-service laws and the Classification Act of 1923 and make expenditures for supplies, facilities, and services necessary for the performance of his functions under this Act. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, he may appoint a Deputy Director and may employ certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and contract with certified public accounting firms and qualified firms of engineers in the discharge of the duties

imposed upon him and in furtherance of the objectives and policies of this Act. The Director shall perform the duties imposed upon him through the personnel and facilities of the contracting agencies and other established Government agencies, to the extent that this does not interfere with the function of the Director to insure uniform and efficient administration of the provisions of this Act.

(e) All orders and regulations prescribed by the Director or any Government agency under this Act shall be published in the Federal Register.

**Section 15 (a)**

Sec. 15. (a) Whenever any payment is made from Government funds to any war contractor or other person as an advance, partial or final payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

CONFIDENTIAL

See also  
General Accounting  
Office

CONFIDENTIAL

PROVISIONS GENERALLY APPLICABLE (CONT.)

Section 16 (b)

See also General Accounting Office

(b) Whenever the Comptroller General is convinced that any settlement was induced by fraud, he shall so certify, together with all the facts relating thereto, to the Department of Justice, to the Director, and to the contracting agency concerned. Upon receipt of such certificate (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in the opinion of the Comptroller General as stated in his certificate, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor. The General Accounting Office shall not suspend credit to any disbursing officer on any disbursements made by him under such settlement in the absence of fraud on his part.

Section 16 (c)

See also General Accounting Office

(c) The Comptroller General may investigate the settlements completed by each contracting agency for the purpose of reporting to the Congress from time to time on—

- (1) whether the settlement methods and procedures employed by such agency are of a kind and type designed to result in expeditious and fair settlements in accordance with and subject to the provisions of this Act and the orders and regulations of the Director;
- (2) whether such methods and procedures are followed by such agency with care and efficiency; and
- (3) whether such methods and procedures adequately protect the interest of the Government.

If in any such report the Comptroller General shall find that the settlement methods and procedures fail to meet the foregoing standards, he shall make suggestions and recommendations to such agency for the improvement of such methods and procedures and to the Congress for any additional legislation needed to carry out the policies of this Act. At least thirty days before filing any such report with the Congress, the Comptroller General shall deliver a copy thereof to the agency concerned and the Director, and shall forward to the Congress together with such report any comments of such agency with respect thereto.

Section 18 (d)

See Notes

(d) The Director shall make such investigations as he deems necessary or desirable in connection with termination settlements and interim financing. For this purpose he may utilize the facilities of any existing agencies and if he determines that the facilities of existing agencies are inadequate, he may establish a unit in the Office of Contract Settlement to supplement and facilitate the work of existing agencies. He shall report to the Department of Justice any information received by him indicating any fraudulent practices, for appropriate action.

PROVISIONS GENERALLY APPLICABLE (CONT.)

**Section 18 (e)**

y (e) Whenever any contracting agency or the Director believes that any settlement was induced by fraud, the agency or Director shall report the facts to the Department of Justice. Thereupon, (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in its opinion, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor.

**Section 19**

See Notes

Sec. 19. (a) It shall be unlawful for any person willfully to secrete, mutilate, obliterate, or destroy, or cause to be secreted, mutilated, obliterated, or destroyed—

(i) any records of a war contractor relating to the negotiation, award, performance, payment, interim financing, cancellation or other termination, or settlement of a war contract of \$25,000 or more; or

(ii) any records of a war contractor and any purchaser relating to any disposition of termination inventory in which the consideration received by any war contractor or any Government agency is \$5,000 or more,

until (1) five years after such disposition of termination inventory by such war contractor or Government agency, or (2) five years after the final settlement of such war contract, or (3) five years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress, whichever applicable period is longer.

As used in this subsection, the term "records" includes, but is not limited to, books, ledgers, checks and check stubs, pay-roll data, vouchers, memoranda, correspondence, inspection reports and certificates. Any corporation violating any provision of this subsection shall be fined not more than \$50,000 and any natural person violating any provision of this subsection shall be fined not more than \$10,000, or imprisoned for not more than five years, or both: *Provided, however,* That the Director, by regulation, may authorize the destruction of such records upon such terms and conditions as he deems appropriate, which may include the making and retaining of photographs or microphotographs. Photographs or microphotographs of any records made in compliance with such regulations of the Director shall have the same force and effect as the originals thereof would have and shall be treated as originals for the purpose of admissibility in evidence.

(b) The first section of the Act of August 24, 1942 (56 Stat. 747; title 18, U. S. C., Supp. II, sec. 590a), is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two

PROVISIONS GENERALLY APPLICABLE (CONT.)

Section 19 (Cont.)

Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

(c) (1) Every person who makes or causes to be made, or presents or causes to be presented to any officer, agent, or employee of any Government agency any claim, bill, receipt, voucher, statement, account, certificate, affidavit, or deposition, knowing the same to be false, fraudulent, or fictitious or knowing the same to contain or to be based on any false, fraudulent, or fictitious statement or entry, or who shall cover up or conceal any material fact, or who shall use or engage in any other fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit, payment, compensation, allowance, loan, advance, or emolument from the United States or any Government agency in connection with the termination, cancelation, settlement, payment, negotiation, renegotiation, performance, procurement, or award of a contract with the United States or with any other person, and every person who enters into an agreement, combination, or conspiracy so to do, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any such benefit, payment, compensation, allowance, loan, advance, and emolument received as a result thereof and (3) shall in addition pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit.

(2) The several district courts of the United States, the District of Columbia, the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall, wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The provisions of section 35-A of the Criminal Code (18 U. S. C., sec. 80) shall apply to any statement, representation, bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition made or used or caused to be made or used for any purpose under this Act or under any regulations pursuant to this Act.

(e) It shall be unlawful for any person employed in any Government agency, including commissioned officers assigned to duty in such agency, during the period such person is engaged in such employment or service, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States, or for any such person within two years after the time when such employment or service has ceased, to prosecute, or to act as counsel, attorney, or agent for prosecuting, any claim against the United States involving any subject matter directly connected with which such person was so employed or performed duty. Any person violating any provision of this subsection shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

PROVISIONS GENERALLY APPLICABLE (CONT.)

Section 20 (c), (d), (e), (f)

(c) There are hereby authorized to be appropriated such sums as may be necessary for administering the provisions of this Act.

(d) All policies and procedures relating to termination of war contracts, termination settlements, and interim financing, prescribed by the Director of War Mobilization or any contracting agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by regulations of the contracting agency not inconsistent with this Act or the policies prescribed by the Director.

(e) Nothing in this Act shall be deemed to impair or modify any war contract or any term or provision of any war contract or any assignment of any claim under a war contract, without the consent of the parties thereto, if the war contract, or the term, provision, or assignment thereof, is otherwise valid.

(f) Any contracting agency may authorize or direct its officers and employees, as a part of their official duties, to advise, aid, and assist war contractors in preparing and presenting termination claims, in obtaining interim financing, and in related matters, to such extent as it deems desirable. Such advice, aid, or assistance shall not constitute a violation of section 109 of the Criminal Code (18 U. S. C. 109) or of any other law, provided the officer or employee does not receive therefor benefit or compensation of any kind, directly or indirectly, from any war contractor.

See Notes

Section 21 (b)

(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing;

See Notes and also Smaller War Plants Corp.

Section 21 (d)

(d) consult with war contractors through advisory committees or such other methods as he deems appropriate.

See Notes

Section 22

Sec. 22. Any contracting agency is authorized—

(a) to use for interim financing, the payment of claims, and for any other purposes authorized in this Act any funds which have heretofore been appropriated or allocated or which may hereafter be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purposes of war production or war procurement;

(b) to use any such funds appropriated, allocated, or available to it for expenditures for or in behalf of any other contracting agency for the purposes authorized in this Act; and

(c) to determine by agreement, joint estimate, or any other method authorized by the Director, the part of any expenditure made pursuant to subsection (b) hereof to be paid by each contracting agency concerned and to make transfers of funds between such contracting agencies accordingly. Transfers of funds between appropriations carried upon the books of the Treasury shall be made by the Secretary of the Treasury in accordance with joint requests of the contracting agencies involved.

See Notes

CONFIDENTIALPROVISIONS GENERALLY APPLICABLE (CONT.)**Section 23**

SEC. 23. (a) The Director may delegate any authority and discretion conferred upon him by this Act to any Deputy Director, and may delegate such authority and discretion, upon such terms and conditions as he may prescribe, to the head of any Government agency to the extent necessary to the handling and solution of problems peculiar to that agency.

(b) The head of any Government agency may delegate any authority and discretion conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or to any other Government agency, and may authorize successive redelegations of such authority and discretion.

(c) Any two or more Government agencies may exercise jointly any authority and discretion conferred upon each of them individually by or pursuant to this Act.

(d) Nothing in this Act shall prevent the Director from exercising any authority conferred upon him by any other statute.

**Section 24**

SEC. 24. (a) This Act shall become effective twenty days after the date of its enactment. With the exception of the provisions of paragraphs (b), (c), (d), and (e) of section 12, and of sections 6, 7, 8, 9, 10, and 13, this Act shall be applicable in the case of any terminated war contract which has been finally settled at or before the effective date of this Act.

(b) Nothing in this Act shall limit or affect any authority conferred by the Act of March 11, 1941 (55 Stat. 31), as amended, or Acts supplemental thereto.

**Section 26**

SEC. 26. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

**Section 27**

SEC. 27. This Act may be cited as the "Contract Settlement Act of 1944".

Approved July 1, 1944.

CONFIDENTIAL

CONFIDENTIALCOURTS, INCLUDING COURT OF CLAIMS

## Section 13 (a)

Sec. 13. (a) Whenever the contracting agency responsible for settling any termination claim has not settled the claim by agreement or has so settled only a part of the claim, (1) the contracting agency at any time may determine the amount due on such claim or such unsettled part, and prepare written findings indicating the basis of the determination, and deliver a copy of such findings to the war contractor, or (2) if the termination claim has been submitted in the manner and substantially the form prescribed under this Act, the contracting agency, upon written demand by the war contractor for such findings, shall determine the amount due on the claim or unsettled part and prepare and deliver such findings to the war contractor within ninety days after the receipt by the agency of such demand. In preparing such findings, the contracting agency may require the war contractor to furnish such information and to submit to such audits as may be reasonably necessary for that purpose. Within thirty days after the delivery of any such findings, the contracting agency shall pay to the war contractor at least 90 per centum of the amount thereby determined to be due, after deducting the amount of any outstanding interim financing applicable thereto.

Shown here for  
information only.  
See also Appeal  
Board, Terminations

## Section 13 (b)

(b) Whenever any war contractor is aggrieved by the findings of a contracting agency on his claim or part thereof or by its failure to make such findings in accordance with subsection (a) of this section, he may, at his election—

(1) appeal to the Appeal Board in accordance with subsection (d) of this section; or

(2) bring suit against the United States for such claim or such part thereof, in the Court of Claims or in a United States district court, in accordance with subsection (20) of section 24 of the Judicial Code (28 U. S. C. 41 (20)), except that, if the contracting agency is the Reconstruction Finance Corporation, or any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, or any corporation owned or controlled by the United States, the suit shall be brought against such corporation in any court of competent jurisdiction in accordance with existing law.

See also Appeal  
Board, Terminations

## Section 13 (c)

(c) Any proceeding under subsection (b) of this section shall be governed by the following conditions:

(1) When any contracting agency provides a procedure within the agency for protest against such findings or for other appeal therefrom by the war contractor, the war contractor, before proceeding under subsection (b) of this section, (i) in his discretion may resort to such procedure within the time specified in his contract or, if no time is specified, within thirty days after the delivery to him of the findings; and (ii) shall resort to such procedure for protest or other appeal to the extent required by the Director, but failure of the contracting agency to act on any such required protest or appeal within thirty days shall operate as a refusal by the agency to modify its findings. Any revision of the findings by the contracting agency, upon protest or appeal within the agency, shall be treated as the findings of the agency for the purpose of appeal or suit under subsection (b) of this section. Notwithstanding any contrary provision in any war contract, no war contractor shall be required to protest or appeal from such

(c) (1) and (c) (2)  
shown here for  
information only.  
See also Appeal Board,  
Terminations

CONFIDENTIAL



CONFIDENTIAL

COURTS (CONT.)

Section 13 (c) (Cont.)

findings within the contracting agency except in accordance with this paragraph.

(2) A war contractor may initiate proceedings in accordance with subsection (b) of this section (i) within ninety days after delivery to him of the findings by the contracting agency, or (ii) in case of protests or appeal within the agency, within ninety days after the determination of such protest or appeal, or (iii) in case of failure to deliver such findings, within one year after his demand therefor. If he does not initiate such proceedings within the time specified, he shall be precluded thereafter from initiating any proceedings in accordance with subsection (b) of this section, and the findings of the contracting agency shall be final and conclusive, or if no findings were made, he shall be deemed to have waived such termination claim.

See also Terminations, Appeal Board

(3) Notwithstanding any contrary provision in any war contract, the Appeal Board or court shall not be bound by the findings of the contracting agency, but shall treat such findings as prima facie correct, and the burden shall be on the war contractor to establish that the amount due on his claim or part thereof exceeds the amount allowed by the findings of the contracting agency. Whenever the Appeal Board or court finds that the war contractor failed to negotiate in good faith with the contracting agency for the settlement of his claim or part thereof before appeal or suit thereon, or failed to furnish to the agency any information reasonably requested by it regarding his termination claim or part thereof, or failed to prosecute diligently any protest or appeal required to be taken under subsection (c) (1) (ii) of this section, the Appeal Board or court (i) may refuse to receive in evidence any information not submitted to the contracting agency; (ii) may deny interest on the claim or part thereof for such period as it deems proper; or (iii) may remand the case to the contracting agency for further proceedings upon such terms as the Appeal Board or court may prescribe. Unless the case is remanded, the Appeal Board or court shall enter the appropriate award or judgment on the basis of the law and facts, and may increase or decrease the amount allowed by the findings of the contracting agency.

See also Terminations Appeal Board

(4) Any such proceedings shall not affect the authority of the contracting agency concerned to make a settlement of the termination claim, or any part thereof, by agreement with the war contractor at any time before such proceedings are concluded.

Section 13 (d) (2)

See also Appeals Board

(2) Panels of one or more members may act for the Appeal Board and shall sit from time to time in localities throughout the country, reasonably convenient for war contractors having proceedings before them. A panel of one member of the Appeal Board may hear any

appeal whenever (i) the amount in controversy in the appeal is \$25,000 or less; or (ii) the amount in controversy exceeds \$25,000, but the war contractor taking the appeal fails to demand a panel of three members at the time of filing his appeal. If the war contractor is aggrieved by the decision of the Appeal Board or panel (other than an order remanding the case to the contracting agency under subsection (c) (3) (ii) of this section), then within ninety days after such decision he may bring suit on the claim or unsettled part thereof in accordance with subsection (b) (2) of this section. Such suit shall proceed as if no appeal had been taken under subsection (b) of this section. All costs of such suit shall be borne by the war contractor unless the court awards such contractor an amount in excess of that allowed by the Appeal Board or panel. Upon failure of the war contractor so to sue within such period, the decision of the Appeal Board or panel shall be final and conclusive.

CONFIDENTIALCOURTS (CONT.)

## Section 14

Sec. 14. (a) For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than ten auditors and not more than twenty commissioners in addition to those provided for by the Act of February 24, 1925 (ch. 301, 43 Stat. 964), as amended by the Act of June 23, 1930 (ch. 573, 46 Stat. 799), and the provisions of said Act shall apply to such additional commissioners in all respects as if they had been appointed thereunder without limitation as to nature of duties which they may be called upon to perform.

(b) The Court of Claims, on motion of either of the parties, or on its own motion, may summon any and all persons with legal capacity to be sued to appear as a party or parties in any suit or proceeding of any nature whatsoever pending in said court to assert and defend their interests, if any, in such suits or proceedings, within such period of time prior to judgment as the Court of Claims shall prescribe. If the name and address of any such person is known or can be ascertained by reasonable diligence, and if he resides within the jurisdiction of the United States, he shall be summoned to appear by personal service; but if any such person resides outside of the jurisdiction of the United States, or is unknown, or if for any other good and sufficient reason appearing to the court personal service cannot be had, he may be summoned by publication, under such rules as the court may adopt, together with a copy of the summons mailed by registered mail to such person's last known address. The Court of Claims may, upon motion of the Attorney General, in any suit or proceeding where there may be any number of persons having possible interests therein, notify such persons to appear to assert and defend such interests. Upon failure so to appear, any and all claims or interests in claims of any such person against the United States, in respect of the subject matter of such suit or proceeding, shall forever be barred and the court shall have jurisdiction to enter judgment pro confesso upon any claim or contingent claim asserted on behalf of the United States against any person who, having been duly served with summons, fails to respond thereto, to the same extent and with like effect as if such person had appeared and had admitted the truth of all allegations made on behalf of the United States. Upon appearance by any person pursuant to any such summons or notice, the case as to such person shall, for all purposes, be treated as if an independent proceeding had been instituted by such person pursuant to section 145 of the Judicial Code, as amended, and as if such independent proceeding had then been consolidated, for purposes of trial and determination, with the case in respect of which the summons or notice was issued, except that the United States shall not be heard upon any counterclaims, claims for damages or other demands whatsoever against such person, other than claims and contingent claims for the recovery of money hereafter paid by the United States in respect of the transaction or matter which constitutes the subject matter of such case, unless and until such person shall assert therein a claim, or an interest in a claim, against the United States, and the Court of Claims shall have jurisdiction to adjudicate, as between any and all adverse claimants, their respective several interests in any matter in suit and to award several judgments in accordance therewith.

(c) The jurisdiction of the Court of Claims shall not be affected by this Act except to the extent necessary to give effect to this Act, and no person shall recover judgment on any claim, or on any interest in any claim, in said court which such person would not have had a right to assert in said court if this section had not been enacted.

CONFIDENTIAL

CONFIDENTIALGENERAL ACCOUNTING OFFICE**Section 15 (a)**

Also see Provisions  
Generally Applicable

Sec. 15. (a) Whenever any payment is made from Government funds to any war contractor or other person as an advance, partial or final payment on any termination claim, or pursuant to any loan, guaranty, or agreement for the purchase of any loan, or any commitment in connection therewith, entered into by the Government, no officer or other Government agent authorizing or approving such payment or settlement, or certifying the voucher for such payment, or making the payment in accordance with a duly certified voucher, shall be personally liable for such payment, in the absence of fraud on his part. In settling the accounts of any disbursing officer the General Accounting Office shall allow any such disbursements made by him notwithstanding any other provisions of law.

**Section 16 (a)**

Sec. 16. (a) Any other provision of law notwithstanding, the function of the General Accounting Office with respect to any termination settlement made, authorized, ratified, or approved by a contracting agency shall be confined to determining, after final settlement, (1) whether the settlement payments to the war contractor were made in accordance with the settlement, and (2) whether the records transmitted to it, or other information, warrant a reasonable belief that the settlement was induced by fraud. For this purpose the General Accounting Office shall have the authority to examine any records maintained by any contracting agency or by any war contractor relating to any termination settlement.

**Section 16 (b)**

Also see Provisions  
Generally Applicable

(b) Whenever the Comptroller General is convinced that any settlement was induced by fraud, he shall so certify, together with all the facts relating thereto, to the Department of Justice, to the Director, and to the contracting agency concerned. Upon receipt of such certificate (1) the Department of Justice shall make an investigation to determine whether such settlement was induced by fraud, and (2) until the Department of Justice notifies the contracting agency that in its opinion the facts do not support the belief that the settlement was induced by fraud, the contracting agency, by set-off or otherwise, may withhold, from amounts owing to the war contractor by the United States under such settlement or otherwise, the amount of the settlement, or the portion thereof, which, in the opinion of the Comptroller General as stated in his certificate, was affected by the fraud. In any such case the Department of Justice shall take such action as it deems appropriate to recover payments made to such war contractor. The General Accounting Office shall not suspend credit to any disbursing officer on any disbursements made by him under such settlement in the absence of fraud on his part.

CONFIDENTIAL

CONFIDENTIAL

GAO (CONT.)

**Section 16 (c)**

See also Generally  
Applicable

(c) The Comptroller General may investigate the settlements completed by each contracting agency for the purpose of reporting to the Congress from time to time on—

- (1) whether the settlement methods and procedures employed by such agency are of a kind and type designed to result in expeditious and fair settlements in accordance with and subject to the provisions of this Act and the orders and regulations of the Director;
- (2) whether such methods and procedures are followed by such agency with care and efficiency; and
- (3) whether such methods and procedures adequately protect the interest of the Government.

If in any such report the Comptroller General shall find that the settlement methods and procedures fail to meet the foregoing standards, he shall make suggestions and recommendations to such agency for the improvement of such methods and procedures and to the Congress for any additional legislation needed to carry out the policies of this Act. At least thirty days before filing any such report with the Congress, the Comptroller General shall deliver a copy thereof to the agency concerned and the Director, and shall forward to the Congress together with such report any comments of such agency with respect thereto.

**Section 16 (d)**

(d) The jurisdiction of the Comptroller General of the United States shall not be affected by this Act except to the extent necessary to give effect to the specific provisions thereof.

SMALLER WAR PLANTS CORPORATION

**Section 20 (g)**

- (g) The Smaller War Plants Corporation is hereby directed—
- (1) to disseminate information among small business concerns with respect to interim financing, termination settlements, removal and storage of termination inventories pursuant to the provisions of this Act and the regulations of the Director; and
  - (2) to assist small business concerns in connection with the securing of interim financing and the preparation of applications for such interim financing, the effecting of termination settlements, and the removal and storage of termination inventories, and to make interim loans and guaranties, in order to assure that small business concerns receive fair and equitable treatment from prime contractors and intermediate subcontractors in connection with the termination of war contracts.

**Section 21 (c)**

Shown here for  
information only.  
See also Generally  
Applicable

(b) collaborate with the Smaller War Plants Corporation in protecting the interests of smaller war contractors in obtaining fair and expeditious termination settlements and interim financing;

CONFIDENTIAL

CONFIDENTIALNOTES

1. Section 13 (d) (3) -- Assignment of responsibility for prescribing practice and procedure to govern procedures to the Appeal Board is not intended in showing this provision under the Appeal Board.
2. Section (18) (d) -- More specific assignment of responsibility for investigations will have to be made later.
3. Section (19) (a) -- More specific assignment of responsibility for regulations concerning the preservation and destruction of records will have to be made later.
4. Section (20) (f) -- More specific assignment of responsibility for authorizing and directing officers and employees to aid war contractors will have to be made later.
5. Section 21 (b) -- More specific assignment of responsibility will have to be made later.
6. Section 21 (d) -- Mechanism for consulting contractors will have to be established and responsibility for consulting war contractors assigned more specifically later.
7. Section 22 (c) -- More specific assignment of responsibility will have to be made later.

CONFIDENTIAL

**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 Monthly Report No.11 covering  
Aircraft Flight Delivery as at July 31, 1944.

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

August 3, 1944.

CONFIDENTIAL

REF. NO. B-35  
MONTHLY REPORT NO. 11LOCATIONS OF OCEANIC FLIGHT DELIVERY AIRCRAFT  
(COVERING MOVEMENTS THROUGH JULY 31, 1944)

August 2, 1944

	(1) PORTERS (BAC-T/L)	(2) LIB. (BAC)	(3) HUDSON (BAC-T/L)	(4) VENT. (BAC)	(5) F. BOAT (BAC-T/L)	(6) VENT. (L/L)	(7) BOAT. (L/L)	(8) HAIR. (L/L)	(9) BOAT. (L/L)	(10) BOAT. (L/L)	(11) BOAT. (L/L)	(12) BOAT. (L/L)	TOTAL
UNITED KINGDOM	146	96	807	141	490	58	309	1	354	379	8	168	3021
MIDDLE EAST (a)		5	95			204	33	111	160		342	296	2196
WEST AFRICA (a)									22			4	26
AUSTRALIA					27								27
SOUTH AFRICA (a)				135		107							242
SINGAPORE					9								9
INDIA (a)									300				300
ACRES	3												3
FRANTOWN			91										91
OTV'S IN CANADA			220	68		64				41		27	467
BOAT					28	1	2		(e) 15				46
ALL OTV									34	68			202
45 GROUP RAFTS		11	43	10	10				10				84
In route overseas								3	20				23
In route U.S. or U.S. Canada, Cocos, etc.					1		2		3	1			13
Hawaii or Bermuda (on route)					1	1		4	1		1		11
Special duty in Canada			1	1	1								3
Montreal				2	2		1		13	12	1	18	48
CRASHED AFTER REPORT			52	19	10	9	17	39	6	9	12	9	189
In route export				1			1		1	35			38
At Modification Center					20	1			84	3			108
Special duty in U.S.		2					1						3
CRASHED IN U.S.		1	28	5		1	3	15	5	2	7	1	66
DIRTIED TO U.S.		30	21	(b)281									281
<b>TOTAL</b>	<b>149</b>	<b>165</b>	<b>1318</b>	<b>664</b>	<b>(a)602</b>	<b>446</b>	<b>369</b>	<b>1173</b>	<b>1067</b>	<b>548</b>	<b>371</b>	<b>3439</b>	<b>7521</b>

(a) Including deliveries to Rabat, Accra or Takoradi for these destinations.

(b) Including 15 returned under Req. BSC 41018 after use by U.S.A.A.F.  
for training, with 45 off BA-152 also under 41018 after A.A.F. training use.  
All 60 are included in Column 6.

(c) Later re-allocated to Canada by H.A.C. (AIR), under Req. CA-00076.

(d) Reduced by 21 F2H's, 34 F2H's, and 25 PRZY-3B's, returned to U.S. Navy.

PLANNING AND AIRFRAME SUPPLY  
BRITISH AIR COMMISSION  
WASHINGTON, D.C.

Regraded Unclassified

SECRET BY COURIER

August 1, 1944

CIRCULAR AIRGRAM

✓ August 3, 1944

SUBJECT: SAFEGUARDING OF LIVES OF AMERICAN REPUBLICS  
DOCUMENT HOLDERS 11:00 am

TO CERTAIN AMERICAN DIPLOMATIC OFFICERS:

Please refer to previous communications regarding persons affiliated with persecuted European groups in enemy controlled areas holding documents issued in the names of American republics and efforts to safeguard their lives. Intense persecution of such groups, including forced deportation and mass extermination has been introduced into Hungary, where persons holding documents issued in the names of American republics are reported to be in danger because of absence of representation in that country. Amlegation Bern cables:

QUOTE With regard to general question of Latin American documentation in German controlled countries, the suggestion that such Latin American Governments as have not previously made arrangements for their interests in Hungary to be taken care of urgently ask Switzerland or other neutral country to assume such representation is made by the Legation for the consideration of the Department. All Latin American countries without direct representation in Hungary except Uruguay, Chile, Brazil and possibly El Salvador, would seem to be concerned in this. UNQUOTE

Please consult appropriate officials of the Foreign Office in an endeavor urgently to secure representation in Hungary by Switzerland for the Government to which you are accredited. Although such government's interest in Hungary may be nominal, its representation in Hungary preferably by Switzerland is an essential first step to the humanitarian effort to save the lives of persons there holding documents issued in such government's name, and the approach to the Foreign Office should be on that basis. If the government to which you are accredited agrees to this measure, please request it to instruct the protecting power substantially as follows: (1) Passports and other documents issued in its name to persons in Hungary subject to persecution, are recognized and confirmed; (2) Hungarian Government to so be advised and that it is expected that persons holding such passports and other documents will be accorded the treatment, rights, privileges, and immunities of nationals of the government to which you are accredited, and (3) the United States is authorized to negotiate for the exchange of such persons. You may



SECRET BY COURIER

- 2 -

may assure the Foreign Office that in the event of such negotiation every preference will be given by the United States to unquestioned nationals of the government to which you are accredited, and that such government will not be expected physically to receive other persons, who, if exchanged, will be routed to other havens.

If desired this Government would be willing to act as a channel of communication in representation matters between it and the Swiss or other neutral Government to which it wishes to entrust its interests in Hungary.

Please advise the Department promptly of the results of your approaches.

Stettinius  
acting  
ghs

ACTING

Send to AMEMBASSY

"  
"  
"  
"  
"  
"  
"  
"  
"

La Paz  
San Jose  
Quito  
Guatemala  
Port-au-Prince  
Tegucigalpa  
Managua  
Asuncion  
San Salvador  
Caracas

Bolivia  
Costa Rica  
Ecuador  
Guatemala  
Haiti  
Honduras  
Nicaragua  
Paraguay  
El Salvador  
Venezuela

WRB:MMV:OMH

CCA

RPA

WCA

BOL

WE

SE

ARA

No. 450

## OFFICE OF THE REPRESENTATIVES OF THE UNITED STATES

CONFIDENTIAL

Algiers, August 3, 1944

SUBJECT: Proposed Yugoslav Refugee Camp at Phillippeville

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to telegram No. 2371 of July 12, 6 p.m. for the War Refugee Board from Mr. Murphy, and previous, I have the honor to enclose the minutes of a meeting concerning the proposed camp for Yugoslav refugees at Phillippeville.

It is believed that the record of the meeting will be of value to UNRRA in view of the responsibility of that organization to administer the camp beginning October 1, 1944. While it has not been made a matter of record in the minutes of the meeting, Brigadier Clark emphasized in no uncertain terms that the British military will relinquish direction of the camp on September 30. In these circumstances it will be absolutely necessary for UNRRA to have an adequate administrative staff available in advance of that date to take over the direction of the camp at Phillippeville.

It was agreed at the meeting that the French authorities would be asked to accept as a basis for dealing with offenses committed by the refugees a set of general principles to be drawn up by Brigadier Clark in agreement with Allied Force Headquarters. These principles would be applied in framing the military directive to the commander of the camp by which he would deal with offenses committed within the camp, that is between minor offenses, which, though punishable under French law, could be adequately dealt with by camp discipline, and serious offenses, which would be tried by the French courts.

It had been hoped to show this despatch to Governor R. L. Cochran, the representative of UNRRA attached to Allied Force Headquarters, but his departure for Cairo, the uncertainty of the date of his return and the urgent need for UNRRA to despatch personnel to the camp at

cc: Miss Chauncey (For the Sec'y), Abrahamson, Akin, Berenstein, Cohn, Dubois, Friedman, Gaston, Kadel, Laughlin, Lesser, Mann, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Weinstein, Files

2

Phillippeville as soon as possible prompts the sending of the despatch without further delay.

Respectfully yours,

/s/ Selden Chapin

Selden Chapin  
Counselor of Embassy, In Charge

Enclosure:  
Minutes of meeting.

711.10

GWR:joc

Osaid copy to Department.

Enclosure to despatch No. 450, dated August 3, 1944, from Algiers.

RECORD OF MEETING held at 5, Rue Professor Curtille, Algiers, on Friday 26th July, concerning the proposed camp for Yugoslav Refugees at Philippeville.

Present:

Mr. Kingsley Rooker.  
 M. de La Tourneille.  
 M. Marcel Grau.  
 Capitaine Chantegrell.  
 M. Halvy.  
 Brigadier Clark.  
 Mr. R. L. Cochran.  
 Mr. G. W. Bernhard.  
 Major S. A. Goldsmith.  
 Mr. D. P. Reilly.

Office of the British Representative  
 (in the Châlet).  
 Commissariat aux Affaires Etrangères.  
 Commissariat aux Prisonniers, Déportés  
 et Réfugiés.  
 Etat Major Defense Nationale.  
 Sous-Secrétariat Sécurité.  
 North Africa District.  
 Chief Representative Mediterranean  
 Area, UMRRA.  
 Office of the U. S. Representative.  
 G-5 Section, A. F. H. Q.  
 Office of the British Representative.

Mr. Rooker opened the meeting by explaining the origins of the proposal and by expressing warm appreciation of the ready response shown by the French authorities and of the willingness of the British military authorities to assist in tackling the problem by maintaining the camp at Philippeville until UMRRA could take it over. Referring to the note No. 143/829 of the 7th July by which M. Haussig had agreed to the rotation of the refugees in French North Africa, Mr. Rooker asked whether the French representatives could specify exactly what was intended by the statement that the refugees "devront être soumis entièrement aux lois et règlements français".

M. de La Tourneille replied that the French authorities assumed that since the refugees were all civilians, there would be no question of extrajurisdiction of the camp and that any offenses committed by the refugees whether inside or outside the camp, would be tried before French courts under French law.

Mr. Rooker said that the view of the British military authorities was that within the camp the British military Commandant should have jurisdiction. The British Army had no desire to accept the commitment of running the camp. But ~~subject~~ UMRRA for the French authorities were in a position to maintain it. The British military authorities felt bound to insist that if they were to accept responsibility for the camp, their jurisdiction within its perimeter should not be in question.

Ma de la Tourneille said that he saw no difficulty at all over the Commandant having full responsibility for punishing offenses against the disciplinary rules of the camp, but that it was very difficult for the French authorities to admit that the Commandant could have jurisdiction as regards offenses against French law.

Le Grau said that it was not possible to make a distinction between offenses against French law committed inside and outside the camp. The French authorities wished to treat the refugees as allies with the right to circulate freely outside the camp. In return they must ask that the refugees should be at all times subject to the jurisdiction of the French courts.

Brigadier Clark said that so long as the British Army was responsible for the camp, refugees would be forbidden to circulate freely. The aim would be to keep them in the camp area, but as it was not fenced, it was impossible to guarantee that they would not break out. The great majority would, however, be women with small children, old people and cripples, so that they would certainly not be able to go far afield. So long as the British Army was responsible for the camp none would be employable outside the camp and arrangements would be made to give them occupations inside it such as mending, boot repairs, etc.

He considered that a distinction should be made between day-to-day offenses, such as theft, which would be adequately dealt with by camp discipline, probably administered by the refugees themselves under the supervision of the Camp Commandant, and any serious offenses committed in the camp and beyond the power of the Commandant to deal with which would normally be handed over to the French civil courts for trial. He thought that serious offenses would be rare. Offenses committed outside the camp would be tried by the French Civil Courts, though he hoped that in the case of minor offenses, the French authorities would allow offenders to be dealt with under camp discipline. The French authorities would of course be entitled to ask that refugees committing offenses outside the camp and then taking refuge in it, should be handed over to them for trial but he considered that the decision whether to hand over the refugees should be with the Superior British Military Authority.

Brigadier Clark emphasized that the small British staff of the camp and their Jugoslav assistants would have a very heavy task. He could not guarantee that difficulties would not arise. But he greatly hoped that they would be settled locally in a spirit of conciliation and of give and take, and that only major matters of policy would be referred to Algiers. He appreciated to the full the difficulties which the whole proposal involved for the French authorities concerned. It was his earnest desire to cooperate with them to the utmost possible extent.

In answer to an enquiry from the French representatives regarding the position of the Yugoslav Government in relation to the camp, Brigadier Clark said that no one would have access to the camp without permission from the British military authorities. Passes would of course not be unreasonably withheld from properly accredited representatives of e.g. the Yugoslav Government, but he had no intention of allowing representatives of unauthorised bodies to visit the camp.

The French Representatives said that the plans for the camp as now explained to them, entirely changed the proposal, as they had understood it. They had thought that the refugees would be free to leave the camp every day for work etc. and it was mainly for this reason that they had been particularly anxious that the refugees should not be subject to two separate jurisdictions. In the light of the information given at the meeting they would have to refer the whole question back to the Comaisioners concerned. They thought that the distinction proposed for offences committed within the camp, i. e., between minor offences, which, though punishable under French law, would be adequately dealt with by camp discipline, and serious offences, which must be tried by French courts, would prove acceptable. M. de la Tourville suggested that it should be the task of the proposed Joint Committee to decide which offences should be punishable under Camp discipline and which should be reserved for the French courts. For this purpose the rules of the camp should be drawn up in agreement with the Joint Committee.

Brigadier Clark stated that as principles and precedents were involved it would be necessary for the General Officer Commanding North Africa District to refer the matter to AFHQ. He further stated that, when agreement had been reached with AFHQ, he would be willing, with the permission of the General Officer Commanding North Africa District, to make himself available to explain to the Committee the general principles to be applied in drawing the military Directive to the Commandant of the Camp, on which the letter would frame his military Standing Orders.

After further discussion the meeting agreed that the French authorities should be asked to accept this as a basis for dealing with the question of jurisdiction.

If agreement could be reached the proposed Joint Committee would then have no raison d'être. All hoc meetings could be called to deal with any special point that might arise and was incapable of solution on a lower level.

RESTRICTED

No. 1918

Quito, Ecuador, August 3, 1944

Subject: Assistance to Victims of Enemy Oppression.

The Honorable  
The Secretary of State,  
Washington.

Sir:

Referring to the Department's circular airgram received June 23, 1944 (the date of which is not legible), requesting that there be conveyed to the Ecuadoran Government the message which the President of the United States delivered to the Congress on June 12 in regard to assistance to victims of enemy oppression, I have the honor to enclose a copy, with translation, of a note dated August 1, 1944, from the minister for Foreign Affairs on this subject.

Respectfully yours,

## Enclosures:

1. Copy of a note from the  
Minister for Foreign Affairs
2. Translation of note

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

File No. 840.1  
JWG:rab

Enclosure No. 2 to despatch No. 1918 of August 3, 1944, from the American Embassy, Quito Ecuador.

REPUBLIC OF ECUADOR  
Ministry of Foreign Affairs

Diplomatic Department

No. 27-D-7  
Quito, August 1, 1944

Mr. Ambassador:

I have the honor to state to Your Excellency that I have received your esteemed note No. 240 dated the 30th of last month (sic.) in which, as I was informed, you complied with direct instructions from your Government in bringing to my knowledge the text of the message which His Excellency, President Roosevelt, addressed to the Congress of the United States of America on June 12 of the present year regarding the activities which are being conducted for the assistance and defense of the victims of Nazi persecution.

I have read with the greatest attention the text of that important document, in which His Excellency, the President of the United States of America makes clear the profound concern which he feels regarding the state in which thousands of persons have fallen who have not been able to escape from enemy persecution and the zeal with which he is seeking the solution of this problem of an essentially humanitarian character.

Ecuador shares the noble sentiments which inspire the policy of the United States and of its illustrious leader; it applauds the many measures which are being taken for giving to those innumerable persons who are without refuge the aid of the guarantees and privileges which are afforded by the democracies and in a particular way it is pleased that it is America which is opening its gates in order that in its lands there may be rehabilitated those who have suffered the rigors of the racial and ideological persecution.

I am grateful to Your Excellency for having brought to my knowledge the text of this very important message and I avail myself of the opportunity to renew the assurances of my highest and most distinguished consideration.

(signed) C. Ponce Enriquez

Mr. Robert McGregor Scotten  
Ambassador Extraordinary and Plenipotentiary  
of the United States of America  
City

---

TR:JWD:rab



CABLE TO AMBASSADOR WINANT, LONDON, FROM WAR REFUGEE BOARD

Reference is made to your 6054, July 29th. Please transmit the following message to Emerson, Intergovernmental Committee on Refugees:

QUOTE The Bobkin-Weissman proposal for the removal of 3,000 Jewish children from France is, as you doubtless know, a variant on a scheme which has been repeatedly presented to the French and Germans with negative results. We are perfectly willing to join you in any request you may see fit to make to the International Red Cross to approach the French on this proposal. In view, however, of the small numbers of children who have been arriving in Switzerland and elsewhere from France, and the apparent opportunity to save Hungarian children, arrangements are being made to make the 5,000 American visas which have been available only for children from France, available as well for children from Hungary and elsewhere in occupied Europe. UNQUOTE

4:20 p.m.  
August 3, 1944

AAbrahamson:LSLesser:tmh 8/2/44

## CORRECTION

NJB

PLAIN

August 3, 1944

In telegram No. 6074, Thirty-first, from London,  
reference telegram in second paragraph should read  
"(Reference Embassy's 6040, July 29)".

## DIVISION OF COMMUNICATIONS AND RECORDS

Note: Correction from the Embassy

WJK

August 3, 1944  
2 p.m.

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

AMEMBASSY,

LONDON.

6121

Minister Harrison at Bern, in telegram of July 29, supports  
proposal made by WRB representative (reference penultimate  
paragraph Department's 6035, July 31) that exceptional per-  
mission be granted to distribution of at least part of salvaged  
Christina cargo to concentration camps by Intercross in form  
of individual parcels. He emphasizes that decision must be  
reached in near future since after end of September these  
goods will not be suitable for consumption.

STEFINIUS  
Acting  
(EDK)

800.142/7-2944

SWP:EDK:MHJ 8-1-44

WRB

S/CR

DEPARTMENT

PLAIN

August 3, 1944

AMEMBASSY,

LONDON

6134, Third

With reference to paragraph two your 16167 June 8 kindly advise Intergovernmental Committee that this Government will be represented by Ambassador Winant who is hereby appointed as delegate at Plenary Meeting August 15. If necessary, the Ambassador may designate a substitute delegate and so advise the Committee.

With reference paragraph two your 16242 June 12 the delegate or substitute delegate is authorized to accept on behalf of this Government the draft rules and regulations to be presented at Plenary Committee meeting, with such amendments as Plenary Committee may approve.

STETTINIUS  
ACTING  
(GLW)

WRB:GLW:OMH S/CR BC  
8/3/44

## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, London  
TO: Secretary of State, Washington  
DATED: August 3, 1944.  
NUMBER: 6193

CONFIDENTIAL

In our message dated July 31, Number 6087 we reported the informal reply we received immediately after we delivered the substance of telegram from the Department, dated July 28, Number 5948, to the Foreign Office.

The Embassy has just received a telephone message from the Refugee Section of the Foreign Office which says that our note, which was based on telegram from the Department, Number 5948, is to go before the War Cabinet tomorrow, and that complete reply will be sent through the British Embassy, in Washington to the Department. At the same time, the Foreign Office will transmit the gist of this reply to us.

WINANT.

DCR:LCW 8/5/44

CABLE FROM WAR REFUGEE BOARD TO ACKERMANN, AMERICAN CONSULATE  
GENERAL, NAPLES, ITALY.

The War Refugee Board has no objection to your adding  
a man to your staff pursuant to the arrangements mentioned  
in your 104 of July 29.

THIS IS WRB CABLE TO NAPLES NO. 41

4:20 p.m.  
August 3, 1944

M.Marks/sg 8/3/44

War Refugee Board

PLAIN

August 3, 1944

AMEMBASSY,

MEXICO

1461, Third

War Refugee Board has been informed by Joint Distribution Committee that President of Mexico has recently issued a proclamation stating that Mexico will furnish facilities for admission of refugees from enemy occupied Europe for the duration of the war. Kindly secure and cable if possible text of proclamation for use by Board in dealing with offer by Hungarian Government to permit emigration of refugees from Hungary.

STETTINIUS  
(ACTING)  
(GLW)

WRB:GLW:OMH S/CR MA  
8/3/44

Mexico, D.F., August 3, 1944.

No. 19191

Subject: Statements in the press to the effect that the Mexican Government has indicated its willingness to establish "a port of refuge" for the period of the War for refugees from Europe.

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

Sir:

I have the honor to refer to instructions of the Department with respect to the establishment of the War Refugee Board and to the effect that this Embassy is to bring to the attention of the Mexican Government full information with regard to the establishment of the Board and its activities. In this connection I would like to refer to previous despatches of this Embassy, and more particularly to my despatch no. 17235 of April 27, 1944, in which I gave some background information on the possibility of collaboration by the Mexican Government with the War Refugee Board.

Several weeks ago Mr. Jacob Landau of New York, whom I have known for many years in Europe and in the United States called at the Embassy to state that he was in Mexico City on a mission for the War Refugee Board and that he was awaiting the arrival of Mr. Morris Waldman of the American Jewish Committee, who was to accompany him on this mission here and on a similar mission to others of the American Republics. I told Mr. Landau that while I had no specific instructions with regard to the mission on which he and Mr. Waldman were engaged, I would be very happy to see them both on the arrival of Mr. Waldman.

In the meantime I received a telegram from the Department stating that Mr. Landau and Mr. Waldman were traveling to Mexico and to other countries of the Americas on a mission for the War Refugee Board and that I was to accord them appropriate air priorities to facilitate their travel. I have no direct information from the Department other than this, that Mr. Waldman and Mr. Landau are on a mission for the War Refugee Board, but in view of my long personal acquaintance with them and in view of my knowledge of their full dependability, I have been proceeding on the basis of the information which they have given me with respect to their mission.

When Mr. Waldman arrived in Mexico City, he and Mr. Landau came to see me, and they informed me that the purpose



- 2 -

purpose of their trip was to endeavor to persuade the appropriate Mexican authorities, and those of other American countries to the south, to establish "ports of refuge" for refugees from Europe, these ports of refuge to be used during the period of the War for the shelter of such refugees and at the end of which period, they would return to their country of origin, or at least leave the port of refuge.

They stated that they were undertaking this mission at the request of the War Refugee Board.

Mr. Waldman and Mr. Landau informed me that they had already been in touch with the Minister of Gobernacion, Mr. Aleman, to whom they had been introduced by Mr. Lombardo Toledano, to which Minister they had set forth their desires and plans. Mr. Landau explained that they had made the approach to the Mexican Government in this manner in view of the fact that he had met Mr. Lombardo Toledano in the United States and on his arrival here, he had called on him and Mr. Lombardo Toledano had offered to assist them in this matter and to arrange for an interview with the Minister of Gobernacion, Mr. Aleman. Mr. Landau stated that when Mr. Lombardo Toledano presented them to the Minister of Gobernacion, he made a very strong plea for the establishment by the Mexican Government of such a port of refuge. Mr. Landau stated that the Minister had expressed his interest and his willingness to discuss the matter with the President of Mexico.

I informed Mr. Waldman and Mr. Landau that while I had no instructions from my Government with specific reference to their mission, I considered that the telegram which I had authorizing me to have an air priority for travel to the south and the previous instructions which I had with regard to the War Refugee Board were sufficient basis for me to facilitate their mission in the measure possible. I frankly told them that although I had been much interested in this refugee problem and still was, and had naturally given it a great deal of attention since I have been in Mexico, that I did not find the attitude in either official circles or among the Mexican people particularly receptive to receiving refugees except of a certain type from Europe. In this particular respect I would again refer to my despatch no. 17235 of April 27, 1944, in which I gave background information on this situation in Mexico. I told them, however, that in view of the well known humanitarian attitude of the President of Mexico and of the Mexican Government in general, and as their project did not involve the refugees remaining indefinitely in Mexico, I considered it probable that a receptive attitude might be found.

I told Mr. Waldman and Mr. Landau that as they had taken up the matter with the Minister of Gobernacion on their own initiative and without any intervention of this Embassy, or previous consultation with us, and as the Minister of Gobernacion was one of the responsible Ministers primarily charged with matters of this kind, I thought it best to continue the channel they had been using. I said that the Ministry of Gobernacion was the Ministry primarily responsible in reaching a decision of this kind but that it would ordinarily be made in consultation with the Ministry of Foreign Relations.

When

When I found that no approach had been made to the Ministry of Foreign Relations, I suggested to Mr. Waldman and Mr. Lendau that they give me a memorandum covering exactly what they wished to do and specifically what they had said about their plan to the Minister of Gobernacion, in order that I might leave this with the Minister for Foreign Relations for his information. I said that it was in any event probable that the President would consult the Minister for Foreign Relations before reaching a decision and that I would like at least to give to the Minister for Foreign Relations a definite statement of what was involved in the "port of refuge".

Messrs. Waldman and Lendau prepared a memorandum, of which I transmitted a copy herewith, and which is self-explanatory.

At the first opportunity that I had after the conversation with Messrs. Waldman and Lendau, I informed the Foreign Minister of the presence of Mr. Waldman and Mr. Lendau in Mexico City on this mission for the War Refugee Board and stated that they were already in touch, through arrangements that they had made on their own initiative, with the Minister of Gobernacion. The Minister, Dr. Padilla, indicated that he had not yet received any other information on this matter and had not yet been consulted by the Minister of Gobernacion. I, therefore sent him after this conversation a copy of the memorandum prepared by Messrs. Waldman and Lendau.

In the Mexico City newspapers of August 2, there appeared a statement to the effect that the Mexican Government had announced that it was prepared to establish a port of refuge. Although the announcements in the newspapers were to the effect that the information came from official sources, I thought it was well to determine whether there had been action officially by the Mexican Government, and I got in touch with Messrs. Waldman and Lendau, who informed me that this notice in the newspapers under reference was the first indication they had of favorable action, but that they would confirm it. They later informed me that they had assured themselves that the Ministry of Gobernacion had issued this statement, which had appeared in the press.

Messrs. Waldman and Lendau indicated that they would like immediately to telephone to Mr. Friedman of the War Refugee Board in Washington, who is acting for Mr. Peble, the Executive Secretary of the Board. In view of the fact that telephone communication is much delayed and in view of the official character of the War Refugee Board, I arranged for a telephone call by the Embassy to Mr. Friedman and during the telephone conversation with Mr. Friedman in Washington on August 2, Mr. Lendau informed him that the Mexican Government had issued a statement to the press that day that it is prepared to set up a safety port for Jewish refugees from Europe, particularly women and children; that the Mexican Government is not prepared to accept any financial responsibility for the transportation and maintenance of these refugees; that it stipulates that they will not engage in any occupation or business while in Mexico and that they will be repatriated upon the termination of the War. Mr. Lendau informed Mr. Friedman that the Mexican Government wished guarantees to this effect

- 4 -

effect and he suggested that Mr. Friedman get in touch with Mr. Hyman or Mr. Levy of the Joint Distribution Committee and urge that one of them come to Mexico within the next day or two in order to furnish written guarantees in the manner desired by the Mexican Government. Mr. Friedman informed Mr. Landau over the telephone that he would be able to do this.

While I have no official confirmation from the Mexican Government, either from the Ministry of Foreign Relations or the Ministry of Gobernacion, to the effect that the Mexican Government has taken this action, there are further statements in the press this morning which indicate that action in the foregoing sense has been taken by the Mexican Government. In view of the fact that the contact in this matter has been entirely between Mr. Waldman and Mr. Landau and the Ministry of Gobernacion, I shall necessarily let the matter remain in that channel.

I have told Mr. Waldman and Mr. Landau that in any way that I can properly assist them in this matter, I shall be very glad to continue to do so. I have made it clear to them, however, that if any refugees are to be brought here to such a port of refuge, the Mexican Government will insist upon very definite guarantees: (1) that it will not accept any financial responsibility for transportation or maintenance; (2) that the refugees will not engage in any gainful occupation or business while at the port of refuge; and (3) that they will be repatriated at the end of the War. Mr. Waldman and Mr. Landau informed me that the appropriate guarantees for maintenance, etc., will be given by Jewish organizations of a private character in the United States, such as the Joint Distribution Committee.

In this connection I may say that in a conversation with the Minister for Foreign Relations, I informed him that I had had close contact with the work of the Joint Distribution Committee over a period of many years and that I could inform him informally that any guarantees given by the Committee would be met meticulously.

While I am very happy that this action is being taken by the Mexican Government, I think it is in no way indicative that Mexico is prepared to receive any number of Jewish refugees and, in fact, certain other refugees from Europe for permanent residence and integration in her economic life. The preliminary announcement in the press of the proposed action of the Mexican Government in establishing a port of refuge for the duration of the War has not been received without criticism from sections of the Mexican press. I have taken the opportunity of my long friendship with Mr. Waldman and Mr. Landau, and my full appreciation of the humanitarian work in which they are engaged, to give them for their confidential background the best information in my power with regard to the real situation here and with regard to the possibilities of settling Jewish refugees, and certain other refugees, in this country.

If

If any further information develops in this matter which will be of interest to the Department, I shall not fail to keep it informed.

After completing this despatch to this point, Mr. Landau called me on the telephone to say that Mr. Waldman and he had just been received by the Minister of Gobernacion, Mr. Aleman, who had informed them that a port of refuge was agreed upon by the Mexican government under certain conditions which I understand are those already set forth in this despatch. Mr. Landau said that Mr. Waldman and he had called upon the Minister of Gobernacion, Mr. Aleman, to express their thanks and that of the War Refugees Board for the action which they understood from the press the Mexican Government was taking in this matter. It was then that Mr. Aleman confirmed to them that the Mexican Government would take this action.

Mr. Landau further said that arrangements had been made for him and Mr. Waldman to call upon the President of Mexico in order that they might have an opportunity to express personally and directly to the President their appreciation of the action to be taken by the Mexican Government.

There has been, so far, no official statement of the Mexican Government with regard to this action other than brief articles in the press, obviously coming from the Ministry of Gobernacion. There has been no proclamation by the President or no decree as yet issued, or at least published, and up to this writing, the Ministry of Foreign Relations has apparently not been consulted in the matter by the Ministry of Gobernacion.

I am,

Respectfully yours,

George S. Messersmith

Enclosure:  
Memorandum.

848-War Refugees Board

(Original and 4 copies to the Department)

GSW/osa

American Embassy, Mexico, D. F.  
Enclosure to Despatch No. 19191, August 3, 1944

MEMORANDUM

Mr. Morris D. Waldman, Vice-Chairman of the Central Jewish Committee and Mr. Jacob Landau, member of the Executive Committee of the Central Jewish Committee arrived in this country a few days ago. The American Jewish Committee is an outstanding Jewish organization to which the most prominent Jews in America belong.

The trip of these two gentlemen is sponsored by the War Refugee Board, which was recently established by President Roosevelt for the rescue of Jewish and Christian victims of Nazi tyranny. It is composed of Mr. Cordell Hull, Secretary of State, Mr. Henry Stimson, Secretary of War, and Mr. Henry Morgenthau, Secretary of Treasury.

The purpose of this trip is to ascertain whether President Manuel Avila Camacho would be prepared to establish a safety port, like the one very recently established in the United States by President Roosevelt.

It is not anticipated that any refugees would actually reach the safety port. The safety port would be, in the main a moral gesture indicating the interest Mexico is taking on humanitarian grounds in the lot of innocent persons who are being ruthlessly exterminated by our common enemy.

The safety port would merely provide, as the name indicates, a temporary asylum for the duration of the war. It is not suggested that they would be allowed to work, or to freely move around the country.

Should any refugees arrive in this country, Mr. Waldman and Mr. Landau are prepared to guarantee on behalf of the philanthropic Jewish organizations in the United States, that all expenditures involved would be borne by them and that these refugees will not become a burden to Mexico.

It is further suggested by Mr. Waldman and Mr. Landau that a presidential pronouncement, establishing a safety port could limit the number of Jews to be admitted to five or six hundred, or whatever the Government may deem advisable. They are both hopeful that Mexico will be the first Latin American country to indicate this humanitarian interest in the mission which brought them here.

Mr. Waldman and Mr. Landau, before leaving the United States, I am informed by them, were received by Mr. Cordell Hull, who expressed his deep interest in their mission and emphatically expressed the hope that they would succeed.

Mexico, D.F., July 25th, 1944.

NOTE: This memorandum was prepared by Messrs. Waldman and Landau at my request and for my information. I gave a copy informally to the Minister for Foreign Relations for his information. Messrs. Landau & Waldman inform me that they gave a copy of the memorandum in Spanish to the Minister of Gobernacion, Mr. Aleman.

G.S.M.

Miss Chauncey (For the Sec'y), Abrahamson, Cohn, DuBois, Friedman, Hodel, Laughlin, Lasser, Mann, Marston, McCormack, Cable Control Files

## CABLE TO LISBON

From War Refugee Board for Norweb

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

"Assume you saw agreement Pilpel signed regarding  
rescue care refugees from France Stop Would appreciate  
your earliest comments Stop Remitted \$100,000 to Gilbert  
Simond Ankara Stop Unless you have very cogent reasons  
for remaining Lisbon we most anxious have you return here  
immediately for short stay for consultation many urgent  
current problems."

THIS IS WRB CABLE TO LISBON NO. 69

10:05 a.m.  
August 3, 1944

EBTowler:agr 8-2-44

AIR MAIL

NO. 804

Lisbon, August 3, 1944.

241

RESTRICTED

Subject: Statement Regarding Claimants to American and  
Central American Citizenship, recently Departed  
from Vittel.

The Honorable  
The Secretary of State  
Washington

Sir:

I have the honor to refer to the Embassy's telegram No. 2393, August 2, 1944 (WRB-135), and to enclose a copy of a letter of today's date to the American Minister in Bern on the above subject. This letter together with a copy of the documents mentioned therein, which were also sent to the Department under cover of the Embassy's despatch No. 789, July 31, 1944, has been addressed to Bern in accordance with the Department's telegram No. 2146 (WRB-68) August 1, 1944 7 P.M. It is hoped that this letter with its enclosures will reach Bern without delay.

It is believed that the War Refugee Board will be interested in this despatch and its enclosure, and if the Department perceives no objection, it is requested that copies be transmitted to it.

Respectfully yours,

For the Ambassador:

Charles E. Dickerson, Jr.  
First Secretary of Embassy

Enclosure:

Copy of letter to American Minister, Bern.

RCD:ew

**COFX**

Lisbon, August 3, 1944

The Honorable,  
Island Harrison,  
American Minister,  
Born.

Sir:

On July 28 this Embassy received a statement from two British refugees who have since left on the S.S. DROTTHINGHOLM regarding the situation of claimants to nationality of various countries in North and South America who were deported from Vittel during their stay there. The Embassy immediately cabled to the Department giving the substance of the information and asking for instructions as to its next immediate use, since the matter was one of great urgency.

Immediately thereafter the Embassy sent Washington a despatch by air mail with complete details. The Embassy has now received a telegram asking it to provide your Mission with these details. I am therefore enclosing a copy of our despatch No. 789, dated July 31, 1944, to Washington together with the statement and the list of such American claimants.

In the telegram above referred to which was received from Washington the Embassy was informed that your Mission and particularly Hess McClelland, Representative of the War Refugee Board there, are fully familiar with these problems and can take such action as is necessary, either with the Swiss Foreign Office or the International Red Cross.

Sincerely yours,

Enclosures:

Copy of despatch No. 789  
Copy of statement of claimants to American and Central  
American Citizens.



Lisbon

Dated August 3, 1944

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

Secretary of State,  
Washington.

2396, August 3, 1 p.m.

FOR LEAVITT FROM SCHWARTZ. WRB 136 JDC 41.

Mordecai Kessler Algiers advises repatriation remaining Tripolitanian refugees now French North Africa being carried out. Since shipping not presently available seventy three have recently departed from Tunis by car and ninety nine leaving next (\*) days. Balance of Tripolitarians in Tunis Sfax, Algeria and Morocco being transported train to Tunis where they will be required stay thirty days for clearance before proceeding Tripolitania by motor vehicles. Expense of travel by car adult is 1000 francs which we understand being borne by British Government.

HORNEB

RR

(\*) apparent omission

KD-239  
Distribution of true  
reading only by special  
arrangement. (SECRET-W)

Lisbon  
Dated August 3, 1944  
Rec'd 3:57 p.m.

Secretary of State  
Washington

2398. August 3, 1 p.m.

THIS WEB 137 JDC 42 FOR LEAVITT FROM SCHWARTZ.

First consignment feed packages for labor camps  
Yugoslavia left Switzerland through Intercess.  
Further shipments expected.

Salzmayer started relief in Hungary with funds  
sent through WEB. Third of sum being used purchase  
of feed within Hungary. 200,000 pengoes allocated  
first Gratchild Welfare 1200 Rabbis and other Hungarian  
Jewish religious leaders passed through Slovakia in  
route to Bergenbelsen near Hanover. Local Slovakian  
committee has been allotted funds to provide for other  
expected conveys and to take care local needs.

For relief in Shanghai 22,700,000 Chinese dollars  
transmitted for July compared with one 6,300,000  
June and 11,800,000 May. For June Shanghai requested  
30,000,000. 340,000 U.S. dollars equivalent to July  
budget.

HORWEB

LPU-461

PLAIN  
Lisbon  
Dated August 3, 1944  
Rec'd 6:50 a.m., 4th

Secretary of State,  
Washington.

2400, August 3, 8 p.m.

FOR LEAVITT FROM SCHWARTZ JDC 43 WRB 138.

Following are budgetary requirements Jewish communities Turkey for 1944 over and above any appropriations or remittances previously made Istanbul 100,000 Turkish pounds of which 73,000 represent actual deficits incurred on minimal budgets balance urgently required for immediate repairs without which institutions cannot continue function. Ismir 50,000 Turkish pounds. Brussa 9,000 Edirne 9,000 Ankara 9,000. Total amount requested and required for current activities 177,000 Turkish pounds at premium rate 1.80 to dollar. As you know there are kassas established by us functioning in Istanbul and Ismir for which additional funds are requested in order to enable them to increase amounts to individual borrowers view tremendously increased costs goods materials and conducting businesses. In this connection Brussa is asking for a special allocation of 8,000 pounds for a small loan society and Ismir is asking for a grant of 30,000 pounds for their cassa. Should Passman proceed Istanbul will ask him look into situation and make recommendations. Meantime advise whether reconstruction committee interested and able help this connection. All remittances for Turkish communities to be made Hollantse Bank Uni Istanbul for Grand Rabbinate.

NORWEB

RR

CABLE TO AMERICAN LEGATION, STOCKHOLM, FOR OLSEN

Please deliver following message from War Refugee Board to Chief Rabbi Marcus Ehrenpreis, Stockholm Jewish Community, Stockholm, Sweden:

QUOTE Referring your message concerning funds for Rumania, JDC states that Saly Mayer has been in constant touch with Filderman and other leaders Rumanian Jewry. JDC has received confirmation from responsible sources that funds have been and are being secured locally in part through method of borrowing against the credit of the JDC for later reimbursement. JDC affirms that it follows vigilantly situation Rumanian Jews. A. Leon Kubowitzki, World Jewish Congress, New York. UNQUOTE

THIS IS WRB CABLE TO STOCKHOLM NO. 67

5:20 p.m.  
August 3, 1944

LSLesser:tmh 7/31/44

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

August 3, 1944

8 p.m.

247

AMLEGATION,  
STOCKHOLM

1551

The following War Refugee Board cable 66 is for Olsen.

1. Refer Department's 1246 of June 23, WRB's 30, penultimate paragraph. Alfred Halasz, Budapest, said to be secretary general of printers' union, suggested by Ignatz Schultz whose name should be used.

2. Express Board's appreciation to Wallenberg for achievements mentioned in your 2779 of July 25, to WRB number 594. Would appreciate estimate of cost of operating suggested experimental camp as well as your views as to the extent to which it might be financed without supplying free foreign exchange to the enemy. Need of protection would appear to be proper basis of selection.

3. Refer your 2396 of June 30 incorporating your 12 to Lisbon of same date. Members of same family have arrived in Switzerland and Amlegation Bern states:

QUOTE From a reliable source it is stated that the Jewish director of Akwsesauya I U, one Wilhelm Bielitz, organized the departure of these persons and is now trying to come here himself. UNQUOTE

Wallenberg may find it advantageous to contact him.

STETTINIUS  
(Acting)  
(GLW) SE S/CR

WRB:MMV:KG  
8/3/44

NOE

MAE-451  
Distribution of true  
reading only by special  
arrangement. (SECRET-W)

Stockholm  
Dated August 3, 1944  
Rec'd 4:02 a.m., 4th

248

Secretary of State,  
Washington.

2920, August 3, 3 p.m.

FOR WAR REFUGEE BOARD

From local intermediaries it would appear that the Rumanian Minister here is very sympathetic regarding difficulties of evacuating Jews from Rumania. He has allegedly agreed to forward to Bucharest with his strong support a request that the Rumanian Government supply transportation for such evacuations. It was considered best that the local Swedish Section of the World Jewish Congress be the initiators of the request. The Rumanian Minister allegedly appears convinced that his Government will be receptive to this request and anxious to take any step which might bring it good will. He also allegedly seems sure that on the basis proposed the Germans will not be in a position to refuse safe conduct. He is allegedly very uncertain, however, whether the Rumanians now have any vessels suitable for such evacuation, since most transport vessels were said to have been either sunk or badly damaged in the evacuation from Odessa. In the event that it should become established that suitable vessels are, in fact, not available the Rumanian Minister has pointed out the following possibilities:

(One) The two Rumanian boats presently in Istanbul perhaps can be used. These were mentioned in our No. 48 for WEB (Legation's 2538 of July 9, 11 a.m.).

(Two) Possibly certain suitable Rumanian vessels, damaged at Odessa, were able to get back to Rumanian ports. If it were possible to replace the damaged instruments in Turkey, perhaps two or three boats could be made serviceable.

The Swedish Section of the World Jewish Congress has assured the Rumanian Minister that it will guarantee expenses of any such voyages, and it in turn will look to the World Jewish Congress for the necessary financial support.

As previously indicated, local Rumanian Minister allegedly feels very optimistic concerning this proposal and is forwarding it by courier to his Government in Bucharest. Apparently he dismisses entirely the possibility of any German interest in seizing serviceable Rumanian vessels on the grounds that German troop

transport

-3- #2920, August 3, 3 p.m., from Stockholm

transport requirements in the Black Sea have long since passed and that the Germans should have no further interest in such vessels.

The Board's comments would be appreciated.

JOHNSON

- JT

WTD

CABLE TO AMERICAN LEGATION, BERN, FOR McCLELLAND

Please deliver following message from War Refugee Board to  
Dr. Gerhard Riegner, 37 Quai Wilson, Geneva:

QUOTE Referring again your message of June 14,  
JDC states that Saly Mayer has been in constant touch  
with Filderman and other leaders Rumanian Jewry. JDC  
has received confirmation from responsible sources that  
funds have been and are being secured locally in part  
through methods of borrowing against the credit of the  
JDC for later reimbursements. JDC affirms that it  
follows vigilantly situation Rumanian Jews. A. Leon  
Kubowitzki, World Jewish Congress, New York. UNQUOTE

THIS IS WRB CABLE TO BERN NO. 111

5:20 p.m.  
August 3, 1944

LSLesser:tmh 7-31-44



## ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington  
TO: American Legation, Bern  
DATED: August 3, 1944  
NUMBER: 2667

CONFIDENTIAL

FOR McCLELLAND

Reference your 4223 of July 3 and the Department's 2490 of July 21, WRB's 78.

Information has reached the Board that on May 16 further deportations from Vittel took place. Please make all appropriate inquiries to determine whether this report is correct. If it is, please make efforts in the manner outlined in Department's 2490 of July 21, WRB's 78.

THIS IS WRB BERN CABLE NO. 110.

STETTINIUS  
(Acting)

KEM-169  
This telegram must be  
paraphrased before being  
communicated to anyone  
other than a Government  
agency. (RESTRICTED)

Bern  
Dated August 3, 1944  
Rec'd 10:19 a.m.

Secretary of State,  
Washington.

4967, August 3, 9 p.m.

FOR WRB FROM MCCLELLAND FOR NAHUM GOLDMANN  
WORLD JEWISH CONGRESS FROM GERHART RIEGNER.

"You are certainly aware of ICRC's official  
communique concerning Hungary. On the occasion of  
Guggenheim Burckhardt conversation of July 21 following  
details obtained. ICRC communique is nearly identical  
to and based on official communique of Hungarian Govern-  
ment to ICRC transmitted by Hungarian Charge d'Affaires,  
Bern, July 18. ICRC obtained full power and now seeking  
carry out various points. We emphasized responsibility  
of ICRC and necessity of strict control execution of  
promises, notably cessation of deportation. We pressed  
ICRC dispatch large delegation to Budapest charged with  
distribution of relief. ICRC showed tendency desire  
act through Jewish Council presided by Hofratstern but  
we urged matter remain primarily in ICRC hands since  
they would have more liberty of action and be more  
independent of Hungarian Government. We made also  
reservation

-2- #4967, August 3, 9 p.m., from Bern.

reservation on personality Stern, 80 years of age, and insisted on principle of non-discrimination between Hungarian and foreign Jews. We proposed collaboration between ICRC Mission which would be officially responsible and special Jewish committee in which Jewish groups in Hungary would be represented. Question possibilities purchase foodstuffs in Hungary not yet resolved but if impossible ICRC ready put disposal Swedish ICRC steamer HALAREN which could carry foodstuffs to Trieste. In any case, considerable amounts will doubtless be necessary which Jewish organizations will probably not be able to furnish without governmental aid. Therefore propose former vast rescue plan of last year be at least partly revived with regard to Hungary now that ICRC has obtained broad power of control. Insisting also our personal participation to a certain extent view obtaining influence over whole proceeding. Concerning departure of children, ICRC already asked that age limit originally fixed at 10 be increased. Switzerland ready accept certain number Hungarian children and negotiations are also going on concerning Swedish proposal. ICRC is willing to deal with emigration to Palestine. Our opinion, however, is that matter should be left for time being in hands of protecting power. ICRC in general  
very proud

-3- #4967, August 3, 9 p.m., from Bern.

very proud of their success in matter Hungarian Jews which they very much needed for their political position. Our duty is therefore insist by all means on strict execution of promises obtained and on extension of promise cessation deportations from other camps in various countries such as Drancy, Malines, Westerbork, Fossoli, et cetera."

HARRISON

JJM RR

Miss Chauncey (For the Sec'y), Abrahamson, Akzin, Borenstein, Cohn, DuBois, Friedman, Gaston, Hodel, Laughlin, Lesser, Mann, Mannon, Marks, McCormack, Pehle, Sargoy, Standish, Stewart, Weinstein, Cable Control Files.

KD-342

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

BERN

Dated August 3, 1944  
Rec'd 8:30 p.m.

255

Secretary of State  
Washington

4972, August 3, 9 a.m.

Referring to present situation of Jews in Hungary Burckhardt of ICRC communicated to me message received July 31 from Dr. Schirmer (formerly in Berlin) and Bern ICRC representative in Budapest substance of which follows.

One. Sufficient quantities of food and clothing are available in Hungary. Funds will be needed, however, to purchase foodstuffs for relief to recently dispossessed Jews in Budapest and more particularly to those remaining in provinces in camps.

Two. Jews in Budapest are now allowed to leave their houses to make purchases between ten and seventeen hours (formerly only between fourteen and seventeen). Those possessing adequate means can purchase sufficient food for their needs. The legitimation cards of Jews in Budapest expire on August 1. They will, however, be granted new ones and according to recent decrees a certain number of special work permits will be issued to Jews "whose intellectual or physical labor is considered to be of public utility".

Three. All internment and concentration camps and consigned Jewish houses in Budapest will be accessible to ICRC delegates. Schirmer and Born have visited twenty-five such houses as well as hospitals and baths. In latter satisfactory conditions prevailed. They also visited camps of Kistarcsa and Sarvar on July 25. (According to additional information there are other Jewish camps at Miskolc, Jasznereny and Pecs). ICRC Geneva will be notified by telegram if and what relief supplies are necessary for these camps. Transportation facilities in Hungary will be granted and goods consigned to Hungarian Red Cross for distribution by ICRC. ICRC may choose Jewish men of confidence in camps.

Four. Any relief undertaken by ICRC will receive collaboration of Hungarian Red Cross and of official "Judenrat" in Budapest. Final control of all distributions will be in hands of ICRC. Auxiliary relief personnel can be supplied by Jews themselves. Such personnel will be

exempted from

-3- \$4972, August 3, 9 a.m., from Bern

exempted from wearing yellow Jewish star. Adequate space for officers and storerooms will be made available to any ICRC Jewish relief program.

Five. About 8,700 Jewish families amounting to some 40,000 souls plus 1,000 orphaned children will be allowed to emigrate from Hungary to Palestine via Rumania and Turkey. An initial transport of about 2,000 persons will leave Budapest within next 8 to 10 days. ICRC will take charge of departure transportation and care this convoy en route. Born will accompany first convoy to Rumanian port of Constanza. Boats are reported to be available.

HARRISON

RR

PARAPHRASE OF TELEGRAM RECEIVED

257

FROM: American Legation, Bern  
TO: Secretary of State, Washington  
DATE: August 3, 1944  
NUMBER: 4974

SECRET

McClelland sends the following for War Refugee Board.

The following paragraphs are a continuation of Legation's August 3 telegram No. 4972 and complete the message from ICRC.

(6) It is expected that in connection with the foregoing the President of Hungarian "Judnerat", Mr. Samuel Stern, will leave shortly for Palestine.

(7) ICRC has received repeated assurances indirectly from the Rumanian Government (through channel mentioned in Legation's July 5 telegram No. 4257) that necessary transit facilities from Hungary will be granted for Jewish refugees, and that as regards the securing of suitable steamers the Rumanians will give further assistance in any way possible. Information has also been received by ICRC from the Swiss Legation in Sofia that the Government of Bulgaria is willing to grant such overland transit facilities for refugees as are necessary. END.

Carl Burckhardt desires to transmit personal appeal in line with paragraph five above and with the Department's July 28 cable No. 2605, to the American Ambassador in London expressing his appreciation and that of ICRC for any steps which could be taken with the British Government to expedite the admission into Palestine of these 8,700 families at least. It is strong feeling of Burckhardt that prompt removal of such refugees from territory of Rumania is essential in order to insure the Rumanian Government's continued cooperation in evacuation of Hungarian Jewish refugees.

Paragraph above refers to the Department's July 31 telegram No. 2630 last paragraph; and to Legation's July 29 telegram No. 4896.

Harrison

DCR:EBH 8/8/44

PARAPHRASE OF TELEGRAM RECEIVED

258

FROM: American Legation, Bern.  
TO: Secretary of State, Washington  
DATED: August 3, 1944  
NUMBER: 4981.

CONFIDENTIAL

In my message, Number 4983, will be found a continuation of the following cable.

It is requested that you refer to message dated July 5 from the Legation, Number 4260.

1. Our note dated June 13, which was delivered on June 27 to the Hungarian Foreign Office, was not replied to in message of July 19, Number 4604, from the Legation. In this connection we refer to the first paragraph of your message of July 28, Number 2595.

HARRISON

DCR:LCW 8/5/44



FHM-400

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

Bern

Dated August 3, 1944

Rec'd 11:22 p.m.

Secretary of State,

Washington.

4983, August 3, 8 p.m.

Two. Division of Foreign Interests of Federal Political Department informs me by note dated August 2 of receipt of telegram from Swiss Legation Budapest stating that according to communication from German Legation Hungary German Government desires that part of Jewish emigrants from Hungary be accepted by the United States. Note states that these emigrants could be evacuated Lisbon via France and that Swiss Legation Budapest desires to be informed how many of these imigrants may be accorded permits enter the United States.

Three. Hungarian answer to our note June 13th received today.

HARRISON

RR

CABLE TO ANKARA

From War Refugee Board to Steinhardt

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

"RECEIVED YOUR JUNE 27 LETTER AND NANA ~~CABLE~~ WHICH  
THEY DID NOT USE BUT WE DID STOP SENT YOU TWO LETTERS  
THROUGH STATE DEPARTMENT AND 4 CABLES ADDRESSED ANKARA OR  
ISTANBUL SENT YOU 5000 JULY 24 MORE FOLLOWS INVESTIGATE NON  
RECEIPT ABOVE NAMED COMMUNICATIONS DID YOU RECEIVE YOUR FAMILY'S  
LETTERS"

THIS IS WRB CABLE TO ANKARA NO. 93

5:25 p.m.  
August 3, 1944

FH:lab 8/3/44

CABLE FROM WAR REFUGEE BOARD TO KELLEY AND HIRSCHMANN, ANKARA

The result of Hirschmann's negotiations with the Bulgarian Minister and of Kelley's approach to the Turkish Secretary General of the Ministry of Foreign Affairs (your 1370 and 1371 of July 26 and your 1381 of July 27) is highly gratifying to the Board. Please accept our congratulations.

The Board would like to be advised whether in view of your 1287 of July 15 efforts are also being made to induce the Turkish Government to issue transit visas for the 400 to 500 refugees the Bulgarian Government is now apparently willing to permit to leave Bulgaria weekly by rail.

THIS IS WRB CABLE TO ANKARA NO. 92.

11:15 a.m.  
August 3, 1944

MSargoy/MJMarks: dh 8/2/44

CABLE TO AMERICAN EMBASSY, MOSCOW, U.S.S.R.

The War Refugee Board requests that you deliver the following message to Samuel Chobrutsky, Spasoglinistchevsky, 8, Moscow:

QUOTE In conjunction with joyous news of freeing White Russian and Lithuanian territories we together with American Jewry deeply concerned in welfare and whereabouts Jews in freed territories. We would be thankful to receive the necessary detailed reports from you concerning these Jews and also information about Rabbis and Yeshiva scholars. If possible we would request you to visit these territories to discover for us the names of those remaining alive and their addresses. We are ready to advance all costs. Please give us all information about these Jews you now have.

VAAD HAHATZALA EMERGENCY COMMITTEE UNQUOTE

5:20 p.m.  
August 3, 1944

BAkzin:ar 7/31/44

NOT TO BE RE-TRANSMITTEDSECRETOPTEL No. 252

Information received up to 10 A.M. 3rd August 1944.

1. NAVAL

Preliminary reconnaissance GRANVILLE discloses extensive mining, sunken craft and concrete barriers in Approches to port and jetties, buildings and crane badly damaged. A British Destroyer sunk this morning off NORMANDY. A U.S. Destroyer torpedoed yesterday afternoon West of AZORES.

2. MILITARY

Normandy Reports from U.S. Sector, at present unconfirmed owing to failure communications, state U.S. motorised columns have entered BRITTANY PENINSULA west and south of AVRANCHES. PONTORSON and DOL reported captured and advanced elements in ST. MALO and DINAN. RENNES reported in our hands. East of AVRANCHES and advanced of 4 to 5 miles made on 10 mile front: VILLEDIEU LES POELES, PERCY and TESSY captured and substantial gains reported from these areas. Continued good progress British sector in difficult country and against strong opposition. VIRE and a village 8 miles N.E. captured and further north forward elements are 3 miles West of AUNAY SUR ODON. Attack by Canadian Armoured Division towards TILLY LA CAMPAGNE met very strong opposition and made no progress. 12th U.S. Army Group has been formed comprising third and first U.S. Armies. First Canadian Army has taken over command of II Canadian and 1 U.K. Corps on left of British Front.

Italy East of AREZZO our troops have captured SAN SEPULCRO and have made small advances north of FIGLINE and south of IMPRUNETA. During 1st/2nd New Zealand Troops attacked high ground south of FLORENCE and made some progress on their left but were held up on their right. Indians have established a bridgehead over the PESA east of EMPOLI.

Russia Russians have made further progress West of REZECKNE North of KOVNO, along the SIAULIAI Railway: NW and S of MARIAMPOLE and W of JAROSLAV.

3. AIR OPERATIONS

Western Front 2nd. Allied bombers attacked 10 railway bridges Central FRANCE 586 tons, five fuel dumps 291, a flying bomb supply depot near PARIS 96, 17 Flying Bomb launching sites 576, and two ammunition dumps 121. In addition 455 Bomber Command aircraft were sent against 3 Flying bomb supply depots, 7 Flying Bomb launching sites and the port area of LE HAVRE: preliminary reports indicate that all targets were attacked. Allied losses (provisional) 7 heavy bombers, 9 fighters.

Italy 1st. 595 medium and fighter bombers attacked bridges and communications in Northern ITALY: 12 ground aircraft, 46 railway wagons, 13 locomotives and 11 motor vehicles either destroyed or damaged. On 2nd Liberators (1 missing) dropped 278 tons on GENOA Harbour installations.

Southern France 2nd. U.S. heavy bombers (4 missing) from MEDITERRANEAN attacked a torpedo factory 72 tons and the railway centre 81, VALENCE: an oil depot LE POUZIN 53 tons, South of VALENCE; two railway bridges at AVIGNON 106 and oil storage Depot near AVIGNON 47.

Burma 1st. 168 fighters attacked objectives in MANIPUR and CHINDWIN areas.

German Activity During 24 hours ending 6 A.M. 3rd, 219 flying bombs plotted.