

JDC Archives  
AR 45/64  
#3845

For JDC internal distribution only

Notes on New York JDC Staff Meeting 22-48  
July 26th, 1948.

Mr. Goldman presided.

He announced that for the remainder of the summer it has been decided to call staff meetings every two weeks. The next meeting will therefore take place on August 9th.

Mr. Leavitt stated that Mr. Montor had returned from a flying trip to Israel where he had discussed with the Israeli Government questions relating to the UJA campaign. The problem of Haganah which uses its funds for security and political purposes, while being financed by the UJA, involves the UJA in questions of tax exemption of contributions. Although such contributions have been tax exempt up to the present, there is always the possibility that at some future time the U.S. Treasury might reverse its decision in this respect.

The Israeli Government has now decided to make a clean cut separation between state and philanthropic matters. The Jewish Agency will remain in existence until the name can be changed at a full meeting of the Agency. The Agency will continue to operate as a philanthropic body receiving its share of funds from the UJA, through the UPA, plus whatever money is raised outside the U.S. The funds thus received will be applied to programs which are recognized as tax exempt, viz. reception, care and maintenance of immigrants in Israel, as well as for resettlement. Other functions, particularly Haganah, security and military aid, will be taken over by the Jewish State and supported directly by taxation and loans of the Israeli Government. The distinction will be sharp and clear cut.

All campaigns for voluntary contributions in the various countries are to cease using Haganah as an appeal and the emphasis of the campaigns is to be on the up-building of Israel. It is expected that this will have repercussions on these campaigns because Haganah has a strong appeal in many quarters. There is also the danger that irresponsible groups will spring up and try to use this appeal. Although the decision to separate the functions in this way solves a very difficult campaign problem, it throws the burden of raising large sums on aspects other than the strong appeal of defense needs. The announcement of this separation will take place on August 1st and it is not to be publicized until the official statement is issued.

Mr. Leavitt referred to the cable advising that the DPS in the camps in Berlin were being evacuated to Bavaria. He stated this was being done because of the high cost of feeding 6,000 persons under present circumstances in Berlin.

He then spoke of Mr. Sobel's recent trip to Havana to arrange with the JRC their taking over the residual refugee problem. Currently it has been costing the JDC at the rate of \$75,000.00 a year for the 200 remaining refugees on relief and since the Jewish community of 12,000 persons has raised substantial sums for other purposes, the JDC decided that the time had come for the local community to assume this responsibility. This decision came as a great shock to the community, but when it was pointed out that we had taken similar action in other Latin American countries and elsewhere in the world, the community finally realized that it was neither an unfair nor an unjust request on our part. It was agreed that by October 1st the JDC office, as such, will probably close, and a local committee will carry on the work. They are planning to launch a campaign for \$500,000.00 for the Jewish State and Haganah and they should therefore be able to raise their requirements for local needs.

-over-

326322

7-26-44

Irwin IRO

Mr. Leavitt referred to the payment of 7,200,000 Swiss francs we had received last week out of Reparations funds. He stated that another \$7,000,000 will be made available to the JDC and Jewish Agency. We have also received about \$2,000,000 in blocked Swedish kronen, but it is difficult to convert these into useable currency.

Because of personal and health reasons, Irwin Mason is not returning to Germany and Joel Fisher is going there to make arrangements with the military to get the work of the Jewish Restitution Successor Organization started. It will be very difficult to assemble all the claims and files by the end of this year which is the deadline. Whether or not any prolongation of this date can be obtained is very questionable.

Dr. Schwartz is leaving for Israel tomorrow for a ten day stay. He will discuss with the Jewish Agency and with the Israeli Government a planned program of immigration. They are thinking of moving 40-50,000 persons which is a very ambitious program.

Mr. Leavitt requested that staff members who attend meetings of the Council of Voluntary Agencies report fully on these meetings at the subsequent staff meetings.

ROUND TABLE HIGHLIGHTS

Mr. Rock reported that there would be a meeting this Thursday of the membership of the Jewish Restitution Commission. He also advised that there is renewed hope that the special session of Congress may pass a bill sponsored by other Jewish organizations here which would turn over to a Jewish successor organization in this country heirless property formerly belonging to Jews in Europe which is being held by the alien property custodian.

Mr. Joslow reported on a meeting of the Council with Martha Biehle regarding the Standing Conference of Voluntary Agencies with which the IRO has agreed to cooperate. The IRO will discuss with this Conference any changes which the IRO contemplates. The Conference will include one representative of each voluntary agency working in each country.

The IRO has chartered 12 boats for its new emigration program. It is ready to move 100,000 persons to the U.S. if the latter is ready to accept them.

The IRO is now willing to consider the plan of the Vol. Agencies for an orientation program of immigrants to the U.S. by paying the transportation costs of the persons doing the work.

Dr. Sapir advised that the Research Department is preparing material for the Annual Meeting as well as for the report of the Religious and Cultural Committee which will be the subject of discussion at the September meeting of our Executive Committee.

Mr. Tarshansky reported that the Offenbach Archives were being put at the disposal of the JDC in Germany to be used in the Jewish schools there. This enable the JDC to cancel some requests for books. SCS is resuming the collection of religious books and there has been very good response.

Mr. Filpel stated that the IRO medical teaching mission in cooperation with the Voluntary Agencies, principally Unitarian Service Committee and JDC, is now completed and will soon leave for Germany. The mission plans to give two courses of four weeks' duration each which will be attended by about 150 doctors about one-third of whom will be Jews.

*J. J. Schwartz*

**AMERICAN JOINT DISTRIBUTION COMMITTEE**

**119, RUE SAINT-DOMINIQUE**

**PARIS (7)**

**August 30, 1948**

**Paris Letter No. 1514**

**To: AJDC - New York**

**Attention: Mr. Moses A. Leavitt**

**From: AJDC - Paris**

**Dear Moe:**

In connection with our telephone conversation regarding utilization of Swedish kroner for the purchase of army supplies in Scandinavian countries, I am enclosing herewith a full report on the subject, by Joel Fisher.

We here will naturally undertake every possible step to have these kroner utilized for purchases by IRC. On the other hand, I think that Joel has a point which you may have overlooked, namely, that the Reparations agreement speaks of dollar payments and therefore the U.S. government might feel under some obligation to take these kroner off our hands and give us dollars. I know that this is not as easy as it sounds, but you might wish to discuss it in Washington when an opportunity arises.

**/s/ Joseph J. Schwartz**

**encl.**

**326324**

MEMORANDUM

August 29, 1948

To: Dr. J. J. Schwartz, Chairman  
Subject: Liquidation of Swedish Kroner.

The following is a report of my conversations to date with various U.S. Military Biscuit and PCIBO officials on the possibilities of their utilizing our Swedish Kroner. These conversations took place in Frankfurt, Heidelberg, Bad Nauheim and Geneva during the last three days when I was travelling in connection with JESO activities.

I. - U.S. MILITARY QUARTERS

A. Quartermaster (saw Col. Van Haggener, Mr. O'Shea and Mr. Dussay).

The U.S. Army quartermaster purchases in the Scandinavian countries various dairy products for use by troops in the U.S. Zone of Germany. Purchases are made under the provisions of an army circular entitled SOP 75 Part II, which provides that purchases made by the Army in liberated and neutral countries shall be paid for in dollars and shall be purchased as a result of negotiations between the U.S. Army and the government of the liberated or neutral country (e.g., the Army does not purchase directly from a Swedish wholesaler; it asks the Swedish government for a commodity and the government then finds the wholesaler for the Army, etc.).

There is a possibility, under SOP Part II, for the Army to use currencies other than dollars for purchases in Scandinavian countries, but this would require direct approval of the Secretary of the Army. Quartermaster officials suggest that this permission has never to their knowledge been given in the past.

B. Army Exchange Service (AES) (saw Col. Bech, Chief of Operations, and Col. Spalding, Chief Finance Officer).

The Army Exchange Service is an organization separate from the Army for purposes of purchases, and is not limited by SOP 75 Part II. Unfortunately however, AES officials have advised me that AES has ceased all purchases in the Scandinavian countries. In answer to my question they said they could not resume such purchases, particularly since the Scandinavian countries don't want to sell to the AES, even for dollars. - - - I can hardly believe this, but this is what I was told.

II. - JEIA (Saw Mr. Logan, Comptroller, Mr. Dancy, Chief counsel and Mr. French, Chief of Operations).

JEIA is the financing agency for Biscuit in Germany. Unfortunately JEIA officials state that all JEIA purchases in European countries are financed through offset accounts. They state that European countries and particularly the Scandinavian countries, have been complaining bitterly about this arrangement, and have repeatedly asked for dollars for some purchases. Thus far JEIA has been able to hold the line. JEIA says that while she could undoubtedly use our Kroner to make purchases, this would be a departure from the use of the offset accounts, and would work to the disadvantage of JEIA in connection with future dealing with Scandinavian countries.

326325

III. - IRO (Saw General Hardigg and Brigadier Greenalade).

As background information it is to be noted that IRO purchases foods and turns them over to the German economy. IRO later requisitions food from the German economy in the various local areas. Therefore IRO is not too interested in quality of food, etc.

I talked at length to General Hardigg, IRO Chief of Supply and Transport, and learned:-

a) IRO has already purchased her milk and cheese requirements for this half year. She will shortly be purchasing her milk and cheese for the second half of the year, which begins on January 1, 1949.

b) IRO's powdered milk requirements for the second half, beginning January 1, 1949, are about 1,000 metric tons, for which she will pay about 1 million dollars.

c) IRO's cheese requirements for the second half are about 1,000 metric tons.

d) If we can meet the price on cheese and milk in the Swedish market using the Swedish Kroner, Hardigg will in effect buy from us. He urges that we try in the first instance for 500 tons of milk and 500 tons of cheese, and let him know what we work out.

e) Hardigg agrees to the principle that IRO should not make money on the JRC and therefore will pay us in exactly the same currencies he would use to buy milk and cheese. This might include some sterling and guilder and I assume the rest in dollars, although I took it easy on this point until we see what we can do.

f) I think the first move is for us to find the best price in Swedish or Norwegian powdered milk and cheese in quantities of 500 metric tons each and advise Hardigg of this price. At the same time Abba should begin to push the Swedes for import licenses for these quantities.

g) Hardigg tells me he is going to be selling surplus trucks on the French market and hopes to get about 17,000,000 francs therefrom. I told him we might be willing to take the francs in exchange for Swedish Kroner at the free market gross rate of 306 to one U.S. dollar. I did, of course, state that we would make no commitments, but would see the situation on the day it occurs.

h) I think the big thing to report about Hardigg is that he is willing to help. I believe I succeeded in convincing him that it is IRO's duty to help us in this as much as possible. I happened to use the expression that "things look impossible". That did it. The old boy leaped to attention, lectured me for about 10 minutes on how nothing is impossible, and ended up by saying he would try to do something.

IV. - The U.S. Government acting to clear the account.

I do want to invite attention to the possibility of asking Treasury and State to concur in asking the Comptroller and the Treasurer of the U.S. to accept our Swedish Kroner in exchange for dollars. You will note that the December, 1945 IARA agreement speaks of a fund of \$25 million dollars" (Para. B. of Article VIII.)

I do not think it is stretching government responsibility too much to ask the U.S. Government to see that an agreement it signed is carried out. This can be done in two forms; first to ask the Swedes to pay in dollars. This was done and without success (Cy Rubin for the U.S. Government and Abba Schwartz for the IRC). The next move is, I believe, to ask the U.S. Government to clear the account for us. I don't think this has been tried and urge that this be done. I think we've got an excellent case in that a U.S. Government delegate has signed the agreement. Secondly, it is such a small sum, and thirdly, from what I can remember of U.S. Comptrollers' rules, there is no legal prohibition. Certainly the funds could be used to support U.S. Legations, etc. in Sweden, for a short while. I believe New York should try pushing this through.

Summary

I suggest that New York try to push through on Part IV above at the same time as we proceed on Part III -- purchases of milk and cheese in the Scandinavian countries. I think there are great difficulties in getting Secretary of Army approval mentioned I.A., and we can put use our U.S. efforts on Part IV.

Joel H. Fisher  
General Counsel

JHF

326327

COPY

AMERICAN JOINT DISTRIBUTION COMMITTEE  
119 Rue Saint-Dominique  
Paris (7)

July 31, 1948

Paris Accounting Letter #1895

To: AJJDC - NEW YORK - Accounting Department  
From: AJDC - European Headquarters - Accounting Department  
Re: P.C.I.R.O. STATEMENTS

We refer to your Accounting Letter #6375/4659

(1) REPARATIONS:

a) We arrived at the dollar equivalent of \$61,085 for the remittance of £ 15,120 on the basis of \$4,04 to the £ (rounded out to nearest dollar). This basis was used by us, to be consistent with the rate used when billing to PCIRO of all pound sterling expenditures. It is, however, definitely a pure book figure and, to comply with your wishes, we shall make the adjustment of \$605 on our books here.

b) With regard to the remittance of £125,000, this appears to be entirely different. From the information available here, PCIRO remitted to London 1,812,500 Swedish Kronen for which London apparently realized £125,000. We, in turn, had to consider the Swedish Kronen as representing the amount of actual payment by PCIRO and accordingly arrived at the dollar equivalent of \$503,472.00, using a rate of 3,60 Sw. Kr. to the dollar. In the face of that, we believe the difference is real, and the adjustment, therefore, should be made in the New York figure.

(2) RESETTLEMENT:

You are correct on this. The amount of \$100,000 shown on our statement as receipts in Shanghai represents the entire amount made available by the PCIRO and does not constitute the actual payment received.

S. Shargo/s/

IBM/ha

326328

COPY

MAURICE M. BOUKSTEIN  
Counselor at Law  
150 Broadway  
New York 7, N.Y.

*Pen JRO*  
JDC Archives  
AR 45/64  
#3846

June 23rd, 1948

Mr. Boris Joffe  
American Jewish Joint Distribution  
Committee, Inc.  
270 Madison Avenue  
New York City, N. Y.

Dear Boris:

Herewith is the text of a cable which I received today from Adler Rudel, Geneva:

"TUCK STATED TODAY IRO HOPES WHEN TRUCE GROWTH TO PEACE TO ENGAGE RESETTLEMENT PALESTINE FULL LIMIT STOP WILL ALSO FAVORABLY CONSIDER REIMBURSEMENT TO VOLUNTARY AGENCIES FOR MOVEMENTS RETROACTIVELY BEGINNING OF TRUCE STOP IRO BUDGET-ING TO MOVE FIFTY THOUSAND TO PALESTINE STOP AIRMAILING FULL TEXT."

I am also enclosing herewith copy of a letter which I received today from him, dated June 17th.

We should consider very carefully the course we should follow in the light of the information contained in the letter and the cable. My own inclination is, as I told you, to talk the matter over fully in Washington before making any decision.

Sincerely yours,

/s/

MAURICE M. BOUKSTEIN

MMB:CFC  
Enclosure.

326329

C O P Y

Adler Rudel,  
Beau Rivage Hotel,  
Geneva, Switzerland

17.6.48.

Dear Mr. Boukstein:

I received your cable of the 10th just before leaving London for Geneva. I have been here since the 13th and I cabled you today, copy attached. I would like to explain the cable with a few remarks:-

(1) The delay in answering your cable was unavoidable, because when I arrived here Mr. Tuck and the senior members of his staff with whom I could have discussed the problem were not present. On the last day of a conference of Voluntary Agencies a number of PCIRO officials were present; and I used that opportunity to voice our feelings about the ill-considered statement of 18th May. After the conference I discussed the whole problem with Mr. Abba Schwartz, Mr. Myer Cohen, Miss Selene Gifford and Mrs. Gates, Chief Budget Officer.

(2) During my discussions, I learned that a new problem with regard to the final Budget for 1948/49 had arisen. We had previously discussed the subject at the end of 1947 when IRO had to prepare the provisional Budget for the State Department; and in the discussions at that time we decided that Palestine would absorb 75,000 immigrants at a \$9,000,000 cost to be borne by PCIRO. At a later stage we discussed the details which are formulated in Mr. Jacobson's letter of 20th February 1948, a copy of which I enclosed in my last letter. We reduced the figure of those eligible for IRO assistance to 40,000 or 50,000. In cost that would have meant about \$6,000,000. To my surprise, I now learned in revising the 1948/49 Budget that Palestine immigration was removed entirely from the Budget because the "experts" of IRO did not believe that it will be possible to move anyone to Palestine; but after further consideration they inserted a Budget allocation for 30,000 immigrants at a cost of \$2,500,000. I believe that action was even more dangerous than the statement of policy which referred to the war situation and did not contain as strict a limitation of expenditure as they intended to bring into the Budget.

326330

(3) I invited Mr. Beckelman of the AJDC to accompany me to a conference with Mr. Tuck which lasted for more than an hour. Of his staff, there were present Miss Gifford, Mr. Myer Cohen, with whom I had discussed the entire affair the day before, and General Hardigg, who is Chief of Transport and generally recognized as not a very pleasant man.

I had seen to it that Mr. Tuck received unofficially a copy of your cable to me; and I know that he studied it very carefully. I began the discussion by telling Mr. Tuck that I would like to raise the question of his policy with reference to immigration to Palestine, and also the question of the final Budget figures. I said that we were not too interested in protests, although all of us feel very bitter about his press release and which you have probably seen. I told him that that does not answer my question because we are not so much interested in his attitude during the period of hostilities as in reaching a satisfactory solution of the problem in view of the truce. Then, Mr. Tuck said he did not recognize the truce as an argument to change his policy, because it might come to an end any day; and he could not take responsibility for his Organization to send women and children to a country where there is a war. Nor does he feel entitled to support the immigration of men of military age. I tried to convince him that his approach was wrong. I suggested that he should assure us now that he will reimburse expenditure incurred since 15th May when Peace is formally reached following the truce. He refused to give such an assurance. Mr. Beckelman then modified my position by asking whether Mr. Tuck will be willing to discuss reimbursement for transport during the truce period if the truce leads to Peace. Mr. Tuck said he would be willing to enter into discussions of that kind when peace has been established. At the end of the meeting I asked again how soon he would be willing to resume discussions, and he replied, after the thirty day truce period, if it has led to a settlement.

(4) The discussion about the Budget took even longer than the previous point, since I had to convince them that they are about to commit a fatal blunder from PCIRO's viewpoint. They had originally, last January, presented to the State Department a Budget which contained an allocation of \$9,000,000 for immigration of 75,000 people to Palestine, and I ventured to say that this had helped to put through the Budget in Congress; and that if they now reduce the figures to such a considerable extent, a charge might be made that they mislead responsible persons who relied upon their Budget estimates. I also pointed out that the

public will doubt the efficiency of their experts, since in December 1947, they decided that a minimum of \$120 per head was necessary for transport to Palestine, and now in spite of increased shipping costs they judge that only \$80 per head would be necessary for transport. I further emphasized that after having issued the unfortunate statement of 18th May, a reduction of the Budget allocation of transport to Palestine, as they apparently contemplated, would appear to the public and to the Jews in the camps as a "wilful act of malice" and unfriendliness.

Mr. Tuck rejected this remark very vigorously and insisted that no hostile motive was intended in his 18th May statement, or in the Budget reduction, which we were discussing. I told him I most firmly refused to accept the reduction to 30,000 since none of the experts have knowledge of the absorptive capacity of Palestine for the next year, and since I was convinced the figure of 30,000 was drawn out of the air. Mr. Tuck was very weak in his argument on this point since it was clear that he was not aware of the contemplated Budget changes until yesterday when it was mentioned to him on the basis of conferences I had with members of his staff. I finally suggested that they should provide for movement of 50,000 with an allocation of \$3,000,000, and he promised to consider the problem again with his staff. On this point I feel that the requested figure will be inserted in the budget.

(5) The question now is if and how you should intervene in Washington. Our impression here, Beckelman, Abba Schwartz and mine, is that he will resist any pressure; and that no more than the weak promises I already received to discuss reimbursement when Peace has been re-established can be achieved here. If you intend to press for removal of the policy, through intervention of the State Department, I would like to draw your attention to the fact that Mr. Tuck told me, probably based upon a note in your cable, that he is not going to accept pressure from any Government in the matter, as he had not given in to the pressure of other governments when they pressed him about the mobilisation which went on in the camps and the various forms of transportation of DP'S to Palestine which took place during the last few months. I know after the statement of 18th May he said privately that it seems "They intend to do the same with me as with General Mergan". It is quite possible that if strong rebuke comes from the State Department he might be willing to resign. Although I have none too high an opinion of his ability, I am not sure that it is in our interest to remove him. If the war flares up again and you have in the meantime made strong protests, his refusal to make firm commitments will certainly be justified and we would

not have gained anything. But if the truce leads to Peace, we can come back to his tentative promise about reimbursement and open discussions again. I must leave it to you and your judgment how you want to proceed. It is my intention only to furnish you with a complete report of my interventions here.

I have to continue certain discussions here and, therefore, shall remain in Geneva for the next week. After that I shall go to Montreux. I would appreciate it if you would let me know what you do, or intend to do, as soon as possible.

Kind regards,

Yours Sincerely,

(signed) Adler Rudel

Mr. M. Boukstein  
Jewish Agency for Palestine  
16 East 66th Street  
New York 21, N.Y.

cc to London Office  
Mr. Kaplan  
Mr. Schapiro

326333

YOURS TENTH STOP HECKELMAN AND I HAD HOURS CONFERENCE  
WITH TUCK IN PRESENCE GIFFORD MEER COHEN HARDIGG STOP  
TUCK KNOWING CONTENTS YOUR CABLE REFUSED WITHDRAWAL STOPPAGE  
POLICY DURING HOSTILITIES DOESNT RECOGNIZE TRUCE SUFFICIENT  
TO CHANGE POLICY BUT AGREED TO DISCUSS REIMBURSEMENT EXPENSES  
DURING TRUCE WHEN TRUCE LEADS TO PEACE AND NORMAL RELATIONS  
STOP ALSO DISCUSSED FUTURE BUDGET WHICH I LEARNT HERE REDUCED  
PROVISIONAL FIGURES PRESENTED TO STATEDEPARTMENT FROM SEVENTY-  
FIVE THOUSAND IMMIGRANTS FORTYEIGHT STROKE FORTYNINE TO THIRTY  
THOUSAND AND NINE MILLION DOLLARS TO TWOMILLION FIVEHUNDRED  
THOUSAND STOP STRESSED THAT COMING AFTER MAY EIGHTEENTH STATEMENT  
THIS BUDGET PROPOSAL IF PUBLISHED THIS FORM WOULD BE PROVOCATIVE  
ILLCONSIDERED AND UNJUSTIFIED STOP SUGGESTED FIFTYTHOUSAND  
IMMIGRANTS AND SIXMILLION DOLLARS BASED JACOBSONS LETTER TWENTIETH  
FEBRUARY COPY WITH YOU STOP TUCK PROMISED RECONSIDER THAT  
PROBLEM STOP HECKELMAN AND I THINK NO PRESSURE HERE WILL ACHIEVE  
MORE SUGGEST YOU CONSIDER CAREFULLY CONSEQUENCES INTERVENTION  
WASHINGTON IF HOSTILITIES FLARE AGAIN TUCKS HESITATION WILL  
SEEM JUSTIFIED IF TRUCE LEADS TO PEACE PROSPECT FOR LATER REIMS  
BURSEMENT INCREASED STOP AIRMAILING REPORT REMAINING GENEVA  
EXPECTING YOUR REPLY RE ACTION TAKEN STOP INFORMED KAPLAN GOLDMAN  
ADLER RUDEL

To Mr. Boukstein Jevagency New York

From: Adler Rudel

Beau Rivage, Geneva.

18.6.48

326334

OUTGOING CABLE  
TO  
PARIS

*Handwritten:* JIRO  
ABF

Sent May 21, 1948  
Copt. May 24, 1948  
via WU

MLT JOINTFUND  
PARIS (FRANCE)

404 YOUR 414 HAVE DISCUSSED WITH JEWISH AGENCY REPRESENTATIVES HERE IRO POSITION  
ON REIMBURSEMENT POST MAY 15TH PALESTINE STOP THEY INSTRUCTED THEIR REPRESENTATIVES  
CONTACT IRO FOR CLARIFICATION AND PLANNING SEND NATHAN GOLDMAN TO TAKE UP MATTER  
FORMALLY STOP CONFERENCE 5 AGENCIES HERE ALSO PLANNING INTERVENE AMERICAN  
AUTHORITIES CONNECTION IRO STAND STOP TIME BEING BELIEVE UNWISE WE TAKE ANY STEPS  
STOP OUR EMIGRATION OFFICE STILL RESPONSIBLE FOR SHIPPING COSTS INDIVIDUALS ON  
COMMERCIAL VESSELS BUT ALL MASS MOVEMENTS MUST BE LEFT AGENCY AND IRO AT LEAST  
TIME BEING

JOINTDISCO

JJS

414 inc copy 5/18

rk

326335

AMERICAN JOINT DISTRIBUTION COMMITTEE

EUROPEAN EXECUTIVE  
COUNCIL

119, RUE SAINT-DOMINIQUE  
PARIS (7<sup>e</sup>)

TELEPHONE

87-83

87-55

79-37

CABLES & TELEGRAMS  
JOINTFUND-PARIS

May 20, 1948

PARIS LETTER # 828

TO : AJDC New York - Accounting Dept. - Att: Mr. Frederick Grubel  
FROM: AJDC Paris - Office of General Counsel  
RE : Reparations Payment by PCIRO to Norway

This will refer to your Accounting Letter #5671/9602 of May 3, 1948.

I am informed by our Research Department that the \$62,000. was required for the following items:

\$ 2,000 - balance, 1947  
16,000 - social work budget 1st half 1948  
2,000 - administrative expense  
20,000 - 10% on twenty new houses  
16,000 - JDC share in rebuilding barracks  
56,000  
8,000 - Referred to for Payment "P.O. 253"  
\$ 64,000 - Total

This request went forward to IRO due to the fact that we were not able to transfer to Norway Swedish kroner which originated from reparations funds, and which are in our bank.

As Mr. Levin was the person who tried, unsuccessfully, to receive a license from the Swedish National Bank to transfer Swedish kroner to Norway, he most certainly knows of this difficulty. As a matter of fact, it was in view of his urgent oral and written representations to both Mr. Beckalman and myself as to his immediate need for funds, and his request that such funds be remitted directly to Norway, that the request to Mr. Abba Schwartz went forward. While no useful purpose would be served in pursuing this matter further, we have a request written in Mr. Levin's handwriting asking that the funds be sent to "Den Norske Creditbank Oslo AJDS Swedish Kroner Account". We are all agreed that it would be preferable to transfer funds from Sweden to Norway, but this has not been possible.

With reference to the last sentence of Mr. Levin's letter, we will, of course, be able to obtain from IRO proof that the funds in question were transferred.

The Joint Distribution Committee receives its funds in the United States through the United Jewish Appeal. Outside of the United States the Joint Distribution Committee has the active cooperation of the South African Jewish Appeal; the United Jewish Refugee & War Relief Agencies, Canada; the Central British Fund; the Junta de Ayuda pro Victimas de la Guerra; Argentina; United Jewish Overseas Relief Fund, Australia; Compana Unida Reconstruccion, Ayuda, Mexico, and others

326336

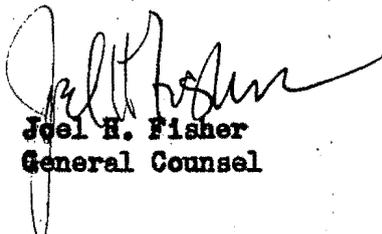
5/20/48

from Sweden.

With regard to the penultimate sentence of that letter, Mr. Levin can always finance purchases in Sweden from the substantial balance of Swedish "reparations" kroner which are in our bank account there.

JHF/ec

cc: E. M. Morrissey  
S. Shargo

  
Joel H. Fisher  
General Counsel

326337

AMERICAN JOINT DISTRIBUTION COMMITTEE  
119, RUE SAINT-DOMINIQUE  
PARIS (7)

*Sen JDC*

April 25, 1949

ACCOUNTING LETTER #5045

TO: AJJDC - NEW YORK - ACCOUNTING DEPARTMENT  
FROM: AJDC - EHQ - ACCOUNTING DEPARTMENT  
RE: FINAL TRANSFER OF AJDC's SHARE OF REPARATION FUND - SWEDISH KRONER  
ACCOUNT

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Enclosed please find copy of a letter which we received from the IRO  
on the abovementioned subject, contents of which are self-explanatory.

ALEXANDER BERKOWITZ

FNK/BM  
ENCL.

326338

INTERNATIONAL REFUGEE ORGANIZATION  
(I.R.O.)

Geneve - 6th April, 1949

The American Joint Distribution Committee  
119, rue Saint-Dominique  
Paris 7,  
France.

Dear Sirs:

Final Transfer of A.J.D.C.'s Share of  
Reparation Fund - Swedish Kroner Account.

With reference to your request for payment of the amount to be made available to your Organization out of the balance of the Reparation Fund - Swedish Kroner Account, I have to inform you that the sum due is Swedish Kroner 7.151,045.60, as follows:

Balance due	- Sw. Kr.	7.399.072.78
<u>Deduct:</u>		
Countervalue of Payment of French Francs 16.445.834 to A.J.D.C. Paris (calculated at) F.Frs 314 = US\$ 1 Sw.Kr. 3.59	- Sw.Kr.	188.027.18
Final Balance due:	Sw.Kr.	7.151.045.60

This sum constitutes the final amount due to your Organization from the Reparation Fund - Special Account No. 1

In compliance with your request, instructions have been issued today to Sveriges Riskbank, Stockholm, in accordance with the copy of banking instructions attached and co-ordinated with Mr. Rice of your Geneva Liaison Office, requesting the transfer of this final balance of Swedish Kroner 7.151.045.60 from our Special Account No. 1 to your Account No. 2 A.B. Svenska Handelsbanken, Stockholm.

Yours faithfully,  
A.F.D. Campbell  
Comptroller

326339

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE

NEW YORK 16, NEW YORK

March 1, 1949

Mr. Abba P. Schwartz  
Special Consultant, Reparations  
International Refugee Organization  
1346 Connecticut Avenue, Suite 819  
Washington 6, D.C.

Dear Mr. Schwartz:

I hereby request you to transfer the balance of the Swedish Kroner reimbursable to the Joint Distribution Committee from Reparations, to Account No. 2 with A.B. Svenska Handelsbanken, Stockholm, in the name of the American Joint Distribution Committee. As you know, these funds are due and payable to us in reimbursement of authorized expenditures made under approved Reparations Projects. Full accountings of these expenditures are available to the IRO in Geneva, on demand at our Paris Headquarters. It is our intention to utilize these Swedish Kroner either for refugee work in Sweden or for the purchase of such relief supplies as may be permitted by the Swedish authorities.

Sincerely yours,

/s/ Moses A. Leavitt  
Executive Vice-Chairman

326340

  
April 22, 1949

ACCOUNTING LETTER #5023

TO: AJDC - NEW YORK - ACCOUNTING DEPARTMENT  
FROM: AJDC - BHQ - ACCOUNTING DEPARTMENT  
RE: PAYMENTS BY REPARATIONS FUND

This is to inform you that payment was received from the Reparations Fund in the sum of Fr.Frs.11,897,917.

Swedish Kronor 136,030.30

and which we booked for the dollar equivalent of 37,891.46 at the cross rates of

Sw.Kr, 3.59 - \$1  
Fr.Frs. 314 - \$1

Including the payment of the proceeds of non monetary gold in the sum of \$125,628.10 as advised by you, we show the following source-currencies received from the Reparations Fund to date:

Sw.Kr. - 10,850,959.08  
Sw.Frs.- 7,200,000  
Non-Monetary Gold  
(a) \$674,896.10  
(b) £ 15,120

As you no doubt know, we have been advised by the IRO in Geneva that they have instructed their bank in Stockholm to transfer to our bank in the same city, the sum of Sw.Kr. 7,151,045.60 in order to pay out in full the Sw.Kr. 18,000,000 ear-marked originally for the AJDC. As soon as this money is received, we shall notify you accordingly.

ALEXANDER BERKOWITZ

ODF/BM

326341

Geneva March 9, 1949  
Letter No. 183

To: Mr. H. Katzki  
From: Mr. J. Rice, AJDC Geneva  
Re: IRO Consultation with Palestine Conciliation Commission

In view of the importance of our telephone conversation on March 8, I am confirming in writing information given to me confidentially by Mr. William Cox, General Counsel of IRO on his visit to Israel with Mr. Tuck.

1. The Commission expressed no objection to IRO assistance in resettling Jewish immigrants in Israel; officially, however, it did not wish to take any position and would have much preferred if the IRO Executive Committee had never seen fit to send Mr. Tuck to consult them.

2. On the basis of this more or less non-committal answer, Mr. Tuck has decided to continue financial support of Jewish immigrants to Israel. He is anxious to respect the Commission's request for no Press releases, even to the extent of keeping out of the newspapers anything referring to his trip to Israel. It so happens that there will be a conference in Beyrouth on March 21, of representatives of the leading Arab States, to discuss the refugee problem. It is therefore especially important that until this conference is over, no word should leak out to the Arab leaders that the IRO will increase its support for Israel immigration.

3. Cox feels that the question of supporting or not supporting Israel immigration will no longer be debated by the Executive Committee, but the important question of how much money will be budgeted is yet to be decided. Obviously, IRO will need to supplement the \$4,000,000 with another sizable sum for the 48-49 fiscal year ending June 30. Moreover, a figure will have to be inserted in the 1948-49 budget to pay for Israel immigration after June 30, 1949. According to Mr. Cox, Mrs. Gates, the IRO Budget Chief, who is just back from Washington, claims that there will be enough left over in 1948-49 funds to make an additional appropriation for the current fiscal year.

The whole question of the amounts to be appropriated for 1948-49 and 1949-50 relates directly to how much IRO decides to reimburse JDC per capita. As you know, so far we have been told unofficially this will be \$80. We have done nothing to refute this amount since as yet we have been presented with no official statement of how the \$80 was decided upon.

In the near future, I shall try to see Mrs. Gates to know what further information she might be able to give us.

4. Mr. Cox was hopeful that somehow word might be sent to the U. S. to those groups, who are planning to lambast IRO before the Congressional Appropriation Committee, to hold off because IRO is now going to meet its responsibilities for Israel resettlement, even though IRO cannot make an official statement to that effect for the time being. In this connection, you suggested that JDC cannot solve the problem for IRO, but perhaps some of their staff members may be able to write informally to the Council of Federations and Welfare Funds to let them know what the score is.

I shall follow up on this suggestion in the near future.

James P. Rice

cc: Mr. Passman  
Mr. Jordan

326342

AMERICAN JOINT DISTRIBUTION COMMITTEE

119, Rue Saint-Dominique

Paris (7)

CONFIDENTIAL

March 11, 1949

To: Mr. Moses A. Leavitt  
AJDC NEW YORK

We believe that Joel Fisher had been keeping you currently informed by cable from Israel regarding his discussions with Mr. MacDonald and Mr. Tuck on the general question of IRO payment for Israel emigration subsequent to January 31, 1949. The tenor of these messages was that while William Cox who apparently was Fisher's closest contact was not in a position to give him any concrete assurances, he gave Fisher the impression "that everything will be all right."

Jimmy Rice got in touch with Mr. Cox upon the latter's return to Geneva from Israel. He apparently was able to secure a little more information which is included in the attached letter No. 183 from Mr. Rice dated March 9th (No. 183). We wanted you to have this information before you for your confidential information to provide you with further background.

The reference to paragraph No. 4 is as follows. The IRO had seen the Council of Federations and Welfare Funds bulletin on the question of payment by IRO of expenses connected with Israel emigration. As you know, the IRO is very sensitive to all this type of publicity. They suggested in a personal way to Jimmy Rice that it would be nice if the JDC could somehow pass some word along to the Council of Federations and Welfare Funds to give them some idea as to what is going on, without telling them too much, of course, and in this way get them to refrain from continuing their critical comments concerning IRO's practices regarding emigration to Israel. I told Mr. Rice that since IRO wants to be so careful about what is told the Council of Federations and Welfare Funds, it would be just as well if someone at the IRO passed the word along to the Council phrased in whatever way they desire, disclosing as much or as little as they want to and to keep us out of this. Since the Council bulletin is a matter of public information the IRO has as much right to take the Council into its confidence as we have, and from our point of view it would be just as well if the IRO told their story directly their way rather than our acting as an intermediary, interpreter, etc. Jimmy Rice thought that Myer Cohen might do this on a personal basis with Harold Glasser.

Herbert Katzki

HK/jc  
Encl.

326343

**The PCIRO Merchandising Advisory Committee**

**B. Earl Puckett**  
President of Allied Stores Corp.  
1440 Broadway  
New York, N.Y.

**Robert McKim**  
Pres. of Assoc. Dry Goods Co.  
366 Fifth Avenue  
New York, N.Y.

**Bernard Gimbel**  
President of Gimbel Bros.  
New York, N.Y.

**Sam Leidesdorf**  
125 Park Avenue  
New York, N.Y.

**Fred Lazarus**  
President of Federated Dept. Stores  
Federated Building  
Cincinnati, Ohio

**Victor Hammer**  
682 Fifth Avenue  
New York, N.Y.

**Edward Mitten**  
President of Jordan Marsh Co.  
Boston, Mass.

**P. G. Winnett**  
President of Bullocks  
Los Angeles, Calif.

**Francis Gerli, 119 West 40 St, Secretary**  
**Sam Leidesdorf, Treasurer**

**Sullivan and Cromwell (Counsel)**

**Price Waterhouse (Auditors)**

12/4/47

326344

AMERICAN JOINT DISTRIBUTION COMMITTEE

19, RUE DE TEHERAN  
PARIS (8<sup>e</sup>)

EUROPEAN EXECUTIVE  
COUNCIL

*Gen I.R.O.*

*78*  
*7-25*  
*25*  
*E.R.*  
*Emerson*  
*BM J. J. J.*  
TELEPHONES  
LABORDE 07970  
79-84  
CABLES & TELEGRAMS  
JOINTFUND-PARIS

*(Handwritten mark)*

14th October, 1947.  
Hotel Des Bergues,  
Geneva, Switzerland.

Dear Moe,

The last two days have been very hectic indeed - first, De Rosen who is usually a good friend, started by saying that all Jewish emigration come out of Reparation Funds. Then Ponsot, the Frenchman who is Chairman of the meeting, suggested that "it would be very nice indeed if the Voluntary Agencies, led by the important, powerful and rich JDC take over some of IRO's responsibilities".

I cornered De Rosen and Ponsot at separate times, and as a result, De Rosen promised to deliver a statement which I prepared for him which points out:-

- 1) that IRO funds are one thing and Reparations funds are quite another, and
- 2) in connection with a discussion of IRO's budget, IRO is not entitled to take reparations funds into consideration.

Incidentally, George Warren was a perfect angel - he got up immediately to reply to De Rosen, saying that De Rosen was completely confused on what reparation funds were.

During a long talk with Ponsot, he said he had never meant to say that which he had said, and explained that his English wasn't very good. He also has agreed to make a clarifying statement that Voluntary Agencies can not be expected to assume IRO's responsibilities.

The talks at present are on the IRO budget - with Tuck and Rucker trying to get through a budget which will call for 14-15 million dollars a year deficit, whereas George Warren is arguing that the IRO must stick to its budget. He argues that the budget can be stuck to if Poles, particularly those in the Middle East and the U.K. Zone of Germany, are dropped from IRO rolls, and again become British commitments. There is much force in his arguments.

George has also been of tremendous assistance to us in connection with the individual migration budget. As Irwin Rosen has undoubtedly reported to you, IRO has made the following rules:-

- a) IRO will resettle only those people receiving IRO care and

/maintenance

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maintenance.

- 2) For all other persons, they will contribute 50% toward the cost of resettlement if the individual being resettled, or a Voluntary Agency pays the balance, except in hardship cases where IRO would pay all.

Packy feels that we could never agree to any statement of policy that IRO was responsible for only a fixed percentage if the Voluntary Agency contributed a fixed percentage. Our line has been that IRO can not thus pull away from its responsibilities. If IRO has budget difficulties, it should set its budget, but should not seek to present a percentage device.

After much haggling with IRO, I have succeeded in convincing Innes, the head of the Resettlement Division and his assistant, Citroen, that the following would be a more workable agreement.

I. AJDC agrees to move;

- a) 10,000 persons to final overseas destinations other than the U.S.
- b) 4,000 persons presently located in Europe for final resettlement in European countries other than countries from which they are moved.

II. IRO agrees to reimburse AJDC for;

- a) a maximum average rate of 200 dollars per person with respect to I a) above.
- b) a maximum average rate of 10 dollars per person with respect to I b) above.

thus making IRO's total commitment for the movements to be carried out by AJDC under Para I above two million, forty thousand dollars for the fiscal year beginning 1 July, 1947.

III. It is understood by IRO and AJDC, that if AJDC should move less persons than under para I above, IRO will reimburse AJDC 200 dollars less per person for each person under 10,000 described in Ia above and 10 dollars less per person for each person under 4,000 described under Ib above.

IV. It is understood by IRO and AJDC that the above budget is exclusive of any possible opening of large scale resettlement to Palestine.

V. IRO, taking into consideration that the AJDC is a dollar backed organization, and taking into further consideration that in most overseas cases AJDC will spend over 200 dollars in U.S. currency to finance movements, agrees to reimburse AJDC in U.S. dollars.

I want to stress that this has not yet been agreed to by IRO, but this is

/the

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the way we are talking, and as a matter of fact, I have indicated that I will have to get approval before finalizing an agreement. Naturally the 2,000,000 dollars for overseas destination will be a great help. Irwin Rosen estimates that for the last quarter of 1947, he will move over 3,600 persons to overseas ports. As Irwin will tell you, IRO is very anxious to spread their money over as many people as possible, so as to claim that IRO funds participated in finally resettling as many persons as possible. The above figure of \$200 is roughly what they spend to resettle persons in group schemes. In connection with the 4,000 persons being resettled in Europe, Rosen's figure is that it costs us on the average \$28 per capita - but I think it would be a good idea to accept a nominal rate like \$10 per person, which is the rate of IRO participation.

I am by no means certain they will abide by Paragraph V, but it is worth trying, and in any event, Innes is willing to recommend it. Finally, you will note that I have gotten inserted, a statement to take care of the point you discussed with Herb Fierst, and which you mentioned in your letter of October 17th re Palestine emigration.

Of course the whole matter is also dependent upon what the budget position finally is.

Sincerely,

  
Joel H. Fisher.

JHF:af

c.c. Dr. J. J. Schwartz.

P.S. You will also note that the above agreement makes no mention whatsoever to Reparations funds - which I have succeeded in convincing everybody is an entirely separate subject. The line I have taken with - what I believe is a great deal of success - is that reparations funds must first go to pay for the bill which has built up since 15th June, 1946. I have also stated that in the field of resettlement, we want to confine reparations funds as much as possible to U.S. cases.

  
326347

AMERICAN JOINT DISTRIBUTION COMMITTEE

19, RUE DE TÉHÉRAN  
PARIS (8<sup>e</sup>)

EUROPEAN EXECUTIVE  
COUNCIL

NOV 13 1947  
TELÉPHONES  
LABORDE 07-70  
78-84

CONFIDENTIAL

CABLES & TELEGRAMS  
JOINTFUND-PARIS

25th October 1947

Dear Moe,

I thought you would be interested in a general statement of what's been going on here at this meeting of the IRO Preparatory Commission.

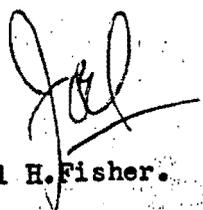
The meeting has been rather stormy so far, because of the insistence on the part of the French delegate supported by the Dutch and Guatemalan that the freeze order issued by the IRO on July 2nd - whereby only new hardship cases could be permitted - was illegal. The French delegate believes that all persons should be eligible for IRO assistance should be assisted. Tuck and Rucker say that is true, but they have no money to take care of new classes of people. JDC has of course not taken a position in the matter, although we were somewhat disturbed to hear from the Executive Secretary that if the French proposal was adopted, the level of support to persons presently receiving care would be lowered. I personally believe that JDC will benefit a little more if the freeze is maintained. I base this on the fact that both Tuck and Rucker have in the last few days begun to take a much more friendly attitude toward the JDC and what it is doing, and I believe that it will be possible for us to keep pounding to have our people taken care of as hardship cases. If of course the door is open to take care of all eligibles, including Volksdeutsche, Anders Poles and a host of other refugees, we would probably not only be unable to obtain new assistance from IRO, but would probably also suffer cuts.

In connection with our "new and improved relations" with IRO, I might point out that I have sat in the IRO staff meetings, assisting them in preparing documents needed quickly and talking over strategy with them - (I have not yet asked them for compensation for this work, and I hope it is agreeable to JDC that I give this time - ). In all fairness, I think it must be pointed out that notwithstanding Tuck's friendly attitude, Mr. Tuck knows practically nothing about the Jewish refugees. His instincts are all fine, but unfortunately he isn't able to carry through with them. Rucker manages to put up financial arguments to defeat Tuck's instincts. I think that the only Jew Tuck ever knew before entering IRO was Lewis Straus, whom he speaks of all the time. Everything relating to the problems of Jewish DPs has to be explained to Tuck and nothing can be taken for granted. I might add that George Warren has agreed with me hundred percent that Tuck has no knowledge at all of the Jewish DP problem.

Kullman is continuing his devious ways. He tried to insert into the Draft IRO/JDC agreement, a statement that IRO would not pay for any resettlement where such resettlement could be charged to Reparations. I managed to get this knocked out, and we are now trying to clear up certain legal points as well as one policy point.

Mr. Mosea A. Leavitt,  
79 Old Pond Road,  
Great Neck, L.I.  
New York, N.Y.

Sincerely,

  
Joel H. Fisher.

326348

NOV 1 1947

NOV 13 1947

AMERICAN JOINT DISTRIBUTION COMMITTEE

EUROPEAN EXECUTIVE  
COUNCIL

19, RUE DE TéhÉRAN  
PARIS (8<sup>e</sup>)

TÉLÉPHONES  
LABORDE 07-70  
79-84

PERSONAL + *Confidential*

CABLES & TELEGRAMS  
JOINTFUND-PARIS

Hotel Des Bergues  
Geneva.  
PCIRO Meeting.

24th October 1947

Dear Moe,

I acknowledge receipt of your letters dated October 17th, concerning possible IRO responsibility of transportation of DPs to Palestine which I will keep in mind, and also your letter on the Swiss francs Reparations matter.

There are several developments in connection with the Reparations picture which I want to report to you.

1. The British have advised IRO they will turn over to them, non-monetary gold valued at between 400,000 and 1,000,000 dollars. They will turn over these assets in late November.
2. It is not expected that the ship bringing non-monetary gold assets from the Hungarian Gold Train will arrive in the U.S. before December 5th. Abba is arriving in the States on November 5th for the purpose of setting up a liquidation Commission to receive, and to arrange to dispose of the non-monetary assets, so as to obtain the highest realization. Tuck has given Abba a list of his (Tuck's) friends, and suggests to Abba that the Commission be drawn from these people. I am assuming of course, that you will make sure that some of our friends are included. If our friends are also Tuck's friends, so much the better.
3. With reference to Surrey's conversation with you, concerning the 12½ million Swiss francs, I do want to make the following points -
  - a) Abba is now working under instructions from the Five Powers to collect 50 million Swiss francs and not 7½ million dollars worth. I realize that his instructions can be changed - but they have not yet been changed, and therefore he is continuing to proceed on the basis of 50 million Swiss francs. I might add that the PCIRO in its last meeting, passed a Resolution calling on the Swiss to turn over the 50 million Swiss francs.
  - b) With regard to the Portugese Escudos, I believe the situation has changed somewhat since you agreed to take them. I understand that the Escudo is having some trouble with the dollar and I think therefore that it will be difficult to transfer Escudos as we had previously planned. Abba states that he is very annoyed at your

/decision

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decision to take Escudos, but I think his annoyance is prompted more because his pride was hurt by the fact that he was not consulted on what you did. In any event, he is busy steaming up the Jewish Agency Representative - Adler Rudels - that Portugese Escudos are not good, and that you have acted unilaterally. I am sure this is not the case, but I thought you would like to know.  
*Clv? set ADLER-RUDLES Straight.*

c) I am quite aware of the political problems involved, but nevertheless I know the British people who are giving the orders in London, and I think there is a good chance that we wont have to accept Pesetas or more than a very token amount of Turkish pounds. I am sure you are insisting that we don't want these currencies, and I think it is most important to keep insisting.

4. I am not being light or frivolous when I say that I think we shall be very lucky if Abba managed to convert even 50% of the Kronor into sterling. He is very optimistic that he can manage on this 50% deal and I certainly hope he does. In any event, we have asked him for \$250,000 worth of Swedish Kronor and \$350,000 worth of French francs which he should be transferring to us shortly. Incidentally, in his letter advising us of the transfer, he will definitely state that this money is to be applied to the Reparations Bill beginning June 15th, 1946. As you know, this is a very important point.

In PREP/30 - the Report of the Executive Secretary - which I am sending to you under separate cover, the section on Reparations includes a statement that the Executive Secretary - "is offering assistance in renewing efforts to have legislation incorporated in the laws of the State of New York, similar to that which the Intergovernmental Committee for Refugees was instrumental in proposing in New York State in March, 1946". Abba explains that he put this in the report in order to be able to travel back to the U.S. in January.

I myself have considerable doubt as to whether the New York State realization should pass comment on this report. Under the Five Powers Agreement, only neutral countries are required to turn over heirless property and while they have been stalling, nonetheless, they will probably stall all the more now, saying that they have got to wait to see how the New York realization comes out. It is my understanding that the New York realization will take considerable time, and as soon as this matter has been put officially to the Commission, I think it is most important that you get Bernie Bernstein, Eli Rock and any other interested parties ready to move in the matter.

January is of course the beginning of the election year, and perhaps Dewy might be inclined to really push this one as a political matter.

Sincerely,



Joel H. Fisher.

Mr. Moses A. Leavitt,  
79 Old Pond Road,  
Great Neck,  
Long Island, N.Y.  
New York.

326350

RELATIONSHIP BETWEEN THE WORK OF  
THE AMERICAN JOINT DISTRIBUTION COMMITTEE  
AND THE ACTIVITIES OF  
THE INTERNATIONAL REFUGEE ORGANIZATION

326351

I. PURPOSE OF THIS MEMORANDUM:

Over the past years the American Joint Distribution Committee has enjoyed very close working relationships with the two official international organizations devoted to the general problem of refugees and displaced persons - namely the Intergovernmental Committee on Refugees and the United Nations Relief and Rehabilitation Administration. In both cases this relationship came into being from the very beginning of the work of these two agencies, in the case of the Intergovernmental Committee in 1938 and in the case of UNRRA in 1943. The cooperation which has existed between the JDC and these organizations and the relationships which developed were manifold in form and varied from country to country in accordance with the local situation and the nature of the problems faced by JDC and the International Organizations in any given area. They were very close and in a number of instances the JDC acted as confidential agent for these international organizations in countries to which the latter did not have access. The general character of these relationships will be summarized in succeeding paragraphs of this memorandum.

Both JDC and UNRRA have now terminated their activities. The work on behalf of displaced persons and refugees heretofore carried on by these two agencies is now in the process of being assumed by IRO. In view of the fact that in many countries the persons whom it will be IRO's obligation to assist in various ways are likewise the concern of JDC, there is opportunity for mutual cooperation between JDC and IRO which would be of benefit to the operating programs of both organizations and would materially enhance the measure of assistance which can be given to the refugees and displaced persons who are the ultimate concern of the work of both organizations. The purpose of this memorandum is to outline the background of JDC operations, and by reference to the previous relationships between JDC and UNRRA and IRO to indicate what is regarded as a desirable working relationship which should be established between JDC and IRO for the purposes indicated above.

II. THE NATURE OF THE JDC PROGRAM:

The AJDC is a voluntary non-governmental American agency organized in 1914 to assist Jewish victims of the 1914-1918 War. It continued its activities after the war, assisting the Jewish communities of Eastern Europe particularly, to rebuild their economic, social and communal existence. With the advent of Nazism its program was expanded to include assistance to refugees from Germany and the other countries that were invaded by the Nazis. After the outbreak of war in 1939 its efforts were concentrated, in close cooperation with the official organizations mentioned above, as well as with the President's War Refugee Board and War Relief Control Board, on rescuing as large a number of Jewish victims of Nazi persecution as possible and assisting them to reach safe havens where JDC help was available to maintain them. Since the termination of hostilities the AJDC activities have been concentrated largely in the following four fields:

- (a) relief to persons in need;
- (b) programs of rehabilitation and reconstruction to help the resident Jewish communities of Europe to re-establish themselves in the economic, social and communal life of the country;

Known also as the JBO in the United States and the AJDC of "Joint" in Europe, it is the Foreign Field Agency of the American Joint Distribution Committee with headquarters in New York and European Headquarters in Paris.

- (c) provision of funds for the emigration of Jewish survivors from countries of temporary refuge, chiefly in Europe, to countries of permanent settlement;
- (d) substantial supplementary assistance to DP's assisted by UNRRA in the form of food, clothing, medical supplies, staff service, religious, recreational and educational facilities.

The funds of the JDC are obtained exclusively from voluntary contributions. Most of the money is raised in the United States by far the largest part among Jews, with some prominent non-Jews contributing money and lending their moral support to the fund-raising activities of the United Jewish Appeal, which actually collects the money that the JDC subsequently disburses. But the United States is not the sole source of JDC funds. Money-raising campaigns similar to that of UJA in the United States are conducted among the Jewish communities of South Africa, Australia and a number of the Latin-American countries. It is estimated that during the year 1946 almost a million persons were assisted by the JDC with food, housing, medical care, education, emigration and a variety of other functions connected with the JDC's major purposes stated above.

For the first five months of 1947 the JDC has already appropriated more than 35 million dollars for its operations. The largest portion of this expenditure has of necessity, gone to the assistance of the large resident Jewish communities in such countries as Poland, Hungary, Rumania and Bulgaria, where the Jewish population, not being technically regarded as either refugees or displaced persons, have been ineligible for assistance from IGC or the activities of UNRRA on behalf of displaced persons. Nevertheless, all these Jewish populations were completely uprooted during the war and those survivors who have returned have found themselves without homes, jobs or businesses and, to a very large extent, without family or close relations. The task of helping them to re-establish themselves in the life of their countries has therefore been much more difficult than it has been for the rest of the population. It is for this reason that such a large proportion of JDC's resources has had to be expended in those countries.

In the former enemy countries - notably Germany, Austria and Italy - where the Jewish population is regarded as displaced persons or refugees, responsibility for basic maintenance has been assumed by the occupying authorities and by UNRRA. The function of JDC has been to supplement the work of these agencies by the importation and distribution of supplementary food and clothing, by giving financial support and staff service to the small resident Jewish communities in those areas, by emigration service, by tracing and information service for the location of relatives and the uniting of families, through the provision of cultural, educational and religious services and of medical, dental and public health services, including the operation of special medical and health institutions. It is for the purpose of continuing these supplementary services and of ensuring that such funds as are available for them shall be of maximum value to the refugees and displaced persons, that JDC seeks the closest possible working relationship with IRO.

### III. PREVIOUS JDC RELATIONSHIPS WITH UNRRA:

As indicated above, JDC relationships with UNRRA began immediately with the creation of UNRRA in November, 1943 and assumed varying forms as the UNRRA program expanded to take in additional territories, and in accordance with the special conditions existing in those territories:

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(a) Germany:

For operations in Germany the occupying Military authorities, by agreement with UNRRA, had stipulated that UNRRA would be the only civilian relief agency recognized by the Army for assistance to DP's and refugees and that all other civilian organizations wishing to carry out programs in the zones of occupation would have to do so under UNRRA auspices. Accordingly UNRRA in turn negotiated agreements with voluntary agencies, including the JDC, by which the personnel of these agencies was regarded as attached to the staff of UNRRA for the purposes of their work in Germany. JDC personnel were paid their salaries and expense allowances by JDC, but for such administrative and procedural matters as travel orders, billeting, messing facilities, PX and canteen privileges, etc., were regarded as UNRRA personnel and treated on the same basis. Office and warehouse space, servicing of vehicles and the provision of petrol, oil and lubricants were likewise provided through UNRRA. Relief supplies of food, medicines, clothing, recreational equipment and amenities were imported by JDC, and facilities for their transportation and distribution within Germany were provided by UNRRA and the Military authorities. Distribution was carried out under JDC auspices in consonance with the general principles established by UNRRA and were supplementary to the basic supplies issued through UNRRA and Military sources. It is unnecessary to give in this memorandum the full detail of these arrangements; what has been said is sufficient to indicate the nature of the relationship which existed.

(b) Austria:

Because of the division of responsibility for the care of DP's and refugees in Austria between UNRRA and the occupying authorities, JDC had no formal agreement with UNRRA. It did, however, in practice, enjoy, both from the military authorities and from the UNRRA Mission in Austria, substantially the same cooperation and facilities as that extended to JDC in Germany.

(c) Italy:

Because JDC personnel entered Italy and began operations in advance of the arrival of the UNRRA Mission in Italy, no formal agreement was signed between JDC and UNRRA in Italy. In practice, however, UNRRA made available to JDC a variety of facilities and services, including such items as billeting, messing, commissary and PX privileges for JDC personnel, a canteen meal for JDC local personnel recruited in Italy, petrol, oil and lubricants, and in general assistance similar to that given in Germany. So far as JDC had a formal agreement in Italy, it was with the IRO and is referred to below. As indicated, however, in practice the bulk of the assistance given to JDC in Italy came from UNRRA as the activities of that Mission expanded and became far greater in scope than those of IRO.

(d) Shanghai:

The approximately 15,000 European refugees in Shanghai had been assisted throughout the war by JDC through such means as were possible under the conditions of hostilities. Immediately after the war the UNRRA Mission arrived in Shanghai and assumed responsibility for providing basic maintenance to this group. JDC advanced funds for housing and necessary cash relief grants to this group of refugees pending determination by UNRRA of its authority and ability to assume this obligation, and UNRRA recently reimbursed JDC in local Chinese currency for its expenditure for these purposes for the months of May and June. This local currency was obtained from the fund created for the sale of UNRRA supplies in China and set aside by agreement with the Chinese Government for welfare purposes. UNRRA has indicated that the continuing of this reimbursement arrangement beyond June 30th is a matter for determination by IRO.

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The foregoing are the only countries in which UNRRA displaced persons operations and JDC activities were jointly sufficiently important for a significant working relationship and organizational cooperation to have developed. In addition, however, in a number of countries informal assistance and cooperation was extended by UNRRA to JDC in such matters as the clearance through customs of relief supplies imported by JDC. Typical countries in which such informal cooperation existed were Poland, Greece, Czechoslovakia.

In some cases JDC was of assistance to UNRRA; for example, in arranging the repatriation of refugees and displaced persons for whose movements UNRRA was responsible but who came from countries or had to transit through countries where UNRRA was not represented. In such cases JDC representatives made their facilities available to provide for or to expedite such movement.

#### IV. RELATIONSHIPS WITH IGC:

JDC relationships with IGC fall into two general categories: the provision of funds for maintenance and the provision of funds for resettlement.

##### (a) Provision of Maintenance:

IGC conducted programs of cash assistance limited to refugees from Germany and Austria (recently extended to Spanish Republican and Hansen refugees) in France, Belgium, Holland, Spain and Portugal, and to a small extent in Italy. In France, Belgium and Holland IGC grants were paid to local relief organizations for those persons assisted by them who were eligible for maintenance by IGC. IGC itself conducted no direct relief operations. So far as Jewish refugees were concerned, the organizations selected by IGC to administer its assistance program were chosen in consultation with JDC and were, in fact, the same organizations which were receiving subsidies from the JDC for the support of refugees not eligible for assistance from IGC. In the case of Spain and Portugal, where no appropriate local relief organizations functioned, the JDC office in those countries received funds directly from IGC and distributed them to the eligible refugees on IGC's behalf. Proper accountings and reports were presented monthly to IGC.

##### (b) Migration Assistance:

Provision had been made in the IGC budget since 1945 for a transportation fund designed to meet the travel expenses of refugees and displaced persons eligible for assistance from IGC who obtained visas to countries of permanent settlement and who had not the resources to pay the cost of transportation to those countries. As in the case of its maintenance program, IGC did not conduct these operations directly but used the services of voluntary agencies acting as agents for IGC. Thus, the JDC during 1945/6 and 1947 has arranged passages for eligible refugees, has paid the cost of the ticket and other incidental expenses and has then been reimbursed by IGC on submission of proper accountings. For the year 1947 the amount thus far involved is of the order of one million dollars. It should be noted that because of American legislative restrictions IGC funds were not available to pay passage to the United States, and it is to be assumed that similar restrictions will apply to the use of ERO funds.

As in the case of UNRRA, JDC in a number of instances assisted IGC with transportation service for non-JDC cases originating at points where IGC had no representative.

A special relationship existed between IGC and JDC in Italy where, as indicated above, JDC representatives arrived in advance of the UNRRA Mission. At the request of the then Allied Control Commission, IGC accepted the same type of supervisory relationship to JDC activities as that described above in connection with UNRRA-JDC relationships in Germany.

In practice, however, this relationship has had little significance because the UNRRA and JDC programs both expanded in Italy far beyond the scope of ICG activities. The present JDC office facilities in Rome are, however, still held by JDC under arrangements negotiated for in the first instance by ~~UNRRA~~ IIC.

V. RELATIONSHIP WITH IRO:

With the termination of the activities of UNRRA and ICG, there now arises the question of establishing relationships between JDC and IRO. The Executive Secretary of the Preparatory Commission for IRO on June 30th, 1947, authorized UNRRA and ICG to advise the voluntary agencies with whom they then had agreements or relationship, that the existing arrangements would continue for the three months following June 30th, 1947, and that during that period IRO would undertake to negotiate satisfactory agreements with these voluntary agencies. It is not clear whether IRO contemplates that these agreements shall be on an overall basis with each voluntary agency covering all countries in which IRO and the voluntary agency both operate, or whether it will prefer to negotiate separate agreements country by country, between the IRO Mission in that country and the representatives of such voluntary agencies as may operate there. Either approach would be satisfactory to the JDC, though it is inclined to believe that the latter is preferable in that it would facilitate the adaptation of the agreement contemplated to the specific situation and requirements existing in each country which, as experience has shown, may vary from one country to another.

It is not the purpose of this memorandum to set forth in detail the working relationship which JDC would envisage with IRO in each country. This will be put forward at the appropriate time by the JDC country representatives and will be based on a careful analysis of the existing situation. It is proposed here rather to indicate the major types of operation and assistance which should be included in the detailed agreement to be worked out in due course. The following are offered as examples of the types of subjects which such an agreement should include:

- (a) Continuing the system of emigration assistance previously carried on by ICG;
- (b) Continuing the system of care and maintenance previously carried out by ICG, due regard being given to the implications of the expanded eligibility definitions of the IRO Constitution (discussed in further detail below);
- (c) The provision of administrative, technical and service facilities to JDC by IRO along the lines of previous UNRRA practice in those countries where both organizations operate and to the extent that the JDC program is carried out in behalf of persons eligible for IRO assistance;
- (d) Assistance as necessary for the import and transportation within the country of JDC relief supplies;
- (e) Equitable participation in the administrative costs of programs of assistance carried out by JDC or JDC subvented agencies in cases where these activities are, in effect, performed on behalf of IRO.

VI. IRO ELIGIBILITY RULES:

Special note should be given to the difference which the IRO Constitution has introduced into the concept of a refugee or displaced person eligible for assistance from IRO as compared with the eligibility rules which have governed the operations of UNRRA and ICG.

(a) Installations on eligibility for assistance from IGO:

As indicated above, the IGO program of cash assistance for maintenance purposes was limited to refugees from Germany and Austria, refugees from the Saar, Spanish Republican refugees and Nansen refugees. Assistance to meet the cost of transportation involved in resettlement was available to the above-named groups, and in addition to the so-called "disident refugees" (e.g. Poles, Balts, Yugoslavs, etc.). In principle these latter groups were also eligible for maintenance assistance, but the decision to extend such eligibility to them was taken so late in the life of IGO that as a practical matter it was decided not to extend actual maintenance assistance to them but to leave this question for IRO.

(b) Installations on eligibility for assistance from UNRRA:

Broadly speaking, UNRRA's resolutions authorized it to assist any person who had become displaced from his country of nationality or normal residence by virtue of the war. It thus excluded Spanish Republicans and Nansen refugees unless these had become involved in displacement from their countries of normal residence during the war but extended the term "War Displacement" to include persons who had fled from Germany, Austria and Czechoslovakia between the advent of Hitlerism and the outbreak of hostilities. Furthermore, the UNRRA resolutions excluded persons who became refugees from their countries of nationality or normal residence after the termination of hostilities in Europe, exception being made for Jewish refugees from East European countries who arrived at UNRRA installations after May 8th, 1945, and who were regarded as still being victims of racial or religious persecution.

In general terms, the definition of eligibility contained in the IRO Constitution may be described as one which includes all categories of refugees previously eligible for assistance from either IGO or UNRRA, and further provides for the eligibility of persons who became refugees from their countries of nationality or normal residence after the conclusion of hostilities, or who may so become refugees in the future. Furthermore it provides that all persons defined as refugees or displaced persons under the IRO Constitution shall be eligible for any and all services which IRO may provide - specifically maintenance, resettlement, repatriation, legal and political protection - subject only to the additional criterion of actual need for such services or assistance. This expansion of eligibility and function raises certain problems in defining JDC's relationship to IRO which will be mentioned in the next paragraph.

VII. SPECIAL PROBLEMS:

(a) Maintenance of Refugees in Countries other than Germany, Austria and Italy:

As indicated above, UNRRA's program of care and maintenance for displaced persons and refugees was concentrated primarily in Germany, Austria and Italy and was, for the most part, limited to the provision and care in camps. IGO on the other hand conducted programs of assistance in France, Belgium, Holland, Spain and Portugal, but limited such assistance to the categories of refugees above indicated. It is assumed that IRO will continue these programs of assistance and that there now become eligible for inclusion within them the other categories of refugees who are included within the IRO definitions. At present the JDC is contributing toward the maintenance of many thousands such persons in France, Belgium, Holland, Switzerland, Sweden, Czechoslovakia, Italy, Spain, Portugal, Tanager, and it is urged that appropriate arrangements be made to include these persons in the scope of IRO's out-of-camp assistance program to eligible refugees.

(b) Infiltrates in Austria:

Effective April 21st, the United States Army declared that refugees entering the US Zone of Germany or Austria would not be eligible for assistance from Army sources and would not be entitled to receive those rations drawn from the local ~~sources~~ and distributed by UNRRA. This ruling has created no problem in Germany where relatively few infiltrates have arrived since April 21st. In Austria, however, a very serious problem has been created.

There were, as of July 9th, 1947, 3,850 such persons coming chiefly from Rumania, concentrated in the city of Vienna. The American Army was unwilling to permit them to move into the US Zone of Austria. The three small installations in which they were housed in Vienna were unbearably overcrowded and created a serious health and ~~sanitation~~ hazard. As indicated above, UNRRA had not been authorized to extend assistance to them. The JDC undertook the full burden of their maintenance on the assumption that when IRO came into operation on July 1st this group would be included within the IRO program. Thus far, however, they have not been so included and this office has received no response to a telegram requesting the extension of assistance to them, sent to IRO Headquarters in Geneva. It is understood that the Army has no objection to IRO extending assistance to this group, and it would seem that they are clearly eligible to benefit from IRO operations. It is urgent that this problem be resolved as quickly as possible, since JDC cannot continue to carry the financial burden represented by the cost of full maintenance for these people, and, wholly apart from the financial considerations involved, has neither the facilities nor the authority to provide adequate housing.

(c) Maintenance Accommodations in Italy:

About 7,500 of the refugees maintained in Italy by UNRRA were living outside of the congregate camps in a series of villas, private houses and similar installations throughout the country in collective units averaging 150 to 200 persons per installation. This type of accommodation was recognized as socially more desirable than congregate camp care, and persons were selected for these special accommodations on the basis of their capacity to profit from the facilities for education, vocational training and farming and gardening opportunities which these installations provided. UNRRA stipulated that it would pay for the cost of maintaining people in these installations the same amount it would have paid for their maintenance had they remained in camps. The JDC then undertook to meet the extra costs involved in this program, such as rent and installations of the premises and the provision of the additional transportation required to make supplies available to a widely scattered group of small collective units.

A recent analysis made by an IRO working party which visited Italy to make preparations for IRO operations there, shows, however, that in actual fact UNRRA has been spending \$1.45 per day for the maintenance of refugees in camps and only .95¢ per day for the maintenance of people in these special installations (called "Hachsharoth"). If these special installations are to be continued, consideration should be given to some equitable redistribution of the costs involved as between JDC and IRO.

(d) Refugees in Shanghai:

As indicated above, UNRRA has been providing basic maintenance and has recently been reimbursing JDC for its supplementary expenditures on behalf of the European refugee group in Shanghai. This group originally numbered about 15,000. Emigration has reduced it to about 21,000. It is impossible for this group to envisage permanent residence in China. It is urgent that these people be emigrated from Shanghai as quickly as possible.

In the meantime their maintenance must be provided. Having regard to their remoteness from the areas generally associated with refugees, it is important that they should not be overlooked in the development of the IRO Program. Adequate provision must be made for their basic maintenance, for continuing provision of local currency to JDC under the arrangements initiated by UNRRA and for the provision of funds to meet the cost of their emigration from Shanghai.

#### VIII. REPARATIONS FUND:

An important collateral aspect of any relationship between JDC and IRO is the Reparations Fund. It will be recalled that the Reparations Conference meeting in Paris in January 1946, and a committee of that Conference meeting again in Paris in June 1946, drew up a Reparations Agreement establishing a fund of 25 million dollars and certain other assets to be used exclusively for the rehabilitation and resettlement of non-repatriable victims of Nazi action. The fund, when it became available, was to be turned over to the IGC, and such portion of it as might be unexpended when the IGC ceased its activities was to be turned over to IRO. In fact, no money has yet become available for the Reparations Fund, so that the entire administration of it devolves upon IRO.

Under instructions issued by the Reparations Commission the IRO is thus instructed to administer this fund for the purpose stated in the Reparations Agreement. 90% of the fund is to be reserved for Jewish victims of Nazi action and is to be made available to the AJDC and the Jewish Agency for Palestine upon the submission by these organizations of practical projects for the use of the money. These projects have already been submitted and have been approved by the IGC. They have presumably now been transferred to the files of IRO and will be implemented immediately upon receipt of the first monies for the Reparations Fund.

In view of the restricted purposes for which the Reparations Fund may be employed -- namely, "Rehabilitation and resettlement of non-repatriable victims of Nazi action" -- the activities it finances for the most part will not duplicate any activities of IRO, with the single important exception of transportation costs connected with the emigration and resettlement of eligible refugees. In this connection it is important to recall that IRO funds may not be used to pay passage costs of persons proceeding to the United States. Such costs will therefore have to be met exclusively out of Reparation Fund and such other money as JDC can provide from its own resources. In view of this it is proposed that eligible Jewish refugees who obtain visas for countries other than the United States and who require assistance for the payment of their passage (i.e., where friends or relatives are not in a position to contribute), shall have such costs met out of the general resettlement budget of IRO, and that emigration to the United States shall be paid for out of reparations and JDC's own resources.

MWB/

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*Gen I Ro*

For Immediate Action  
Assigned to:  
M. A. Leavitt  
B. M. Joffe  
L. H. Sobel

INCOMING CABLE  
FROM  
PARIS

5074

Recd. & Sten. July 3, 1947

LF137 PARIS 103/102 FST SHT 51/50 1  
NLT JOINTDISCO NY

2272 FYI ABBA SCHWARTZ REPORTS SWEDEN DEFINITELY DECIDED AGAINST JOINING IRO NOW  
PREPARED PAY FIFTY MILLION BLOCKED KRONER REPARATIONS FUND IMMEDIATELY OF WHICH  
OFFERING ONE MILLION POUNDS IN ENGLAND PROVIDED OFFER ACCEPTED BY JULY 15TH STOP  
BRITISH INFORMALLY INDICATED RELUCTANCE ALLOW CONVERSION SUCH POUNDS TO HARD  
CURRENCY STOP SCHWARTZ ASCERTAINING JEWISH AGENCY INTEREST ABOVE POUNDS REQUESTS  
INFORMATION FROM US BY MONDAY WHETHER HOW MANY POUNDS WE PREPARED TAKE UNDER ABOVE  
CONDITION STOP SWEDES OFFER EXCHANGE PORTION REMAINING KRONER INTO VARIOUS SOFT  
CURRENCIES NOTHING TANGIBLE YET STOP HAVE SPECIFIED PERCENTAGE DISTRIBUTION  
FIRST MILLION POUNDS BETWEEN JOINTDISCO JEWAGENCY WITHOUT PREJUDICE RATIO  
SUBSEQUENT ALLOCATIONS ADVISE

JOINTFUND

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*Handwritten:* J. R. O.  
4/7/48

CZECHOSLOVAK PARLIAMENT GETS LEGISLATION LIMITING PROPERTY RESTITUTION PROCEDURE

PRAGUE, April 6. (JTA) -- The Czechoslovak parliament today received an amendment to the national restitution law which provides for several significant changes in the process of restoring confiscated and stolen industrial holdings.

Most important is a provision which would limit the return in kind of confiscated industrial property to applicants who apply within three months after passage of the measure. Applicants who file later and whose claim is validated will be compensated in government bonds rather than in kind or in cash. Agricultural property in lots classified as small farms would be exempted from restitution, under the amendment.

2,500 DISPLACED JEWS FACE TRANSFER FROM THEIR CAMP IN ITALY ON EVE OF ELECTIONS

ROME, April 6. (JTA) -- Approximately 2,500 Jewish DP's will be transferred from the Jewish Adriatica DP camp, near Milan, to the International Refugee Organization's camp at Trani, several miles from Bari. Police officials in Milan explained that they plan to convert the Adriatica camp into a police "stronghold" in preparation for the coming national elections on April 18.

Nearly 1,000 of the Jewish refugees have already been moved and the remainder will be transferred by the end of this week. Many of the Adriatica refugees have been shifted in and out of five different refugee camps in Italy since their arrival in the country.

I.R.O. GETS LOOTED U.S. CURRENCY; NINETY PERCENT EARMARKED FOR JEWISH REHABILITATION

WASHINGTON, April 6. (JTA) -- Over \$96,000 in United States currency looted by the Nazis from the bodies of concentration camp victims has been redeemed by the Treasury Department and turned over to the International Refugee Organization to aid in rehabilitating survivors of the camps, the Preparatory Commission of the I.R.O. announced here today. Ninety percent of the money will be allocated for the care of Jewish victims, in accordance with arrangements worked out at the Paris conference on restitution.

Abba Schwartz, director of the Reparations Department of the I.R.O. and his deputy, David Rolbein, who completed the transaction, reported that additional amounts of currencies still held by military authorities will be turned over to the I.R.O. in the near future. No estimate of the redemption value of those currencies is available as yet, they said.

WORLD JEWISH CONGRESS ASKS U.N. PARLEY TO BAN PUBLICATIONS INCITING RACE HATRED

LONDON, April 6. (JTA) -- The World Jewish Congress today submitted a memorandum to the U.N. conference on freedom of information now taking place in Geneva urging that the parley prohibit the incitement to racial hatred by newspapers and publications, it was revealed by Congress headquarters here.

A conference sub-commission recently rejected such a ban by a vote of six to five. The Congress memorandum asked the parley to reconsider the sub-commission's position in the interests of protecting individuals and groups from being singled out by the press as targets for racial, national or religious propaganda.

April 7, 1948

MEMORANDUM

To: Dorothy L. Speiser  
Frederick F. Grubel

From: Evelyn M. Morrissey

Subject: Reparation Funds

*J. I. R. C.*

The following is an extract from the Monthly Digest No. 5 from the PCIRD dated February 1948 (page 20 section (VI) Reparations)

"On the subject of reparations the Commission was informed by the Executive Secretary that half of the \$25,000,000 which by the terms of the Final Act of the Paris Conference on Reparations and the Five Power Agreement of 14 June 1946 would be used for the rehabilitation and resettlement of non-repatriable victims of Nazi persecution, had been received by PCIRD in the form of 50,000,000 Swedish kronor. Difficulties in converting these kronor had prevented payments to Voluntary Agencies for assistance to non-repatriables until recently, but arrangements had now been concluded for a payment of 1½ million pounds sterling, converted from Swedish kronor, to be made to the Jewish Agency for Palestine for the rehabilitation and resettlement of Jewish persecutees. The American Joint Distribution Committee which was also entitled to a share under the Reparations Programme, had received payments totalling dollar equivalents of \$1,750,000 and further substantial payments would be made shortly. Other Voluntary Agencies had received payments totalling \$60,000 including some \$40,000 to the International Rescue and Relief Committee for the resettlement of German and Austrian non-Jewish persecutees. A grant of \$5,000 had been made to Self-Help.

"The Commission was informed that since the last PCIRD Session in October 1947 the Government of the United Kingdom had taken steps to turn over to PCIRD the non-monetary gold found in the British Zone of Germany and that the first transfer was expected to take place in February or March 1948. Communications with regard to non-monetary gold in the French Zones of occupation were awaited from the French Government.

"Drawing the attention of the Committee to the fact that successful liquidation of heirless assets of victims of Nazi persecution who had died in neutral countries, estimated to amount to millions of dollars, could only be effected with the full co-operation of the neutral governments, the Executive Secretary urged that negotiations with such governments would be concluded as soon as possible."

The foregoing refers to the difficulty in converting these kronor. It is obvious that the Jewish Agency has received practically its full share of the Swedish Reparations Fund or payment of £1,500,000 sterling. Mr. Linder raised the question with Mr. Schwartz as to whether there shouldn't be an equalization between the JDC and Jewish Agency by a larger payment to the JDC from the Swiss Reparations Fund when that becomes available. I understand, however, that Abba Schwartz has already concluded arrangements whereby the Swiss and the Swedish Reparations Funds would be considered as separate entities with the 40-60 percentage between the JDC and Jewish Agency applying to both Funds as separate units.

Abba Schwartz has just advised me that he is not clear as to whether the £125,000 out of Swedish Reparations Funds which will be deposited to our account on or before April 15th will come out of the £1,500,000 granted to the Jewish Agency or whether the Swedish Government will make these pounds additionally available.

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and

He expects to have a reply from the Swedish National Bank within a day or two if the £125,000. are additionally available from the Swedish Government that will go to the JDC account with the Westminster Bank in London. If not, he has arranged with Mr. Kaplan of the Jewish Agency to give us the pounds out of their £1,500,000 in which event we could ask Kaplan to deposit them in our account in Palestine if we so desire. Based on a cable which he had received from Dr. Schwartz, he understood that it was satisfactory to deposit the pounds with our Westminster Bank in London and the JDC would then arrange its own transfers. I asked whether it was possible to send <sup>money</sup> from London to Palestine since he had indicated to Moe Leavitt several weeks ago that there was no such possibility. He knew of no change in the situation but it may be that Schwartz and Leavitt knew of more recent developments which might permit such a transfer.

\* \* \* \* \*

In connection with our Balance Sheet as of December 31, 1947, Mr. Baerwald inquired as to the composition of the \$1,000,000. held in cash abroad. I pointed out that a large portion of this was held in our account in Stockholm as a result of the Swedish Reparation Funds. Mr. Grubel's figures show \$652,000. held by us in our account in Stockholm as of the end of 1947 and about \$390,000. the end of February 1948. - about \$45,000. was expended in these two months for purchases and about \$50,000. for our Swedish refugee program. The difference of about \$167,000 was spent in the last months of 1947 in Sweden and only came through recently on our Branch office reports. In the final Balance Sheet, this amount will be deducted from Cash on Hand Overseas.

Mr. Linder questioned our taking into the Balance Sheet full value of the Swedish kronor in our account in Stockholm at \$652,000. He felt a reserve should be set up against that dollar equivalent in view of the difficulties in converting kronor and the losses that we may have to take. I indicated that transfers from that account would undoubtedly be made to countries where we would normally transmit dollars directly from New York and that I did not feel we would take any real loss. For example, from what Mr. Schwartz told Mr. Linder on the telephone, he is trying to get \$1,000,000. in Belgian currency and \$1,000,000. in Czechoslovakian or other currencies.

\* \* \* \* \*

Since dictating the following, I had another call from Mr. Schwartz who advised that he has just received a cable from the Bank of Sweden dated April 6th as follows:

"Pursuant your letter April 3rd have today very exceptionally transferred £125,000"

Mr. Schwartz stated that the Swedish Government has apparently decided to make these pounds available over and above the £1,500,000 to the Jewish Agency and that these funds have been deposited with the JDC account with the Westminster Bank in London. He suggests that we cable Paris and London and ask them to notify the Westminster Bank to expect these £125,000 since there may be some confusion due to the fact that he had not indicated what branch of the Westminster Bank the sum was to be deposited in.

Evelyn M. Morrissey

cc E.R.  
N.A.L.

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EM:ri

MAL  
from the file IRO

A meeting of the Merchandising Advisory Committee to the Preparatory Commission of the International Refugee Organization was held at 119 West 40th Street, New York, N.Y., on Thursday, March 4th at 3:00 P.M.

Present: Arthur W. Beamand  
Russell P. Bygel  
Gabriel Ferras  
David Freudenthal  
Joseph Kasper  
R.C. Kramer  
Robert McKim  
Edwin Marks  
Edward Mitten  
B. Earl Puckett

Also present were Abba Schwartz and David Rolbein of the I.R.O. Staff, Allan Kramer and Francis M. Gerli.

R. C. Kramer acted as Chairman and F.M. Gerli acted as Secretary.

The Chairman reviewed the origin of the project and the relationship of the Merchandising Advisory Committee to PC-IRO. He described the character of the merchandise to be administered by the Committee, classifying it into the following five major groups:

1. Jewelry and precious stones.
2. Silver and hollow-ware.
3. Rugs.
4. China and glass.
5. Miscellaneous (stamps, coins, securities, etc.).

He reported that all merchandise, with the exception of certain categories of the miscellaneous group which by their nature are admissible into the United States free of duty, is still in bond in the free port of Staten Island; that a strong attempt had been made to have the merchandise in all the groups admitted free of duty, but that technicalities of the United States Customs laws could not be circumvented without special Congressional action,

even though the Customs authorities and the State Department were most sympathetic. The Department of State had offered to have this legislation introduced, but this offer was not accepted on the advice of allied agencies and public relations counsels.

The Chairman stated that he, together with several people technically familiar with the type of merchandise in inventory, had made several examinations of portions of the merchandise in each classification. Prior thereto, it had been his thought to dispose of the items by direct sale to the public. But after examining the merchandise and upon further investigation, the following problems, which he believed insurmountable, immediately presented themselves:

1. The heterogeneous nature of the collection in each group makes impossible an accurate inventory within a reasonable time.
2. No agency equipped to handle such a sale, exists.
3. No location will be available until the end of 1949.
4. The cost of operation would be prohibitive.
5. Advice of public relations counsel etc., is that minimum publicity be given to the origin of the merchandise because of existing racial and religious prejudice.

In view of the foregoing, the Chairman stated that he had eliminated the possibility of a sale direct to the public, and, in lieu thereof, recommended that the following procedures be carried out:

1. The coins, stamps and manufacturing diamonds be sold at public auction.

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2. The securities be sold through regular market channels.
3. The diamonds be sold via the customary sealed bid method employed in the diamond trade with minimum upset prices on each lot.
4. The remainder of the merchandise be removed to bonded warehouse, where facilities are available for examination.
5. Technical committees, composed of primary and retail experts in each group, be appointed by the Executive Committee, to appraise, price, and advise on the best marketing channels.

The Chairman asked if any members of the Committee had any suggestions to make to this general plan of procedure.

After discussion, the recommendations of the Chairman were adopted.

The Chairman stated that in order to best carry out the objectives of the Committee, he believed that an Executive Committee should be appointed, composed of three members, in addition to the Chairman, and authorized to act for the Committee in matters of immediate moment when it would not be possible to assemble the entire Committee in session.

Messrs. Kasper, McKim, Puckett and Kramer were thereupon appointed to the Executive Committee.

The Chairman reported that he had been negotiating with H.R. Harmer, Inc., international stamp auctioneers and the foremost agency in New York, for the disposal of the stamps, and that they had offered to assort, catalogue, advertise and sell at public auction for a commission of 20% of the gross return, with H.R. Harmer Inc. bearing all expense involved. He reported

that it was usual procedure in such sales to make known the background of stamps, and that facts here involved would not be considered objectionable among stamp collectors.

On motion duly made, seconded and unanimously carried, the sale of the stamps at auction by H.R. Harmer Inc. for a commission of 20% of the gross return was approved with the provision that adequate security measures be employed.

The Chairman stated that Sullivan and Cromwell, Esqs., had offered to serve gratis as counsel for the Committee.

On motion duly made, seconded and unanimously carried, Sullivan and Cromwell Esqs. were appointed counsel for the Committee.

The Chairman stated that Price Waterhouse & Company, Certified Public Accountants, had offered to serve gratis as auditors for the Committee.

On motion duly made, seconded and unanimously carried, Price Waterhouse & Company, Certified Public Accountants, were appointed auditors for the Committee.

On motion duly made, seconded and unanimously carried, S.D. Leidesdorf was elected Treasurer of the Committee.

The Chairman stated that Globe Shipping Company had offered to serve gratis as Customs Brokers for the Committee.

On motion duly made, seconded and unanimously carried, Globe Shipping Company was appointed Customs Brokers for the Committee.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that Marine Midland Trust Company of New York be and they are hereby designated as a depository of funds of PC-IRO, and they are authorized and directed to pay or otherwise honor any checks and orders for the transfer of any such funds executed in the name of PC-IRO when signed by R.C. Kramer, Chairman, and S.D. Leidesdorf, Treasurer, jointly, or by the Chairman

jointly, or the Treasurer jointly, with such other names as are approved by the Executive Committee.

The Chairman advised that he had received \$10,000 from PC-IRO with which to open the account, and that PC-IRO had directed that moneys resulting from the disposal of merchandise be deposited in the Committee's account, and all moneys in excess of \$100,000 so deposited, be forwarded to PC-IRO.

The Chairman stated that the Guaranty Trust Company had offered their safekeeping facilities gratis.

On motion duly made, seconded and unanimously carried, the use of the safekeeping facilities of the Guaranty Trust Company was approved and access thereto by R.C. Kramer, Chairman, or such other persons as designated by the Executive Committee, was approved.

The Chairman stated that the securities referred to were, with very few exceptions, of unknown value. He recommended that they be forwarded to Carl M. Loeb Rhoades and Company who are particularly familiar with foreign securities, for evaluation and subsequent sale.

On motion duly made, seconded and unanimously carried, lists of the securities were authorized to be sent to Carl M. Loeb Rhoades and Company for sale, with the proviso that selling prices would be checked with at least one other banking firm that was a member of the New York Stock Exchange.

There being no further business, the meeting was on motion duly made, seconded and unanimously carried, adjourned.

Francis M. Gerli  
Secretary

326367

COPY

AMERICAN JOINT DISTRIBUTION COMMITTEE  
19 Rue de Teheran  
Paris (8<sup>e</sup>)

*Gen I R*

CONFIDENTIAL

14 February, 1948

To : AJDC NEW YORK  
From : AJDC PARIS - Office of General Counsel.  
Re : Developments on Reparations Matters.

Attention: Moses A. Leavitt.

I. SWEDEN AND THE IRO

In a telephone conversation with Abba Schwartz today, he reported that there is still a possibility that Sweden will agree to join the PCIRO, provided that she can make her contribution to operating expenses from the 12½ million dollars worth of Swedish kroner she made available to Reparations funds. Several weeks ago, the PCIRO again approached the Swedish government asking them to join and thus to become one of the two governments needed to bring the IRO into existence. The Swedes pointed out that they'd like to join but that they're broke and suggested that perhaps their contribution to IRO's operational budget should come from these funds, with her contribution to the administrative budget coming from goods in kind such as fish, etc. Under the IRO constitution Sweden, if it joins the IRO must pay 2.2% of the operational budget of the IRO and 2.35% of the administrative budget.)

When the PCIRO officials talked to Abba about this development, Abba states he advised them that reparations funds have nothing to do with IRO funds and that the IRO cannot agree to accepting the contribution towards reparations without specific authority from the 5 powers which you recall are U.S., U.K, France, Yugoslavia and Czechoslovakia. Of course this raises the whole question the Swedes and the State department have been battling over for a long time, namely - was this contribution of Sweden a gratuitous beneficent contribution for the benefit of refugees from the Swedish government? The PCIRO will write to the Swedes telling them that they need approval from the 5 powers in order to accept this money. Notwithstanding this holding action on PCIRO's part, it looks like the anxiety on IRO's part to obtain two more signatures together with the support of the U.S, U.K, and France, will ultimately permit Sweden to make her contribution from reparations funds.

On this assumption, Abba feels it might still be possible for IRO to accept the funds and then earmark them for the benefit of reparations, thus retaining the same amount of funds in reparations. He says that IRO is so anxious to have Sweden join that they may agree to this. Nevertheless, it seems highly doubtful that IRO can do this without the approval of the Preparatory Commission - and it is even more doubtful that the Preparatory Commission will approve. I urged Abba to do what he could to "hold the line." He agreed to try.

As I recall your previous negotiations on this matter, the State Department was willing to agree that if the Swedish contribution comes from Reparations we have "nothing to worry about" because they can arrange to make up the 25 million dollar fund in other currencies such as Portugese escudos and Turkish pounds and even perhaps Spanish pesetas. Unfortunately we may be in a position to do nothing but accept any decision which PCIRO and the three governments (representing the 5 powers) make about Sweden's contribution. Nevertheless it is suggested that if they decide to acquiesce to Sweden's argument, we should try to again obtain some assurances from the State Department that the 25 million fund will be maintained. In this connection it would

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be unpractical not to point out that the State Department cannot commit the British and French to allocation of escudos or any other currencies to refugee reparations account. Our contacts with the British are good, and if this matter develops further as we expect it to, we'll be glad to contact them at the same time you contact the State Department.

II. With reference to my letter of February 9, 1948 to Abba, (a copy of which was sent to you) Abba states that he doesn't think he can work out the Belgian franc deal I suggested. He will however continue to try. He may also be able to buy Italian Lira for PCIRO from the Kroner and reimburse Reparations funds in Belgian francs. He is also looking into the possibility of obtaining Czech Kronen. He thinks it will be very difficult for him to help obtain the export licences and suggested that we ourselves "put in a lot of energy" in trying to get them. As yet there is no news about the Swiss advance. The requests are in and he will go to Berne next week if no further word is received.

We will keep you fully advised about developments in these matters.

Joel H. Fisher.

JHF:af

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U.S. WILL CONTINUE TO SUPPORT U.N. PALESTINE DECISION, SECRETARY MARSHALL ANNOUNCES

WASHINGTON, Feb. 11. (JTA) -- Secretary of State George C. Marshall told his weekly news conference today that the American Government has not changed its policy on Palestine in any respect and continues to support the procedure consequent to the United Nations decision.

Asked whether the United States would support the U.N. Palestine Commission's anticipated recommendation to the Security Council for an international police force, the Secretary said he did not know what the Commission would finally recommend and that this government has not received formal notification of what the Commission will say.

Asked about reports that he had been in communication with British Foreign Minister Bevin on possible plans for Palestine following the end of the Mandate, Marshall denied the truth of these reports.

Senator Herbert O'Connor, of Maryland, in a speech to the Senate, called for lifting of the embargo on arms shipments to Middle Eastern countries. He warned that if the Arabs were allowed to continue to fight the Palestine partition decision "the very existence of the United Nations might be imperilled."

The embargo is an "unneutral" gesture, O'Connor said, because it prevents the Jews from procuring arms to protect their lives and the land which has been declared to be rightfully theirs. "Under the terms of the arms embargo, adjoining states friendly to the Arab cause can procure the implements of war from this country and then supply them to the Arabs in Palestine," he declared.

No statement on Palestine is contemplated by President Truman, Presidential press secretary Charles G. Ross, said today. Asked at a news conference whether the President planned to issue a statement on Palestine, Ross said none was contemplated.

U.S. MILITARY TURNS OVER NAZI LOOT TO INTERNATIONAL REFUGEE ORG; JEWS TO GET 90 PERCENT

GENEVA, Feb. 11. (JTA) -- Gold stolen by the Nazis from gas chamber and concentration camp victims in gold teeth, watches and trinkets has been flown to London to pay for rehabilitation of survivors, it was announced here today by William H. Tuck, head of the Preparatory Commission of the International Refugee Organization. The value of the gold was estimated at \$728,000.

This first shipment of non-monetary gold was turned over to the Preparatory Commission by the military authorities in the U.S. zones of Germany and Austria and was sold at the established price of \$35 an ounce. The Commission is distributing the proceeds to voluntary agencies in accordance with Article VIII of the final act of the Paris Conference on Reparations and the Five Power agreement of June 14, 1946, for the rehabilitation and resettlement of Nazi victims.

Ninety percent is allocated for assistance to Jewish victims since the gold comes chiefly from Jews, while the remaining ten percent will be used for assistance to non-Jewish racial and political persecutees.

Under the treaty terms both the British and French occupation authorities are required to make similar transfers of Nazi loot to the Preparatory Commission. Twenty-five million dollars from Nazi assets in neutral countries plus an indeterminate amount from the funds of heirless Nazi victims in banks throughout the world have also been designated for reparations to Nazi victims through the Commission.

MAIL (with)  
2/2/48 from [signature]

You will recall that we were asked to aid in the liquidation of property looted by the Nazis. This property had been turned over to the International Refugee Organization (I.R.O.) by action of the Allied Nations upon a motion made by the United States State Department. The I.R.O. was directed by those nations to use the proceeds of the liquidation exclusively for resettlement of non-repatriable refugees.

When I agreed to help, I was informed by the I.R.O. that it was their opinion that the United States Government would permit the entry of this property into the United States free of customs duties and that our function would be to sell it after it had been officially cleared.

The major part of the property arrived December 15, 1947 and is presently at Staten Island. Several technical groups have gone to Staten Island at my request to appraise various classifications, but the extremely limited facilities there and the wide assortment of the classifications has made it impossible for them to come to an informed judgment of its value or the methods by which it should be sold. Since the executive order exempting the goods from customs had not been issued, the goods could not be moved for a thorough study, and action came to a standstill.

The State Department did initiate a request that an executive order be issued exempting these shipments from customs. But on January 30, 1948, the Department of Justice, which must rule on the legality of such requests, advised the State Department informally that there is no legal basis under present laws that permits the entry of these goods free of duties. This ruling is contrary to the opinion of other legal counsel who have been consulted, and certainly contrary to an humane interpretation of law, and efforts are being made to have the Justice Department

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opinion reversed. But the effect of the informal opinion is so serious that I wanted to advise you of it promptly.

The shipment consists principally of silverware, jewelry, china and glass, rugs and miscellaneous collections of stamps, coins, cameras, etc. It is only by coincidence that there is more than one of a kind of any specific article, although hundreds of thousands of individual items are involved. Available inventory listings do not permit an intelligent analysis of the contents of the thousands of cases. The individual items range from excellent to junk, good to bad condition, new and second-hand. Values will vary widely, depending on the methods of merchandising that are finally deemed most feasible.

From the previous paragraph you can appreciate the problems presented by the necessity of declaring a value for customs, having customs agree to such values and the risks of payment of customs. An importer might be able to pay a sizable duty on a substantial quantity of a specific item and readily make a profit. But we might show a cash loss on that same item because we may have only one of a kind and the expense of handling might be such that it would yield greater net proceeds to sell it at a very low price.

An intelligent decision on value and the resultant decision as to whether it would pay to pay the duty, requires expert knowledge not only of the variety of goods within the same category but also knowledge of the plan of ultimate sale. We can't plan ultimate sale until we know what we have. We can't find out what we have until we can get the goods to warehouses where people can work on it. We can't get the goods to warehouses until we pay duty.

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Here therefore is a real hen and egg dilemma. At this writing I can suggest no satisfactory solution. I am apprising you of it to explain why you have had no word about the project for some time and to solicit suggestions if a solution occurs to you. There are classifications that are not seriously affected. Stamps and coins are duty-free. Precious stones unmounted, have a 10% duty and they are more readily appraised. Other rays of light may be found. Auction sales might be held at the Free Port with the customs responsibility on the buyer, but I am afraid that such sales would yield only relatively small sums.

Every effort will be made to get a favorable ruling. Discussions are being and will be held with Geneva Headquarters of I.R.O. But at the moment the outlook for this project, which promised so much hope for thousands of the most unfortunate people on this earth, is not bright.

It may occur to you that the press could aid in getting a favorable decision on the problem. Because of other steps now in progress, it is thought that publicity at this time may be harmful. I would be grateful therefore, if you would regard this memo for your own information only.

2/2/48

326373

CC: Mr. Harold Linder  
927 Fifth Avenue, NYC.

*MAL*  

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*from*  
*HL*

January 29, 1948

Dear Abbas:

I have not written previously because I had been continually expecting some developments in Washington that would enable me to be definite. This will not be a general report but will concern itself primarily with the urgent problems that we are facing.

You will recall that when you were here you assured me that there would be no problem insofar as customs were concerned and that you expected a definite executive order not later than December 15th. I also accepted the assignment on the assumption that my sole job would be the liquidation and that I would not be concerned with the governmental aspects. Wally Cohen has also repeatedly assured me that there would be no problem in securing the exemption from customs for this merchandise.

The delay in the issuance of the executive order has prevented any actual work being done on the problem. Sample inspections of different categories of goods have been made and based on those it is clear that a concrete merchandise plan cannot be evolved until the experts have an opportunity to study each classification completely.

Since I had gotten a number of people alerted about the first of December expecting that we could proceed with the work at once, this delay has caused a decided cooling off as I am sure you recognize is inevitable in any volunteer situation.

On Monday of this week, the 26th of January, Wally Cohen phoned me stating that the State Department had informed him that they had about exhausted the pressures they could put on the Department of Justice to approve the executive order which they had prepared and asked him if he could get some outside pressure brought to bear on the Department of Justice. This was tremendously disturbing to me. I have come to the conclusion that unless this merchandise is exempt from customs the whole project is probably not feasible, - with minor exceptions.

You appreciate of course that this consignment consists literally of hundreds of thousands of items in which there is more than one kind of any specific item, only by coincidence. You recognize that the inventory listings that are available can only be used to generally identify the cases and cannot be

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used to determine the value or the character of the merchandise. The merchandise ranges from junk to good; second-hand to new; cheap to valuable. The appraisal, grading and assaying job is going to be an enormous one under the best of conditions. If however that job had to be done in the Free Port, it would be well nigh impossible. It would take an endless amount of time; it would require a large corps of experts who are not readily available and it would cost a tremendous sum of money. We could not obtain the people on whose judgment I would be willing to rely, who could tell us whether it was or was not desirable to pay customs because we would be certain of getting net, specifically more than the customs payment. As a matter of fact, even if a person were competent to make that decision on an individual item, it still might not be correct, because merchandising of any one item or classification is going to depend on the overall program.

The alternatives that would be presented in the event that we are not exempt from customs are these: bringing in such items as are non-dutiable such as stamps and coins; and bringing in such items where the duty is not significant, such as the loose stones and then treating the balance either by auction sale at the Free Port or by returning it to Europe. I need not tell you how little would be realized from an auction sale at the Free Port. The silver and jewelry would probably have to be shipped back to Europe for its break-up value. The decision on the customs question will determine whether the whole project is feasible or whether it must be abandoned.

With a full awareness of these consequences, I decided to go to Washington to find out first-hand what the situation was, and I spent yesterday there. I find that the problem is in the most tentative form. It is still at the informal discussion stage between State and Justice. In Justice it is still at the level of the Assistant to the Assistant to the Solicitor General, - a Mr. A. Harris. Incidentally, I was disappointed that Wally Cohen did not know where the papers were.

Harris expressed himself as sympathetic stating it would be very easy to say no to the application, and the very fact that he had not said no, indicated that he was sympathetic but that it was extremely difficult to interpret the law in such a way as to grant the exemption.

I went into complete detail with him as to the consequences of not granting the exemption and that a ruling that customs were required would make the whole project not feasible. I sketched the political consequences that might flow from such a public announcement. He gave me ample time to develop the subject fully, appeared impressed but made no decision, nor could he estimate when he would make one.

Before I went to see Harris, I stopped in to see General Wood to determine what help he might be able to give. He told me that this was not his responsibility but he would do anything that I cared to suggest. He called Surrey at the State Department and Surrey rather naively reported to him that things were proceeding satisfactorily. I dictated a letter for the General's signature for him to send to Surrey outlining the consequences of an adverse decision along the lines above stated.

Later in the afternoon I met with Admiral Strauss and told him the problem. He immediately volunteered to go to the White House today and seek the President's intervention directly with the Attorney General. He will phone me in the next twenty-four hours the results of his visit.

I am giving you this story in full because it poses an extremely difficult problem and to warn you that I may have to send you a cable asking you to come over immediately to personally steer through this question.

You can readily see that it is foolish to make further shipments if we are not to receive the exemption. At the pace at which the thing is now going you may have to postpone the entire event until Fall of this year. Preparatory work that must be done to determine how this stuff can be sold most advantageously will take a long time and I certainly do not want to start the actual sale if the earliest time which I can start is, say, the middle of June. Rather than have this going on during the summer months, I would urge holding it until Fall.

For your information I get the impression that everybody in the State Department is concentrating every effort exclusively on the various aspects of the Marshall plan and that this problem which probably appears to them to be a trivial one will not get attention by ordinary exhortations.

If you have any views please advise me promptly.

R. C. KRAMER

Mr. Abba P. Schwartz  
Reparations Director  
Preparatory Commission for I.R.O.  
Palais des Nations  
Geneva, Switzerland

Full  
SK  
Per IRO

Letter #4153

February 3, 1948

TO: AJDC PARIS  
FROM: AJDC NEW YORK  
SUBJECT: ORT-FCIRO AGREEMENT

Attached is a photostatic copy of correspondence between Mr. W. H. Tuck, Executive Secretary of the FCIRO and Dr. A. Syngalowski of the World ORT Union. This includes three letters dated respectively December 3, December 24 and December 30, 1947. The New York office of the World ORT Union construes this exchange of correspondence as an Agreement between the FCIRO and the World ORT Union.

We had occasion to write you about this Agreement on the basis of some of the news items which appeared mainly in the JTA. Specifically we inquired as to the aim of the ORT to train 30,000 students among the DFs. As we indicated in our letter #4127 of January 27, 1948 this number of proposed trainees is about three times as large as the number which Dr. Schwartz referred to during the JDC-ORT negotiations at the end of December here in New York.

While this material is being transmitted for your information, we would appreciate your critical evaluation of its contents in view of the reference to such questions as the conduct of work projects by the ORT, transfer of equipment by the ORT and any other questions which you may feel deserve further analysis, inquiry and conversations with the ORT.

B. N. Jaffe

BNJ:MSR  
Enc.

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