

X 57006

THE AMERICAN JEWISH
JOINT DISTRIBUTION COMMITTEE, Inc.

270 MADISON AVENUE, NEW YORK 16, N. Y.

FILING AUTHORITY
TO: Mail & Files
ANS.....
NO ANS. REQ.....
INITIAL.....
DATE.....

UL BAERWALD, Honorary Chairman
S. FELIX M. WARBURG, Honorary Chairman
JAMES H. ROSENBERG, Honorary Chairman, Executive Committee
EDWARD M. M. WARBURG, Chairman
JAMES H. BECKER, Chairman, National Council
ALBERT H. LIEBERMAN, Vice-Chairman, National Council
JOSEPH C. HYMAN, Executive Vice-Chairman

Vice-Chairmen
GEORGE BACKER
ALEXANDER KAHN
HAROLD F. LINDER
JONAH B. WISE
European Executive Council
BERNHARD KAHN
Honorary Chairman
WILLIAM ROSENWALD
WILLIAM J. SHRODER
M. C. SLOSS
JOSEPH J. SCHWARTZ
Chairman

I. EDWIN GOLDWASSER, Treasurer
ALEXANDER A. LANDESCO, Treasurer
HABNER BREGMAN, Associate Treasurer
EVELYN M. MORRISSEY, Assistant Treasurer
MRS. H. B. L. GOLDSTEIN, Comptroller
ISIDOR COONS, Director of Fund Raising
MOSES A. LEAVITT, Secretary

December 31, 1943.

Mr. John W. Pehle, Director
Foreign Funds Control
Treasury Department
Sloan Building - 12th & G Streets
Washington, D.C.

Dear Mr. Pehle:

When Dr. Schwartz, our European Director, was in this country, he advised us that Mr. Saly Mayer, our representative in Geneva, was having great difficulty in securing French francs in Switzerland by virtue of the conditions which were attached to the cablegrams sent to him through your good offices.

You will recall that one of the conditions in the cable was that the sellers of the French francs would have to be approved by the Commercial Attache of the American Legation in Berne. This condition was interpreted by the Commercial Attache in such a way as to make it virtually impossible for Mr. Mayer to secure approvals of prospective sellers. The intensive investigation which was insisted upon by the Commercial Attache was such as to discourage any sellers from negotiating any transactions.

We realize that the Treasury Department is concerned that the sources from which Mr. Mayer would obtain French francs should be reliable and should in no way represent dealings with the enemy. As to that, we have complete confidence in Mr. Mayer that he would under no circumstances negotiate with any enemy agents. Nevertheless, individuals who may have French francs are reluctant to subject themselves to the type of investigation which apparently was considered necessary by the Commercial Attache.

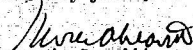
We would urge you, if you possibly could, to amend the instructions to Mr. Mayer or to issue a license to us which would enable him to secure French francs in Switzerland against payment of Swiss francs, under the conditions that he would, to the best of his ability, make certain that he is dealing with reliable people and to consult with the American Legation in Berne in connection with any purchases that he may effect. I believe that in this way it will be possible for Mr. Mayer to secure the French francs which are so vitally needed at the present time in France in order to save the lives of thousands of children who are now being hidden away in private homes and whose care and maintenance must be pro-

vided. I am positive that Mr. Mayer will be glad to work in the closest possible collaboration with the American Legation and in this way to assure the Treasury Department that no aid or comfort will be given to the enemy.

May we ask you to be good enough to issue a license to us to transmit immediately to Saly Mayer the equivalent in Swiss francs of \$200,000, which is to be used by him for the rescue of the children in France. You will recall that our original authorization to Saly Mayer was for a total of \$600,000 in connection with this childrens' program. In the light of the intensified persecution by the Germans in France of the Jewish people and of these children, it is of paramount importance that Mr. Mayer have the funds available so that he can provide funds for the persons in France who are risking their lives to take care of these children. We shall communicate with Mr. Mayer and ask him to advise us when he requires additional funds so that we can then apply for an additional license against the \$600,000 appropriation.

With all good wishes for the New Year, I am,

Sincerely yours,


Moses A. Leavitt
Secretary

Randolph Paul

In connection with the license recently issued to the World Jewish Congress concerning the evacuation of Jews from France and Rumania, you will be interested to know that Foreign Funds Control has just issued a license with appropriate safeguards to the American Jewish Joint Distribution Committee authorizing its representative in Switzerland to undertake the transactions necessary to arrange for the evacuation of persons in France whose lives are in imminent danger and to sustain and safeguard their lives pending possible evacuation. Some of these transactions had already been authorized by the Treasury but no formal license had been issued. Following the precedent of the license issued at State's direction in the World Jewish Congress case, the financial transactions under the license are to be checked with the Legation only to the extent "feasible."

We have been advised that the license will be used immediately to bring relief to several thousand homeless and abandoned children in France. Recent reports received by the JDC indicate that the plight of these children is extremely serious and that funds are needed at once if they are to be saved. In view of this, we have authorized the JDC to make an initial remittance of \$200,000 to Switzerland, in order to commence operations under the program. It is contemplated, however, that at least \$600,000 will be needed during the next six months.

In view of the urgency of the situation and in order to avoid undue delays, the necessary licenses were issued here in Washington without clearance with State and the British. State, has of course, been requested to cable the text of the basic license to Bern for the information of our Legation and Saly Mayer, the JDC representative in Switzerland. We have also suggested that the Legation in Bern be requested to take reasonable steps to facilitate operations under the license and to report promptly the progress being made and any difficulties encountered.

(Initialed) R.E.P.

Date: January 3, 1944

L I O N N S E
(GRANTED UNDER THE AUTHORITY OF EXECUTIVE
ORDER NO. 8389 OF APRIL 10, 1940, AS AMENDED,
AND THE REGULATIONS ISSUED THEREUNDER)

To American Jewish Joint Distribution Committee
(Name of Licensee)

270 Madison Avenue, New York, N. Y.
(Address of Licensee)

Sirs:

1. In order to arrange for the evacuation to places of safety of persons in France whose lives are in imminent danger and, pending possible evacuation, to sustain and safeguard the lives of such persons, your representative in Switzerland (including such agents as he may appoint) is hereby licensed notwithstanding the provisions of General Ruling No. 11 to communicate with persons in France in any manner he deems necessary or expedient and to take all other appropriate action, including the payment to persons in France of French francs for goods and services. The necessary French franc funds to finance such operations may be obtained by either of the following two methods:

- (a) The first method is the purchase of French francs from persons in Switzerland who your representative, after consulting with the United States Legation in Bern when feasible, is reasonably certain have held such French francs since prior to the fall of France or have since acquired such francs in such manner as has not benefited the enemy. The sellers of such francs may be reimbursed therefor in Swiss francs at the prevailing unofficial rate of exchange in Switzerland for French francs.
- (b) The second method is the acquisition of French francs from persons in France or elsewhere for which reimbursement will not be made until after the war. In order to insure reimbursement after the war to the persons supplying such francs, blocked accounts may be established on your books in the United States, or in a bank in the United States or a bank in Switzerland. No payments may be made from any such blocked account without the specific approval of the Treasury Department and

no assignments may be made of any interest in such blocked account without such approval.

2. The total amount of dollars or Swiss francs paid out or set up in blocked accounts or otherwise obligated under the terms of this license shall not exceed 2,500,000 Swiss francs, or the dollar equivalent thereof, during the six months' period beginning January 1, 1944.

3. Your representative should keep the American Legation in Switzerland fully informed with respect to the financial transactions effected under this license. In so far as feasible your representative should make certain that the persons from whom the French francs are purchased are acceptable to the Legation. Your representative should satisfy himself that payments to such persons will not benefit the enemy.

4. Periodic reports with regard to any operations engaged in under this license should be filed with the Treasury Department by your representative through the United States Legation in Bern.

5. This license is granted upon the statements and representations filed with the Treasury Department, and is subject to the condition, among others, that you will comply in all respects with Executive Order No. 8389 of April 10, 1940, as amended, and the regulations issued thereunder and the terms of this license.

6. This license is not transferable, is subject to the provisions of Executive Order No. 8389 of April 10, 1940, as amended, and the regulations issued thereunder and may be revoked, modified, or declared void at any time at the discretion of the Secretary of the Treasury acting directly or through the agency through which the license was issued, or any other agency designated by the Secretary of the Treasury.

J. W. Pehle
Assistant to the Secretary

CABLE TO BERN

Please transmit promptly to Saly Mayer, representative of the American Jewish Joint Distribution Committee, St. Gall, Switzerland, the following which is the text of a license which has been issued by the Treasury Department to the American Jewish Joint Distribution Committee: (Text of license begins):

1. In order to arrange for the evacuation to places of safety of persons in France whose lives are in imminent danger and, pending possible evacuation, to sustain and safeguard the lives of such persons, your representative in Switzerland (including such agents as he may appoint) is hereby licensed notwithstanding the provisions of General Ruling No. 11 to communicate with persons in France in any manner he deems necessary or expedient and to take all other appropriate action, including the payment to persons in France of French francs for goods and services. The necessary French franc funds to finance such operations may be obtained by either of the following two methods:
 - (a) The first method is the purchase of French francs from persons in Switzerland who your representative, after consulting with the United States Legation in Bern when feasible, is reasonably certain have held such French francs since prior to the fall of France or have since acquired such francs in such manner as has not benefited the enemy. The sellers of such francs may be reimbursed therefor in Swiss francs at the prevailing, unofficial rate of exchange in Switzerland for French francs.

- (b) The second method is the acquisition of French francs from persons in France or elsewhere for which reimbursement will not be made until after the war. In order to insure reimbursement after the war to the persons supplying such francs, blocked accounts may be established on your books in the United States, or in a bank in the United States or a bank in Switzerland. No payments may be made from any such blocked account without the specific approval of the Treasury Department and no assignments may be made of any interest in such blocked account without such approval.
2. The total amount of dollars or Swiss francs paid out or set up in blocked accounts or otherwise obligated under the terms of this license shall not exceed 2,500,000 Swiss francs, or the dollar equivalent thereof, during the six months' period beginning January 1, 1944.
 3. Your representative should keep the American Legation in Switzerland fully informed with respect to the financial transactions effected under this license. In so far as feasible your representative should make certain that the persons from whom the French francs are purchased are acceptable to the Legation. Your representative should satisfy himself that payments to such persons will not benefit the enemy.
 4. Periodic reports with regard to any operations engaged in under this license should be filed with the Treasury Department by your representative through the United States Legation in Bern." (End of text of license.)

Please advise Saly Mayer that this license has been issued by the Treasury Department in order to clarify the procedure to be followed by him in connection with the acquisition of French francs for use in relief and evacuation operations in France and that the Treasury Department will consider requests to increase the total amount of dollars or Swiss francs specified in paragraph (2) of the license.

Please take all reasonable steps to facilitate these operations and promptly report to us the progress being made and any difficulties encountered, particularly in connection with the financial operations involved.