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American Zionist Emergency Council, Sack, Leo, 1947-1949.

AMERICAN ZIONIST EMERGENCY COUNCIL

Constituent Organizations

Hadassah, Women's Zionist Organization of America
Mizrachi Organization of America
Poale Zion-Zeire Zion of America
Zionist Organization of America

1706 "G" STREET N. W.
WASHINGTON 6, D. C.
EXecutive 1060

August 26, 1947

Dr. Abba Hillel Silver
19810 Shaker Boulevard
Shaker Heights,
Cleveland, Ohio

Dear Dr. Silver:

Enclosed herewith for your information and for your files
is a series of stories and an editorial from the Washington Post
which are alleged to prove that Mr. Frank Cohen and the Passamaquoddy
project ~~is~~ ^{are} no darn good.

To my way of thinking, the Post proves that Mr. Cohen doesn't
come into the picture with clean hands or wholly unselfish motives.
From my standpoint, however, the most damaging aspects of the story
are the reflections on the integrity of our friend from Maine. This
and the recent Hughes affair has not done him any good and to my
great distress, it is weakening him as an apostle of our cause.

Very sincerely,


Leo R. Sack

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4 B Sunday, August 24, 1947

Quoddy Scheme

The great humanitarian venture of Mr. Frank Cohen at Passamaquoddy, Me., seems to us to be thoroughly discredited by the facts presented by Marshall Andrews on page one of *The Washington Post* today. Far from the smallest contribution to the fishy odor of the whole business is the part played by Senator Brewster, who is back in character as a front man for a behind-the-scenes deal.

Largely through Senator Brewster, Mr. Cohen has been moving heaven and earth to get the War Assets Administration to turn over the \$390,000 Quoddy village to the city of Eastport, Me., free of charge for Mr. Cohen's use. Should he succeed, Mr. Cohen would then seek to bring in 25,000 DP families under transient visas to "train" them for resettlement in South America. They would be "instructed" in various trades, but primarily in work centering around the activities of Mr. Cohen's Empire Tractor Corp. and other Cohen business firms. Following the training period, the DPs would be sent to Argentina, Brazil and Uruguay, where Mr. Cohen intends to sell tractors presumably to be financed through Export-Import Bank loans. He allegedly has been negotiating with the South American governments to facilitate the entry of the DPs, though whether the governments involved have given their consent is not clear.

Lest anyone assume that Mr. Cohen is offering to do this out of the kindness of his heart, it is necessary to look at some of the gimmicks attached. First, Mr. Cohen would pay no salaries to the DPs themselves. Any work they would perform would be in payment for their food, clothing and lodging. That is questionable enough. The real clincher is in what Mr. Cohen is asking of the Government. In his prospectus he states that he would expect the Army to furnish free transportation for the DPs and to supply food and clothing sufficient for 60 days. He would expect the War Assets Administration to renovate Quoddy village and furnish him machinery. In other words, Mr. Cohen would pay nothing for a large part of the facilities and equipment to be used in the project.

Who is this Frank Cohen who expects so much trust from the Government? He has been indicted at least once on a charge of fraud. At a time when he reportedly had \$44.36 in his bank account, he promoted a stock manipulation deal so as to pyramid his Empire Ordnance Corp. into a multimillion-dollar organization that fizzled miserably in fulfilling its gun contracts to the British during the early stages of the war. He failed utterly to deliver on the only contract he maneuvered from the United States Government, for building 12 ships at a Savannah shipyard. Mr. Cohen was also the subject of a damning investigation made by the Securities and Exchange Commission, ordered by President Roosevelt and then curiously suppressed by him. This is scarcely the type of man to whom the Government could entrust so large a measure of confidence as the Quoddy scheme would entail.

Nor can Senator Brewster's role be dismissed lightly as merely that of a representative from Maine seeking a new industry for his State. Though his connection is ostensibly superficial, Mr. Brewster has been lobbying energetically for Mr. Cohen. As a member of the Senate War Investigating Committee, which itself investigated Mr. Cohen, Mr. Brewster has had full access to the facts about Mr. Cohen's checkered career. Yet he has had the temerity to indorse Mr. Cohen to the State Department as a person of high integrity.

We are confident that the War Assets Administration will make short shrift of Eastport's bid for the Quoddy village, and the Army already has poured cold water on Mr. Cohen's scheme to obtain free transportation and food. That would seem to scotch the chances of the Cohen plan being put into practice. Nevertheless, there are many essential questions that remain unanswered. One of them is why the SEC report on Mr. Cohen was muzzled in the first place. That should provide an interesting subject for the appropriate congressional committee to look into. Beyond this, the whole scope of what appears to be a neat formula of Mr. Cohen to profiteer off human misery ought to be fully exposed for the disgraceful thing it is.

The Weather

Today—Sunny, warm, highest temperature near 90. Tomorrow—Fair, continued warm. Wednesday—Fair, continued warm. Thursday—High, 86 at 3:56 p. m.; low, 70 at 6:56 a. m. (Map and details on Page 13.)

Phone NA. 4200

The Washington Post

Mary Haworth
Back Tomorrow!

Washington's favorite personal
problem expert resumes her column
in Monday's Post.

Phone NA. 4200

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On Use of U. S. Project To Train DPs

Brewster Supports
War Contractor in
Plan to Take Over
Quoddy Village

(See Editorial and Cartoon on
Page 4, Sec. II. Pictures on
Page 2-M.)

By Marshall Andrews
Copyright, 1947, by The Washington Post
In Boston tomorrow the War Assets Administration will decide whether a \$1,500,000 Federal Housing project will be donated for educational purposes to the City of Eastport, Me.

That arrangement, if carried out, would be a legal fiction to cover acquisition for use without cost of Quoddy Village near Eastport by Frank Cohen of New York, wartime head of Empire Ordnance Corp.

Cohen, who is now in the tractor, airplane, candy, heavy machinery, prefabricated housing, and several other businesses, has announced his desire to use Quoddy Village as a training school for 100,000 displaced persons from Europe.

Training in Various Skills
These DPs would be trained, Cohen says, to manufacture or maintain tractors, airplanes, candy, heavy machinery, aluminum furniture, and in several other skills.

After they had been trained they would be shipped to South America to farm or to work in factories according to their schooling at Quoddy. Such factories do not now exist in the South American countries Cohen says he has dealt with. He would, he explains, establish in these countries new factories if necessary or branches of his present enterprises to give the DPs employment.

He told The Washington Post he had hoped to get his project in operation before making it known outside the circles necessary to give it reality. Public interest at this time he characterized as "damned foolishness."

Cohen's advocate and agent before numerous Government departments is Washington Senator Owen Brewster, Maine Republican, who is chairman of the Senate War Investigating Committee. Brewster told The Washington Post he is fronting for Cohen only in order to benefit the State of Maine by finding a way to make use of the facilities at Quoddy.

In talking with The Washington Post, Brewster described his connection with Cohen as "rather recent."

See QUODDY, Page 2, Column 3.

Recommended Reading...

IT'S GOT TO BE worse before it can get better. This, declares Post Reporter Alfred Friendly, is a phrase often heard in London these days. It's the key to how Britishers feel about the impending economic crisis which, Mr. Friendly says, will force the United States to lend a very strong arm to keep England and western Europe from collapse. Don't miss his absorbing on-the-scene dispatch, on Page 1, Section II.

HAVE YOU EVER wondered about America's typical man and woman, what are they like, what are their likes and dislikes and habits? The Gallup Poll gives the answers, and you'll find them of interest. See Page 1, Section II.

THE INSIDE STORY of the investigation of real estate brokers makes interesting reading. You'll find it in "Realty Round-Up," on Page 1, Section V.

Local Views On Communism Polled In Monday's Post

How do YOU define disloyalty to your country? Do you consider the American Communists dangerous? If so, why?

With Government loyalty checks making news, The Post put those frank questions to local residents for tomorrow's weekly poll story. Some people thought Communists were not dangerous at all—and gave reasons. Pro and con opinions were also gathered on Communists holding Government jobs, and on membership in the Communist Party itself.

Here's a timely, factual, cross-section of Washington sentiment toward one of today's headline issues. Read it Monday in The Washington Post.



By Charles Del Vecchio—The Washington Post
TRIPLE PASSENGERS FOR CAIRO—The world may be their apple when they grow up. The 2-year-old Dees triplets—who once flew as far as Kansas City—will leave their home, 2821 Rittenhouse st. n.w., to fly to Cairo, Egypt, this week. Christina, Megan and Katha already have their passports and inoculation shots. (Story, Page 9)

Greenbelt Held Monopoly by House Group

Subcommittee Urges
FHA to Take Steps
To Cancel Contract

By Adrienne Tassler
Post Reporter

A three-man House Small Business Subcommittee, with one member dissenting, yesterday branded Greenbelt Consumer Services, Inc., a monopoly.

Simultaneously, the subcommittee, at the close of two full days of investigation of the nearby Maryland cooperative, voted to recommend that the Federal Housing Administration "take immediate steps to cancel the monopolistic contract."

The subcommittee's majority resolution was being typewritten even though members were still hearing testimony of a final witness.

Willis K. Ballinger, economic counsel for the subcommittee, later explained this seeming irregularity by saying that the resolution had been prepared in advance with the understanding that the committee would vote on it after the hearing—as was done.

Opens Door to Business
The resolution read to reporters by the subcommittee chairman, Representative Walter C. Ploeser (R., Mo.), labeled the 10-year contract between FHA and GCS as "contrary to the purpose and spirit of the antitrust laws of the United States." It urged that "private business" be admitted into Greenbelt, one of the first New Deal public housing projects, on "fair and equal terms."

The committee, the resolution ended, "thoroughly condemns the effort of any executive agency to discriminate against any type of business enterprise."

The report, first of a series to be drawn in the course of a nationwide probe of the whole consumer cooperative movement, came as no surprise.

Patman Is Dissenter
Before the hearing began, the subcommittee released a statement charging the Greenbelt cooperative with enjoying a "complete monopoly."

Representative Wright Patman (D., Tex.), the dissenting subcommittee member, who clashed repeatedly during the inquiry, promptly expressed opposition to the resolution.

See GREEN, Page 14, Column 1.

Companion Critically Hurt

Bladensburg Woman, 58, Dies After Being Hit by Motorist

A 58-year-old Bladensburg, Md., woman died in Casualty Hospital early yesterday morning from injuries received when she and a companion were struck by an automobile at 9 p. m. Friday night in Prince Georges County.

In another pedestrian accident an 83-year-old Washington man was hospitalized after being struck by a Capital Transit bus yesterday morning.

The woman, Mrs. Cedra Smith, and George Frost, 59, also of Bladensburg, were struck by a car operated by Henry M. Botts, 22, 224 14th st. s.e., as they were attempting to cross Defense highway near Bladensburg, according to Prince Georges County Police.

Both were taken to Casualty by

Greek Cabinet Quits in Crisis; Tsaldaris Choosing New One; U.S. Denounces Red Satellites

Accuses Russia Of Blocking U. N. Efforts to Halt Drive on Greece

By the United Press

The United States last night charged three Soviet satellites—Albania, Bulgaria and Yugoslavia—with aggression against Greece and accused Russia of blocking U. N. Security Council efforts to check that aggression.

It renewed its demand for "international action to maintain peace in the Balkans."

In a forthright resume of Greek border violations, this Government specifically charged that Albania, Bulgaria and Yugoslavia have actively supported guerrilla warfare in Greece. It also said they have "openly and defiantly rejected any cooperation in U. N. investigations."

Releases Two Reports

To back up the charges, the State Department released two reports summarizing the work of a U. N. subsidiary team that has been conducting on-the-spot investigations in Greece since May 20. It said the team's work has been impeded by the "obstructionist tactics" of the Soviet satellites.

As for Russia, the department said:

"The Security Council has been prevented from taking any effective action to check the aggression of Albania, Bulgaria and Yugoslavia against Greece by the vetoes exercised by the USSR on July 23 and August 19."

This Government did not spell out the nature of the international action demanded to "maintain peace in the Balkans." But on the heels of the August 19 Russian veto, the United States delegation to the Security Council placed the Greek issue on the General Assembly docket where a two-thirds majority holds.

Move to Circumvent Veto

Acting Secretary of State Robert A. Lovett made it clear that American action was a direct maneuver to circumvent the Russian veto in the Security Council, where a single rejection by any one of the permanent members is sufficient to block action.

Meanwhile, the State Department promised to issue soon "a comprehensive white paper" on the facts relating to the northern Greek frontier incidents.

The double-barreled blast against Russia and its satellites came as the first tangible aid under President Truman's Greek-Turkish aid program.

See PROTEST, Page 5, Column 1.

It's a Promise Reds to Free 3 GIs Today In Korea

BULLETIN

London, Aug. 24 (Sunday) (NS). Russia charged the United States early today with abnormal and intolerable persecution of democratic elements in southern Korea and demanded these actions stop. The accusation was made by Soviet Foreign Minister Molotov in a note to Secretary of State Marshall.

Seoul, Aug. 23 (AP)—The Russians today informed United States military authorities that three American enlisted men who were taken into custody August 12 would be released tomorrow at the point where they stepped across the 38th parallel, which divides the American and Soviet occupation zones of Korea.

The three men are T/S Tommy F. Pugsley of Renton, Wash., and Pfc. John D. Hopfe of Seattle and Gerald K. Geffen of Port Chester, N. Y.

Members of a telephone repair

See KOREA, Page 5, Column 4.

Argentina Shifts Stand On Aggression

Accepts Chapultepec Idea But Differs on Handling of Attacks

By Mac R. Johnson

Petropolis, Brazil, Aug. 23 (NYT)—Argentina accepted today the basic Chapultepec principle that there can be no distinction between aggression from within or without the hemisphere, but maintained each type must be handled differently.

As the ninth day of the Inter-American Defense Conference ended Argentina was being beaten back in committee sessions, where the United States and the majority of nations held that aggression by anyone, good neighbor or foreign power, is a crime which must be met with every known sanction, and the use of armed force by those nations who so desire.

Although Argentina now claims she is not differentiating between extrahemisphere and intercontinental aggression, this appears to

See RIO, Page 8, Column 6.

U. S. Takes Effort To Save Petkov From Death to Soviet Capital

By The Associated Press

The United States took directly to Moscow yesterday its efforts to save Nikola Petkov, Bulgarian anti-Communist leader, from the death sentence imposed by a "People's Court" in Bulgaria.

The State Department announced it has instructed the Moscow Embassy to follow up with the Soviet foreign office the protest already made to Lieut. Gen. Alexander Cherepanov in Sofia against his blocking of a review of Petkov's case by the Allied Control Commission for Bulgaria.

Cherepanov blocked an American-British proposal for a commission review by declining Friday to agree to it. All commission decisions must be unanimous.

Earlier last week, Maj. Gen. Walter Robertson, United States member of the commission, asked a review on grounds that Petkov's conviction of plotting to overthrow the Bulgarian government "appears to be a gross miscarriage of justice."

Cherepanov took the stand that the case was "purely an internal Bulgarian matter" outside the commission's province.

Petkov is a leader of the anti-Communist Agrarian Party and has been active in Bulgarian politics for many years. He was a member of the first government formed after Bulgaria surrendered to the Allies, but resigned within a few months, saying the government had come under Communist domination.

He was arrested last June on charges of plotting to overthrow the government by force.

Romanian Deputies Ratify Peace Treaty

Bucharest, Romania, Aug. 23 (AP)—The Romanian peace treaty with the Allied and associated nations, signed at Paris six months ago, was ratified unanimously by the Chamber of Deputies today.

Foreign Minister Gheorghe Tataru of the Communist-dominated government told the deputies that the treaty "puts an end to a lost war that has been waged against the will of the people."

Treaty provisions require Romania—which fought on the side of the Axis powers until September, 1944, to pay Russia 300 million dollars in reparations and reduce her armed forces to 138,000 men.

Romania was required to recognize the cession of Bessarabia to Russia, and Dobruja to Bulgaria, and regained Transylvania from Hungary.

Although Russian occupation of Romania is supposed to end 90

See ROMANIA, Page 5, Column 2.

Hurricane-Like Storm Heads for Galveston

Galveston, Tex., Aug. 23 (AP)—Galveston battered down tonight for a tropical storm bordering on hurricane intensity which was reported less than 120 miles from the city, slowly edging its way toward the upper Texas Gulf Coast.

The United States Weather Bureau, basing its reports on advice from an Army weather plane which made a reconnaissance of the storm area, reported that the waters of the Gulf were being lashed by 50-mile-an-hour winds.

Drenching squalls pushed out from the center of the big blow as far as 200 miles to the east.

It's No Go

Passengers Cart Own Trunks Off Liner Stalled by Strike

New York, Aug. 23 (AP)—The last dejected passengers aboard the liner America, whose sailing was canceled because of a wildcat strike by longshoremen, quit the ship today, carting away with them their heavy trunks and luggage as they struggled down the gangplank.

Many of those on the list obtained other passage abroad. One hundred left on the Mauretania last night. Passage for another 100 was arranged for the Queen Mary, leaving Wednesday, and other means of transportation, including air, was arranged for several hundred additional.

The strike was begun four days ago by members of the International Longshoremen's Association (ILA). The walkout now includes

Cites 2 Attacks Sofia Charges Greeks Fired Over Border

Sofia, Aug. 23 (NS)—Bulgaria charged tonight that Greek troops and armed civilians fired across the Bulgarian frontier yesterday in two unprovoked attacks.

Both incidents were said to have occurred near the Bulgarian frontier city of Svilengrad, not far from the Turkish border.

A government communique claimed that a Bulgarian airplane flying over its own territory was fired on three times by Greek troops from a schoolhouse in the Greek border village of Cheren.

It also charged that armed Greek civilians fired across the frontier at two Bulgarian soldiers.

The Bulgarians were said to have returned the fire when shooting from across the border continued.

The Bulgarian government said it has reported the two incidents to the Allied Control Commission at Sofia, and asked for an energetic protest to Athens.

The United Nations Security Council also is being informed, it was reported.

Britain May Ask New Loan Concessions

Further Talks Invited By U. S. if Changes Fail to Ease Crisis

Cabinet Called

BRITISH Cabinet gets second "crisis" call for meeting Monday, possibly to decide on cuts in foods and other supplies. Page 2.

The Door Is Open

By John Scali

The British government may request the United States to approve further changes in the \$3,750,000,000 loan agreement within two months.

American officials frankly acknowledged this probability yesterday, saying they are far from sure the concessions already granted the British will enable them to survive their grave dollar crisis.

As the dollar conference ended, these officials said there was a tacit understanding on both sides that the British can return for more "crisis" talks once they determine how much help the changes already agreed upon will provide.

Congress May Enter Picture

At least one top-rank American delegate is known to feel the modification permitted Wednesday in the so-called "convertibility clause" will slow the "run" on Britain's scarce dollar supply, but will not stop it.

If a new conference with the British is necessary, American officials believe basic changes in the loan agreement will be the only thing left to consider as a means of aiding London a second time.

This means Congress will enter the picture, since any major changes would have to be submitted to it.

Although congressional action might take months, there is some feeling among the British that the help they can realize in the long run from such changes will make up for the wait.

American officials said they are certain they have not violated the will of Congress—as expressed in legislation authorizing the loan—by agreeing to ease the convertibility provision without first getting

See LOAN, Page 2, Column 1.

Anti-Rightists Spark Move for New Leadership, End of Civil War

(Mr. Fodor, Washington Post Reporter in Greece, has stated repeatedly since June that the now resigned Greek government could not solve that country's political and economic problems and that a new cabinet headed by a premier would have to be formed to end civil war. On Friday, August 22, Fodor stated in his dispatch that Gen. Nicholas Plastiras is regarded as the man to reunite all factions in Greece—Editor's note.)

By M. W. Fodor
Post Reporter

Athens, Aug. 23.—The Greek cabinet resigned today.

This action, anticipated in these dispatches, was precipitated by the resignations of three members of the cabinet who insisted upon a reorganization that will eliminate the extreme right-wing policies of Constantin Tsaldaris, Foreign Minister, and Premier Demetrios Maximos.

[After Mr. Fodor's dispatch was written, the Associated Press reported from Athens that King Paul had asked Tsaldaris to form a new cabinet.

On leaving the palace, Tsaldaris told newsmen he had been given carte blanche by the King in forming the new government, the Associated Press said. He declared he would endeavor to include all political parties—including the Liberals and those who withdrew today caused the crisis. He added that he expected to announce his list of ministers Monday.]

The protesting cabinet members are George Papandreu, Economy Minister; Panayotis Kanellopoulos, Navy Minister; and Sophocles Venizelos, leader of the Liberal Party and Vice Premier.

Shortly after they resigned, Premier Maximos submitted the resignation of his entire cabinet to King Paul.

In Line With U. S. Policy

Far from being a setback for American hopes, today's action is in line with our policy of bringing into power Greek leaders who have the confidence of all the various factions here and to bring about the end of civil war. The extreme Royalist, right-wing government of Maximos and Tsaldaris has brought about Republican revolt and growing discord. This government was sponsored by the British. As soon as the American commission, headed by Dwight P. Griswold, stepped in, it was obvious that changes would be made. Lincoln MacVeagh started conferences with Greek leaders, climaxed with a long session with the King. It is of significance that Washington today charged Yugoslavia, Albania and Bulgaria with "open-

See GREEK, Page 4, Column 1.

Inside Stories...

U. S. may put protest on Hungary before U. N. General Assembly. Page 5.

BENDER criticizes what he calls Truman's "costly and blundering foreign policy." Page 6.

NLRB COUNCIL predicts labor will soon seek its services, despite Taft-Hartley law. Page 11.

REP. NIXON suggests organized labor create a czar to settle internal problems. Page 10.

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British Cabinet Gets Second Crisis Call

Copies Only Who's Who in Anti-Trust Eye Listed

Three officials of the Department of Justice today hold all copies of a very limited edition of a little black book.

Only three copies exist. The representative of almost any major industry—especially in the food, housing and clothing fields—would gladly pay at least \$500,000 for one copy. For the volumes contain an outline of the Federal Government's plan of action under the anti-trust laws for the next 12 months. That is why the edition is so limited—and not for sale.

The book lists names, it was understood, of firms so well known that anyone would recognize them. The men who hold the copies are Attorney General Tom C. Clark, his Assistant Attorney General, John F. Sweeney—who heads the anti-trust division—and John Ford Beacher, Mr. Sweeney's right-hand man. Only a half-dozen other department heads can even touch the books.

Kept in safe when they're not being used, the volumes advise the chosen few on the best course of investigation, attack and court procedure for any one of the firms marked for investigation of monopolistic activities.

Their contents are expected to cost some businesses—and some businessmen individually—small fortunes in fines, and possibly in some cases imprisonment.

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LOAN—From Page 1

Further Loan Talks Likely

ting a congressional go-ahead. They explained their reasoning this way:

The United States Government has agreed to allow the British to disregard—for the time being—a clause in the loan agreement.

This is the provision which makes it mandatory for Britain to give American dollars to anyone who wants them in exchange for British pounds earned in current transactions.

During this interlude, the British have time to set up a system which will make it possible for them to pick up and make sure that each country turns in "current" transactions.

The loan agreement binds them to swap their scarce dollars for pounds only when "current" transactions such as day-to-day trading are involved. That is the nub of the agreement that the new concession follows Congress' rules.

Run on Dollars Grew

Until last week each nation told the British whether the money they handed in was earned as a result of a current transaction and the British accepted their word.

But the "run" on Britain for dollars grew to such proportions that the British and the United States—concluded some countries were not playing fair and were turning in a great deal of British currency that was not earned in every day trading.

These countries presumably wanted dollars to spend in the United States for American products and goods—principally food and raw materials. American companies would not accept pounds to pay for such purchases.

This demand threatened to exhaust what was left of the American loan in a matter of weeks, leaving the British without money to buy in the United States. So when the loan dwindled to 400 million dollars, they appealed to the United States for help.

The United States responded by telling Britain it was within the agreement to stop paying out dollars altogether while she set up a system to "police" demands on her treasury.

American officials say there is nothing illegal in this since the loan agreement does not specify that Britain has to accept each country's word, nor does it prevent a "holiday" while Britain revises her payment setup.

This new screening method will save Britain many millions of dollars according to American estimates. But the British stand to save more under an action taken simultaneously—with American permission.

Food Cuts May Be Decided at Meeting Tomorrow

London, Aug. 23 (P)—The British cabinet was called today to meet Monday in its second "crisis" meeting in less than two weeks, perhaps to decide upon the cuts in food and other supplies the British people must endure in the current economic storm.

The call coincided with a warning from Deputy Prime Minister Herbert Morrison, "General" of the British economic campaign, who declared in a nation-wide broadcast that the British people were not working hard enough or fast enough to avert an economic collapse and must be prepared for a stream of drastic government orders under its recently granted emergency powers.

Time Running Against Them

"Time is running against us faster even than the drain of dollars," he said.

His speech punctuated a week of developments which included the British-American agreement in Washington to put a moratorium on the drain on Britain's \$3,750,000,000 American loan by other nations converting sterling balances into dollars, and to "freeze" the 400 million dollars undrawn balance of the loan.

Sir Wilfred Eady, chief of the British delegation to the Washington dollar talks, will be on hand Monday to report to the cabinet.

Other developments today in Britain's struggle to make ends meet in postwar international trade were these:

Burma joined other sections of the British Empire in invoking currency controls to husband her foreign credits. Officials at Rangoon said no one would be permitted to take more than 270 rupees (about \$80) out of the country.

To Consider Longer Hours

British mine union officials met again to consider a government request for longer working hours. Three weeks of negotiations have failed to produce agreement on a government proposal to lengthen the working day by half an hour.

The executive council of the Iron and Steel Trades Confederation announced the union "stands for, and demands, full and immediate nationalization of the industry." Some government members have indicated willingness to trim on the labor program of nationalization in order not to interfere with production in the current emergency.

J. Harold Wilson, Secretary for Overseas Trade, served notice at Geneva, Switzerland, that Britain would have to use the escape clauses in the draft charter of the proposed International Trade Organization adopted unanimously yesterday by a 17-nation predatory conference.

Addressing the conference, Wilson cited Britain's difficulties in maintaining a balance of payments.

Not Enough, Too Slowly

In his broadcast Morrison declared "We have still not done enough and we have done it too slowly," and indicated the government would make increasing use of its emergency powers to control direct labor, industry and resources into "essential" channels.

"We have relied perhaps more than we should have done on the people as a whole understanding and acting on Britain's need, and we have avoided as long as possible handing out drastic decrees," he said.

He appealed to persons in non-essential industries to shift jobs and do without the things they do not need.

"We all know that Britain will not go down even if all the cinemas were closed, even if there were no football pools at all and no betting, and even if there were less junk in the shops," he said.

He insisted, also, on a great increase in national savings, declaring, "That will help to prevent a fall in the value of the pound note, both because it will check too much money chasing after too few goods, and also because it will help our representatives who are now bargaining with other countries to persuade them that sterling is a currency in which they can have confidence."

Triple Slaying Suspect Dies Butting Cell Bars

Vincennes, Ind., Aug. 23 (P)—Roy Turpin, 48, who was being held here for grand jury investigation of a triple slaying near Princeton August 5, died last night after, Sheriff Francis Thomas said, he had apparently battled his head against the bars of his cell.

'Quoddy' Village Proposed as DP Training Center



WAA WILL DECIDE ITS FATE—This is the abandoned Federal housing project at Passamaquoddy, Me., which sponsors of a project would use as a center to train 100,000 displaced Jews from Europe in manufacturing skills. The War Assets Administration will decide whether plans for its acquisition for use without cost by a New York industrialist will be carried out.

QUODDY—From Page 1

U. S. Project Decision Is Due

mote" and said there had arisen "some question of my becoming involved" in the project. This, he indicated, was somehow calculated to "cause some embarrassment to the State of Maine."

He stated flatly and emphatically that he was interested in the project only from the standpoint of his State and described any intimation that he had received fees from Cohen for talks on admission of displaced persons into this country as "unqualifiedly false."

"I want to make it clear," Brewster said, "that I have never received a cent or a favor from Mr. Cohen in any fashion whatever." He added that "until the last few days" he had entertained no doubts that Cohen had the resources to carry out a project of this sort. Recent queries, he added, had led him to believe he should "make some exploration."

Asked yesterday, a week after the first inquiry, if he had made such exploration, Brewster said he understood that Cohen intended investing only \$250,000 in the Quoddy project and he was reputed to be several times a millionaire. He added that he understood Cohen had performed well on munitions contracts during the war.

Sought Support From Agencies—Records of Government agencies here show that Brewster has actively sought support for the Quoddy project from many of them, including the WAA, the War Department, State Department and Department of Justice.

He also has brought the proposition to the attention of President Truman.

Last week Ray B. Bolton, one of Cohen's publicity men, was using Brewster's office in the Senate Office Building to hold press conferences on the Quoddy deal. With him was a man who declined to identify himself but said he was with Empire Ordnance during the war and now "works for Senator Brewster." He was later identified as secretary of Brewster's aviation subcommittee of the Senate Interstate Commerce Committee.

In a letter to Gen. John H. Hilldrup, Assistant Secretary of State for Occupied Areas, dated July 21, 1947, Brewster wrote persuasively of the Quoddy project in seeking State Department help and said it had "the hearty support of President Truman." And he had this to say of Cohen:

"I have personally known Mr. Cohen for some years, having met him in connection with the war investigations by the Truman committee, and in connection with



FRANK COHEN
Has long-range plans

British war contracts prior to our entry into World War II, when President Roosevelt declared that America would immediately become the arsenal for democracy. He rendered valuable service to the British in the prompt delivery of guns and tanks which, the British Ambassador told me, arrived in time to help turn the tide at Alamein. I am thoroughly convinced of Mr. Cohen's integrity and of his manufacturing, distributing and financial ability."

The man for whose "integrity and manufacturing, distributing and financial ability" Brewster thus vouched has the following history, most of which has been a matter of public record for many years and the rest brought out by a hitherto secret investigation by the Securities and Exchange Commission:

Cohen's Record

1. He had been indicted at least once, and had been sued or enjoined at least three times on charges of fraud in connection with his financial and business operations.

2. He was declared by a Federal judge in open court to be "not worthy of credence" and a New York Supreme Court judge characterized him as "a crook."

3. He, or firms he headed, were forced into liquidation or bankruptcy no less than five times since 1926.

4. Employed by the British to make 75-millimeter guns for Sherman tanks, he did not deliver a single gun in conformity with specifications until 13 months after the contract and after he

had received from the British four million dollars in cash advances.

5. He used British funds advanced for gun production to pay personal debts and liquidate judgments while Sherman tanks were shipped to the vital North African theater without the weapons he had been paid to furnish.

6. He used political influence, including payment for the services of a member of the House Military Affairs Committee, so effectively that the War Department was forced to find business for him against its own convictions.

7. He and seven associates were charged by the Securities and Exchange Commission in an official report to President Roosevelt with "criminal violations including mail fraud, conspiracy, bribery, perjury, etc." and action by the Attorney General's Office was recommended.

8. He used funds advanced by the British for production of guns to start construction of Savannah Shipyards, Inc., to build ships for the Maritime Commission. Not a single ship was built in these yards under his management.

9. The munitions empire he created with British money in 1940 and 1941 did not reach its promised rate of production until after its management had been taken out of his hands by the War Department.

Brewster Attended Hearing—Much of this information was brought out in testimony before the Truman Committee, of which Brewster was a member, in 1941. Brewster was present during much of the interrogation of witnesses and asked many questions himself.

The Truman Committee's report on Cohen's Empire Ordnance Corp., rendered in January, 1942, details the manner in which Empire was financed by manipulation of Willis stock and a series of mutually liquidating loans. It points out that, on an investment of \$42,500, Cohen would be entitled to profits of 30 per cent on \$4 million, or \$1,200,000. Cohen had announced that his only purpose in making munitions was "to get That Man," meaning Hitler.

Paraphrasing Bolton said in Brewster's office that Cohen's only aim in seeking to develop the Quoddy project is his desire to do something for "oppressed Jewry."

"He is expecting to lose money," Bolton said, "but it will make his heart very happy to have been

the first to do something about the DP problem."

Truman Committee Report—The Truman Committee report has this to say of Empire Ordnance:

"... There appears to be some doubt in the minds of the officers of the Ordnance Department as to the ability of Empire Ordnance to produce satisfactorily and there also appears to be some disaffection with the management of the plants."

"War Department correspondence indicates that no contract would be awarded to Empire by the Ordnance Department until such time as the corporation has proven its ability to carry out contractual obligations."

"The Bureau of Ordnance of the Navy Department reported to the committee that due to information received from the Army Ordnance Department, the bureau would not give further consideration to Empire Ordnance for extensive production contracts until further notice from Army Ordnance."

"Officers of the Ordnance Department interviewed by committee investigators were unanimously of the opinion that Empire Ordnance and its subsidiary corporations were organized primarily as a stock-promotion position."

During hearings leading to the report Cohen testified that he had not had any association or partnership with former Federal Judge Martin T. Manton, who was convicted of bribery in June, 1939. As a matter of fact, Cohen and Manton were engaged in business ventures together as early as 1932.

Built in 1934—Quoddy Village, which Cohen seeks to acquire through the City of Eastport, was built in 1934 at a cost of about \$1,500,000 to house employees of the projected Passamaquoddy tidal power project. Upon abandonment of the power project, Quoddy Village was turned over to the National

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Quoddy DP Plan Branded 'Nazi Slavery' by Labor Chief

By the United Press

Organized labor last night branded as tantamount to "Nazi slavery" a proposal that abandoned Passamaquoddy village in Eastport, Me., be operated as a tractor assembly training school for European refugees without pay.

The proposal is sponsored by Senator Owen Brewster (R., Me.). Frank Cohen, New York and Philadelphia tractor manufacturer, has offered to operate Passamaquoddy as a tractor assembly training school for displaced Europeans. The refugees would serve six months without pay and then be settled in Latin American countries.

Harvey W. Brown, president of the International Association of Machinists, protested that this would amount to "Nazi slavery."

Meanwhile, the Labor Policy Committee of the War Assets Administration opposed leasing Passamaquoddy to Cohen. Union sources said the committee has

presented WAA Administrator Robert Littlejohn an objection supported by the IAM, AFL, CIO and the Railroad Brotherhoods. WAA is scheduled to act this week on bids for Passamaquoddy village, which was erected at a cost of seven million dollars as part of a tidal hydroelectric power project conceived by the late President Roosevelt.

The WAA Labor Policy Committee reportedly advised Littlejohn that the unions favor use of Passamaquoddy for a training project for refugees—if they are permitted to enter this country under existing immigration laws and work for American wages. The committee asked that the Federal Government maintain supervision throughout the program.

One source close to the committee said "their concrete proposals for Passamaquoddy were made. He said the unions "want to bring the project back into worthwhile economical use but for the greatest good of all concerned."

Youth Administration and later to the Seabees as a wartime training camp. WAA received it as surplus property from the Navy Department.

The village contains 120 cottages, two apartment buildings each with 40 units, a 145-man dormitory and nine houses for executives. The Navy also built some barracks and the village includes 28 factory buildings with a total of 263,000 square feet of floor space but without machinery or equipment.

It has been appraised for sale by WAA at \$300,000 and the Eastport bid, based on educational priorities, asks a 100 per cent discount. The Office of Education of the FSA has investigated and recommended that the offer not be accepted, since Eastport has facilities for 300 more pupils than actually are attending its schools.

Cohen has asked not only that Quoddy Village be turned over for his DP project but that it be put into proper condition at Government cost, that tools and equipment be sold at 95 per cent discount, and that the trainees be brought from Europe and fed and clothed for 60 days by the Army at Army expense.

(This is the first of two articles. The second will appear tomorrow.)

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But Guns Were Faulty

Author of Quoddy DP Plan Boasts of Firms' War Record

By Marshall Andrews

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With the prospectus on taking over Quoddy Village, Me., for a displaced persons training camp distributed last week by Frank Cohen of New York was another document pertinent to the case.

This was the photostat of a lengthy article in the magazine *Time*, dated November 3, 1941, on Cohen's Empire Ordnance Corp. The article describes in enthusiastic language Cohen's venture into munitions making, describes him as "one of the men the U. S. needed" and declared his 14 corporations were then delivering "every month one million dollars worth of guns, gun mounts, recoils and tank armor to the British." It quotes Cohen as saying "proudly" that "Empire has never had a reject" from Aberdeen Proving Ground.

Actually, Empire did not produce a single gun in conformity with the British contract until December 26, 1941, 53 days after *Time's* story and 13 months after the contract was signed. In August, 1941, three months before the *Time* story, the War Department was so disturbed over Empire's failure to produce for the British that Undersecretary Robert P. Patterson and Assistant Secretary John J. McCloy took time for a conference on Empire's plight, which resulted in efforts to change the firm's management.

By July, 1941, Empire had produced only two of the 850 guns it had contracted to deliver by that date. And in December, 1941, the month after *Time's* article, the British in desperation took whatever substandard guns were on

hand at Empire and shipped them to North Africa, making up part of the deficit from United States weapons at Watervliet Arsenal. It was not until June, 1942, after the War Department had taken over and retooled much of Empire's plant that a daily production of 16 guns was reached.

As for rejects, only 27 guns were

Deadline for Quoddy Village Bids Extended

Final date for acceptance of bids on Quoddy Village, originally set for today, has been extended at the request of Senator Brewster (R., Me.) and the City of Eastport, Me., in order that War Assets Administration and the city may confer further, WAA announced yesterday.

Thomas E. Drumm, deputy administrator of Zone 1 in New York, and Robert Whittet, director of the nonindustrial division of the Office of Real Property Disposal, acting as representative of WAA Administrator Littlejohn, are due in Eastport today to confer with the city officials. A new deadline for bids will be established upon their return. They expect to be back in Washington before the end of the week.

built at Empire in September, 1941, two months before *Time's* article. Four were rejected by Aberdeen. Even more were rejected in October, and on October 7 a gun was returned because of a cracked breechblock and because

See QUODDY, Page 2, Column 1

QUODDY—From Page 1

Author of 'Quoddy' DP Plan Boasts of Firms' War Record

It was so out of alignment it could not be mounted. On October 16, 1941, Aberdeen complained about firing mechanisms, breechblocks operating cams, sears, and firing pin steps on Empire guns. On October 22, the Army's chief inspector at Empire complained to the Philadelphia Ordnance District that undue pressure was being brought on him and his men to accept substandard parts in order to gain production.

Associate Convicted

Altogether in October, 1941, 61 guns were built, of which 13 were rejected by Aberdeen.

Finally, on November 5, 1941, Aberdeen advised the Philadelphia Ordnance District that Empire gun parts were not interchangeable as required and that certain welds and designs were faulty or basically wrong.

These facts were brought out from Army Ordnance records and from testimony under oath during one of the most unusual investigations conducted by this Government during the war. Until now no part of the report resulting from this investigation has been published nor has any intimation of its existence been made public.

It began when President Roosevelt, on May 25, 1942, directed the Securities and Exchange Commission to make an audit and investigation of Empire Ordnance and its affiliates. The SEC set up a staff of 50 lawyers and accountants, who took 10,000 typewritten pages of sworn testimony and in July, 1943, rendered a 550-page report to the President. Interim reports had been made, one of which resulted in the conviction for perjury of Jacob Perlman, one of Cohen's associates.

Started on Shoestring

Distribution of the report, by White House order, was restricted to some 20 copies to agencies of the Government directly concerned in the Empire case. When the Truman Committee learned of its existence and asked the White House for a copy, it was denied as contrary to public policy.

This report, after tracing Cohen's business and financial life from 1922 until he formed Empire Ordnance in 1940, goes into great detail in outlining the operations of Empire and its affiliates.

The report shows that Empire was formed with no funds except 200,000 shares of Willys stock borrowed through a friend for the occasion, \$5000 borrowed by Cohen from a brokerage account over which he had power of attorney, and \$25,000 Cohen acquired with a post-dated check and then paid off by successive borrowings which cancelled each other until British money paid them all.

Obtains No Contract

Empire, the report says, hired Frank McHale, Democratic national committeeman from Indiana, as an attorney and began seeking contracts from the War Department. Army Ordnance advised against doing business with Cohen or Empire, and Empire was unable to secure a Government contract.

As its representatives before the War Department, the report says Empire employed McHale, Charles West, former Democratic Representative from Ohio and former White House liaison man with Congress; Dan Duffy, Ohio lawyer high in Democratic politics; Democratic State Senator Joe Hill of Texas, and the late Matthew J. Merritt, Representative-at-large from New York and then a member of the House Military Affairs Committee.

Merritt's part in these attempts to get a Government contract was shown by the report to have been expensive but of no avail. The report reveals on pages 335-341 that Merritt was paid \$1500 for telephone calls and visits to the War Department and Empire paid his bills at the Mayflower Hotel totaling \$2177.11, which included cash drawn at the desk.

Empire Pays Difference

During this time Merritt was shown to have reported \$500 worth of clothing stolen from his room, which he demanded the hotel make good. When the hotel demurred, insisting that the clothing could not have been taken except by someone to whom Merritt had given a key, he bought \$500 of new clothes in New York anyway. Finally the hotel settled for \$400 and Merritt made up the difference by drawing \$100 at the desk and charging it to his account, which was paid by Empire.

Empire's opportunity for a war

contract appeared when Michael V. Dewar was sent to the United States in July, 1940, as head of the British Tank Purchasing Commission with 200 million dollars to spend. Although the War Department was unwilling to give Empire a contract, pressure on it had become so great that something had to be done for Cohen's firm. So, on October 18, 1940, an officer of the Ordnance Department called Dewar and told him Empire was in a position to make 75-millimeter guns.

The SEC report shows on pages 4-86 that Dewar was then visited by one Charles B. McDaniels, who had been introduced to him in a telephone conversation by Emil Schram, then of the RFC. Dewar testified that Schram told him McDaniels and Jesse Jones, RFC head, were good friends, and Dewar made it plain that he felt giving Empire a contract would help in making RFC loans, on which the British depended.

Advanced 4½ Millions

Dewar kept a diary during this time, which was obtained by SEC and made part of its official records. This diary shows that it had been represented to Dewar that Cohen would make a substantial contribution to the Democratic campaign fund if Empire got a contract. The suggestion impressed him greatly, since he felt it vital to continued American support that Mr. Roosevelt be re-elected.

In the end, Dewar gave Empire a contract by letter of intent for \$5,037,500 for guns, \$1,259,375 to be advanced within 40 days. The contract called for a unit price of \$3250, whereas Empire had bid as low as \$2300 before the War Department and this bid was considered high.

Other contracts were made in the ensuing months, each with a cash advance, so that by April 30, 1941, the British had advanced \$4,531,250 to Empire, although nothing had been delivered in conformity with prior contracts.

Half Million Diverted

The SEC report says that a half-million dollars of this advance was diverted, some being used to pay Cohen's personal debts remaining from previous business ventures. It shows that Empire incorporated its shops and departments and then treated them as subcontractors.

In one case, for instance, Empire contracted to build gun mounts for \$2800 each and subcontracted them to Wilkes-Barre Carriage Co., a subsidiary, for \$2500 each, a differential of \$300 each or \$750,000 for the contract in favor of Empire. Yet, even with this reduction of \$300 a unit, Wilkes-Barre on December 31, 1941, paid a dividend of \$2000 a share on its common stock.

On January 10, 1941, Empire subcontracted its recoil mechanism contract to Wissahickon Tool Works, another subsidiary, at \$1250 each, a differential of \$250 each, or \$500,000 on the contract in Empire's favor.

Sell Plant At Profit

Likewise, Empire subcontracted an armor plate contract to a subsidiary, West Pittston Iron Works, at a rate of 7 cents a pound profit against 10 cents a pound profit under the prime contract. Even with this reduction, West Pittston paid a dividend of \$1000 a share on its common stock on December 31, 1941.

A similar method was shown by the report to have been employed in renting properties among the Empire subsidiaries. Cohen and an associate had taken a \$30,000 option on the Pencoyd plant of Carnegie-Illinois Steel Co. After receipt of the British advances, they sold the plant to Pencoyd Realty Corp., at a personal profit of \$100,000, which came out of the British advances.

The Vulcan Iron Works, another Empire subsidiary, owned two plants, one in Wilkes-Barre, Pa., and the other in West Pittston, Pa. The Wilkes-Barre plant was leased to Pencoyd at \$12,000 a year and then rented by Pencoyd to Wilkes-Barre Carriage Co. for \$180,000 a year.

The West Pittston plant was leased by Vulcan to Pencoyd at an annual rental of \$15,000 and subleased by Pencoyd to West Pittston Iron Works for \$180,000 a year.

Only Wants to Help

In addition to these transactions, the multitude of corporations spread the profits to an extent that materially lessened the drain of excess profits taxes and surtaxes on Empire. There also was a welfare organization, the Esco Corp., formed with Cohen's wife as president, to distribute "vitamins" to the British. This corporation owned 15 per cent of Empire stock and its relation to the Cohen empire in general remains nebulous, though it still exists.

As a final venture, the report shows Cohen to have used more than one million dollars of the

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AMERICAN ZIONIST EMERGENCY COUNCIL
SUITE 701
1200 EIGHTEENTH STREET, N. W.
WASHINGTON 6, D. C.

LEO R. SACK

October 5, 1948

Dr. Abba Hillel Silver
19810 Shaker Blvd.
Shaker Heights
Cleveland, Ohio

Dear Dr. Silver:

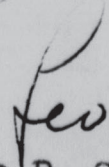
I assume you heard Vandenberg last night.
If not, may I call your attention to this paragraph
in his speech:

"One other thing must be made plain.
Bi-Partisan foreign policy applies only
where cooperative consultation and mutual
decision exists from start to finish.
Historically this has not been the case
in China, Palestine or Japan."

It was his only reference to Palestine that I caught.

If you have not read the Dulles story in the
current issue of Life, you will find it interesting.

Sincerely yours,


Leo R. Sack

Best New Year's wishes to all
of you from Regina & me,

AMERICAN ZIONIST EMERGENCY COUNCIL
342 MADISON AVENUE, NEW YORK 17, N. Y.
Washington Office: 701 Ring Bldg.

MEMORANDUM

To Dr. Abba Hillel Silver

Date October 21, 1948

From Leo R. Sack

Last night, Major Wellesley Aron, formerly of the Jewish Brigade, whom you know, addressed the Brotherhood of the Washington Hebrew Congregation (Reformed).

Over a five-year period I have heard most, if not all, of the Zionist lecturers who have come to Washington but I have never heard any man who tells the story of our cause as interestingly and as easily as this man. For one hour and fifteen minutes in a straightaway talk and then for about twenty minutes in a questions and answers period, he was really marvelous.

He delighted that audience and, chief among those who applauded him and commented subsequently on his talk, was Gerstenfeld.

It is my thought that if he can be utilized to address the Brotherhood of the Reformed Congregations during the next few months, he will help the over-all cause immeasurably. He really is good. He talks in a manner which inspires those Jews who have been anti-Zionist in the past. Harry Shapiro tells me that the Emergency Council is responsible for his being in the U.S. More power to the Emergency Council and, for this reason, I think he should be utilized more often as a speaker before non-Zionist groups.

Kindest personal regards.

UNITED STATES SENATE

Washington, D. C.

Denver, Colo. 11/15/48

C
O
P
Y

Dear Leo:

No one should blame me too much for being mighty proud of the way Colorado voted on November 2nd. The avalanche went far beyond my fondest expectations. Such a surprising vote of confidence left me gasping for breath. I had no idea, Leo, that Truman would be elected. Especially I want you to know that way down deep I appreciated the important part you had in this sweet victory. Campaigns are won these days by the sacrifice, hard work and earnest boosting of loyal friends like you. It was your victory as much as mine. Please accept my heartfelt thanks.

I hope, Leo, we get that Palestine thing straightened out this Spring. The best way for me to show my gratitude for the help you gave me is by serving the people of the United States well in Washington. This I am determined to do to the very best of my ability.

Faithfully,

(signed) Ed. C. Johnson

Hon. Leo R. Sack
Washington, D. C.

AMERICAN ZIONIST EMERGENCY COUNCIL

Constituent Organizations

Hadassah, Women's Zionist Organization of America
Mizrachi Organization of America
Poale Zion-Zerie Zion of America
Zionist Organization of America

WASHINGTON BUREAU
1200 EIGHTEENTH STREET, N. W.
WASHINGTON 6, D. C.
EXECUTIVE 1060

December 21, 1948

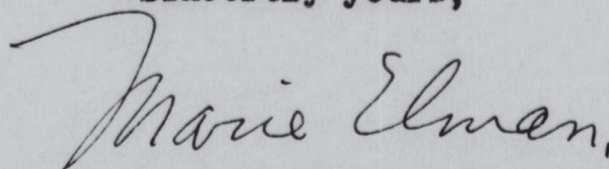
Dr. Abba Hillel Silver
19810 Shaker Boulevard
Shaker Heights
Cleveland, Ohio

Dear Dr. Silver:

Mr. Sack has received in Florida the original of the enclosed letter written in long hand by Senator Johnson of Colorado. He believes it will interest you, Mr. Tuvim and Mr. Shapiro because it is another proof of his theory, borrowed from Shakespeare, that "the friends we have, we must bind unto ourselves with hoops of steel."

Mr. Sack regards Senator Johnson as one of our most dependable friends in the Senate, and he was most happy when he was re-elected. Our friends in Colorado helped and it is good that Senator Johnson appreciates their help, Mr. Sack says.

Sincerely yours,



Marie Elman
Office Secretary.

AMERICAN ZIONIST EMERGENCY COUNCIL

SUITE 701

1200 EIGHTEENTH STREET, N. W.

WASHINGTON 6, D. C.

LEO R. SACK

April 18, 1949

Dr. Abba Hillel Silver,
19810 Shaker Boulevard,
Shaker Heights, Cleveland, O.

Dear Dr. Silver:

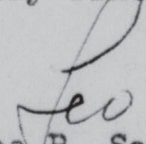
This is to advise you that I returned to Washington last Friday and am back in the office at work this morning. From a personal standpoint I am feeling rested and very well. I hope I shall continue without any further physical mishaps.

I have heard very little concerning the Emergency Council reorganization plans, but I have heard enough to indicate that the status of the organization, and particularly, the Washington Office and its personnel, is very uncertain.

I don't know just where or how I will fit in the proposed reorganization and, because of this, I would like to discuss this situation with you in New York at your earliest convenience.

With my kindest regards and best wishes for the holidays to you and Mrs. Silver, I am

Very sincerely yours,


Leo R. Sack

LRS/mp

April 21, 1949

Mr. Leo R. Sack
American Zionist Emergency Council
1200 Eighteenth Street, N.W.
Washington 6, D. C.

My dear Leo:

I shall be in New York on Tuesday to attend the meeting of the Emergency Council. Please get in touch with me during the day. I shall be stopping at the Sulgrave Hotel.

With all good wishes to you and Mrs. Sack, I remain

Most cordially yours,

ABBA HILLEL SILVER

AHS:er

May 3, 1949

Mr. Abe Tuvim
American Zionist Emergency Council
342 Madison Avenue
New York 17, New York

My dear Mr. Tuvim:

I am enclosing herewith a letter of Mr. Leo R. Sack. I think we ought to make our final settlement. As I understand it, he is entitled to \$3,400 of severance pay. He also claims that \$1,275 is due him, which was the amount deducted from his pay checks for February, March and April.

Mr. Sack also claims that the severance allowance of only four months is not particularly generous. I believe that the deductions for the months of February through April were entirely justified, but in order to arrive at a mutually satisfactory arrangement in the case of Mr. Sack, who served with complete faithfulness through the years and made a substantial contribution to the success of our work, I would suggest that we add a month's pay, thus bringing the total to \$4,250.

I would suggest that you close the arrangements with Mr. Sack send him a check for the amount. At the next meeting of the Emergency Council, a proper resolution should be passed thanking Mr. Sack for his services.

With all good wishes, I remain

Very cordially yours,

ABBA HILLEL SILVER

AHS:er
Enc.

LEO R. SACK

1676 James Ave,
Miami Beach,
March, 19, 1948

Dear Mr. Silver;

In the absence of Turing I
requested Abzin last week to advise
you of Mortimer May's talk here
before the Miami Beach group.
He went to town in praise of you
and in pointing out that Israel got
where it is because of you.

For a time it seemed as if he
was going to urge your return to the
presidency of the JQA, some of his
friends expected him to do just that.
He spoke from a text.

Doctor if you are giving any
serious thought to the draft Silver
talk or outlined in the March 18 issue
of the Nat'l Jewish Post, may I
suggest that May do a little

LEO R. SACK

real work; learn something if
you please; electioneering where-
ever he can get an audience.

In such an event his talk
should be polished & tightened up.

The Miami Beach group wanted
you for their April 3 annual dinner.
Since you could not come Sheppard
Bisot asked me if I could persuade
V.P. Barkley to speak. He is slated
to address the Miami Chamber of
Commerce April 1, so the task was
to induce him to stay over
two additional days. To my surprise
he agreed to do so & I hope he
speaks well & gives the folks
their \$100 worth.

Doctor I was disappointed

3 and hurt by Turin, I can not agree either that the AGEC's financial situation was such that I, alone of the staff, should have my pay cut in half because I am on sick leave. It was not a fair deal.

There never was any half pay effort on my part during the years I was well and pitching.

Turin was in such a hurry that he cut my pay 50 percent, effective Feb. 1, for he said 'a three months period' (The Feb. 1 date & the size of the cut also were contrary to the agreement I got over the phone from you) The Jews broke their collective backs to prove to you

4 that they, like Republics, are un-
grateful.

I fear that Tamm had
a similar objective for the A Z E C
as it concerned me. I have an
idea - I hope I am wrong -
that this action by Tamm will
adversely affect my status in
the A Z E C reorganization.

Montmer May will be back
in town next week, I will
advise you if I learn anything
of interest.

In the meanwhile if you
want to phone me here the
number is Miami Beach 5-9624.

Kindest regards to both
of you in which Regina joins.
Sincerely, Ted

AMERICAN ZIONIST EMERGENCY COUNCIL
SUITE 701
1200 EIGHTEENTH STREET, N. W.
WASHINGTON 6, D. C.

LEO R. SACK

May 5, 1949

Dr. Abba Hillel Silver,
19810 Shaker Boulevard,
Shaker Heights,
Cleveland, Ohio

Dear Dr. Silver:

Enclosed are clip sheets from yesterday's Congressional Record which may interest you.

In the Senate, Senators Ives and Saltonstall observed the First Anniversary of the establishment of the State of Israel. In the House, there were eight pages of oratory, some of it interesting. Mr. Klein, of New York, who was in charge, included in his remarks on page 5716 your radio speech the other night.

The occasion also was observed here with black ties and low-cut dresses at the Shoreham Hotel last night in a rather extravagant party given by the Ambassador and Mrs. Elath. There were present the British Ambassador and some other notables from the Diplomatic Corps, such dependable friends of our cause as Taft, Brewster and Ives, and a tremendous number -- a rather disgusting number -- of Johnny-Come-Lately's, who are now willing to accept Israeli food and drink and see and be seen. This included Jews, as well as Gentiles in and out of office. The party proved again that nothing succeeds like success but, as I saw the Israeli's representatives in action last night, and I read today's New York papers concerning the shows in New York yesterday, I was again reminded that the Jews, like Republics, are very ungrateful.

But there is always a ^{sour} ~~sound~~ note. The Embassy, in making sure they invited so-called prominent socialites, overlooked several score of really devout and prominent local Zionists who fought in the trenches over the years. These people are plenty sore and are saying so.

Kind regards.

Sincerely yours,


Leo R. Sack

LRS/p
Encl.

AMERICAN ZIONIST EMERGENCY COUNCIL
SUITE 701
1200 EIGHTEENTH STREET, N. W.
WASHINGTON 6, D. C.

LEO R. SACK

May 19, 1949.

Dear Dr. Silver:

I am in receipt of a letter from Abe Tuvim, dated May 13 enclosing a severance pay check, dated May 11, for five month's salary.

Mr. Tuvim wrote me a gracious letter alleging the deep appreciation of American Zionist Emergency Council for my services. He used this language:

" I would be hard put to think of another individual who has done more in the struggle of the past few years to bring about the establishment of the Jewish State, or who was more devoted and loyal than you. I most certainly hope that you will not hold yourself remote from our work and our interests. I do not think you can, and I know that from time to time, we will have the benefit of your valued advance and guidance."

While thanking him today (he was out of town on Monday when the letter was received) he advised me that I no longer am on the payroll and that I need not expect a salary check for May despite the fact that I have been on the job at the office every day since my return to the office on April 18, a month ago - and continuously, during office hours, for the entire ten days when Mr. Schulson was in New York recently for the United Nations meeting.

It is true that I was aware that my services were scheduled for termination. Mr. Tuvim so advised me when he was in New York on April 26 but at no time either then or since has either Mr. Tuvim or anyone else in authority advised me as to when I would be separated from the payroll or, as I learned today to my amazement, that I had been dropped retroactively without a word of notification. l

Under the circumstances I felt, and not without justification, that I would be continued, at least, through

Dr. Silver-

May especially since the New York office and all others concerned knew that I was on the job down here.

When I spoke to you in New York my severance pay arrangements had not been completed and I was given no definite information as to specific date that I would be relieved.

Office boys and char-women are given the courtesy of advance notice that their services would not be needed after a specific date; certainly I had every reason to feel that the American Zionist Emergency Council would extend such courtesy to me.

In the light, Dr. Silver, of my service to the cause of "A free and Democratic Jewish Commonwealth" during the more than five and one half years of my service, and, unquestionably, during this period as one of your principal and most effective lieutenants, I am at a loss to understand the great anxiety and the unseemly haste on the part of all concerned to get me off the payroll so quickly and so cavalierly.

If I had been indifferent, disloyal, unproductive, unimaginative, stuffed shirt, time server in the great cause which you and your small group of lieutenants brought to a successful conclusion there might be some justification for such disregard.

I can't believe that financial difficulties is the only reason. Surely the Emergency Council funds are not so low that an employee like Leo Sack should be advised on May 18, that he was dropped from the payroll on May 1, without a single word of definite prior notification.

After all, Leo Sack is not an errand boy. He is not without some prestige and dignity. As to the quality of my service you yourself telegraphed me on November 30, 1947 the day following the United Nations decision:

"In the hour of victory I send you a word of felicitation and deep appreciation for the great contribution which you made to it by your gifted and untiring efforts and unfailing devotion and loyalty".

Dr. Silver-

On several other occasions you were equally generous in writing and verbally of my service. I particularly prize the note you sent me on December 15, 1944 in reference to the Resolution. You wrote then "Thanks for a grand job well done".

I am gratified too that so many others in the Emergency Council and in the Zionist movement have been so kind in their reference to my efforts. All of this is happy memories.

In the light of this record I am deeply chagrined and humiliated that I feel it necessary to write to you in this manner. Involved is more than the one month's salary for May, as well as the half pay deductions for the months of February, March and April which were taken from pay check during the last three months of my absence, with permission from the New York office, because of illness.

In addition to the cash involved there is involved, also, elemental justice and fair dealing with an employee to whom in writing you expressed your deep appreciation for "a great contribution made by gifted and untiring efforts and unfailing devotion and loyalty".

Servants of a great cause, who earned such unsolicited commendation, are not usually dropped from the payroll without notification while they are continuing to serve that cause.

Were I a Zionist politician, unfaithful to your trust and disloyal to you as well as to the movement there might be some justification for dropping me from the payroll without a single word of notification as to effective date.

Because of my contribution to the cause of "A free and Democratic Jewish Commonwealth", I now find that I have been branded at the White House and among Senators at the Capitol as a "democratic renegade" even though Mr. Roosevelt once honored me with an unsolicited diplomatic appointment and I once enjoyed the trust and confidence of Democratic circles. I have been described as a "Silver press agent, indifferent to the truth".

Dr. Silver-

Why?

Because, Dr. Silver, I sought in a letter which was delivered to and read by President Truman to dis-abuse his mind as to Dr. Silver's political loyalties. As I reported to you in times past this anti-Silver abuse was repeated among Democratic Senators and Representatives. Whenever and wherever I had an opportunity to do so I denounced and denied this slander to the Democratic members of the Congress.

Nevertheless, like you, I have been penalized among my friends and charged with disloyalty because I sought and cultivated the support of all good and helpful men, Taft, Brewster, Joe Martin, Vandenberg, Lodge, et al, regardless of their political affiliation.

I have no apologies for anything I did to further our cause during the years when you and the organization regarded me as your most important contact and representative at Washington. If I had to do it all over, I would do so again with the same energy and, I hope, efficiency.

Because of all of this I find it hard to believe that you, of all men, are willing to permit the New York office to close the record of our five and one half years of intimate and effective cooperation with the knowledge that at the end I was retroactively dropped from the payroll, eighteen days after the alleged effective date of the termination of my services.

I can't believe that your appreciation of me is held so lightly.

I repeat, I regret deeply that I feel it incumbent to write to you in this manner, but aside from my personal feelings, Mr. Tuvim advised that I take this matter up with you.

This I am doing herewith in the belief that you will not permit such inexcusable procedure. I will appreciate if you will give this your immediate and personal attention.

It was Mr. Tuvim's contention, even though he advised me that I am no longer on the payroll, that he has

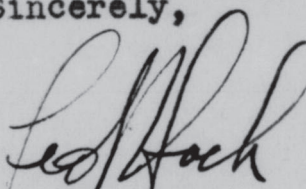
Dr. Silver-

no authority to authorize payment of my salary for the month of May.

I am sure that you do not want me to pass out of the Emergency Council picture with reason to feel that I was shabbily treated.

As always my best personal wishes,

Sincerely,


Leo R. Sack

Dr. Abba Hillel Silver
19810 Shaker Boulevard
Shaker Heights
Cleveland, Ohio



The Weather

Today — Sunny, high about 92. Tomorrow — Breezy with scattered clouds. Ragweed pollen count today — High, 90 at 3 p. m. at 6 a. m. (Details on page 4)

Phone NA. 4

NO. . 26,002

Enter
Post

Six Agencies Deny Interest In 'Quoddy' Plan for DPs

3 South American Embassies Shrug Off Deal Despite Claims by Cohen

By Marshall Andrews

Copyright, 1947, by The Washington Post

In a prospectus setting forth his plan for training 100,000 displaced persons at Quoddy Village, Me., Frank Cohen of New York claims the backing of six Government agencies and three South American governments.

All six agencies deny any active interest in the scheme and embassies of two of the South American governments disclaim knowledge of the deal. The third appears to be acquainted with it, but vaguely.

Cohen's prospectus is a puzzling document. It is not dated, though it makes frequent reference to current and relative times. It is labeled "strictly confidential" but was handed out without comment by Cohen's publicity office in New York.

Plan 4000 a Month

The prospectus says Quoddy Village, built at a cost of \$1,500,000 to house employes of the abortive Passamaquoddy tidal power project, is to be set up as a training center for DPs from the American zone in Germany for eventual resettlement in South America. Only families would be brought in, at the rate of 1000 families (4000 individuals) a month, until 25,000 families will have entered by June, 1948.

These DPs would be trained in 17 trades and skills, all of which are directly or indirectly involved with industrial projects with which Cohen is connected. Successful completion of the scheme would require the cooperation and aid of the City of Eastport, Me., the War Assets Administration, the State Department, the War Department, the Maritime Commission, the Treasury Department, the Immigration Service of the Department of Justice and the Reconstruction Finance Corporation. No part of the program could be carried out unless all parts of it were.

Involves Donation

All these agencies have been approached, personally or by letter, by Senator Owen Brewster (R., Me.), who has been acting as Cohen's agent here. Brewster has stated definitely that his only interest in the project is to retain Quoddy Village and make it a going concern.

WAA's part would be to sell Quoddy at 100 per cent discount (which is a euphemism for "donation") to Eastport as an addition to its educational facilities. Bids will be opened at Boston today. See QUODDY, Page 2, Column 1.

**C. W. Thompson
Wins Texas Seat;
Regan Close**

6 U. S. Agencies Deny Interest In 'Quoddy' Plan to Train DPs

with Eastport's and several others to be considered.

But Quoddy Village is in no condition at present for industry, or even for occupancy. Not only is there no machinery in its shops, but much of the plumbing and other facilities have been removed from its dwellings.

So here is what the Cohen prospectus proposes:

"We are calling on War Assets to:

"1. Deliver Quoddy free of payment to the City of Eastport.

"2. Renovate, equip all facilities before turning it over for DP village.

"3. Furnish all needed machinery and equipment in its possession which we will select for industrial or agricultural purposes.

"4. We have qualified to receive all the above gratis or at 5 per cent of its value. This we have done as a nonprofit, tax-exempt education institution, or under a city training program."

Sixth on Priority List

WAA says its sales are "as is, where is," and any improvements would have to be made by the purchaser. As for the machinery to be obtained "either gratis or at 5 per cent of the value," WAA says it is permitted to sell certain types of machinery for educational purposes at 40 per cent to 95 per cent discount, depending upon its availability and the priority of the purchaser. Educational institutions are accorded sixth place on the priority list.

WAA says also that neither the City of Eastport nor Cohen has applied for purchase of any machinery except by inference in its bid for the village itself.

Army's Role Outlined

Cohen's prospectus says his DPs would be selected by his agents, assisted by the Army. In detail, he gives the Army these

Categorically the War Department replies:

1. It would help screen DPs if asked.

2. It has no funds to transport DPs to the United States.

3. It was never entitled to furnish 60-day rations to DPs except for repatriation, not for resettlement. And anyway it has no funds now even for repatriation rations.

Would Furnish Visas

The State Department is given a prominent role in the scheme by Cohen's prospectus. Says this document:

"The State Department will furnish the visas for entrance either as transit, or for trainees. It will support the project by sponsoring it before all the foreign governments. It will give its active support before all other Government departments — Army, Maritime, War, Assets, Treasury, etc. It has appointed a deputy for this purpose. It is in process of notifying all South American embassies, to help make Quoddy a success. It will give me all necessary documents to take with me for a special trip to South America to put the project into effect. Gen. (John H.) Hilldring, Assistant Secretary of State for Occupied Areas, is personally following it thru. Several meetings have been held and we are following State Department guidance."

Department Denies Action

All this is positively denied by a State Department spokesman, except that Cohen may have been furnished a passport to visit South America. This spokesman said the department has not committed itself one way or another, that it has made no decision for taking the matter up with South American governments, that it can make no such decision until Cohen brings it a specific request for ac-

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Army's Role Outlined

Cohen's prospectus says his DPs would be selected by his agents, assisted by the Army. In detail, he gives the Army these missions:

"1. U. S. Army help us select DPs.

"2. U. S. Army transport DPs at U. S. Army expense from American zone to Quoddy.

"3. United States Army furnish food and clothing for DPs for 60 days from departure from American zone."

Categorically the War Department replies:

1. It would help screen DPs if asked.

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Cohen says in his prospectus that he has asked the Immigration Service to accept his personal bond for one fourth of the DPs only, since "obviously" the chil-