

Copy of my Memo for Loy Henderson
RE REIMBURSEMENT OF VOLUNTARY AGENCIES, etc.

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For your information. Please
do not trouble to reply.

File

THE WHITE HOUSE
Washington

January 30, 1957

MEMORANDUM FOR: The Honorable Loy W. Henderson
Deputy Under Secretary of State for Admin.
Department of State

FROM: Tracy S. Voorhees

SUBJECT: Proposed Agreement between the State Dept
and the Various Voluntary Agencies concerning
Defrayal of Domestic Transportation Costs

Crossed

The President's Committee has been negotiating with the several voluntary agencies relative to payment by the Government for certain costs incurred by these agencies in connection with their cooperation in the special program announced by the President for the admission into the United States of 21, 500 recent Hungarian refugees and augmented subsequently by decisions to admit additional numbers. The President's Committee was influenced in these negotiations by recognition of the fact that the decision to admit this large number of refugees within so short a period was a decision made in the national interest, and of the fact that, to carry out this decision, the Government would require the assistance of the voluntary agencies in the resettlement of the refugees concerned. In order effectively to accomplish this resettlement, however, the agencies must ask the Government to pay the costs of domestic transportation for refugees in the United States.

In reaching the decision to make these payments the President's Committee consulted with and obtained the concurrence of the Bureau of the Budget, ICA and The General Counsel for The Comptroller General.

It seems appropriate that the Department of State, through the United States Escapee Program, be the instrumentality to make these payments to the voluntary agencies. Accordingly, the International Cooperation Administration has been requested to allocate \$1.5 million available under Section 401 of the Mutual Security Act of 1954, as amended, to the Department of State to cover these costs.

The Special Counsel to the President and The Counsel for the Bureau of the Budget approve an agreement which has been made with the voluntary agencies that these payments are to be made on the basis of informal memoranda of understanding (rather than formal contracts) between the Department of State and the respective agencies, incorporating the following stipulations:

a. The period covered by these memoranda of understanding will be from November 21, 1956, through June 30, 1957, or until the termination of the President's program for the admission of Hungarian refugees, whichever is earlier.

b. The Government will defray the domestic transportation costs for Hungarian refugees in an amount not to exceed an overall average for each voluntary agency of \$40.00 per person.

c. For the purpose of these agreements, transportation costs will include fares, food en route, and necessary bus or other transportation to and from railroad stations, bus terminals, or airports, but will not include agency administration or overhead costs either for operation at Camp Kilmer or otherwise for costs of telephones, and the like.

d. These payments will be made for all persons moved since the arrival in the U. S. of the initial group of Hungarian refugees on November 21, 1956. The agencies will endeavor, whenever rail transportation is employed, to take advantage of the provision in the rail tariff which authorizes half fare for travel of indigent persons certified as such by responsible charitable organizations.

e. Voluntary agencies will be required to certify that the costs incurred are not less than the amount to be paid by the Government. To support such certification, agencies will maintain adequate records.

f. These payments may cover not only the costs incurred directly by the agencies themselves but also those of their associated organizations. Payments will not, however, include payments to individual churches.

g. These payments to voluntary agencies for domestic transportation costs are an exception to customary practices by reason of the circumstances set forth in the first paragraph of this memorandum, and the fact that these circumstances caused an insupportable drain on the resources of the voluntary agencies. As such they do not in any way constitute a precedent for Government payment of similar costs for other refugee movements.

h. The voluntary agencies will be responsible for providing such reports as may be required on the disposition of refugees aided, and for reasonable follow-up efforts to ensure permanent, satisfactory resettlement.

/s/ Tracy S. Voorhees

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