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TRANSCRIPT OF TELEPHONE CONVERSATION BETWEEN ADMIRAL FARLEY AND MR. POLEY, 10 NOVEMBER, 1947.

Adm. F.

Have we heard anything further from Collins (?) on those answers that he was supposed to get?

Mr. F.

Yes. Then on the question of the use of the tax exemption insofar as the Ob, well, Collins has pulled out and there is another fellow over there by the name of Jack Tate who is handling it. He said insofar as our disclosing our hand is concerned we could use our own discretion whenever we thought was more helpful in handling our end of the deal. I said I thought that was a little bit unfair; they were the policy department and they had to tell us. Well, he said they were calling in the owner of the ship and telling the owner that they looked with disfavor on his use of the ship for any purpose to run the blockade insofar as Palestine was concerned and they were really going to lay it right on the line and he didn't see any reason why if they wanted to move out why that wouldn't be favorably in keeping with what they were trying to do.

Adm. F.

Now as I understand it they have directed a letter to the Maritime Commission requesting the Maritime Commission as a matter of public interest to turn the application down for foreign registry. Maritime Commission hasn't done it yet because they are spinning out that end of it. I think Harpold has told us that he thinks they are going to have to formally turn the thing down some time this week.

Adm. F.

As I understand it they get bunker oil aboard and they get a crew. Is that right?

Adm. F.

That seems to be the information. Whether they have a full crew or not, they don't know.

Mr. F.

They haven't made any application with us?

Adm. F.

No application whatsoever. But the time will come, I think, after Maritime turns them down. They will try to make a run for it or they will come to us and try to get the American papers - U. S. papers - either one, and we have had a lot of discussion this morning as to what we would do in case they try to make a run for it without papers.

Mr. F.

Well, I think we would just have to stop them.

Adm. F.

That, of course, will disclose our hand---

Mr. F.

I think if they start to go and they haven't told us where they are going, I think we are just going to have to stop them and ask them where they are going and what they intend to do.

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- Adm. F. ~~Edgex~~ If they do apply to us for papers and we put in delay tactics, then they may go to court and get a writ and we'll have to answer it which brings it out in the open.
- Mr. F. Yes. Then on the question of the use of the tax exemption insofar as the raising of funds is concerned on the part of some of these Jewish agencies, that matter is being actively looked into by the people in the Bureau.
- Adm. F. Well, then if we have to it is all right for us to show our hand.
- Mr. F. I think so.
- Adm. F. If it comes to the question of their trying to make a break without papers, we'll have to.
- Mr. F. That's right.
- Adm. F. All right. I just wanted to get that clear.
- Mr. F. All right, Joe.

CC: Admiral O'Neill
Admiral Rose
Commodore Shephard
Captain Richmond
Captain Harrison