May 7, 1942

The meeting of the Board of Economic Warfare lasted two hours this morning and was like an old-fashioned prayer meeting. Everybody turned up but, as usual, practically nothing was decided. Much time was taken up by a long statement by the Secretary of State of the difficulties of not clearing with the State Department.

The Vice President passed around a letter from the President suggesting the formation of a corporation by the Board to take over some of the telephone companies in South America in order to exclude Axis ownership. This was discussed in the usual vague way and I suggested a formal resolution authorizing the formation of the corporation. The Vice President more or less agreed, although there was no vote and then Jesse Jones suggested to Milo Perkins that perhaps the whole thing could be done without the organization of a new corporation! It really comes down to the ability of Wallace to get vigorous and active action against the State Department on the one side and Jesse Jones, who still wants to keep control on the other.

CABINET MEETING.

The President and Hull both spoke of the Vichy situation. There has been apparently no evidence of Axis activity in Madagascar, but it was not deemed safe to let the Island stay as it is. The plan is to have America keep out of the situation as much as possible.

Patterson spoke of the very bad situation in Egypt where apparently the English have no proper base supplies or repair organization. He also spoke of information that the Germans might attack England this summer. It was said that they had five thousand transport planes, sufficient to land an army of some 200,000 men scattered all over England. The thought is that the attack might be by air, or by sea. It sounds fantastic and the Army disbelieves any such possibility.

Global War
The Vice President, after Cabinet, told the President that one reason the Administration was beaten on the T. V. A. vote was the annoyance of four or five Senators that Leon Henderson was appointing Anti-Administration Republicans. This complaint seems to come in on all sides.

I told the President that it seemed to be unwise to prosecute Coughlin and that the Archbishop had written him, the President, a letter stating that he would personally see to it that Coughlin was kept out of business and that if he opened his mouth again the Church would take vigorous action, presumably to unfrock him.

I told the President that the Archbishop had expressed to Mr. Crowley great appreciation of the manner in which the situation had thus far been handled.

I lunched with Crowley and apparently he talked to the Archbishop on the understanding that Coughlin would not be indicted. I think this wise and now discover that the present grand jury has no indictment powers and a new grand jury will have to be called for such indictments. I cleared also with Jimmy Byrnes and Tom Corcoran and they are all of the opinion that it would be very unwise to indict Coughlin and would merely stir up the old anti-Semitic, anti-Administration fight between the Catholics and the Jews. The matter will have to be handled carefully. The President entirely approves of this course.