Mr. D. W. Bell
Randolph E. Paul

The SEC has requested the Secretary to make available for use in evidence in the SEC delisting proceedings against Transamerica Corporation, all Reports of Earnings and Dividends filed with the Comptroller of the Currency by the Bank of America N.T. & S.A. for the years 1932 to 1937, inclusive.

In January, 1942, in a letter over your signature, the Treasury furnished the SEC copies of these reports for 1931 through 1936, but with the express reservation that they would "not be introduced in evidence or otherwise be made public." The purpose of the present request is to have that restriction removed.

I am strongly of the opinion that the request ought to be granted.

There is no statutory prohibition against granting the request and the courts have recognized the Secretary's authority to control the use of Treasury Department records, which these records are. The decision in Bank of America N.T. & S.A. v. Douglas, 105 F.(2d) 100, has been referred to as possible authority for refusing to grant the request insomuch as the Court there recognized the "confidential" nature of bank examiners' reports and adversely criticized the SEC for "publishing" the information contained in them by releasing to the public the order directing the Transamerica hearing in which the charges against Transamerica were set forth in meticulous detail. Examination of this case, however, leads to the opposite conclusion. The decision confirmed the Secretary's control over the records in question and the legality of his action in making them available to the SEC for "public official use"; it criticized the pre-trial publication by SEC of evidentiary facts obtained from confidential sources; but the decision also held that the SEC could use "the information at hand in preparation for the hearing and to aid in obtaining the evidence believed by it to be necessary and proper in the hearing."
Furthermore, with reference to the disclosure of "confidential" information, the Court said, with reference to the SEC, "if in the discharge of its duty to hold hearings and make findings business secrets are necessarily disclosed, the result is attributable only to the necessity of carrying out the purposes of the Act (the Securities and Exchange Act)." The fair inference from this part of the Court's decision is that those portions of the bank examiners' reports which the SEC finds necessary to disclose in the course of its hearing as evidence may properly be introduced in evidence and that such disclosure would not be deemed by the Court to be improper.

It should be pointed out that the Court in the Douglas case was dealing with bank examiners' reports which contain, among other things, information concerning the bank's relationship with its customers and examiners' criticism of loans, etc. It can well be argued that the "confidential" aspects of matters of that character differ essentially from the "confidential" aspects of the Reports of Earnings and Dividends now requested by the SEC. Without doubt the Bank has itself made public to its stockholders and others Earnings and Dividend Statements for the years in question so that any argument which may be made that such statements are "confidential" loses much of what merit it might otherwise have.

Furthermore, one of the main issues in the Transamerica hearing is whether Transamerica misrepresented the Bank's earnings, dividends and financial condition in connection with the Transamerica stock registration statement. It seems to me that it would be poor policy on the part of this Department to refuse to allow the SEC to make use of the official Earnings and Dividends Reports of the Bank of America for the purpose of proving that allegation. The use of the reports for that purpose would be a healthy use rather than an unhealthy one. Too, the "confidential" argument loses much of its force when the very age of the reports in question is considered. It is difficult to see what is confidential about earnings and dividends reports, the most recent of which is already six years or more old.

The only reasons of which I am aware that have been advanced for refusing to grant the SEC's request are policy reasons, i.e., that to permit the SEC to use the records in evidence would
antagonize the Bank and adversely affect its part in the War Bond campaigns; that it would lead to distrust of the Treasury Department by bankers generally who have been led to rely upon the Comptroller's long-standing practice of maintaining the secrecy of the information filed with his office by banks; and similar arguments.

I think too much emphasis can be placed on these arguments. I doubt very much whether the Bank would adopt a non-cooperative attitude in the sale of war bonds simply because the Treasury granted the SEC's request in this case. As I understand it, there are other issues between the Bank and the Treasury which are far more important from the Bank's standpoint than the issue involved here, and I am not persuaded that the Treasury action, or inaction, on the SEC request will have any material effect on the Bank's attitude toward the Department.

Neither am I convinced that granting the SEC's request would be inconsistent with the so-called long-standing practice of the Comptroller's Office. In the first place, I am informed that no requests have ever been made of the Office by another governmental agency, or anyone else, for permission to use Reports of Earnings and Dividends so that there is no "long-standing practice" of the Office with reference to such reports. In the second place, the only requests that have come to the Comptroller's Office from other governmental agencies for the use of information contained in bank examiners' reports have been in connection with tax investigations and criminal cases. In such cases it has been customary for the Comptroller to permit the use of information contained in bank examiners' reports and the pertinent parts to be introduced in evidence if necessary. In other words, the practice of the Office with reference to the requests of other governmental agencies has been to accede to such requests rather than to turn them down. To my mind no real distinction can be made between the official proceeding brought by the SEC against Transamerica in which issues of fraud and misconduct are charged, and official proceedings involving tax questions and criminal misconduct. If the Treasury makes its records available in tax and criminal cases, there are equally cogent reasons for making them available in the instant case.
I should also like to point out that in November of 1938 the Secretary, pursuant to a request made by the Chairman of the Securities and Exchange Commission, consented "to the public official use by the Securities and Exchange Commission as part of the proposed proceedings against Transamerica Corporation of such of the information obtained from the twenty examiner's reports of the condition of the Bank of America N.T. & S.A., and five reports of examination of Transamerica Corporation here-tofore furnished your Commission as bears on the allegations contained in the proposed order or amendments thereto." The restriction which your letter of January 14, 1942, placed on the use which the SEC could make of the Reports of Earnings and Dividends of the Bank of America seems inconsistent with the position of full cooperation taken by the Secretary in his November 23, 1933, letter. The author of your letter undoubtedly placed the restriction in it because he was apprehensive of the Court's language in the Douglas case. As I have indicated above, I think this apprehension was unfounded and that there was no real reason for imposing the restriction.

The SEC has indicated to me that it has made every effort during the past two years to obtain a stipulation from the Bank with reference to its Earnings and Dividends Reports, but that such efforts have been unsuccessful. The only way the SEC can obtain this information, which it considers essential to its proceeding, short of a prolonged court fight is through the cooperation of the Treasury.

In the circumstances I recommend that the SEC's request be granted.

(Initialed) R.E.P.

NOT: 8-21-43
This letter was sent Air-Mail Special Delivery to Windsor, Vermont

File copies to Paul

Regraded Unclassified
Dear Judge Hand:

I telephoned your office this afternoon because I am confronted with a question somewhat similar but not the same as the question involved in the case of Bank of America N. T. & S. A. v. Douglas, 105 F. (2d) 100. My hope was that I would be able to make arrangements for me and my General Counsel, Randolph & Paul, to discuss the situation with you. I intended to seek your help in the matter because I am assured that no aspect of the case could ever come before you in your judicial capacity and it would be a great help to me to have some expression of views from you on both the legal and policy level.

I learned from your Secretary that you were in Vermont until Court reconvenes early in October. Since the matter is somewhat pressing, Mr. Paul and I would like to come to Vermont to see you, if it is agreeable to you. We could fly to some neighboring airport without too much trouble, and we would hope that we would not be disturbing your vacation unduly.

Sincerely yours,

(Signed) H. Mergenthaler, Jr.

Secretary of the Treasury

Judge Learned Hand
United States Circuit Court of Appeals
Second Judicial Circuit
New York, New York

R EP: t
8-31-43
Operator: Go ahead.

Robert Sherwood: Hello.

HMJr: Hello, Bob?

S: Henry?

HMJr: Yeah.

S: I wondered if you were possibly free for dinner Friday night. I wanted to have a little dinner for Brendan Bracken.

HMJr: Yeah. No, I'm sorry, I won't be in Washington Friday night.

S: On, well, that's too bad.

HMJr: No. I – I know him and I like him but I – I won't be here, Bob.

S: Yeah.

HMJr: I'm sorry.

S: Well, I'll try you again.

HMJr: Do that.

S: All right. How's Elinor?

HMJr: She's getting along nicely, thank you.

S: Oh, well, that's fine.

HMJr: She's getting along fine.

S: All right, Henry. Well, I'm sorry.

HMJr: Thank you.

S: Good bye.

HMJr: All right.
Hello.

Mr. McCloy.

Hello.

John McCloy: Hello.

John? Yes.

How's the battle of Kiska?

Well, you saw what we captured?

Yeah. Well, where were you? Leading the troops?

Well, I was bringing up a very ignoble third wave.

I see.

After the first two waves had made perfectly sure that nobody was there except a couple of dogs.

I didn't know they allowed any Waves up there.

(Laughs) I'll forgive you for that sometime.

(Laughs).

I didn't know you were such a punster.

Right.

It was very interesting - fast things.

Oh, it must have been.

And it was just as well we didn't have eight or ten thousand casualties. However, it's too bad we didn't drown them on their way out.

Yeah. Well, listen, young fellow, you're going to be the death of me on these personnel matters.

Yes, I know.
Now, I've been all over this a couple of times about Woolf and if it's important enough to you, it's important enough for me to sit down with you tomorrow - with you and General Hilldring....

All right.

....because I've been over it three times now.

With - with - who were you over it with? Hilldring?

Yep.

Uh huh. Well, he's the fellow that's plaguing me.

Well....

Suppose we come over and see you.

What are you doing at 3:30 tomorrow?

Well, wait a minute - hold the wire. (Aside: 3:30 tomorrow). All right, sir, I'll be free at 3:30.

You and General Hilldring?

Yes. We'll be over.

And now, we'll settle that and then let's settle how we proceed on this thing....

Okay.

....because it's getting to be....

All right.

....too troublesome.

Right.

Thank you.

All right, sir.

Thank you.
Aug. 31, 1943

Ted Gamble
Secretary Morgenthau

Please thank Mr. Skouras very much, but for the time being we have decided not to have any more pictures in the country because Mrs. Morgenthau is well enough to go to the movies in Poughkeepsie.

Would you please make arrangements to take back the projection machine which Mr. Skouras left at the farm?

Thank you.
MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

The dollar volume of Lend-Lease requisitions referred to us for purchase has decreased during the past several weeks, although the number of transactions is substantially the same. The volume of field expediting, inspection, and storage activities, however, is on the increase.

Clifton E. Mack
Director of Procurement
### LEND-LEASE

TREASURY DEPARTMENT, PROCUREMENT DIVISION

STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND DELIVERIES TO FOREIGN GOVERNMENTS AT U.S. PORTS

AS OF AUGUST 25, 1943

(In Millions of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>U. K.</th>
<th>Russia</th>
<th>China</th>
<th>Administrative Expenses</th>
<th>Miscellaneous &amp; Undistributed</th>
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<tr>
<td><strong>Allocations</strong></td>
<td>$3875.0</td>
<td>$1931.8</td>
<td>$1557.0</td>
<td>$103.4</td>
<td>$10.9</td>
<td>$271.9</td>
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<tr>
<td>(</td>
<td>3874.0)</td>
<td>(1931.8)</td>
<td>(1557.0)</td>
<td>(103.4)</td>
<td>(10.9)</td>
<td>(270.9)</td>
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<tr>
<td><strong>Purchase Authorizations (Requisitions)</strong></td>
<td>$2984.2</td>
<td>$1594.9</td>
<td>$1224.5</td>
<td>$36.5</td>
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<td>(</td>
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<td>(1220.4)</td>
<td>(36.5)</td>
<td>(126.5)</td>
<td>(128.3)</td>
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<tr>
<td><strong>Requisitions Cleared for Purchase</strong></td>
<td>$2924.9</td>
<td>$1561.9</td>
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<tr>
<td>(</td>
<td>2905.0)</td>
<td>(1553.1)</td>
<td>(1194.1)</td>
<td>(36.3)</td>
<td>(121.5)</td>
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<tr>
<td><strong>Obligations (Purchases)</strong></td>
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<td>$36.4</td>
<td>$7.3</td>
<td>$99.2</td>
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<td>(</td>
<td>2799.3)</td>
<td>(1534.6)</td>
<td>(1123.6)</td>
<td>(36.3)</td>
<td>(7.1)</td>
<td>(97.7)</td>
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<tr>
<td><strong>Deliveries to Foreign Governments at U.S. Ports</strong></td>
<td>$1220.7</td>
<td>$887.0</td>
<td>$352.2</td>
<td>$18.3</td>
<td>-</td>
<td>$13.2</td>
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<td>(</td>
<td>1213.6)</td>
<td>(833.7)</td>
<td>(348.5)</td>
<td>(18.3)</td>
<td>(13.1)</td>
<td>(13.2)</td>
</tr>
</tbody>
</table>

*Deliveries to foreign governments at U.S. Ports do not include the tonnage that is either in storage, "in-transit" storage, or in the port area for which actual receipts have not been received from the foreign governments.

Note: Figures in parentheses are those shown on report of August 18, 1943.
AUG 31 1943

My Dear Mr. Secretary:

I am enclosing herewith for your information a copy of a letter addressed to the Secretary of War regarding the issuance of Allied military currency by the Allied Military Financial Agency. I am also enclosing copies of the memorandum of July 22, 1943, and the Comptroller General's letter of August 10, 1943, referred to in the letter.

In the event that the Navy Department should have any financial transactions in connection with this subject, I would appreciate it if you would make arrangements for keeping the Treasury informed with respect thereto.

Very truly yours,

(Honored) H. Morgenthau, Jr.

Secretary of the Treasury

Honorable Frank Knox
Secretary of the Navy
Washington, D. C.

Enclosure - 3

密文（加密）

8/24/43
By dear Mr. Secretary:

With regard to recent discussions between representatives of your office, the Treasury Department and the General Accounting Office on the subject of the issuance of Allied military currency, a letter has been received from the Comptroller General of the United States under date of August 10, 1943, (A-51612) advising that to the extent that the procedure referred to in memorandum of July 22, 1943, applies to the Allied military lira currency issued to disbursing (finance) officers of the United States Army, there obtains an adequate accounting. Copies of the memorandum of July 22 and the Comptroller General’s letter of August 10 are enclosed.

Under this procedure, it is understood that when the Allied Military Financial Agency turns over Allied military lira to a United States Army Finance Officer both AMFA and the Army Finance Officer will notify the War Department by cable, which will in turn transmit copies of such notice to the Secretary of the Treasury with a letter authorizing the Treasurer of the United States to charge the official checking account of the officer receiving such lira with the dollar equivalent of the lira on the date the currency was received by the Army Disbursing Officer.

It will be appreciated if the War Department would make arrangements with the Allied Military Financial Agency to furnish monthly to the Treasury Department a balance sheet with such supporting schedules as may be appropriate; a statement of Receipts and Disbursements, classifying the receipts as fully as practicable according to (a) sources, i. e., from whom received, (b) their character, and (c) type of currency; the disbursements according to (a) recipients, (b) character or purpose, and (c) type of currency; and a Currency Statement showing amounts issued, redeemed, destroyed, and sustaining.

With respect to transactions of AMFA in Allied military currency it is assumed that the statements will show:

1. Amounts of currency received from the War Department through the Army representatives.
2. The amount of Allied military currency issued to: (a) United States Finance Officers (Army or Navy); (b) British Finance Officers; (c) ANGAU; (d) Financial Officers of other Governments, if any; (e) Payments made for administrative expenses of ANFA; (f) Payments made for loans; (g) Other major classes or purposes for which currency is issued to be determined as experience may require; and (h) Miscellaneous.

3. Amount of currency returned to ANFA for re-deposition or other purposes.

It will be appreciated if there would be included separately in the monthly report information with regard to other currencies coming into the possession of military forces and turned over to ANFA and the issuance of such currency under the various classes indicated above with respect to Allied military currency.

It is understood that the Allied military currency was first issued on August 1, 1943, and it is presumed that the first report from ANFA reflecting the above information will cover the month of August.

Very truly yours,

(Signed) H. Morgenthau, Jr.
Secretary of the Treasury

Honorable Henry L. Stimson,
Secretary of War,
Washington, D. C.

Enclosures
July 22, 1943.

Memorandum relative to Allied Military lira currency

The manner in which the "earmarked account" referred to in paragraph 9 of the supplemental instructions regarding currency accounts and records for the operation involving the invasion of Sicily would be operated was discussed at a meeting held in the Treasury, at 10:30 A.M., Thursday, July 22, 1943, at which the following were present:

Treasury Department:
Mr. Keffelfinger  
Mr. Maxwell  
Mr. Barnes  

War Department:
Col. Stewart  
Col. Gilchrist  
Lt. Col. Burrows  

General Accounting Office:
Mr. Slaughter

The Allied Military lira currency notes which have been printed by the Treasury for the U. S. Military authorities will be consigned to the Allied Military Financial Agency (AMFA), which, acting on behalf of and for the Allied Military Government, will issue such Allied Military lira currency to (a) the U. S. Army, (b) the British Army, and (c) the Allied Military Government.

The following procedure was agreed upon, subject to Mr. Slaughter's discussion of the matter with the Comptroller General, and his agreement thereto.

SECRET
1. The U. S. Army will, when it obtains Allied Military lira currency from AMFA for expenditures in the area for pay of troops and other expenditures that would normally be charged to its appropriation, set aside in an earmarked account with the Treasury the dollar equivalent at the decreed rate of exchange. This will be accomplished in the following manner:

a. When AMFA turns over to Army finance officers Allied Military lira, AMFA will notify the War Department by cable of the name and symbol number of the officer who receives such lira and also the amount in lira and time of delivery of such lira to the said officer.

b. The Army finance officers will likewise notify the War Department by cable of the amount of the lira which they receive from AMFA and the time they receive it.

c. Upon receipt of the notices referred to in a and b above, the War Department will transmit copies of such notices to the Secretary of the Treasury with letter authorizing the Treasurer to charge the official checking account of the officer receiving such lira with the dollar equivalent as of the date the lira were delivered to the finance officer.

d. The Treasurer of the United States acting on this request, in lieu of the finance officer's official check, will charge the account of the finance officer in the amount indicated by the War Department and there will be attached to the debit document used in such cases, copies of the communications received from AMFA and the finance officer transmitted to the Treasury under g above.

SECRET
The amounts charged to the finance officers' accounts under 4 will be credited on the books of the Treasurer of the United States to a "special deposit account" under the title "Treasurer of the United States, Allied Military currency (lire)" and thus be earmarked for subsequent utilization for authorized purposes.

In addition to agreement to the above procedure, there was developed during the general discussion an understanding that the General Accounting Office would expect finance officers to report and account for expenditures of Allied Military lira on a dollar basis generally in the same manner as such officers customarily account for expenditures of foreign currencies which they acquire in exchange for "appropriated dollar" funds placed to their credit.
The Honorable
The Secretary of the Treasury.

by dear Mr. Morgenthau:

I have had brought to my attention a memorandum relative to the recently issued Allied military lira currency, wherein there is outlined in paragraphs lettered a, b, c, and d the several steps which will be taken by the disbursing (finance) officers of the Army, by the War Department and the Treasury in accounting for the value, in U.S. dollars, of the lira currency received by the said disbursing officers, for disbursement. It is noted that the amounts charged against the disbursing (finance) officers’ accounts and credited on the books of the Treasurer of the United States in a “special deposit” account are for subsequent utilization for authorized purposes, which, I assume, means the redemption of the lira currency so issued.

To the extent that the procedure hereinafter referred to applies to the Allied military lira currency issued to disbursing (finance) officers on the United States Army, there obtains an adequate accounting and there is no supplementing of the War Department’s appropriations.

It is also understood that the disbursing officers of the Navy who will likewise disburse the lira currency, will account therefor
in the same manner as outlined for the War Department, and if that is the case, the accounting is adequate and there is no supplementing of the Navy appropriations.

However, I am not informed as to whether any other agencies of the United States Government are to disburse any of the Allied military lira currency, or to what extent such disbursement may involve a supplementing of their appropriations.

When the information is no longer a military secret and may be safely made available, I shall be very glad if you will inform me as to the complete accounting for the said lira currency issued, and the extent to which the United States Government is obligated.

Sincerely yours,

Comptroller General
of the United States
To Secretary Morgenthau

From Randolph Paul

After spending approximately one month in Martinique, Mr. Ball returned to make an interim report. The significant aspects of his findings can be summarized as follows.

1. None of the material which Mr. Ball was permitted to examine disclosed the Martinique banks to be holding substantial funds for French collaborationists.

   a. Credit Martiniquais. A complete list of stockholders of the bank indicates that only 5 percent of the stock is owned by individuals residing outside Martinique, most of whom are former Martinique residents. A list of the bank's accounts and depositors indicates that the only substantial accounts held for persons outside Martinique are held for French metropolitan insurance companies and represent premiums paid to such companies by persons in Martinique. No securities are held for persons residing outside Martinique.

   b. Banque de la Martinique. This bank is the bank of issue for Martinique. No actual records were made available, and the following information was derived from interviews with Mr. Didellot, the bank's director.

      About 60 percent of the capital stock of the bank is owned by persons residing in France and the balance by residents of Martinique. The stock is listed on the Paris Bourse and apparently is widely held.

      Total transfers from France to this bank during 1940 and 1941 amounted to 40,000,000 French francs. Of this amount, 12,000,000 francs represent the 14 largest accounts and are held for persons outside of Martinique. The balance is held in some 2,000 accounts ranging between 3,000 and 20,000 francs. These transfers were made through the Comptoir Nationale d'Escompte de Paris, with which the Banque de la Martinique was holding 50,000,000 francs as of June 30, 1943.
The largest of the 14 accounts, 6,000,000 francs, is held in the name of Andre Brun, a French lawyer now resident in the United States. (Mr. Brun had informed Mr. Pehle of this account last winter.) The next largest account, 700,000 francs, is in the name of a former resident of Martinique. The other accounts are held by individuals unknown to us.

c. Banque Nationale pour le Commerce et l'Industrie (BNCI).

The Martinique branch of this bank was established after the fall of France. Mr. Charles, its director, was appointed by Mr. Pode, who, you may recall, was a collaborationist official of the BNCI, France, and held an important position in the Darlan North African government.

The capital of this branch consists of 30,000,000 francs transferred from BNCI, France, allegedly prior to the French Armistice. According to bank statements, its total deposits as of June 30, 1943, were 69,000,000 francs, distributed among 1,100 or 1,200 depositors. Two of these accounts were held for persons outside Martinique; the largest was 200,000 francs, or about $4,000. Large accounts in the names of Martinique residents represent accounts of important local import and export firms.

These findings are necessarily inconclusive. The facts with respect to the Credit Martiniquais and the BNCI are based on information derived from an examination of ledger sheets and deposit cards selected by the officers of the respective banks; in the case of the Banque de Martinique no records were shown. In no case was Mr. Ball permitted access to such records.

The present status of this matter is as follows. Under pressure from Ball, Hoppenot has requested authority from Algiers to obtain from the banks the significant information with respect to their depositors. We have demanded this information not only from the three Martinique banks but also from the banks in Guadeloupe. If Algiers doesn't promptly authorize the obtaining of this information and its transmittal to us, we will exert all possible pressure through the State Department to obtain a favorable decision by Algiers. As soon as the information is received, we will be in a position to determine the feasibility and usefulness of further investigation.
2. Estimate of total value of gold in Martinique, based on the sampling of 15 boxes, is in line with the reported total of $285,000,000.

There are 8,766 boxes allegedly containing the gold shipped from France to Martinique. Each of these boxes is approximately 13 inches long, 9 3/4 inches wide, and 5 1/2 inches high. These boxes are stored in a vault consisting of three large rooms, guarded by a squad of negro soldiers. There is one heavy wooden door with three locks and a second door made of bars of one-inch steel set into the concrete of the walls. The latter door has two locks and is also sealed with a heavy chain with a large, heavy padlock.

Mr. Hoppenot has never taken an inventory of this gold, but has relied upon the original description of the gold as shipped from France and a signed statement obtained from Admiral Robert to the effect that none of the gold had been removed.

Mr. Hoppenot consistently refused to permit an inventory to be taken by United States officials on the ground that such action would lead Frenchmen to regard him as a tool of the United States Government. However, after some discussion Mr. Hoppenot permitted Mr. Ball to inventory 15 boxes.

Of the 15 boxes selected by Mr. Ball for examination, 12 contained 20-franc pieces of pre-World War I date, some of them dating back to Napoleon. The remaining 3 boxes contained 100-franc coins minted in 1935-36. The average weight of fifty 20-franc coins was found to be 322 grams and the average weight of fifty 100-franc pieces, 327 grams. Each of the 15 boxes contained almost equal amounts of gold. If it is assumed that all of the 8,766 boxes contain the same weight of gold, the total weight of the gold would be about 280 metric tons, the value of which is in line with the figure of $285,000,000 which was reportedly moved to Martinique before the fall of France.

Under all the circumstances, there apparently is no reason to believe that the gold which was transferred to Martinique is not intact, and we do not recommend that any further action be taken with respect to this phase of the matter.

3. No blanket licenses have been issued to Martinique.

We have not as yet granted to Martinique the blanket licenses for trade between the French West Indies and the United
States. For the time being, this trade is being handled pursuant to specific licenses. We shall continue to withhold granting the blanket licenses pending receipt from the Martinique banks of the information requested and the determination of our future program with respect to the investigation of these banks.
AUG 31 1943

Your Excellency:

I appreciate your advising me of the good news that, due to efforts of the Holy See, the Italian Government is arranging for the demobilization of its camps for Croatian and Slovenian internees.

With kindest personal regards,

I remain

Most sincerely yours,

(Signed) H. Morgenthau, Jr.

To His Excellency,
The Most Reverend Amleto Giovanni Gioconani, D.D.,
3339 Massachusetts Avenue, Northwest,
Washington, D. C.
The attached letter from the Apostolic Delegate refers to the successful efforts of the Holy See to secure release from internment camps of Jewish internees who had been taken from Yugoslavia and interned in Italy by the Italian Government. This matter had been previously referred to in the attached letter to you of May 15, 1943.

We have also been advised by representatives of the Apostolic Delegate that the Holy See is actively intervening on behalf of the Jewish population in Northern Italy and in the Italian zone in France.

There is attached a suggested reply to the Apostolic Delegate's letter.
My dear Mr. Morgenthau:

Realizing your interest in affairs of this nature, I hasten to inform you that I have received a communication from His Eminence Cardinal Maglione that, due to the efforts of the Holy See, the Italian Government is arranging for the demobilization of its camps for Croatian and Slovenian internees.

With sentiments of highest esteem, I remain

Sincerely yours,

[Signature]

Archbishop of Laodicea,
Apostolic Delegate

The Honorable
Henry J. Morgenthau Jr.
Secretary of the Treasury
With the compliments of British Air Commission

who enclose Statement No. 101 — Aircraft Despatched

— for week ended August 31, 1943.

The Honourable Henry Morgenthau, Jr.
Secretary of the Treasury
WASHINGTON, D. C.

September 6, 1943.
## Statement No. 101
Aircraft Dispatched from the United States Week Ended August 31, 1943.

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<tr>
<th>Type</th>
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**Total** 116 59 13

Movements Division
British Air Commission.

September 4, 1943
With the compliments of British Air Commission
who enclose Weekly Statement No. 119 covering
Aircraft Flight Delivery as at August 31, 1943.

The Honourable Henry Morgenthau, Jr.
Secretary of the Treasury
WASHINGTON, D. C.

September 6, 1943.
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- In Canada, Bermuda, or Nassau
- On report No. 118 the quantity (32) which should have been shown here was erroneously shown in Column 8 (Bostons).
My dear Mr. Secretary:

I have the honor to acknowledge with thanks the receipt of your letter of the 30th August regarding the Lease-Lending of 20 million ounces of silver to India for coinage purposes and note that you are conveying to the Lend-Lease Administrator the recommendation of the Treasury that the amount of silver referred to above should be made available to the Government of India under agreement that an equivalent amount of silver should be returned to the Treasury after the war. The Government of India have learned with much satisfaction that it is the intention of the Treasury to arrange for the deliveries of the silver at an early date.

As you are aware, the needs of the Indian Government for additional silver for coinage have become urgent and the Government of India have asked me to convey to you their deep sense of acknowledgment of the timely and valuable aid that United States Government have seen their way to provide.

Yours sincerely,

Cecil Kisch

The Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D. C.
AUG 30 1943

My dear Kisch:

This is in reply to your letter of August 25, 1943, regarding the lend-leasing of 20 million ounces of silver to India for coinage purposes.

I am writing to the Lend-Lease Administrator that the Treasury has considered the needs of the Government of India for silver for coinage purposes during the remainder of this year, and recommends that 20 million ounces of silver be made available to the Government of India from the stocks of silver in the General Fund of the Treasury under agreement to return an equivalent amount of silver to the Treasury after the war.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Acting Secretary of the Treasury

Sir Cecil Kisch,
India Supply Mission,
635 F Street, N. W.,
Washington 4, D. C.

EUG/je
8/26/43
My dear Mr. Secretary:

Reference is made to previous letters and conversations between representatives of our respective governments relative to the vital need of the Government of India for a supply of silver for coinage purposes.

Accordingly, I request, on behalf of the Government of India, that you will be so kind as to inform the Office of Lend-Lease Administration that the needs of the Government of India for silver for coinage purposes during the next five months may be met, to the extent of 20,000,000 ounces of silver, from the stocks of silver of the United States Treasury. I also request, subject to the mutual convenience of the United States and the Government of India, that this silver may be made available to the Government of India as soon as possible.

I am prepared, on behalf of the Government of India, to file with the Office of Lend-Lease Administration appropriate requisitions for the above-mentioned silver and also to transmit to that Office the agreement of the Government of India to return to the United States Treasury, within five years after the end of the existing national emergency in the United States, as determined by the President of the United States, an amount of silver bullion equivalent to the total number of ounces of silver transferred to the Government of India under the Act of March 11, 1941 from the stocks of the United States Treasury silver.

It will be appreciated if you will kindly advise the Office of Lend-Lease Administration of your approval of the foregoing request.

Yours sincerely,

Cecil Kisch

The Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D. C.

[Handwritten note: "A treaty for renewal"]
HIL
This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

Secretary of State,
Washington.

1092, August 31, 4 p.m.
FOR TREASURY DEPARTMENT.

Referring to the Department's telegram No. 626, August 26, and the Consulate General's telegram 1079 August 28.

Punjab Government advises can arrange to supply 100 pounds charas. Delivery will be arranged as soon as possible through American Consul at Karachi where priority instructions should be sent to Army authorities.

MCDONALD
Information received up to 10 a.m., 31st August, 1943.

1. NAVAL

On 28th/29th and 29th/30th, coastal forces operated off the South and Southwest coast of ITALY. One of H.M. Submarines attacked the Japanese Light Cruiser KASHII on 28th while entering SABANG. One torpedo hit is possible. One of H.M. Sloops and one of H.M. Corvettes escorting a homeward convoy North of the AZORES sank a U-boat yesterday after a hunt lasting 18 hours.

2. AIR OPERATIONS

WESTERN FRONT. 30th. 77 Medium bombers dropped 96 tons at installations near ST. OMER. One bomber missing. None of the 33 Squadrons of escorting Spitfires was engaged.

30th/31st. 755 aircraft sent out: MUNCHEN, GLADBACH and RHEYDT - 660 (25 missing), Installations near ST. OMER - 45 (2 missing), DUISBURG - 12 (1 missing), Mine-laying - 9, Intruders - 29. Preliminary reports indicate that in cloudy weather bombing at MUNCHEN, GLADBACH was scattered at first but improved later. At RHEYDT bombing became less accurate after a good start. Fires were caused in both towns.

ITALY. 28th/29th. Wellingtons dropped 73 tons at TARANTO.

29th. A total of 247 tons were dropped on railway objectives at ORTE, TORRE ANNUNZIATA and CONSENZA. Marshalling yards at LAELIA were bombed by 36 light bombers. Enemy casualties - 17, 8, 15. Allied - 2 missing.