

DIARY

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September 21, 1943
10:40 a.m.

THIRD WAR LOAN DRIVE

Present: Mr. Gaston
Mr. Smith
Mr. Albee
Mrs. Klotz
Mr. Cook
Miss Greenbaum
Mrs. Britt
Mr. Fleming

H.M.JR: I have not read Churchill's speech. I don't know what he says. I take it you fellows have; if you haven't, please do.

MR. SMITH: I haven't yet because I just got a message from Sexton I have been reading.

H.M.JR: Now, let me tell you what has happened, to bring you up to date. I got really excited this morning because there are only some four hundred million dollars' worth of E Bonds as compared with the others. I am all kind of tied up in a knot.

Now, here is the job that we have got to do. Bell is working on it; he is dictating the technical explanation of it. After a moving picture theater or a department store sells a bond and dates it September 21, it may take three weeks until that bond clears the Federal Reserve. See?

Now, they said to me this morning - which is just blankety-blank nonsense - that I should announce that the thing will have to take credit for three weeks. So I have come to this decision, which Bell and Gamble are working on, that we will close the drive on the night of September 30 and say that anybody that buys a bond on

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or before midnight September 30, which will show on the bond that he bought it, will get credit. And then we will say - but Mr. Sproul says that until the stub comes in to his bank he needs at least three weeks, on account of labor shortage, to clear it. Mr. Hap Young of Chicago says he needs four weeks.

I don't care how long it takes to clear because we have all got our manpower shortages, but anybody that buys a bond - "Come on, people - make up your mind. You can just as well make it up today as ten days from now."

Somebody suggested we run the thing until the 15th of October. I said no. Then they said "Run the thing until October 2." No, because I can't make the people believe that I am not fudging. If I say every bond dated September will count, that makes sense, and I think the public will believe me. But if I do anything else other than that - I tried it out on Hopkins. I said, "Will you believe me if I say that every bond dated September counts and everything after that doesn't?" He said, "I will believe you; but I won't believe you any other way." I was over there; that is why I was late. I was telling him the Herbert Hoover stuff. I wanted to get that off my chest.

MR. ALBEE: That makes sense.

H.M.JR: I think, if I am going to sit down tomorrow night with Burgess - "I have got to explain the technical machinery that we go through; why it takes so long and why we won't know until three weeks after this thing is over whether this drive is a success or a failure. And I am saying so now, and I am saying that a week from tonight the War Bond Drive closes."

I'd tell every one of the sixty thousand issuing agents we should announce that we will stay open until midnight on September 30. And these fellows in the factories and every other place, they might just as well make up their minds in the next seven days - are

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they going to buy a bond or aren't they; either they have the money or they haven't. Running the drive two weeks longer is just a sign of failure. The return on E Bonds is a failure.

MR. ALBEE: I think it is talking turkey. It fits in with the general grim warlike attitude of the country.

H.M.JR: We have only fifty million more E Bonds than the First War Loan, and we are supposed to have twice as many, as of last night.

Now, nobody will know for three weeks whether the thing is a failure or a success.

MR. GASTON: I suppose the Feds can take care of segregating the September dated E Bonds from the October E Bonds in their accounting.

H.M.JR: As I understand the thing, the bond is dated and what they wait for is the damned stub to come in.

MR. GASTON: Yes, but the Feds will be getting in bonds from issuing agents in one package or in one shipment. They will be getting in some bonds dated September and some bonds dated October; so it will be necessary for the Fed to segregate the September bonds from the October.

H.M.JR: You don't understand it any more than I did this morning - if you don't mind my putting you in the same class as myself. I am going to get some stuff up here from downstairs to show you.

MR. GASTON: They will have that problem, though.

H.M.JR: No, not if I understand it.

MR. GASTON: I think the banks can handle the segregation all right in their statistics. They have to segregate them anyway for the purpose of listing the payment.

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H.M.JR: Bell says that is no problem - they do it anyway.

Now, where are these reporters that went up to New York?

MR. SMITH: They are upstairs. We got some reports from them - not from Fleming, he hasn't brought his report in, but the two girls are in.

H.M.JR: Can't I see them - get it face to face?

MR. SMITH: I think it would be better.

MR. GASTON: People have been lead to believe this is going to go until October 3. Your big announcement is an earlier closing date; if we can raise it up to October 3, we can raise it up to September 30. "It means a lot more hard work; get busy and get these things in. Here is the reason we must do this, in order to have a clean accounting on the drive."

H.M.JR: You know we have got to decide this other thing now. I think it is right. I don't want to pound it into you fellows unless you think it is right.

MR. SMITH: I think it is right.

H.M.JR: Let's say mechanically - take Bell's word for it - that it is mechanically possible, and they can segregate the thing and that they can recognize the difference, and I am announcing the closing, and announcing why I am closing it. I don't want anybody to say that I misrepresent it, or anything else. It is going to take two or three weeks for this stuff, and I am going to name three or four presidents of the Federal Reserve and say, "He says he can't do it under so much time. I want the public to know; this is your drive - your financing. This is a people's financing, and I want you to know - therefore I want a clean-cut - I don't want anybody who is an enemy of the volunteer plan to say that I am fudging."

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MR. GASTON: I think it would be well to tell how many thousands of issuing agents, how many stores, how many banks--

MR. SMITH: That alone makes it believable. Sixty thousand people selling bonds - obviously you can't keep abreast of sixty thousand people selling bonds. I think that is a big part of this whole story.

MR. GASTON: "We take our figures only when the transaction is completed in the Federal Reserve Banks as fiscal agents of the Treasury. We don't go on any estimates."

MR. ALBEE: What form would you like this to take Thursday night - a formal speech, or some sort of a round-table chat?

H.M.JR: Well, it might be as between Burgess and Allan Sproul and me.

MR. SMITH: Burgess called this morning and he is all steamed up about this round-table business. He thinks you ought to have a few people from his committee. He had some ideas that ought to go into the script, he said. The first one was he wanted to ask you what were your impressions and suggestions, and what not. You have been all around every place to see this thing, and he thought you ought to say, in essence, that the wide variety of people working on this thing - everybody is working on it - and that would give him an opportunity then to point out that the reason everybody is working is because--

(Miss Greenbaum, Mrs. Britt, and Mr. Cook entered the conference.)

H.M.JR: Fred, do you want to hear from the girls or do you want to hear about Burgess?

MR. SMITH: Let's hear from the girls. This we will take up later, anyway.

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MR. COOK: Mr. Fleming will be over very shortly. He got in to his hotel about three or four o'clock this morning.

H.M.JR: Well, look, to get - forget this is the office of the Secretary. I am just a man who would like to hear what you saw yesterday and what you think. What paper are you with?

MISS GREENBAUM: I am not with any paper right now. I am Scripps-Howard, though.

MR. COOK: She was for years on the World Telegram.

MISS GREENBAUM: I went to Brooklyn and to Long Island, and Long Island I found not in anything like the shape of Brooklyn. For instance, they have a rather difficult problem there of having their Que Gardens and Jackson Heights, and those, buying in New York. But they have got a campaign worked out there and they are trying to get every block in the city to buy a block-buster. That is their slogan. And they are about forty-four percent up on that. There isn't quite so much color to that over there, although I think they are working very hard. But they are not quite as organized there, and they have that difficulty.

Who had my notes on that?

MR. COOK: You are speaking of Queens now, as against Brooklyn?

MISS GREENBAUM: Yes. But Brooklyn is just magnificently organized. You have never seen anything like the way the groups - every group in Brooklyn, down to every family, practically, is taken care of in Brooklyn. They have their schools, their factories, their foreign sections and every group there is organized so that they can go to every one of them and they know exactly what they can do.

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What they are doing in this particular place, besides things like theaters where they have big bond rallies and that sort of thing - they are having bond rallies at the rate of about ten a day which go right into the factories and the war plants and all that sort of thing, and they really expect that in most of those they will get almost a hundred percent cooperation because they are so well organized within the factories. And they have speakers and sort of entertainment groups who go at noon to these factories, and they really put on a show and they work up that Brooklyn Dodger sort of enthusiasm and sign them up right there. And that is what they are specializing on right now, because they have so much - they have a very large bond sale there, anyhow. And they have those at the rate of about ten a day.

Then all over the sidewalks there they have "Buy Bonds" stenciled on the sidewalk. The whole town is done up with banners - "Buy Bonds" - and practically every place you see the posters. You are very aware of it over there.

Now, for instance, a small club like the Elite Club over there decided to go out for some one particular thing - I mean, for one particular piece of equipment. They raised a hundred and ten thousand dollars one week for this. That was their goal. The next week they thought they would try to raise another one. As I say, their goal was to raise a hundred and ten thousand in that one particular club. They got that in one week and they are now on their third, which is three times as much as they put themselves out to do.

There was one woman came in that they really didn't know. She said she wanted to do something. They said, "Why don't you sell bonds in your own apartment house?" That woman brought in six thousand dollars the first week, and she is now up to something like thirteen thousand.

They are doing another thing in apartment houses that is very interesting. They get the photographs of

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all the men in service and they put those down in the front hall and "Bonds" underneath, and say, "Back the boys in your house."

That is a little local idea of what they do there.

There is a hotel or a sanitarium called the Jewish Hospital and Sanitarium for Chronic Diseases. Just the patients have sold one hundred and ninety-four thousand dollars worth of bonds. They sell them to the nurses and to the people that come in, and to the doctors and that is I mean, those are inmates - those are people that can't get out. That is what they want to do.

MR. ALBEE: I have been in that hospital. Most of those people are seventy and seventy-five years old.

MISS GREENBAUM: There is one Brooklyn firm - he doesn't want his name given out - who will give one dollar for every eighteen seventy-five dollars that his employees put in.

There is one woman in Brooklyn that sold three million dollars' worth of bonds just by opening up sort of a bond - her house outside says, "We sell bonds here." She sells them on busses, on trolleys, and from door to door, and that woman averages - not just this, but she averages about four hundred thousand a month on sales. And there are other people that do that sort of thing in Brooklyn. You can't believe it.

They did a very cute little stunt there when Elsie the Cow, you know, presented a million dollars' worth of bonds there. They had a large key to the city made for Elsie and presented it on the courthouse steps. Every time they sell bonds - just like - you can't believe-- (Laughter)

H.M.JR: Not bad for Borden's. (Laughter)

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MISS GREENBAUM: They told me in the Women's Department, which is under Mrs. Sturgess, that now nobody gets excited or pays any attention when they get a million-dollar check. The first one they got, the women kind of got up from their chairs and looked at it, but now it comes in so fast that you just deposit the million-dollar check. When they first opened that department over there, as a matter of fact, they had no provision made for taking the money that came in. They had so much money to handle they really were frightened; they didn't know what to do with it.

H.M.JR: That is a Women's Department in Brooklyn?

MISS GREENBAUM: In the Brooklyn headquarters, under Mrs. Sturgess. They send out--

H.M.JR: Excuse me - make a note, Fred, that I should see Mrs. Sturgess.

MISS GREENBAUM: Brooklyn doesn't have any releases; apparently the papers come to them. It is very hard to just dig out these little things. But I did find this thing - I thought it was very funny. There are three women over there in the million-dollar class - bringing in checks so fast - so they had a luncheon to give citations to them for the outstanding work - but they really have no time for this sort of thing. So they arranged this luncheon, and it was very nice except that when they got there the three women of honor couldn't be there because one woman was in bed with her feet and legs tied up because she had done so much walking around; another woman had a heart condition and she had to be put to bed by her physician; and the third woman - her throat had given out and she was utterly unable to speak. So they had the luncheon and not one of the guests of honor was able to get there. (Laughter) That is typical of Brooklyn.

I showed Mr. Cook the Brooklyn Eagle the first day. It was in large green type - "Buy Bonds, Back Brooklyn Buddies" - practically green paint over the whole front page of the newspaper.

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MR. COOK: Ninety-six point type. I sent it over to Doob this morning.

H.M.JR: I only got this idea Sunday.

MR. GASTON: Are any of the papers covering these feature stories of the drive - any of the daily newspapers covering them at all?

MISS GREENBAUM: I don't know. Brooklyn papers are very cooperative. No, I don't know that they are. You see, it is a local thing up there. Brooklyn always works differently from New York City and works in its own way. You never know too much about - you never really know how Brooklyn does a thing except that it is like what they work up for the Brooklyn Dodgers - it is just something that happens over there.

MR. COOK: Murray Davis of the World Telegram--

MR. GASTON: That is where the newspapers should be building their correlary copy on this drive all over the country.

MISS GREENBAUM: For instance, here is the picture of Elsie - here is Elsie presenting the thing, and then they have Elsie getting the key to the city of Brooklyn. (Laughter)

H.M.JR: They really got a cow. Isn't that wonderful?

MISS GREENBAUM: They are using this a great deal because this (indicating boy holding poster) is a Brooklyn boy.

As I say, there are no records - nothing you can go to - you just have to talk to people around there and they are all so busy answering the telephones they don't have time to do much, but this is sort of a general picture of what Brooklyn is, and it is fantastic.

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H.M.JR: Could I ask you this - I am going to save my question - no, I will ask it now. We are thinking here of closing the drive on Thursday, September 30, and announcing that tomorrow night so as to keep it within the month. What effect do you think it will have on these people that you have seen in Brooklyn?

MISS GREENBAUM: I think they figure it will be closed about that time anyhow, don't they?

H.M.JR: I mean, will they be able to get over the territory?

MISS GREENBAUM: Brooklyn will get over it. Queens won't, I don't think.

H.M.JR: In other words, the people who are going to do it will do it anyway?

MISS GREENBAUM: Yes, and what would happen - Brooklyn will meet this, and they expect to more than meet it. But if it were that, they would just go a little bit harder.

H.M.JR: They will?

MISS GREENBAUM: Oh, yes. They will get it in. I mean, Brooklyn won't fall down on that.

H.M.JR: They won't slow down?

MISS GREENBAUM: Oh, no, Brooklyn can't slow down. You have never seen such a place as Brooklyn.

H.M.JR: Is that--

MISS GREENBAUM: That is just about it.

H.M.JR: What do you think closing it on the 30th--

MRS. BRITT: I was told that the door-to-door campaign was just getting under way - they told me yesterday

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that the individual contributions, the door-to-door campaign, was just about getting under way; but I think that if they knew the drive was to end on the 30th they would make a definite effort to cover all the territory. But they need advance notice.

H.M.JR: They would get notice tomorrow. It would give them a week.

MRS. BRITT: I think, as you said, the people who are going to do it will do it.

H.M.JR: Where did you go?

MRS. BRITT: I went to the Bronx and Manhattan. I didn't go to Staten Island, but got a report and got the figures on what the foreign language groups were contributing - the Greeks and the Norwegians and the Italians.

New York City is organized under three categories: The banking and investment group; the insurance boys who are out scouring; the pay-roll savings committees already established, which are in the factories; and the community sales group, which are the ones - the little people doing the actual work. They work all day and spend their nights in these empty stores and various depots around the city. Those are the people, according to the State Chairman, who are maybe not bringing in the most money, but doing the most work.

A taxicab driver has taken it on himself to organize all the taxicabs - to campaign for them. And a shoemaker, for instance, won't give shoes back to the people who are sitting waiting until they have bought a War Bond. One woman - an AWVS girl - refused to let her dinner guest in until he bought a war bond. Those are some of the individual things.

(Mr. Fleming entered the conference.)

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MRS. BRITT: The Bronx is sort of on a nautical slogan, "Back the Attack with the S.S.Lafayette." They are raising the money to equip the Normandie. The colleges are going to put on a big review for the public Thursday night, competing with you. They intend to raise six million dollars.

H.M.JR: They won't compete. I am on at six-thirty.

MRS. BRITT: They have a lot of shipbuilding industries which are mobilized. Staten Island is out to pay for Halloran General Hospital - a nine-million-dollar goal. In their house-to-house campaign - sixty thousand houses - and one big rally at the St. George Theater they hope to raise, I think, about two billion dollars.

Manhattan is really all-out organized for that big victory tent. Something is going on every minute there. Somebody is holding a rally - all the groups in Manhattan, the Stock Exchange, the churches, the City Council, and the police groups.

H.M.JR: I have got to interview both of you. This is the way my mind is going. I don't know whether I am right or not. Let me explain what I have in mind, and then you people from the field can give me this thing. We just barely got the number of E bonds, as of last night - maybe fifty million dollars more than we had at the same time in the last drive. Of course it is the E bonds we want.

The story we are getting is that it will take from two to three weeks for these bonds to come to the Federal Reserve from the sixty thousand issuing agents we have all over the country.

Now, as I understand it - it may not be exactly correct, so don't somebody correct me technically - but the thing is that if you buy a bond in September we will know it is bought in September and we can prove it is bought in September; and the thought is that I would say tomorrow night that a week from then the bond drive will close at midnight. Anybody who buys a bond up to midnight on the night of September 30 will be amongst those listed

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as doing his part during the month of September. Now, in the first place I would like to get your reaction on that. Then I can say it is going to take two to three weeks to know whether this bond drive is a success or a failure, which will be the truth. The Feds just can't clear it.

I am going to quote three or four presidents of the Federal Reserve Banks, maybe have them on the air with me, say they can't clear this stuff under two or three weeks, that is, the stubs that come in. Do you think that the public will believe me, that this isn't just an alibi that I am using? I mean, can we sell this thing to the public that this is a bona fide fact it will take us from two to three weeks to know what the returns are of the E bonds?

MR. COOK: May I offer a suggestion?

H.M.JR: That is what you are here for.

MR. COOK: I think that instead of doing that the first time down there, that the stories, that is, with the figures, as we give them out each night, should carry some quotes from different persons along that line so that the public will kind of have the idea, and then you clinch it down there. But I am afraid that the newspapers and the press associations, and so forth, around the country, and a lot of people - if it is just made, that announcement or that speech, that there might be some question because it will be right up toward the close of the drive.

H.M.JR: It will be tomorrow night.

MR. COOK: Yes, tomorrow night.

H.M.JR: This is Wednesday night. I misspoke myself - that is right, I am doing it Thursday night.

MR. COOK: Then there are two days' announcement on figures, where we might be able to get some quotes from some of the Federal Reserve Banks along that line, somebody

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not connected with the Treasury, so that that would come from outside before you make the announcement there, and then you would clinch it. That is my thought. Now, it is just my thought.

MR. GASTON: I am thinking along different lines. I am thinking it is better not to sell this thing too hard. They will think you are presenting an alibi. Announce it in a perfectly matter-of-fact way. I don't think you need the supporting testimony of presidents of Federal Reserve Banks. The first thing is quite obvious - a mechanical problem. You just handle it as a matter of course.

MR. SMITH: On the round-table why not put one of your issuing agents on and let him tell what he does with his stubs, and have a Federal Reserve president who could pick up the mechanics when he gets it. It is obvious how long it takes to do it.

Then you say, "When we close this thing September 30" - in a sort of a parenthetical way, "When we close it September 30 it will take approximately three weeks to wind it up."

MR. ALBEE: It took two weeks after the Second.

H.M.JR: We were criticized.

Take Cook's idea. Suppose the twelve Federal Reserve Bank presidents got out a statement saying it was going to take two or three weeks to wind it up and they do the thing locally. I mean, just simply say, "We want our community to know that we are not going to be able to give an accounting for two or three weeks after this drive closes" - whenever it closes. "It will be two or three weeks." I rather like that idea.

MR. GASTON: I don't. I think it will introduce confusion, we don't know what we are about.

MR. SMITH: Isn't it perfectly logical to say that they are two or three weeks behind the actual sales because of the mechanical operation and then wind up by saying that

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therefore it will be three weeks after the drive is ended before the final figures are in?

H.M.JR: If you aren't sure they are going to handle the thing right, the way you could do this thing is this: I like the idea of bringing in these Federal Reserve Bank presidents to explain handling the mechanics.

There is another thing; they get a much better press than I do. There is no question about it. They are not part of the New Dealers, so the papers will carry stuff that they say when they won't carry what I say.

MR. GASTON: You get that same result by letting them follow you and explain it in the local communities after you have made the announcement about the close of the drive on September 30.

H.M.JR: I am bucking you, Herbert. I was thinking - I have Sproul in this and I might bring in Hap Young from Chicago and say, "Mr. Young, how long will it take you - you have just heard me announce that we are closing on the night of September 30. How long will it take you until you think you can clear?"

He will say, "Well, Mr. Morgenthau, the best estimate I can make is it will take me three weeks."

"You can't speed that up any?"

"No, Mr. Morgenthau, we are short, haven't got the typewriters. We have been working Saturdays and Sundays. We are working every night here, and I have the people sleeping on cots in the Federal Reserve. We are doing everything we can. We will do everything we can to back you up."

"All right, thank you."

"Mr. Leedy in Kansas City, how long do you think it will take you?"

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"Well, Mr. Morgenthau, it will take so long."

"Dallas, how long will it take you?"

"Come in San Francisco. What about you?"

"Well, Mr. Morgenthau, we are swamped. The thing is going beautifully, but the country is going to have to be patient on the returns" - just do it on half a dozen people - be optimistic, but just bring in three or four people, pipe them in on the talk.

MR. COOK: That is going to be fine for the people who are listening to the broadcast. And the question as to just how far the newspapers are going to go in publicizing that around the country is a question. I mean, it is going to get good publicity and reach a lot of people.

The thought about having the various districts - the thought of having it come from the twelve districts and released locally will reach many more people in addition to what you are going to reach - you will cover the country that way, but you will not cover it on the broadcast.

H.M.JR: Can't we do it simultaneously, I go on the air Thursday night and each Federal Reserve president gives out a statement for Friday morning's papers locally besides? Would that take care of it? I mean, over his name.

MR. COOK: That would do it. Each of the twelve banks can give out a statement Thursday night, locally, of their own. I think that would augment the general story and the broadcast story.

H.M.JR: I think that would be better than doing it in advance. I am a little bit afraid of the advance stuff.

MR. COOK: I think you are right. I was just trying to figure out how you could get to the most people and get that message across by using every means at hand.

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H.M.JR: Well, why don't you people work on that? You are all technicians - I mean, you are much better equipped on that than I am. But my inclination would be to pipe in three or four of these fellows who are the furthest behind and back it up with a statement from every one of them telling what their troubles are and how hard they are working and how much stuff is waiting to be cleared.

Do either of you ladies have any particular outstanding cases, particularly of foreign-born cases up there in New York?

MRS. BRITT: Just groups, no individuals by name.

H.M.JR: Any groups particularly?

MISS GREENBAUM: This Italian newspaper is now running a whole page and running also the names of people who buy bonds - it is devoting about a page a day to bond sales and to the number bought by people. That is, of course, just the Italian group.

MRS. BRITT: The Starving Armenians have raised more than half a million dollars, which was their quota - I mean, the ones we used to say were. Within New York they have gone over their quota already.

H.M.JR: How about - did you hit any Italian groups, the lower east side Italian section?

MISS GREENBAUM: I just went into the office at the end of the day. They said that of course there would be tremendous support of it and that they were just beginning this daily paper business. They had in both papers that they gave me full pages - a whole page devoted to the bond campaign.

H.M.JR: You have nothing particular?

MISS GREENBAUM: No.

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MR. SMITH: Greenbaum told me the lower east side had the best record of door-to-door - they sold two out of the total of seven million.

MRS. BRITT: The first district in New York to go over their mark, two million dollars out of seven million, was the lower east side. That was during the early part of the program. Those figures are probably even more today.

MISS GREENBAUM: I found in both Queens and Brooklyn that they hadn't done much on the door-to-door campaign yet, and no returns, because that is apparently something they do toward the last.

H.M.JR: How about you?

MR. FLEMING: I didn't go into that side of it at all. I went downtown. Apparently they have their sales organization much better set up through these sixteen bank teams. They have taken - I thought it was done intentionally, with Whitney down on team eleven and Potter and Chase up on teams one and two, or somewhere around there, and Leon Fraser down on team thirteen or so, but General Black told me the teams were set up on the basis of the size of the banks. (Laughter)

H.M.JR: I don't get the significance of what you are saying.

MR. FLEMING: When I looked at the list of teams, here was George Whitney of J. P. Morgan way down on team eleven or twelve, and Leon Fraser of the First National, which is closely related to J. P. Morgan, way down on team thirteen, so I thought the world had been changed around. (Laughter) But it wasn't that way. J. P. Morgan just happens to have a smaller number of deposits than most of the big banks. Actually it was led by the City--

H.M.JR: Oh, thirteen in number of--

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MR. FLEMING: No, they have sixteen teams numbered one, two, three, and so on. I thought the Morgan people were pushed down to the chairmanship of the last team, but it wasn't so.

H.M.JR: Just an accident? (Laughter)

MR. FLEMING: Just an accident.

H.M.JR: A happy accident. (Laughter)

MR. FLEMING: These teams - each bank has taken in the smaller banks around, and also they have taken the brokerage houses and tossed them all in, just divided them up, put them in banks without any particular allocation.

Black found over at War Finance that not all the member firms were taking part, so he talked to Schram. Schram put the heat on them, and they are all in now. And the Stock Exchange was - the people there were very much perturbed yesterday afternoon until about quarter of six as to whether you were going to come over to the floor of the Exchange.

H.M.JR: You mean they were worried I would come? (Laughter)

MR. FLEMING: Worried you - they were afraid you would not appear, and they are planning to put on the biggest rally they have ever had in Wall Street, and you will be the first high official to visit the floor of the Exchange since William Howard Taft in 1917 spoke for the Second War Loan.

They plan to have an exhibit of equipment down there - I think they will borrow it from the show at Sixth Avenue and Fiftieth Street - which will fill Broad Street from Wall Street down to Exchange Place; and they are going to get the military band in there and get them on the floor of the Exchange and play during the last half hour of trade. They have extremely elaborate plans for decorating the floor of the Exchange.

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They are going to open the Exchange floor to the public, and they are debating as to whether they will release the figures on total sales by members of the Exchange up to the time of your speech, or just on the day. They don't want to - if they are going to make it on the day, that is Thursday - they don't want to release that fact beforehand, because then some of the members would, no doubt, go a little slow today and tomorrow in order to make a larger total on Thursday.

Schram is to make the introduction, and they are going to have some general, possibly Terry Allen, or, I think, Admiral Andrews, or Hugh Drum, to follow you.

H.M.JR: There was great argument as to whether I should go.

MR. FLEMING: You would have broken a lot of hearts in the Street if you hadn't gone.

H.M.JR: You had better write me about two hundred and fifty words, will you?

MR. FLEMING: On what I just said?

H.M.JR: No, no, on what I should say there.

MR. FLEMING: Oh, well, you can say that the Stock Exchange was originally founded in order to float the U. S. Government bonds, and I will think up a few more ideas.

MR. GASTON: You could say stock brokers are also people. (Laughter)

H.M.JR: How did William Howard Taft get there in the Second War Loan?

MR. FLEMING: He was not an official; he was an ex-President.

MR. GASTON: Professor of law at Yale University.

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H.M.JR: Was he a lawyer? He must have been. I am serious. Will you see what you can type out for me? I don't guarantee to deliver it, but - well now, what else did you find out?

MR. FLEMING: That is about the gist of it.

H.M.JR: Well, if I am going to go there I might as well say something nice about them.

MR. FLEMING: I don't think of anything that - I will sit down and think out something nice.

H.M.JR: Should I ask them why they happened to de-list Transamerica? (Laughter)

MR. FLEMING: I don't think that would be a good idea.

H.M.JR: You wouldn't do that?

MR. FLEMING: No.

MR. GASTON: This is a project--

MRS. KLOTZ: You might get the answer. (Laughter)

H.M.JR: Also I might get a rotten tomato. (Laughter)

MR. GASTON: It might be unfriendly to say that this is a project to repopularize the Stock Exchange, but it - it might have some of that effect, but that doesn't do any harm.

H.M.JR: That is all right, Herbert. Last time they did an awfully good job.

MR. FLEMING: Black figures that the Stock Exchange people had no facilities for figuring up what they sold. They sold five hundred million. Black is sending figures over regularly to Schram on what they are selling. They hope to do substantially better.

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H.M.JR: Well now, we have got this. Now, this is my idea to keynote - the keynote that I want to strike. I would like to read from an editorial in the Washington Post. Whoever wrote this did it so well. You haven't found out who did it?

MR. SMITH: Ted said that Allen Barth wrote it. We haven't been able to check through the Post itself, because--

H.M.JR: I launched Allen Barth here. He was with me, you know.

MR. SMITH: Ted said they asked him to do it, and he probably did.

H.M.JR: He used to be with the McClure Syndicate. He couldn't stand it any more and came over here for a breath of fresh air.

"There need be no talk, at this juncture, of failure. We are not, as a nation, going to fall down on our responsibilities. But the individual nature of these responsibilities needs to be better understood. It is no solution to assume that insurance companies and other institutional investors will purchase huge blocks of bonds at the last minute in order to assure the program's success. What is essential to the success of this campaign is that every American should participate to the limit of his individual ability. That is the only way in which the Third War Loan can serve effectively to mop up our huge and dangerous surplus buying power.

"The money for the requisite amount of bond buying by individuals is available in the pockets and bank accounts of the American public. But too many of us are yielding to the temptation to use it instead for the purchase of immediate personal satisfactions. For the week ended September 11 department store sales jumped to ten per cent over a year ago. This is an indication that people are choosing to spend in the present rather than invest in the future. What is asked of us is temporary self-denial. This is the test by which each of us must judge for himself

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if he has done his share. Only if we meet this test - all of us - can we reach the real goal of the Third War Loan Drive."

Well now, the thing - I don't want to mention his name, but a Treasury official was at my house last night for supper, and he was going up to Boston - it is right along this same line. He said he would like to take his wife, and it would cost fifty dollars.

She said, "Oh, no, I don't want to go; I would rather put the fifty dollars into a bond."

This man is a very liberal person. Finally he said, "I persuaded my wife to go and spend the fifty dollars anyway. I ought not do it; she shouldn't go. I should buy that bond. Nobody has yet really deprived themselves of anything."

The thing I think, gentlemen, if we are going to get this thing - whatever time I got left - I would like to pour it on that nobody yet has really tightened their belt and gone without anything. There isn't anybody who works, who has a job in the country, who can't buy at least one twenty-five dollar bond extra. I mean, I want to get away from the New York Stock Exchange and all the rest of this stuff.

I don't know why you people - I would like to know how you people - but that is the keynote; if we are going to get the twenty-five dollar bond - and it is true there is nobody in this room who has really gone without anything. I mean, there isn't a factory worker in the United States who has a job who couldn't buy an extra twenty-five dollar bond if he wanted to.

I dictated an awful lot of stuff, and I would like to talk about the money, the cash they have in the sock, or in a glass jar, or somewhere, also the money they are storing up for Christmas purchases. "Don't buy that Christmas present; buy an extra bond now. Buy a bond now to give for Christmas. If you are going to have that

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money, invest it in a twenty-five dollar bond and give it to your friends for Christmas, but buy it now. Buy that Christmas present now."

MR. ALBEE: The tone of the whole talk will be pretty darned grim; "this is war, and let's not have any nonsense. Let's not compliment one another. This is the business; this is our share; let's get it done."

H.M.JR: "Now, you have a week to go." I think it is all right. I am not sure, but nobody knows except the people of this country. "And don't tell me you can't buy a bond."

MR. ALBEE: It runs counter to one thing which checks with Harriet Elliott's study of what people are thinking, and also personal stuff we have all picked up; maybe Americans are just babies, but they all seem to want you to pat them on the head and say, "You are doing wonderful; you are such a bright girl." They want little ribbons or buttons. That is the only thing we are bucking with such an idea - "telling them they haven't been good enough."

H.M.JR: I want these three people in the field to tell me how the latter part I said will fit in. After all, will that get results?

MR. FLEMING: Well, Mr. Secretary, the figures on the amount of cash that people have on hand - I don't know whether that is true of New York - the amount people have of cash on hand is appalling. I think your brain trust downstairs has figured out that savings are accumulating at the rate of thirty-six - more than thirty-six billion a year, which is three billion a month. We have had five months since April, and people must be reeking with money.

H.M.JR: It is twelve billion dollars of cash on hand, I think the figures are. Those figures are available.

MR. FLEMING: There is eighteen and a half billion of folding money on hand.

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H.M.JR: Well, I am behind.

MR. FLEMING: It is going up at the rate of a dollar a week for every adult in the country.

H.M.JR: Please speak up. This is the tone I want to strike. What do you think?

MISS GREENBAUM: You see, we just worked with the people who are out getting the money. I wouldn't really have much of an idea on that.

MRS. BRITT: I think the Christmas present angle would go over very well, especially in New York.

H.M.JR: You like that?

MRS. BRITT: Yes.

H.M.JR: That was on the record, wasn't it, the one I dictated to you fellows?

MR. SMITH: Yes.

H.M.JR: If you are going to--

MRS. KLOTZ: Who is going to give an eighteen seventy-five present?

H.M.JR: They can buy a stamp. You can say, "Whatever you are going to buy give it in stamps or bonds." How is that? "Whatever you are going to buy for Christmas, buy it now in stamps and bonds and have them on hand for Christmas. Don't buy that kiddycar or this or that thing." What do you think?

MR. FLEMING: Well, if you want to buy a bond, you are going to buy a bond; you can't buy something else later by putting it away in the form of a bond now, or you will have your redemption figures go up in December. You don't mean that? You mean buy a bond for that Christmas present?

H.M.JR: No, you can buy it in the person's name - give them a bond instead of a kiddycar, or buy stamps. Give the child a one-dollar stamp for Christmas.

MRS. KLOTZ: But the idea is to buy it now.

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H.M.JR: Buy whatever it is, a twenty-five cent stamp, or a dollar stamp now, to give your child for Christmas instead of giving him some nonsensical toy.

MR. COOK: There is a newspaper campaign all over the country right now to buy Christmas presents to send overseas to the soldiers because they have got to be in by October 15 to reach them by Christmas, and we can turn that right back through the newspapers, "Instead of sending a Christmas present over, save mail that takes the place of bullets; buy a bond in their name for Christmas and have it here. Just notify them by card or V-mail."

I think every paper that is running that campaign around the country would at a suggestion from you inject that into their story.

H.M.JR: Have you got time to turn it around?

MR. COOK: They are just saying, "Buy Christmas presents." They can save a lot of space for materials by just notifying them that they have a bond here instead of sending packages.

H.M.JR: Well, if one of you people will contact - I heard what the Christmas estimate was that Frank Walker made - the amount of space it will take. It is so overwhelming, what he figures it will take - I mean, do we want to use - I don't want to even say what it was, but the space it is going to take is so terrific. Let's save that tonnage for bullets.

MR. COOK: We can get a story along that line and break it after your talk down there.

MR. ALBEE: Signed by a soldier, whether a private or a general.

MR. COOK: We can get some figures and get a good story to follow in on your talk.

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H.M.JR: Smith and Albee, are you ready now?

MR. ALBEE: Yes, sir, ready to go.

H.M.JR: Then will you people feed your stuff to Smith and Albee for me?

Well then, I guess that is about all. Thank you very much. It is worth while.

Did you feel it was worth while?

MISS GREENBAUM: I was tremendously excited by it.

September 21, 1943

Fred Smith
George Albee
Secretary Morgenthau

Harry White made the suggestion that in trying to get people to buy small bonds, we ought to appeal to them to give up something. He feels that a great majority of people haven't given up anything, and if they gave up just a little there is hardly anybody in this country that couldn't buy a \$25 bond, and he cited his own case. He feels that there are millions of people who if they would just deprive themselves of something in their normal life, they could buy at least a \$25 bond, if not more. I think that is good reasoning, and I'd like to use it and build a good fighting talk around it, if you people agree, for my talk on the radio Thursday night. Let's go after the money they have saved up to buy some luxury for Christmas. Tell them to put that into a bond now. In other words, let's go after that Christmas money and see if we can't get some of it. I think we also ought to go after the currency and the small change in the sock or in the tin can or in the glass jar.

Fred Smith
George Albee

September 21, 1943

The Secretary.

The editorial in today's Post entitled "We Must Meet It" is excellent. I refer you to the third paragraph. I like the sentence particularly, "This is an indication that people are choosing to spend in the present rather than to invest in the future." This whole paragraph is very good -- right along the line of my earlier memorandum to you. I think that's the keynote for my next speech. Please find out right away who wrote that editorial. I want to know who wrote it for the Post. I'd like to write him a letter complimenting him or her, whoever it is.

September 21, 1943
11:40 a.m.

HMJr: Hello.

Operator: Go ahead.

Andrei Gromyko: Hello.

HMJr: Hello, Mr. Ambassador.

G: Good morning, Mr. Secretary.

HMJr: How are you?

G: Thank you very much. I am all right. How are you today?

HMJr: Very well.

G: Mr. Secretary, I am calling to inform you that I received pursuant to your inquiry--to your request....

HMJr: Yes.

G:regarding statement of one of the Soviet Officers here in Washington....

HMJr: Yes.

G: General Belyaev is the Russian General....

HMJr: Yes.

G:will speak....

HMJr: Good.

G:but General Belyaev is going to leave Washington....

HMJr: Yes.

G:for Moscow by plane....

HMJr: Yes.

G:through Alaska....

HMJr: Yes.

G:on September 25th....

HMJr: Yes.

G:and it will be very difficult for him to postpone his trip since weather is been getting worse and worse.

HMJr: Yes.

G: And if you have any idea, Mr. Secretary, about the time of the statement....

HMJr: Yeah.

G:of course, it would be desirable to have it before the 25th.

HMJr: Before the 25th?

G: Yes, sir.

HMJr: Have you got the statement?

G: Yes, I have that already and General Belyaev is in my office right now. I am talking with him about the statement and other details.

HMJr: Well, when could I get together with you gentlemen? When would it be convenient?

G: With the General?

HMJr: Oh, and with you.

G: Uh....

HMJr: Both of you -- when could I see both of you?

G: Uh huh -- in your office?

HMJr: Yes.

G: Today?

HMJr: Yes.

G: Just a moment. May I ask you to hold the receiver for a second?

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HMJr: If you -- surely.

G: (Aside: Speaks in Russian to the General) Is it convenient, Mr. Secretary, at 2:30 today?

HMJr: 2:30?

G: Uh huh.

HMJr: Entirely convenient.

G: All right, then, at 2:30 we will be in your office.

HMJr: You and the General?

G: Yes.

HMJr: Fine.

G: If you need me.

HMJr: I'd like you to come.

G: All right.

HMJr: I think it would be nice.

G: All right, at 2:30.

HMJr: Are you too busy?

G: Not very much. Anyway, I find time to call on you....

HMJr: It will be very nice.

G:today at any time.

HMJr: I'd like to see both of you.

G: At 2:30.

HMJr: If you please.

G: All right, thank you.

HMJr: Thank you.

September 21, 1943
11:53 a.m.

HMJr: Hello.

Ted
Gamble: Yes, sir.

HMJr: Where are you, Ted?

G: Over in the Washington Building.

HMJr: I see. What have you found out today?

G: Well, I talked to Missouri....

HMJr: Yeah.

G:and to Pennsylvania....

HMJr: Yeah.

G:and I talked to Harold Graves, Sr., because he was always a statistician, and....

HMJr: Harold Graves, Sr.?

G: Yes, sir.

HMJr: What do you mean?

G: Well, Harold Graves.

HMJr: Oh.

G: H. N. Graves.

HMJr: Yeah.

G: And I just wanted to get his reaction because he always followed that Federal Reserve reporting very closely.

HMJr: Yeah.

G: And our State people feel that the September 30th closing is the proper thing.

HMJr: They do?

G: Yes, sir.

HMJr: Have you checked with enough?

G: I haven't checked with enough. Burgess won't be available until 2:30. He was in a meeting....

HMJr: Yeah.

G:and I want to talk to Isbey and I want to talk to Collins....

HMJr: Yeah.

G:and I was going to call you as soon as I had completed that.

HMJr: Will you do that?

G: Yes, sir. Mr. Bell had talked to three banks.

HMJr: Well, I've gone far enough into it unless somebody is going to throw a stick of dynamite, I think that's the thing to do.

G: Well, I think it puts you in a much better position, Mr. Secretary, and I think we have to consider that.

HMJr: Us!

G: Well, that's correct. You are us.

HMJr: Now, mechanically, I am satisfied if that's the way to do it.

G: Yes.

HMJr: And there is no trouble about identifying any sale in September.

G: That is correct.

HMJr: And the banks that Bell has talked to, when he said, "Now, Mr. Morgenthau wants to use your name."

G: Yes.

HMJr: Then they'd say, "Oh, well, we'll get this in three or four days."

G: (Laughs) Well, they don't do it, Mr. Secretary.

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HMJr: What?

G: They don't do it. Tickton told me yesterday and I believe Tickton....

HMJr: Yeah.

G:that he saw a hell of a lot of Bonds going through the Chicago Federal Reserve Bank that had August dates on them.

HMJr: Yeah. Well....

G: That's what we sent him out there for.

HMJr: If we announce this thing and everything -- and any date for September and we put all these Federal Reserve Bank persons on the spot....

G: Yeah.

HMJr:they'll get it through.

G: Sure they will.

HMJr: And now, the thing for you to do is -- is -- because I've got to move on this speech, you know....

G: Yes, sir. ~~Yes~~.

HMJr:is to satisfy yourself that the State Chairman will be satisfied.

G: That's correct. Well, I'll have that information within the hour.

HMJr: And the other thing is -- the other thing is -- I got off to a bad start this morning, as you saw -- wait a minute -- (Pause) -- that, we ought to make that a big bank to keep everything open.

G: Oh, we have -- we're sitting here now -- there's -- all five of us are here.

HMJr: Who's the five of you?

G: I have Doob and Coyne and Engelsman....

HMJr: Yeah.

G:and we're making some plans now....

HMJr: That's only four of you.

G: Well, I have another man, Mager....

HMJr: Yeah.

G:for tone. (Laughs) We have several really outstanding ideas. One of them -- I'll tell you about it. You -- we're trying to get the Army Hour....

HMJr: Yes.

G:to devote the Army and to bring Admiral King on to the Army Hour with General Marshall....

HMJr: Yes.

G:and really do a job for us.

HMJr: Yeah. Now, the idea that the boys here liked the best that I've given them so far is, "Buy that Christmas present now in stamps or War Bonds."

G: Yes.

HMJr: And Cook said that he thought that he could get the papers who are putting on a campaign to buy the Christmas presents before the first of October to send overseas, I suggest that if they should -- pointed out how much tonnage that would take....

G: Yes.

HMJr:that simply send a postal card that we bought a stamp or a bond for the man overseas....

G: That's right.

HMJr:and he's going to get in touch with the Post Office and find out how much tonnage is involved.

G: Well, you know they could send it V-Mail.

HMJr: No, not the Christmas present. The notification you can.

G: Yes.

HMJr: But instead of sending the boys a lot of junk - uh - just notify them that you bought a bond for them.

G: That's right.

HMJr: And he said the newspapers have got this big campaign and he thinks he could turn it around and instead of buying a Christmas present before the first of October, buy a bond before the first of October....

G: That's right.

HMJr:as a Christmas present. See?

G: Yes, sir. I think we can, too.

HMJr: What?

G: I think we can, too. I think they'll do it.

HMJr: But I think this idea, "Take your money and buy your Christmas presents now in stamps and bonds"

G: Yes. I think we ought to do this, Mr. Secretary. This morning I said to you that I thought you ought to announce this on the air....

HMJr: Yeah.

G:about our closing.

HMJr: Yeah.

G: I do, but I don't think we ought to hold up -- I think we ought to move right today on it. Now, we don't have to make any announcements of it but I think we ought to move with our own people.

HMJr: Well, just as soon as you're satisfied that we want to close September 30th, will you get me on the phone?

G: Yes, sir.

HMJr: The only time I'll not be available -- well, I'll be available anytime after two o'clock.

G: Fine. I'll have you on the phone, sir.

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HMJr: Any time after two.

G: All right, sir.

HMJr: All right.

G: Bye.

September 21, 1943
3:01 p.m.

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HMJr: Palmer Hoyt.

Palmer
Hoyt: Hello, Mr. Secretary.

HMJr: How are you?

H: Fine, thank you.

HMJr: Well, I'm quite excited. I've got something I didn't
think I'd ever be able to get.

H: Great.

HMJr: I got a statement from Marshal Stalin on War Bonds
and thanking the United States Government for what
they've done.

H: Terrific.

HMJr: Something that nobody's been able to get.

H: That's right.

HMJr: And the General here -- Aviation General in charge
of their Purchasing Mission....

H: Yes.

HMJr:is ready to deliver it in person....

H: All right.

HMJr:to me.

H: Yeah.

HMJr: Now, it is terrific.

H: Yeah, it is.

HMJr: Now, what do you think would be the best locale to
do this?

H: You mean to receive it?

HMJr: Yeah.

H: Uh huh. Well, I wonder -- it looks to me like something connected with that War Bond show. Have we any of the types of planes we are sending down there?

HMJr: Well, we could find out. I'm sure there is.

H: Well, that would be my first "horse-back" opinion.

HMJr: Uh huh.

H: I'll give it some thought and call you back....

HMJr: Yeah.

H:in a minute.

HMJr: Will you? Now, here's my trouble. I've got to go -- be in New York all of Thursday because I'm giving all of Thursday to New York.

H: Yeah.

HMJr: Do you think that Noon tomorrow would be too quick?

H: No, God, no. I wouldn't hold it up, Mr. Secretary. It will leak around one way or another and this is a smash.

HMJr: My thought was to do it at noon tomorrow and get on one of these noon hook-ups and get it piped in.

H: Yeah. That's good. That's great.

HMJr: Get it piped into the factories at noon.

H: Yeah.

HMJr: And we could go over there and stand alongside some of the tanks.

H: Yeah.

HMJr: What?

H: Yeah, that's marvelous, especially if they are the kind that -- they'll undoubtedly have some like they are sending to Russia, see?

- 3 -

HMJr: Surely.

H: That will be great.

HMJr: He goes overboard completely....

H: Yeah.

HMJr:what we've done -- the people raising the food and making the munitions....

H: Yeah.

HMJr:and that the stuff we've sent them is so helpful....

H: Yeah.

HMJr:and I told him what I wanted and if I had written it myself, I couldn't have written it half as good.

H: Marvelous.

HMJr: Yeah.

H: Well, that shows you what you can do when you cut a little red tape.

HMJr: That's right.

H: Well, that's wonderful, Mr. Secretary. I'll tell you what. Are you going to be in your office a little bit?

HMJr: You bet.

H: Well, I'll call you in a few minutes. I'll -- if you talk to anybody caution them not to leak it -- you know, to keep them quiet because we want to smash that big!

HMJr: All right. Now, my thought is -- they gave me a free translation and they say I can't get a written translation until about six or seven o'clock.

H: Yeah.

HMJr: They won't leak.

H: No, they won't leak.

HMJr: But my -- my thought is this -- can't we grab a piece of that Farm and Home Hour if we have to?

H: Well, I don't know why not. Let me get on that and I'll call you within a half hour.

HMJr: And....

H: And what you think about noon tomorrow -- that will be a swell hour. I think they'd give us that.

HMJr: You do?

H: Yeah. We can try it anyway. We'll go right after them.

HMJr: You think that's a good time?

H: Why, I would think so. Yeah.

HMJr: Yeah.

H: You'd have a pretty heavy guaranteed audience and you'd get a tremendous plan in the press. I think it would be as good as any.

HMJr: All right. Bye.

H: Good bye, Mr. Secretary.

HMJr: Okay.

September 21, 1943
3:25 p.m.

44

Palmer
Hoyt: Palmer Hoyt.

HMJr: Morgenthau.

H: How are you? Say, that's wonderful. I'll tell you we were doing this....

HMJr: Yeah.

H: I've got the boys working and they think they can get that Farm and Home Hour all right.

HMJr: Well, you know I'm a little ambitious. I don't think one station is enough.

H: Well, I don't mean one station, I mean one network.

HMJr: I don't think one network is enough.

H: You don't, huh?

HMJr: No, I think this is something that when I spoke to Admiral Leahy about it, he said, "Well, if you don't get it we haven't lost anything."

H: Yeah.

HMJr: It's the first statement of Marshal Stalin to the American people.

H: That's right.

HMJr: And, why don't you offer it to some of the other networks?

H: Well, we'll do that. You're right. Well, here's -- I'll tell you there are several things about this -- I want to give you my thought on it.

HMJr: Yeah.

H: In the first place, this is one of the biggest pieces of news....

HMJr: Yeah.

H: ...on the civil side of the war since it broke, of course.

- 2 -

HMJr: That's right.

H: Now, don't let those guys talk you into too much of a surrounding War Bond talk -- it isn't necessary -- this is the greatest thing -- I mean this

HMJr: Oh-h-h-h-h.....

H:you know.

HMJr: I thought you were fond of War Bonds.

H: Oh, say listen, this is the greatest thing for War Bonds that ever was but what I meant is -- don't -- don't put it in so deeply in a War Bond talk that it will be classified -- I mean -- this thing with the build-up that we can give it -- it ought to be really colossal, it ought to get on the front page of 1,700 daily papers in addition to these networks we are talking about.

HMJr: Well, are the afternoon papers good?

H: Sure.

HMJr: I don't know whether you have a morning or afternoon.

H: I have a morning but that's all right. I -- this is -- in this case, I think that's all right.

HMJr: Well, this would be released in the morning for the afternoon editions, wouldn't it?

H: Well, yeah. You'd have to do that.

HMJr: Wouldn't it?

H: Yeah. Now, there's the -- the only other -- there's one other problem.

HMJr: Yeah.

H: That would be building up your radio audience, you see?

HMJr: Yeah.

H: And the only way to do that would be to release it tonight.

HMJr: Well, then -- no, I wouldn't do that.

H: It's getting pretty late.

HMJr: Oh, I wouldn't do that. I can sim -- why not simply tell them -- I mean we're -- they're translating it. He gave it to me very rough and I couldn't get most of it. He went back to translate it and I've got a man sitting in his office waiting for it. But he didn't think he would have it 'till six.

H: Yeah.

HMJr: But, I'm going to rush him. I told him I'd call him back at five.

H: Well, now the thing we'll have to help to work out is to get some -- is to get some advance stuff on it. Now, of course, what will happen is this. Most of your afternoon papers get out in the morning. What time will you release that to them?

HMJr: Well, we could release it tonight for the afternoon papers tomorrow.

H: Yeah, that would be all right. That would be the thing to do -- you've got to build up your radio audience, you see?

HMJr: Well, why can't we release it tonight?

H: You can do that. Release it for....

HMJr: Or do you think we ought to release it at 9:00 o'clock tomorrow morning?

H: I think you'd better release it at 9:00 o'clock in the morning. Otherwise, you're going to get it by a leak.

HMJr: Release it at 9:00 o'clock tomorrow morning.

H: That's right.

HMJr: How's that?

H: That's fine. Say, how did you go about getting that, Mr. Secretary?

HMJr: Ha! You want all my trade secrets.

H: No. No. I mean, did you take....

HMJr: I did it through the Ambassador.

H: Oh, you did, huh?

HMJr: I did it through the Russian Ambassador and then the State Department backed me up with a cable.

H: Say, that's terrific.

HMJr: And they backed me up with a cable....

H: Yeah.

HMJr: to Stanley to back me up but I did it directly with the Ambassador.

H: Well, that's marvelous.

HMJr: You know where I got the idea from?

H: Larry Bell?

HMJr: Yeah.

H: That's what I had a hunch.

HMJr: Yeah.

H: That's wonderful.

HMJr: Now, do you think -- what do you think -- do we need any dressing besides this Russian General and myself?

H: No, I wouldn't. Listen, this is so big. As a general thing, the bigger the item, the less grass you need around it.

HMJr: We don't need a full fifteen minutes unless you want to put in some music.

H: Well, I think the time that -- let's -- I'll talk to the radio boys again and let's get -- figure out what is the best idea. Oh, I wouldn't think you'd want fifteen minutes.

HMJr: Well, now what -- just let -- there's two -- I think we ought to play the American National Anthem and the Russian.

- 5 -

H: That's right.

HMJr: And then they've got this perfectly marvelous song with -- the song of the Russian Cavalry.

H: Yeah.

HMJr: A modern one.

H: Yeah.

HMJr: I don't know whether you've heard it.

H: No. Oh, I probably have. I don't....

HMJr: Well, it's a wonderful thing. It's got great rythm. It's the Russian Army Cavalry song.

H: Yeah.

HMJr: And we could put on -- let's get this Marine Band down here at the Navy Yard.

H: Yeah.

HMJr: They can learn the thing in time.

H: Sure. Well, I'll tell you, we'll get to work on that and who -- Bill Spire handles this end....

HMJr: Fred Smith.

H: Who? Fred Smith?

HMJr: Yeah.

H: I'll get them together. Here's my....

HMJr: Fred -- you know Fred.

H: Oh, sure. My hunch on this thing is -- what I really meant when I started talking about the order of War Bonds -- your -- which I know you'll do, because it's your natural manner -- your -- whatever you say ought to be simple and dignified like the Gettysburg Address. See?

HMJr: Gettysburg? You mean Monticello?

H: No -- No, I'm going back from you to Mr. Lincoln.

HMJr: Oh - Oh.

H: Well, you know what I mean. It ought to be simple....

HMJr: I agree with you.

H: You see?

HMJr: I agree with you. I - I - I was kidding you. I agree with you. I think that I should -- I'll need a little help. I'll be glad to get some help and say something about the Russian friendship....

H: Yeah.

HMJr:etc., etc., and so on....

H: Yeah.

HMJr:and make it very simple and let -- after whatever I say will be unimportant by comparison.

H: Yeah, because this is the greatest scoop of the year.

HMJr: Well, I handled it personally and it wasn't -- nobody in the State Department -- anybody thought I'd get it.

H: I guess I'll have to get you on my newspaper so we can get some scoops.

HMJr: I need a nice job.

H: That's right. (Laughs) Okay, well, I'll get right on this and we'll follow right through and we'll offer it to all the networks and....

HMJr: Will you offer it to all the -- and I think twelve o'clock, after all....

H: Well, you've got to set a time, Mr. Secretary, and I think that is just as good as any.

HMJr: Yeah. And then our boys, Max Cook and that gang could help, you know.

H: Yeah. Yeah, that's right.

HMJr: What?

H: That's fine. And I'll....

HMJr: There's a....

H:have Bill Spire get in touch with Fred Smith right away.

HMJr: Bill Spire?

H: Yeah.

HMJr: How do you spell that?

H: (Aside: How do you spell Spire?) S-p-i-r-e.

HMJr: Right. And you see we -- this high-powered gang under Max Cook can do a lot.

H: Yeah, that's right.

HMJr: Well, all right, and you'll offer it to all the networks?

H: Yes, sir.

HMJr: And you'll handle General Surles and all that?

H: Well, we won't need to do that.

HMJr: Aren't you going over there?

H: Oh, you mean to -- if....

HMJr: For the location.

H: Oh, yeah. Sure. But what do you mean handle him?

HMJr: Well, I mean we've got to have a place to talk from. We ought to talk from -- from tanks or something.

H: Yeah. Well, I'll get that all set.

HMJr: And certainly you want to offer it to the movies.

H: Yeah. Yeah. We'll do that. We'll get hold of everybody. I'll get -- we'll get hold of Fitzgerald -- Surles is out of town.

- 8 -

HMJr: Well, you want to offer it to the movies.

H: Yeah. We'll get them.

HMJr: All right.

H: We'll get them all. I'll put Spire immediately in touch with Fred Smith and we'll get our movie gang working on it, too.

HMJr: Thank you.

H: You bet. Twelve o'clock.

HMJr: Twelve o'clock.

H: Right.

HMJr: Okay.

September 21, 1943
3:36 p.m.

52 ←

HMJr: Did you hear about the news?

Ted
Gamble: No.

HMJr: About Marshal Stalin?

G: No.

HMJr: Well, Fred Smith....

G: Oh, yes, I did hear about the message.

HMJr: Well, my God, man. Listen, your friend Hoyt says it's the biggest news story of the year.

G: Well, we're doing some work on it already.

HMJr: And he has offered me a job on his paper as a result of it.

G: (Laughs) As a matter of fact, I think you ought to take over O.W.I.

HMJr: You can have it.

G: (Laughs)

HMJr: Now, he just called back and he asked me who would handle it at my end and I said Fred Smith.

G: That's correct.

HMJr: And he put a man by the name of Spire on it.

G: Yes.

HMJr: And I told him to offer it to all the networks, which he is going to do.

G: Right.

HMJr: And they're not going to release it until 9:00 o'clock tomorrow morning.

G: Good.

HMJr: It's a marvelous statement.

G: I think it's wonderful.

HMJr: A wonderful statement. He really says, "Thank you."

G: Well, that's swell.

HMJr: So....

G: We're arranging the newsreels and the display....

HMJr: You are?

G:for the setting. Yes, sir.

HMJr: Well, anyway, between you and Hoyt, Spire and Fred Smith, I needn't worry about....

G: You ought to get a good job.

HMJr: I ought to.

G: (Laughs)

HMJr: Listen, fellow, you were going to let me know at 2:00 oclock....

G: I talked -- called you on the phone a minute ago and you were on the phone.

HMJr: Oh.

G: I have finished talking to all of our people and I think we ought to have a meeting on it.

HMJr: How soon?

G: Any minute that you are ready.

HMJr: Well, by the time you come over here, I'll be sitting here waiting for you.

G: Fine. And I think we ought to have Mr. Bell there.

HMJr: Bell is here now.

G: Fine.

HMJr: He's waiting and says he can't wait much longer.

G: I'm on the way.

HMJr: All right.

September 21, 1943
3:45 p.m.

55 ✓

James
Dunn: Hello, Mr. Secretary, this is Dunn speaking.

HMJr: How are you?

D: Very well.

HMJr: Well, the impossible has happened. Marshal Stalin has come through with a wonderful statement.

D: Well, isn't that fine? That's certainly grand.

HMJr: Oh, I'm -- the Ambassador was here and he didn't have a translation. They are going back to translate it -- but it's everything that I asked for.

D: Well, isn't that marvelous?

HMJr: Now, they are going to let us have it between 5:00 and 6:00....

D: Yes.

HMJr: ...and O.W.I. is handling the whole publicity which we expect to do at noon tomorrow over the radio.

D: Yes. Yes.

HMJr: And -- but what we need is somebody who knows the Russian situation -- what the President has said and the whole business, so that -- who could have that at his finger tips to help me tonight....

D: Yes.

HMJr: ...write a statement, you see?

D: Yes, sir.

HMJr: And -- I mean, work with my man who is working on it -- I mean, how to -- so that, you know, to put the right emphasis on....

D: Yes.

HMJr: Now, could -- is there somebody that you could designate who could be available for that? I'm afraid we won't get this until 6:00.

- 2 -

D: Until 6:00?

HMJr: Yes.

D: Good. Well, now, do you want him to come over there and stand by?

HMJr: No. If I would -- if you wouldn't mind doing this -- Fred Smith who is --one of my Assistants who is handling this whole thing....

D: Yes, sir.

HMJr:if you would call him and tell him who the person is....

D: Yes. Yes.

HMJr:and that this person would have at his finger tips the whole thing and....

D: I'll tell you what I'll do. I'll get my man to call up Fred Smith....

HMJr: That's right.

D:and put himself at his disposal and they can meet wherever he says and at any time that he says.

HMJr: That's right. And somebody....

D: I'll send him to him for as long as he wants him.

HMJr:who knows -- who is willing to work tonight.

D: Oh, yes. Yes.

HMJr: And, then....

D: Well, I have two men here. It's just a question of which one I can -- of which one will go over.

HMJr: And he will know, for instance, what Roosevelt has said publicly in case we want to quote?

D: Yes. Yes.

HMJr: I mean, he'll know the whole....

- 3 -

D: I'd better get -- I'll get him to get in communication with Fred Smith right away.

HMJr: Right.

D: And then he'll give him a line on what he ought to look up and have with him or know where to look for it.

HMJr: That's right.

D: Fine.

HMJr: Thank you, sir. I'm quite ex....

D: Oh, that's marvelous. Yes.

HMJr: Palmer Hoyt says it's the best news break this year.

D: It is. Yes. Oh, I think it will be grand. Are you going to get -- are you going to get a moving picture out of it, too?

HMJr: Moving pictures.

D: Is Gromyko going to present it to you?

HMJr: No. The Russian General of the Purchasing Mission.

D: Oh, yes. Yes.

HMJr: Whatever his name is.

D: He's going to do that this evening, is he?

HMJr: No. They're going to do it on the air at noon tomorrow.

D: Oh. And on the air at noon tomorrow and you'll have pictures of it, too.

HMJr: Pictures -- the whole thing will be at 12:00 o'clock.

D: Fine.

HMJr: But O.W.I. says they are not going to tell anybody about it until 9:00 tomorrow morning.

D: Well, that's understood. Yeah.

- 4 -

HMJr: They want to keep it a secret until 9:00 because they're afraid that it will leak out.

D: Well, congratulations. It certainly is going to be a great help, too.

HMJr: Well....

D: Yes.

HMJr: It's -- I hope so. I'm quite excited.

D: Oh, yes. Yes. Yes. Oh, that's grand. Fits right in the whole picture now.

HMJr: You tell Mr. Hull.

D: I shall right away.

HMJr: Thank you.

D: Thanks. All right, Mr. Secretary. Good bye.

HMJr: Bye.

September 21, 1943.
4:45 p.m.

HMJr: Hello.

Operator: Ambassador Gromyko.

HMJr: Hello.

Operator: Here he is.

Andrei
Gromyko: Hello.

HMJr: Mr. Ambassador. Hello. Morgenthau speaking.

G: Yes, Mr. Secretary.

HMJr: Now, I'd like to make this suggestion.

G: Uh huh.

HMJr: In the first place, all of our people are very much excited about this thing and very much pleased.

G: Uh huh.

HMJr: And arrangements have been made that we do this broadcast at 12:00 o'clock.

G: Uh huh.

HMJr: Now, if this is agreeable to you, I would like you to take part in the broadcast.

G: I, myself?

HMJr: Hello?

G: I, myself?

HMJr: You, yourself. And you would introduce General Belyaev. Is that the way you pronounce it?

G: Belyaev.

HMJr: Belyaev, to me, you see?

G: Uh huh.

HMJr: And then I would thank you....

G: Uh huh.

HMJr:for getting this message through.

G: Uh huh.

HMJr: Now what we are proposing to do is to write out the whole business -- that's what we do on these broadcasts -- have everything written out in advance.

G: Uh huh.

HMJr: And the State Department is lending me a man to help me....

G: Uh huh.

HMJr:and if it is agreeable, I can get it up to you sometime tonight to look at it, you see?

G: Uh huh.

HMJr: I take it you are up fairly late, are you?

G: Uh....

HMJr: How late could we get there to you?

G: At the Embassy?

HMJr: Yes.

G: Of course, I usually am available until 12:00 o'clock.

HMJr: Right. Well, would it be -- I don't know whether I could come myself but Mr. George Albee could come.

G: To the Embassy?

HMJr: Yes.

G: But I may, if you have time, I may come to the Department.

HMJr: No. No. It would be -- well, what I would like to do is this -- when it is ready, I'd like to sit down with you and with General Belyaev....

- 3 -

- G: Uh huh.
- HMJr:when the thing is all written. Now, it may be quite late, you see?
- G: Mr. Secretary, do you think that it is necessary to -- to be present for me at the shooting of the picture?
- HMJr: Well, it's not necessary but you were so helpful and I would like to have you there. But if there is some reason -- I mean, you and I are always very frank with each other -- if there's some reason that you know which I don't -- which -- where you'd rather not be....
- G: I don't have any particular reason but I think that Mr. -- General Belyaev -- it would be enough to have just General Belyaev. Well, my role will be just to introduce General Belyaev to you?
- HMJr: Yes.
- G: If the American public knew me a little more already it would be all right.
- HMJr: But they do know you. They know that you're the Ambassador....
- G: Yes. But not from the screen. (Laughs)
- HMJr: Now, I'm being very honest -- the way I always try to be with you. And this is something which I think would be nice both from the standpoint of the American public and for you, but if there is some reason that I don't know -- you see? I wish you would tell me.
- G: Of course, I don't have any particular reason but anyway, I would like to call you if you are in your office -- shortly.
- HMJr: Yes. Now, should I call up General Belyaev and -- because I said I'd let him know by 5:00 o'clock -- or will you?
- G: You may call me or General Belyaev. I just talked with him. He is in his office. He said the text is ready....

HMJr: Yes.

G:already....

HMJr: Yes.

G:and he has given it to a representative of the Department.

HMJr: He has already done that?

G: Yes.

HMJr: Well, then I will call him and tell him that it is set for 12:00 o'clock tomorrow.

G: At 12:00 o'clock tomorrow? Or if you wish, I may convey your information to him.

HMJr: Well, if you would do that.

G: Yes, I will.

HMJr: But what we will have to do, we will have to have a little rehearsal. You see?

G: In the Department?

HMJr: Yes. Say, we ought to meet here about 11:00 o'clock.

G: Tomorrow?

HMJr: Yes, and go over it a couple of times together. You see?

G: In your office?

HMJr: In my office.

G: Well, then I may tell General Belyaev to come to your office tomorrow by 11:00 o'clock?

HMJr: That's right.

G: All right. I will do this. I will inform him.

HMJr: Now, one other thing. The question of your being in it, you're going to call me back. Is that right?

- 5 -

G: Yes, certainly.

HMJr: And then the other thing is that we will have this written, we hope, by 9:00 or 10:00 o'clock tonight.

G: Uh huh.

HMJr: And then I would like to show it to you and General Belyaev....

G: Uh huh.

HMJr:and get your approval.

G: Uh huh. I see.

HMJr: You see?

G: Where?

HMJr: Where?

G: Where?

HMJr: Well, would my house be all right?

G: Well, I -- just I and General Belyaev come?

HMJr: Yes, or we'll come to you, either way.

G: Uh huh. Uh huh.

HMJr: At my house....

G: Yes.

HMJr:or the Treasury, either way.

G: Uh huh. All right, Mr. Secretary, when I call you shortly -- will you be in your office within an hour?

HMJr: Yes.

G: I will call you and probably you will give the time?

HMJr: Yes. And then -- you mean, what time for tonight?

G: Yes.

HMJr: Yes, I'll give you the time.

G: All right, thank you.

HMJr: And we can meet, as I say, it will be a little more convenient at my home. You know where I live.

G: Uh huh. I was in your house. I forgot exactly where it is but I shall be able to find it.

HMJr: Well....

G: Of course.

HMJr:I'll tell you, when you go up Massachusetts Avenue.... Hello?

G: Yes.

HMJr: It's -- you know the bridge that you come to just before you come to the British Embassy?

G: Yes, I know.

HMJr: We're on Belmont Road.

G: Uh huh.

~~HMJr:~~ 2434.

G: 2434.

HMJr: Belmont, and it's -- you turn off to the right going up Massachusetts Avenue. See?

G: My chauffeur knows.

HMJr: It's the eighth house.

G: Eighth house.

HMJr: Eighth house.

G: Uh huh.

HMJr: And I would say -- tentatively say 10:00 o'clock maybe.

G: That is....

- 7 -

HMJr: Is that too early?

G: Any time that is convenient for you. It doesn't make any difference for me.

HMJr: But when you call me back I would know.

G: All right. Thank you. I will call you....

HMJr: Thank you.

G:shortly.

HMJr: Thank you.

September 21, 1943
4:56 p.m.

66

James
Dunn: Yes, Mr. Secretary.

HMJr: Your man, whoever he is, didn't contact Smith.

D: No. I've had the Polish Ambassador in here ever since you spoke to me.

HMJr: Oh-h-h.

D: So, I haven't been able to get out. He has just left me this minute and I'll get him right on the wire.

HMJr: Well, could you have him come to my office, whoever it is?

D: Yes. Right now?

HMJr: Right now.

D: Be glad to.

HMJr: And let me know who it is?

D: His name is Rhinehart.

HMJr: Rhinehart?

D: Frederick Rhinehart. Yes.

HMJr: Could you just tell me a little bit -- who he is?

D: Well, he's a foreign service officer, spent -- has served in Moscow, knows the -- knows Russian and knows the whole Russian situation....

HMJr: Yeah.

D:is very well balanced, very intelligent and thoroughly well informed on the whole situation. He's in our Russian Section here.

HMJr: Good.

D: He's very dependable, a very good man.

HMJr: Sympathetic?

D: Oh, yes. Yes. Oh, yes, entirely. He's -- oh, he's very good.

HMJr: And knows what Mr. Hull has been doing?

D: Yes. Yes.

HMJr: And all these conferences?

D: Yes, and the President's attitude and all the Protocol business and all of our relations with them there.

HMJr: Frederick Rhinehart?

D: Frederick Rhinehart.

HMJr: Right. And if you would tell him -- if he'd come right away to my office.

D: I'll get him over there right post-haste.

HMJr: I thank you.

D: Yes, sir. Very good.

HMJr: Bye.

D: Bye.

September 21, 1943.
5:26 p.m.

Operator: There you are, sir. Go ahead.

HMJr: Hello.

Andrei
Gromyko: Mr. Secretary.

HMJr: Yes.

G: Gromyko is calling.

HMJr: Yes.

G: Mr. Secretary, General Belyaev will be tomorrow
at 11:00 o'clock in your office....

HMJr: Yes.

G:but he asked me that since he is very busy
today -- he has to prepare -- he must prepare
his materials for -- which he is going to take
to Moscow....

HMJr: Yes.

G:for his report....

HMJr: Yes.

G:he asked you to -- not to....

HMJr: Excuse him?

G:to go to your house today.

HMJr: To excuse him?

G: To excuse him.

HMJr: Yeah.

G: That's right.

HMJr: Yes.

G: And if -- of course, if you need me to come, I
would come....

HMJr: Yes.

G: It is just this -- if you are going just to show the text of the statement, maybe it would be convenient for you if I sent some one of my messengers to take this text, but if you have something to say, I would be glad to come at 10:00 o'clock.

HMJr: Well, now, let me -- may I explain -- have you decided that you will take part in the broadcast yourself?

G: Yes. Yes, now I am going to speak on this question....

HMJr: Yes.

G:I found out that you knew General Belyaev very well before.

HMJr: That's right.

G: And you have lunched with him and he is not a stranger to you.

HMJr: That's right.

G: And if you knew him before and know him now very well,....

HMJr: Yes.

G: I don't think that it is necessary for me to take part in this.

HMJr: Well....

G: I am sorry to have a little bit of a difference of opinion from your one.

HMJr: Well, you know best. I'm sorry but I'll abide by your decision.

G: I am sorry but I made this decision after I found out that General Balyaev is not a stranger, that you may say to your -- say for the American public that he is -- well, he is Chairman of the Purchasing Commission, whom the officials -- American officials know. And if I shall be useful for any purpose in the future, I would be glad to help you, Mr. Secretary, as well as I tried to help you on this particular....

- 3 -

HMJr: Well....

G:matter, too.

HMJr: You helped me -- your help was wonderful and that's why -- that's why I want to -- that's why I wanted to be sure that -- if you would go on I would appreciate it, but you know best. You see? Now, may I ask you this question, please?

G: Uh huh. All right.

HMJr: We are writing this -- what we call a radio script. It will be like a little play, you see?

G: Uh huh.

HMJr: It will all be prepared.

G: Uh huh.

HMJr: Now, I -- I, of course, want this to be satisfactory to your government.

G: Uh huh.

HMJr: Now, to whom will I show this? To you or to General Balyaev? Uh -- when it's written.

G: Well, you may show it to me or to General Balyaev, any way, I don't think it is a principle question. I think we....

HMJr: Well, supposing we....

G:agreed on principle.

HMJr: Well, supposing -- would this be agreeable? Could the gentleman come to you then tonight?

G: It would be perfectly all right.

HMJr: Supposing, Mr. Albee and -- just a minute. (Aside: Now, what's the man from the State Department?) Oh, just one minute, please. Just one minute -- just one minute, I'm trying to....

G: That's all right. All right.

HMJr: Hello. It would be Mr. Rhinehart.

G: Mr. Rhinehart?

HMJr: Do you know him?

G: From the State Department?

HMJr: Yeah.

G: I know him very well.

HMJr: I hope he's friendly. Is he?

G: I like him.

HMJr: You do like him?

G: Very well.

HMJr: Well, then supposing Mr. Rhinehart and Mr. Albee....

G: From the Treasury?

HMJr: From the Treasury -- will come to the Embassy at 10:00 o'clock tonight.

G: It would be perfectly all right. I would be glad to read this -- this play.

HMJr: And then do we also -- should we also send it to General Belyaev?

G: It is not -- it is not necessary. You may send it, but if it will cause any inconvenience to you, it is not necessary.

HMJr: Well, what we could do is this -- we'll have it to you and then maybe you could send it to him so if he....

G: Yes, I will do this.

HMJr:if he wants to practice it before 11:00.

G: Of course. Of course, before coming to your office.

HMJr: Yes.

G: I will do this.

HMJr: Well, Mr. Rhinehart and Mr. Albee will be at your Embassy at 10:00 o'clock.

G: At 10:00 o'clock. I will be glad to see them.

HMJr: And you can go over it with them and make any changes you want to.

G: That's right. If I have any changes I will tell them.

HMJr: And you will get the script and then you will forward it to General Belyaev?

G: Yes, I will do this.

HMJr: How do you pronounce his name?

G: Bel-ay-uv.

HMJr: Bel-ay-uv.

G: Belyaev. The stress should be above the syllable "la".

HMJr: Yeah.

G: Belayev.

HMJr: Belayev, yeah.

G: That's right.

HMJr: Well, they'll be at your Embassy at 10:00 tonight.

G: All right.

HMJr: And, then -- I'm sorry you won't but I understand and General Belyaev will be at my office at 11:00 tomorrow.

G: At 11:00 tomorrow.

HMJr: Right.

- 6 -

G: Mr. Secretary, if I can give you any -- if I can be any help to you -- if possible to give you any help, you ask me without hesitation.

HMJr: Well....

G: I will do my best.

HMJr: Right.

G: And this question -- I told you before -- that I share your opinion -- this question.

HMJr: All right.

G: All right.

HMJr: Thank you.

G: Good bye.

September 21, 1943.
5:47 p.m.

HMJr: Hello. Hello.

Operator: Go ahead.

HMJr: Hello.

E. F. Sergeev: Hello.

HMJr: This is Mr. Morgenthau speaking.

S: Yes, Mr. Morgenthau.

HMJr: I just wanted to be sure that the General would be at my office tomorrow morning at 11:00.

S: Yes, tomorrow morning at 11:00 o'clock. That's what General Belyaev is expecting to do.

HMJr: Is that all right? And then we will rehearse together....

S: Uh huh.

HMJr:the program....

S: Yes.

HMJr:and I'm looking forward to going -- making a broadcast with him at 12:00 o'clock.

S: Thank you. Then General Belyaev will be at your place tomorrow at 11:00 o'clock.

HMJr: Is that all right?

S: Yes, perfectly all right.

HMJr: And thank you so much.

S: You're welcome.

HMJr: Good bye.

S: Good bye.

September 21, 1943.
5:56 p.m.

HMJr: Hello.

Palmer
Hoyt: Hello, Boss. How are you going now?

HMJr: All right.

H: That's good. Why, I didn't want to bother you. I had one little problem -- I can get hold of Ted later. Jimmy Byrnes has been pestering our office. He want -- he's going to close the show, you know....

HMJr: Yeah.

H:on Sunday night....

HMJr: Yeah.

H:Sunday night, and he wanted something significant to say. He particularly wanted apparently to get some arrangement that he could get the -- some figures, you know....

HMJr: Yeah.

H: ~~.....~~before they got in the papers.

HMJr: Yeah.

H: And you shouldn't be bothered with it.

HMJr: No.

H: I'll get hold of Ted but it's -- I told him we'd give him an answer before 6:00....

HMJr: Yeah.

H:but that's all right. I'll get him tonight.

HMJr: Right.

H: Ted can handle that. Say, everything -- I've got everybody in the place turned loose on that thing. I think it will be all right.

- 2 -

HMJr: Wonderful. And I was very lucky on the State Department man that they gave me. He is very enthusiastic about it....

H: Oh, swell.

HMJr:and he has seen the statement and he said he's got to see the original....

H: Yeah.

HMJr:and that he thinks he can change a few things around which would strengthen it.

H: Fine.

HMJr: And they're going to run....

H: What is the reading time of it?

HMJr: Well, the statement itself is maybe two or three minutes.

H: Oh, fine. Well, that's great.

HMJr: And they're going to the Embassy -- the Russian Embassy tonight at 10:00 o'clock and clear it with Gromyko tonight. I mean, the script, you see?

H: Yeah.

HMJr: And our end is all right and the thing which I didn't get at first, in the thing -- the statement -- he talks about the War Bonds in Russia....

H: Oh yeah.

HMJr:and how helpful that is.

H: Fine.

HMJr: But it's a powerful statement and certainly by 11:00 o'clock tonight, so far as the radio script is concerned, it ought to be cleared.

H: Oh, great.

HMJr: And....

- 3 -

H: Well, we'll keep our boys right on the job tonight and tomorrow morning.

HMJr: Yeah. And the Ambassador decided, after thinking it over -- the Russian Ambassador -- he would not do it so it's just going to be the General Balyaevkoff or whatever it is.

H: I think that's better because, look, nobody knows this Ambassador anyway.

HMJr: Well....

H: The General will have a uniform on won't he?

HMJr: Oh, yes.

H: Oh, marvelous.

HMJr: Well, I pleaded with him -- the Ambassador -- to go on....

H: Yeah.

HMJr:so I've done my part.

H: Oh, sure. Well, it's just as well, looking at it from a....

HMJr: Yeah.

H:public standpoint....

HMJr: Yeah. Well, you do the other thing with -- uh -- with your friend Ted.

H: Yep. You bet.

HMJr: I thank you.

H: All right, Mr. Secretary. Thanks a million.

HMJr: Good night.

H: Good bye.

H: Well, we'll keep our boys right on the job tonight and tomorrow morning.

HMJr: Yeah. And the Ambassador decided, after thinking it over -- the Russian Ambassador -- he would not do it so it's just going to be the General Balyaevkoff or whatever it is.

H: I think that's better because, look, nobody knows this Ambassador anyway.

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H: Yeah.

HMJr:so I've done my part.

H: Oh, sure. Well, it's just as well, looking at it from a....

HMJr: Yeah.

H:public standpoint....

HMJr: Yeah. Well, you do the other thing with -- uh -- with your friend Ted.

H: Yep. You bet.

HMJr: I thank you.

H: All right, Mr. Secretary. Thanks a million.

HMJr: Good night.

H: Good bye.

9/3/42 -
Message from Stalin

A. I. BELYAEV

Major General, U.S.S.R. Army Air Forces,
Chairman, The Government Purchasing Commission
of the U.S.S.R. in U.S.A.

I have been honored with the privilege to make the following statement at the request of Marshal Stalin, Commander-in-Chief of the Union of Soviet Socialist Republics:

For 26 months the Soviet Union has been engaged in a difficult war of liberation against our common enemy, Hitlerite Germany, and her satellites Finland, Romania, and Hungary. In this gigantic war more than five hundred divisions are involved on both sides.

Today the Soviet Army, the Red Army, is advancing from Smolensk to the shores of the Black Sea, pursuing and driving the hated enemy from Soviet soil. In this struggle the Red Army is successfully employing also planes, tanks, guns and other munitions and equipment which are received from the allied United States and Great Britain.

To bring the hour of victory nearer, the entire Soviet population is working unceasingly for the front.

Our American friends who are participating in the manufacture of the ammunition and supplies of provisions are rendering great support in the fight against our common enemy.

Every Soviet citizen is not only assisting his Army and his Government to defeat the enemy, but is giving great financial support to the Soviet Government by buying War Bonds.

It is desirable that the American people, by successful participation in the War Loan in the United States, promote the growth of the military might of the United States and help the joint efforts of the Allies to achieve victory over the bitter enemy within the shortest possible period of time.

CP

THIRD WAR LOAN
Beginning September 9, 1943
(In millions of dollars)

| | Cumulative | | | | | |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Through Sept. 15 | Through Sept. 16 | Through Sept. 17 | Through Sept. 18 | Through Sept. 20 | Through Sept. 21 |
| 7/8% Certificates | 1,117 | 1,924 | 2,600 | 2,755 | 2,850 | 2,915 |
| 2% Treasury bonds | 1,472 | 2,272 | 2,857 | 3,049 | 3,178 | 3,230 |
| 2-1/2% Treasury bonds | 1,237 | 2,071 | 2,445 | 2,571 | 2,637 | 2,662 |
| Tax notes | 361 | 504 | 671 | 846 | 990 | 1,114 |
| Total | 4,187 | 6,771 | 8,573 | 9,221 | 9,655 | 9,921 |
| Savings bonds: | | | | | | |
| Series E | 310 | 333 | 365 | 403 | 455 | 556 |
| Series F | 10 | 13 | 17 | 22 | 27 | 43 |
| Series G | 40 | 50 | 61 | 76 | 91 | 133 |
| Total Savings Bonds | 360 | 396 | 443 | 501 | 573 | 732 |
| Government funds | | | | | | |
| 2% bonds | 150 | 150 | 150 | 150 | 150 | 150 |
| 2-1/2% bonds | 362 | 362 | 366 | 367 | 367 | 367 |
| Total Gov't. funds | 512 | 512 | 516 | 517 | 517 | 517 |
| GRAND TOTAL | 5,059 | 7,679 | 9,532 | 10,239 | 10,745 | 11,170 |

*Partly
due to
change in
reporting
SEP*

September 21, 1943.

My dear Mr. Buffett:

I appreciate greatly your interest in the Third War Loan as expressed in your letter of September 17 and your recognition of its vital importance to the effective prosecution of the war.

It is because of its importance that we have emphasized all along the direct connection between the financing and the fortunes of our men on the fighting fronts. I am sure the President had this in mind in making his appeal for subscriptions to the Third War Loan as Commander-in-Chief of the armed forces of the Nation. It had not occurred to me, and I feel sure not to him, that there would be any such misconstruction of the title as you think possible.

General Marshall, Admiral King and others of high Army and Navy rank have voiced their pleas for support of the War loans, but of course none of them can speak for the armed forces with authority equal to that of the Commander-in-Chief himself.

Sincerely,

(Signed) H. Morgenthau, Jr

Secretary of the Treasury.

The Honorable Howard Buffett

House of Representatives.

SECRETARIES:
LAWRENCE MITCHELL
DOROTHY KENNEDY

Congress of the United States
House of Representatives
Washington, D. C.

September 17, 1943

The Honorable Henry Morgenthau, Jr.

Secretary of the Treasury

My dear Mr. Secretary:

Next to victory on the battle fronts, the most significant task confronting America is probably that of winning the fight against inflation by successful financing practices. Victory in the sale of the Third War Loan is an absolute "must" on the home front. The achievement of this aim is the common purpose of all Americans.

Consequently, it was quite disturbing to me to discover in a street car a few days ago this advertisement for the Third War Loan:

AS COMMANDER IN CHIEF, I HEREBY INVOKE EVERY
CITIZEN TO GIVE ALL POSSIBLE AID AND SUPPORT TO THE THIRD
WAR LOAN DRIVE

FRANKLIN D. ROOSEVELT

You and I know that the President is not the commander-in-chief of the citizens of the United States. Any advertising that gives that impression is misleading. Among the loyal opposition it may quite naturally be interpreted as an attempt by the Administration to use this vital part of the war effort for political purposes. I am sure the Treasury Department would not wilfully lay itself open to such a serious charge.

Accordingly, I would appreciate being assured that a similar distortion of a fact so basic to the American government will not recur in future bond-selling campaigns.

Yours very truly,

Howard Buffett
M. C.

25

September 21, 1943.

My dear Mr. President:

It occurs to me that you might like to see the enclosed copy of a letter from the Majority Leader, together with the Evening Tribune of September 9, as published in Lawrence, Massachusetts. This newspaper makes very striking use of your proclamation, and also gives the Third War Loan excellent support throughout the rest of its pages.

Faithfully yours,

(Signed) H. Morgenthau, Jr.

The President,
The White House.

Enclosures.

September 17, 1943

My dear Mr. McCormack:

It was very good of you to send me a copy of The Evening Tribune of Lawrence, Massachusetts, for Thursday, September 9. I have been most interested in seeing the use which the publisher made of the President's message and the fine support given to the Third War Loan Drive, both by the newspaper itself and by other citizens of Lawrence who participated in this special issue.

With thanks again for your thought and cordial regards.

Very truly yours,

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

Honorable John W. McCormack
House of Representatives
Washington, D. C.

GRF:fv

Office of the Majority Leader
House of Representatives U. S.
Washington, D. C.

September 16, 1943

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

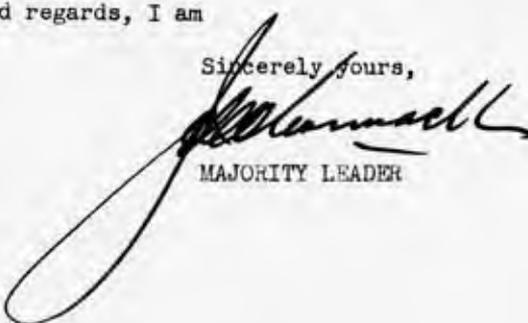
Dear Mr. Secretary:

I am enclosing a copy of The Evening Tribune of September 9, a newspaper published in Lawrence, Massachusetts. The action of this newspaper in devoting its first page to the success of the Third War Loan is not only highly commendable, but very patriotic.

I knew you would be interested in receiving a copy of The Evening Tribune, and to note the real unselfish and patriotic action taken by the publisher and editor of this newspaper.

With kind regards, I am

Sincerely yours,



MAJORITY LEADER

Enc.

GC:LAR:PAV
A-384818

SEP 21 1943

My dear Mr. President:

I am submitting herewith for your consideration, with the recommendation that it be approved, a proposed Treasury decision amending, in furtherance of the war effort, Regulations 85 relating to the tax on transfers of interests in silver bullion. These regulations were made applicable to section 1805 of the Internal Revenue Code by Treasury Decision 4887 approved by you on February 11, 1939.

The proposed Treasury decision amends the regulations to authorize the Commissioner of Internal Revenue to waive the furnishing of certain supplementary information now required by the regulations to be furnished with certain monthly returns, when he finds, upon a proper showing, such supplementary information to be unnecessary.

-2-

The proposed Treasury decision also increases, until termination of hostilities, from 15 days to 45 days the time for replacement of silver transferred from "necessary inventory".

Faithfully yours,

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

The President,
The White House.

PAV/ES 8-27-43.

(T. D.)

TITLE 26 -- INTERNAL REVENUE

CHAPTER I

SUBCHAPTER C, PART 112

TAX ON TRANSFERS OF SILVER BULLION

Reports and inventory replacements.
Articles 66 and 85 (c), Regulations
85, amended.

TREASURY DEPARTMENT,
Office of the Secretary,
Washington 25, D. C.

TO COLLECTORS OF INTERNAL REVENUE
AND OTHERS CONCERNED:

Regulations 85 [Part 112, Title 26, Code of
Federal Regulations] relating to the tax on trans-
fers of interests in silver bullion, but only as
prescribed and made applicable to the Internal
Revenue Code by Treasury Decision 4887, approved
February 11, 1939 [Part 112 (note) of such Title
26] are amended as follows:

Paragraph 1. Article 66 [section 112.66 of
such Title 26] is amended by changing the period
at the end of the second sentence to a comma and
adding thereafter the following:

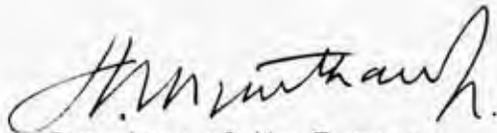
except that upon application and proper
showing to the Commissioner he may gener-
ally, or in individual cases, as he deems
appropriate, waive such of the information
as he determines to be unnecessary.

- 2 -

Par. 2. Article 85 (c) [section 112.85 (c) of such Title 26] as amended by Treasury Decision 4465, approved August 27, 1934, is amended by adding to the end thereof a sentence reading as follows:

Effective as of December 1, 1942, and until the date on which the President proclaims that hostilities in the present war have terminated, the replacement may take place within 45 days before or after such transfer.

(This Treasury decision is issued under the authority contained in section 1805 of the Internal Revenue Code (53 Stat. 198, 199; 26 U.S.C., 1940 ed., and Sup. II, 1805).)



Secretary of the Treasury.

Approved: *September 23, 1943*



The White House.

(T. D.)

TITLE 26 -- INTERNAL REVENUE

CHAPTER I

SUBCHAPTER C, PART 112

TAX ON TRANSFERS OF SILVER BULLION

Reports and inventory replacements.
Articles 66 and 85 (c), Regulations
85, amended.

TREASURY DEPARTMENT,
Office of the Secretary,
Washington 25, D. C.

TO COLLECTORS OF INTERNAL REVENUE
AND OTHERS CONCERNED:

Regulations 85 \surd Part 112, Title 26, Code of Federal Regulations \surd relating to the tax on transfers of interests in silver bullion, but only as prescribed and made applicable to the Internal Revenue Code by Treasury Decision 4887, approved February 11, 1939 \surd Part 112 (note) of such Title 26 \surd are amended as follows:

Paragraph 1. Article 66 \surd section 112.66 of such Title 26 \surd is amended by changing the period at the end of the second sentence to a comma and adding thereafter the following:

except that upon application and proper showing to the Commissioner he may generally, or in individual cases, as he deems appropriate, waive such of the information as he determines to be unnecessary.

-2-

Par. 2. Article 85 (c) [section 112.85 (c) of such Title 26] as amended by Treasury Decision 4465, approved August 27, 1934, is amended by adding to the end thereof a sentence reading as follows:

Effective as of December 1, 1942, and until the date on which the President proclaims that hostilities in the present war have terminated, the replacement may take place within 45 days before or after such transfer.

(This Treasury decision is issued under the authority contained in section 1805 of the Internal Revenue Code (53 Stat. 198, 199; 26 U.S.C., 1940 ed., and Sup. II, 1805).)

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Approved:

The White House.

GC:LAR:PAV
A-384818

MR. SECRETARY:

There is transmitted herewith, with recommendation that it be approved, a proposed Treasury decision amending Regulations 85, relating to the tax on transfers of silver bullion. These regulations, prescribed by the Commissioner and approved by the Secretary on June 19, 1934, were issued pursuant to Title VIII, Schedule A, subdivision 10 of the Revenue Act of 1926, as added by section 8 of the Silver Purchase Act of 1934. By section 1805 of the Internal Revenue Code, which superseded the said subdivision 10, the Secretary is authorized to issue, with the approval of the President, such rules and regulations as the Secretary may deem necessary or proper to carry out the purposes of the section. Pursuant to section 1805 there was issued by the Secretary, and approved by the President on February 11, 1939, Treasury Decision 4887 which made Regulations 85 applicable to section 1805. The proposed amendatory Treasury decision now submitted is therefore prepared for issuance by the Secretary and approval by the President.

The proposed Treasury decision amends articles 66 and 85 (c) of Regulations 85. The amendment of article 66 authorizes the Commissioner, when he deems it appropriate, to waive the furnishing of certain information. Under the existing regulations certain taxpayers must furnish with their monthly returns on Form 3(Silver) detailed information as to their various transactions from which their tax liability, if any, can be determined. This detailed information is supplied on Form 3C(Silver). It is represented that under existing conditions the activities of the taxpayer are such that he knows without preparing the detailed information required by the regulations, whether or not tax is due. Through their representative the concerns subject to the requirement in question, only 12 in number, ask to be relieved of the task of filing Form 3C(Silver) for months for which no tax is due. The concerns involved are

- 2 -

now chiefly engaged in the war effort, and it is contended that in these circumstances it is a particular hardship to be required to furnish the information referred to which can result in no tax collection. The proposed amendment of the regulations would give the Commissioner authority to waive, upon application and proper showing, the detailed information now required by the regulations. Under this authority, filing of Form 30(Silver) could be waived in appropriate circumstances.

As to article 85, the law authorizes the Commissioner of Internal Revenue, under conditions and subject to regulations, to abate or refund taxes found to be attributable to profits realized in the course of a transferor's regular business of furnishing silver bullion for industrial, professional, or artistic use. Pursuant to this authority article 85 of the regulations provides for the keeping of so-called necessary inventories, and article 85 (c) requires silver transferred from inventory to be replaced within 15 days before or after the transfer. It appears that because of the extensive use of silver in war production and priority, price control, and other requirements, the 15-day limit is a handicap in the efficient operations of the transferors. It is considered that extension of the replacement period to 45 days will facilitate war operations and will not endanger the collection of any tax due. The proposed Treasury decision will amend article 85 (c) to permit, for the period of the war emergency only, silver transferred from the inventories in question to be replaced within a 45-day period.

(Signed) Guy T. Helvering
Commissioner.

jmt-8-26-43

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau
FROM Frances McCathran

September 21, 1943

CONTROVERSIAL ISSUES BEFORE CONGRESS

1. Manpower - Before a joint session of the Senate and House Military Affairs Committees yesterday, General George C. Marshall testified against the Wheeler Bill to suspend the induction of fathers. For the first time in its history this nation is fully training its soldiers before they are sent overseas, Marshall said. At the time of the North African invasion, however, it was necessary to establish advanced training bases in Africa to complete adequate preparation of American troops. Because of casualties and other manpower drains, he added, it takes approximately 75,000 men a month merely to hold the army at its present strength. Saying that postponement of the father draft would force reduction of combat divisions, he warned against maintaining the army on too narrow a margin of reserves. "We can very quickly demobilize, but we can't improvise," he reminded the committees. Admiral King also testified against the Wheeler Bill yesterday, and Mayor La Guardia warned against the increasing manpower shortage in city governments. Tomorrow afternoon Bernard M. Beruch, Adviser to CWM Byrnes, is expected to wind up the Wheeler Bill hearings of the Senate Military Affairs Committee.
2. Post-War Planning - The House is expected to vote today on the Fulbright Resolution in which Congress simply "expresses itself as favoring the creation of appropriate international machinery with power adequate to establish and to maintain a just and lasting peace, among the nations of the world, and as favoring participation by the United States therein, through constitutional processes." The last three words were a Republican amendment approved unanimously yesterday by the House Military Affairs Committee. Although several representatives spoke against the measure in House debate yesterday, there appears to be no doubt that the necessary two-thirds majority to pass the resolution will be easily obtained.

3. Renegotiation - In hearings before the House Ways and Means Committee yesterday, Undersecretary of War Patterson, while favoring post-war relief amendments to the tax laws, very definitely opposed the viewpoint that excessive profits can be adequately recovered by taxation. For "when taxes reach the point of confiscation," he said, "the profit incentive disappears, resulting in extravagance" and "a wastage of manpower and materials."

25

SEP 21 1943

Dear Mr. Helvering:

I have your letter of September 15, 1943, advising of the submission to the President of your resignation as Commissioner of Internal Revenue.

While I realize that you are leaving the Department at the request of the President to serve as United States District Judge for the district of Kansas, the knowledge that you will no longer be at the head of the Internal Revenue Bureau produces a genuine feeling of personal regret. It is a matter of official record that during the past ten years you have rendered an outstanding public service in formulating the policies and directing the activities of one of the most important agencies of the Federal Government. The Treasury has been fortunate to have had a person of your resourcefulness and integrity in a position of such responsibility.

I am deeply grateful to you for the loyal and able service you have rendered. May you find success and happiness in your new work.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Honorable Guy T. Helvering
Commissioner of Internal Revenue
Treasury Department

CFlanagan:km
9/17/43



OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
AND REFER TO

TREASURY DEPARTMENT
WASHINGTON 25



September 15, 1943.

Dear Mr. Secretary:

I have today forwarded to the President my resignation as Commissioner of Internal Revenue to be effective at his pleasure.

It will be a privilege and an honor to assume the duties of the position which the President has offered me, yet it is with regret that I am severing my connection with the Treasury Department. However, I feel that the Bureau of Internal Revenue is well organized, its officers and employees loyal and cooperative, and that it will continue to function with a high degree of efficiency under your capable direction and leadership.

Words are inadequate to express the appreciation I feel for the many kindnesses and courtesies you have extended to me and for your loyal support in my administration of the tax laws. I am sincerely grateful for the cordial friendships of associates in the Department and for their cooperation with me in the work of the Bureau of Internal Revenue, one of the most vital and complex agencies of the Federal Government.

I want you to know, Mr. Secretary, of my profound admiration of the manner in which you have conducted the various Bureaus of the Treasury Department together with the additional responsibility you have undertaken in financing the war.

Yours very sincerely,

Louis P. Heising
Commissioner.

Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury.

September 21, 1943.

My dear Mr. Higgins:

I am sorry indeed that you are leaving us after doing such a good job as Collector of Internal Revenue in the Third District of New York. In view, however, of the responsibility of the post for which you are the party candidate and the attraction I know it will hold for you as a man trained in the law and well fitted for the bench, I feel that we can't complain.

I am grateful, instead, for the able and conscientious service you have rendered in a very difficult place and extend to you my best wishes and hopes for your future career.

Sincerely,

(Signed) H. Morgenthau, Jr

Secretary of the Treasury.

Mr. Joseph T. Higgins
180 Central Park South
New York, N. Y.

TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

NEW YORK, N. Y.

1111 Boston
September 17, 1943.

My dear Mr. Secretary,

Enclosed herewith please find copy of my resignation as Collector of Internal Revenue of the Third District, New York, submitted to the President today.

It is with a feeling of real sadness that I find it necessary to resign from this very honored position, particularly because I have been very proud of my association with you as Secretary of the Treasury.

With warmest regards, I am,

Sincerely yours,


Joseph T. Higgins

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

TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

NEW YORK, N. Y.

C O P Y

September 17, 1943.

My dear Mr. President:

Having been nominated by the Democratic Party for the office of Justice of the City Court of the City of New York, I herewith tender to you my resignation as Collector of Internal Revenue, Third District, New York, effective the close of business on September 20, 1943.

Respectfully submitted,


Joseph T. Higgins

The Honorable Franklin D. Roosevelt,
President of the United States,
The White House,
Washington, D.C.

September 21, 1943.

My dear Mr. Ambassador:

I have learned this morning with a sense of personal grief the news of the death of Sir Kingsley Wood and desire to express my sympathy to you as the representative of His Majesty's Government.

I am enclosing a draft of a cable to the Prime Minister which I shall appreciate your transmitting to London, if you will be so kind.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

His Excellency
The Ambassador of Great Britain
Washington, D.C.

The Prime Minister, London

Permit me to express through you to His Majesty's Government and people my deep sense of personal loss in the death of Sir Kingsley Wood, Chancellor of the Exchequer, whose sincere friendliness and cooperative spirit have done so much to advance the common cause of our two countries. We in the United States who knew of his great abilities as well as fine integrity and personal charm join with you in mourning his departure.

HENRY MORGENTHAU, JR.

BRITISH EMBASSY,
WASHINGTON, D. C.

September 21st, 1943

My dear Mr. Secretary,

May I thank you for your letter in which you express your personal grief at the news of Sir Kingsley Wood's death. I am most grateful for your expressions of sympathy.

I have at once had your cable to the Prime Minister despatched.

Believe me,

My dear Mr. Secretary,

Very sincerely yours,

R. I. Campbell

The Honourable

Henry Morgenthau, Jr.,

Secretary of the Treasury,

Washington, D.C.

9/21/43

TO STATE

Telegram for transmission to Ambassador Winant
in London

Personal to Winant

I sent sympathy message yesterday to Embassy for
Prime Minister but would appreciate your speaking
for me also.

Morgenthau

105
10



BRITISH AIR COMMISSION

1785 MASSACHUSETTS AVENUE
WASHINGTON, D. C.

TELEPHONE HOBART 9000

PLEASE QUOTE

REFERENCE NO.....

With the compliments of British Air Commission
who enclose Statement No. 103 -- Aircraft Despatched
-- for week ended September 14, 1943.

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

September 21, 1943.

STATEMENT NO. 103
Aircraft Despatched from the United States
Week Ended September 14, 1943

| <u>TYPE</u> | <u>DESTINATION</u> | <u>ASSEMBLY POINT</u> | <u>BY SEA</u> | <u>BY AIR</u> | <u>FLIGHT DELIVERED FOR USE IN CANADA</u> |
|---------------------|--------------------|-----------------------|---------------|---------------|---|
| <u>CONSOLIDATED</u> | | | | | |
| Catalina IV | U.K. | U.K. | | 6 | |
| Coronado GR V | U.K. | U.K. | | 2 | |
| <u>DOUGLAS</u> | | | | | |
| Dakota III | India | India | | 4 | |
| <u>GLENN MARTIN</u> | | | | | |
| Baltimore V | M.E. | M.E. | | 12 | |
| Marauder II | M.E. | M.E. | | 3 | |
| <u>N. AMERICAN</u> | | | | | |
| Mitchell II | U.K. | U.K. | | 1 | |
| Mustang | U.K. | U.K. | 12 | | |
| Harvard | S. Africa | Capetown | 25 | | |
| Harvard | S. Rhodesia | Capetown | 14 | | |
| <u>VEGA</u> | | | | | |
| Ventura GR V | U.K. | U.K. | | 1 | |
| Ventura GR V | M.E. | M.E. | | 1 | |
| Ventura GR V | S. Africa | S. Africa | | 8 | |
| <u>BELL</u> | | | | | |
| Bell YP 59A | U.K. | U.K. | 1 | | |
| <u>GRUMMAN</u> | | | | | |
| Martlet V | U.K. | U.K. | 2 | | |
| Tarpon | S. Africa | Capetown | 2 | | |
| Tarpon | U.K. | U.K. | 1 | | |
| <u>CURTISS</u> | | | | | |
| Cameo | U.K. | U.K. | 3 | | |
| Kittyhawk | Australia | Melbourne | 31 | | |
| Kittyhawk | M.E. | Alexandria | 17 | | |
| <u>FAIRCHILD</u> | | | | | |
| Fleet Cornell | S. Rhodesia | Capetown | 12 | | |
| <u>NOORDUYN</u> | | | | | |
| Harvard | U.K. | U.K. | 8 | | |
| <u>STINSON</u> | | | | | |
| Reliant | U.K. | U.K. | 10 | | |

Movements Division
British Air Commission

Total 138 38 0

September 18, 1943

mah

Regraded Unclassified



TREASURY DEPARTMENT
PROCUREMENT DIVISION
WASHINGTON 25



OFFICE OF THE DIRECTOR

SECRET

September 21, 1943

MEMORANDUM TO THE SECRETARY:

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

Periodic surveys of Lend-Lease materials are being made at all storage points throughout the Country and reports submitted recommending such action as may be necessary to avoid depreciation. This work was undertaken as a special project during the early part of August as an added check upon the usual warehousing safeguards. The results thus far have been very satisfactory.

Clifford E. Mack
Clifford E. Mack
Director of Procurement

Attachment

LEND-LEASE
 TREASURY DEPARTMENT, PROCUREMENT DIVISION
 STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND
 DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS
 AS OF SEPTEMBER 15, 1943
 (In Millions of Dollars)

| | <u>Total</u> | <u>U. K.</u> | <u>Russia</u> | <u>China</u> | <u>Administrative Expenses</u> | <u>Miscellaneous & Undistributed</u> |
|---|----------------------|----------------------|----------------------|--------------------|------------------------------------|--|
| Allocations | \$3881.9 (3875.2) | \$1931.8 (1931.8) | \$1557.4 (1557.0) | \$109.7 (103.4) | \$11.0 (11.0) | \$272.0 (272.0) |
| Purchase Authoriza- tions (Requisitions) | \$3030.7 (3002.1) | \$1610.2 (1599.4) | \$1239.9 (1231.9) | \$43.1 (36.6) | - - | \$137.5 (134.2) |
| Requisitions Cleared for Purchase | \$2950.5 (2934.5) | \$1563.3 (1562.0) | \$1213.3 (1208.0) | \$42.9 (36.5) | - - | \$131.0 (128.0) |
| Obligations (Purchases) | \$2889.0 (2871.9) | \$1545.7 (1541.5) | \$1189.8 (1184.8) | \$42.8 (36.4) | \$7.9 (7.6) | \$102.8 (101.6) |
| Deliveries to Foreign Governments at U. S. Ports* | \$1268.7 (1252.2) | \$ 880.4 (864.4) | \$ 356.8 (356.3) | \$18.3 (18.3) | - - | \$13.2 (13.2) |

*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 September 8, 1943.

SEP 21 1943

My dear Mr. Ambassador:

This is to acknowledge your letter of September 3, 1943, enclosing a letter from Mr. Camille Gutt, Minister of Finance of Belgium, together with a memorandum on the determination of the Belgian franc-dollar rate of exchange.

The memorandum and the problems with which it deals will be given careful consideration by the Treasury.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

His Excellency,
The Ambassador of Belgium,
Washington, D. C.

CDG:lr 9/14/43

AMBASSADE DE BELGIQUE

D.

N.

1

The Belgian Ambassador presents his compliments to the Honorable the Secretary of the Treasury of the United States, and has the honor to transmit to him, herewith, a letter addressed to him by Mr. Camille GUTT, Minister of Finance of Belgium.

The Belgian Ambassador will be obliged if an acknowledgment of the enclosure may be sent to the Embassy.

WASHINGTON, September 3rd., 1943.



The Honorable Henry MORGENTHAU
Secretary of the Treasury of the United States

WASHINGTON, D. C.



49, EATON PLACE,
LONDON, S.W.1.

Tel: Sloane 6225.

Confidential.

CG/AD

20th August, 1945.

My dear Secretary,

Following your letter dated July 2nd, and the conversations I had in Washington in June with Messrs. Harry White and Daniel Bell, I have the honour to send you herewith the memorandum which you asked for, relating to the proposed parity between the Belgian franc and the dollar.

As pointed out in the memorandum, the figure given is that which would apply should the liberation of the country take place in the very near future and it would be subject to revision should the liberation take place later on.

Yours very truly,

H. Went thau, Esq.,
Secretary of the Treasury,
Washington.

COPY

49 Eaton Place
London S. W. I

MINISTER OF FINANCES
LE MINISTRE

Official

3/AD

20th August 1943.

My dear Secretary,

Following your letter dated July 2nd. and the conversations I had in Washington in June with Messrs. Harry White and Daniel Bell, I have the honour to send you herewith the memorandum which you asked for, relating to the proposed parity between the Belgian franc and the dollar.

As pointed out in the memorandum, the figure given is that which would apply should the liberation of the country take place in the very near future and it would be subject to revision should the liberation take place later on.

Yours very truly,

(s) Gutt

H. Morgenthau, Esq.
Secretary of the Treasury
Washington.

RANDUM ON THE BELGIAN FRANC - DOLLAR FUTURE PARITY.

1. The problem.

The Belgian Government have been asked by the United States Government what exchange parity they intended to fix for the Belgian franc on the liberated Belgian soil.

Of course a parity corresponds to a given economic and financial situation. And as in this regard many elements (in the United States as well as in Belgium) may change before the day of liberation, our reply - in accordance with the conversations I have had with Mr. White and Mr. Bell - is based on the latest data available at the present time. We intend to keep in touch, in the future, with the United States Government, in order to inform them of any changes which might influence our ultimate decision.

With this reservation, our position is the following :

A parity between currencies reflects a relationship between economies. Let us examine that relationship as far as the United States and Belgium are concerned.

II.- The currency and price structure in Belgium.

a) Present position.

Belgium has been occupied by the Germans for more than three years. Although the economic life of Belgium has been drastically reduced, thus reducing her revenue, she has been able to meet out of heavily increased taxation all her normal expenses but not her extraordinary expenses, especially the war contribution levied by Germany. This contribution now exceeds 20 billions of Belgian francs annually, whilst the whole of the Belgian Budget, before the war, amounted to 12 billions.

The Treasury could only meet such expenditure by issuing loans; either long or medium term loans floated in the public; or Treasury Bills discounted with the Bank of Issue. The former increased the amount of the public debt; the latter did too, but had the additional effect of increasing the volume of the circulation.

Therefore, the total public debt, which was on May 10th 1940 67.570 millions, reached on March 31st 1943 118.603 millions. The total commitments of the Bank of Issue, which on May 10th 1940 amounted to 34.815 millions, had risen on May 27th 1943 to 81.080 millions while its real assets remained unchanged. The total current accounts with private and saving banks, which were 23,930 millions in May 1940 had risen on December 31st 1942 to 39,566 (last figures available).

Such a situation was bound to reflect on the price level. On the one hand, there was an abundance of means of payment. On the other hand, due to Allied blockade and German plunder there was very little to be purchased. Thirdly, the very abundance of means of payment made people afraid of the future of the currency and stampeded them in purchasing real values. This resulted in a considerable rising of prices both on the open and on the black market. Prices at the Stock Exchange and in the real estate markets have risen to 300% or 400% of the pre-war prices. For the black market foodstuffs, far more extravagant prices are prevailing but it is worth noting that the black market transactions are a very small percentage of the total.

That those prices are artificial, speculative and do not correspond to the reality is shown by the fact that, as soon as an Allied victory is announced or foreseen, they drop

essentially. And they would certainly fall to pieces the moment the territory could be liberated and the relief assured.

However, some goods and services are being kept by way of controlled prices at a prescribed level; this applies mainly to salaries. They are at present at 140% of their pre-war level. As such, they are insufficient to give the workers anything approaching their pre-war standard of living, and the management of the various concerns has to intervene (by way of indirect payments, like the supply of foodstuffs at a very cheap price) to provide their employees with the bare necessities of life.

b) Future position.

The above mentioned facts show that the present commodities price structure cannot be taken as a definite basis. If we analyse the situation further, we notice on the one hand, that the greater part of the currency issued since the war began has not gone into the normal economic circuit of the circulation. On the other hand, if, as must be the case, consumption goods are available in sufficient quantities, there ^{be} need/ to give the wage-earners a sufficient purchasing power, no change in the controlled prices which have been fixed.

To attain this end, the Belgian Government have drafted a set of decrees, which will become operative as soon as part of Belgium is liberated.

The first effect of these decrees will be to sterilize an important part of the means of payment, before they are actually incorporated into the economic circuit. At the same time a control of prices, a control of the credit, a control of imports and exports will be established. All these controls

prerequisites for the control of exchange and the maintenance of an exchange parity. Once one controls the volume of circulation, the prices, the credit and the foreign trade, one can control an exchange parity.

Sterilization of the means of payment would be made by compulsorily transforming part of them into special long-term bonds having a special statute, (e.g. These bonds could not be sold on the market or be accepted as guarantee for the opening of credit except under a special licence of the Credit Control Organisation). The amount to be thus sterilized will of course depend upon the size of the monetary circulation and upon the parity fixed for the currency : it will be relatively small if the parity is low, more important if the parity is high.

The control of prices is already applied, as said above, to occupied Belgium. It has not prevented the black market from coming into existence, but this is due to the lack of a sufficient quantity of available goods on the market. When the normal flow of goods is restored, and when the various controls mentioned are functioning, there is no reason to believe that a given price level could not be maintained - if necessary, with the added support of a policy of subsidies.

Control of exports, imports, and foreign exchange already existed in some form before the war and could not be dispensed with after the liberation. Even apart from any monetary consideration, they could not be avoided due to the scarcity of shipping space and raw materials which is bound to prevail.

III.- The calculation of the exchange parity.

The Belgian Government want to choose a parity which would not entail a reduction in the nominal amount of the salaries, this for evident psychological and social reasons.

On the other hand, they want to establish the parity at such a level that the maintenance of the present salaries would give workers a purchasing power not inferior to their pre-war purchasing power.

The present nominal salaries represent 140% of the 1938 wages. No account need be taken of the additional payments previously mentioned, as they are only made necessary by the lack of available food supplies, and as it is hoped that the normal flow of supplies will be forthcoming after the liberation. Therefore, our basis is 140. And this figure should be used as the price basis; all other prices, as above mentioned, being artificial and speculative.

Had the dollar and the pound kept their purchasing power since 1938, the calculation of the franc parity would be very simple, a devaluation of 100 minus $\frac{100}{140}$ (i.e. 28.5%) in terms of pounds or dollars should be applied to restore pre-war equilibrium.

But this is not the case. At the end of December 1942, the cost of living index had risen, in England to 128 (cost of living - Ministry of Labour^(x)) - In the United States, the index was at 120 at the end of last year (cost of living 20 towns - Bureau of Labor Statistics).

Therefore the measure of the devaluation, if any, of the Belgian franc, should be only the difference between the rise of prices in Belgium and that of the prices in Great Britain or the United States.

(The Snyder index based on :

- 1) wholesale price, Board of Trade,
 - 2) cost of living, Ministry of Labour,
 - 3) wages, Bewley index, and
 - 4) rent index, Ministry of Labour,
- reached 134,7 at the end of December 1942)

Thus, on the basis of the figures at the end of December 1942, the rate of exchange of the Belgian franc against sterling is as follows :

$$\text{£ 1} = \frac{144.65 \times 140}{128} = 158,36 \text{ B.Fr.}$$

140 = wage level in Belgium at the end of December 1942 (average 1938 = 100) the prices having to be stabilised at that level.

128 = price level in Great Britain at the end of December 1942 (Average 1938 = 100)

144,65 = average of the rate of exchange £/B.Fr. during the year 1938.

The parity between the U.S. dollar and the £ being 4.02 1/2 the rate of exchange between the U.S. dollar and the Belgian franc would be :

$$\frac{158,36}{4,02 \frac{1}{2}} = 39,34 \text{ B.Fr.} = \text{U.S. Dollar 1.}$$

To put it in round figures, the dollar parity at the present moment is, in the opinion of the Belgian Government, 40 Belgian francs to the dollar, which at the parity of 4,025 would mean 161 Belgian francs to the £.

This is said under the general reservation formulated at the beginning of the present memorandum that this value is not necessarily a definite one, as a change in the price structure - either in Belgium or in the dollar-sterling countries or in both - might influence it in the future.

20th August, 1943.

Treasury Department
Division of Monetary Research

Date 9/23/43 19

To: Mrs. McHugh

Your copies of last four letters to the Ministers of Finance. These were sent to Mr. Livesey in the State Department for delivery via American Embassies.

L. Shanahan

MR. WHITE
Branch 2058 - Room 2141

SEP 21 1943

Excellency:

On March 4, 1943, I sent to the finance ministers of the United Nations and the countries associated with them a tentative draft proposal for an international stabilization fund, prepared by the technical experts of the United States Treasury in cooperation with the technical experts of other departments of this Government. At that time, I asked the finance ministers to submit this tentative proposal for critical study by their technical experts and to send their experts to Washington for informal discussions with the technical experts of this Government.

These exploratory technical discussions have been going on for some time. The discussions have been very helpful in clarifying the problems connected with international monetary cooperation and in calling forth suggestions for modifications in the tentative proposal. As a result of these discussions, the technical experts of the United States have prepared a revised draft of the tentative proposal for an International Stabilization Fund. While this draft embodies some of the suggestions of the technical experts of other countries, it does not necessarily represent the views of the experts of any other country.

I particularly wish to express to you my appreciation for the contributions to the discussions made by the technical experts that you designated. The several conversations they held with the experts of the United States were helpful to us and we hope to them.

There is enclosed for your consideration the revised draft of the tentative proposal for an International Stabilization Fund. It is my intention to keep you fully informed of further developments in connection with the proposals for international monetary cooperation.

Sincerely yours,

W. H. Maguire

Secretary of the Treasury

His Excellency, Francisco de Paula Gutierrez Ross
The Minister of Finance,
The Republic of Costa Rica,
San Jose, Costa Rica.

Enclosure

RJB/ah
9/15/43

SEP 21 1943

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On March 4, 1943, I sent to the finance ministers of the United Nations and the countries associated with them a tentative draft proposal for an International Stabilization Fund, prepared by the technical experts of the United States Treasury in cooperation with the technical experts of other departments of this Government. At that time, I asked the finance ministers to submit the tentative proposal for critical study by their technical experts and to send their experts to Washington for informal discussions with the technical experts of this Government.

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I particularly wish to express to you my appreciation for the contributions to the discussions made by Dr. Gorrondona and Dr. Guerrero, the technical experts that you sent to Washington. The several conversations they held with the experts of the United States were helpful to us and we hope to them.

There is enclosed for your consideration the revised draft of the tentative proposal for an International Stabilization Fund. It is my intention to keep you fully informed of further developments in connection with the proposals for international monetary cooperation.

Sincerely yours,

H. H. Morganthau, Jr.

Secretary of the Treasury.

His Excellency, Arturo Usler Pietri,
The Minister of Finance,
The United States of Venezuela,
Caracas, Venezuela.

Enclosure

EMB:lr
9/14/43

SEP 21 1943

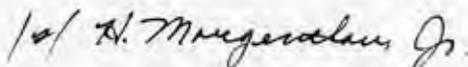
Excellency:

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I regret that it was not possible for you to send technical experts to Washington for these discussions. The conversations already held have been very helpful in clarifying the problems connected with international monetary cooperation and in calling forth suggestions for modifications in the tentative proposal. As a result of these discussions, the technical experts of the United States have prepared a revised draft of the tentative proposal for an International Stabilization Fund. While this draft embodies some of the suggestions of the technical experts of other countries, it does not necessarily represent the views of the experts of any other country.

There is enclosed for your consideration the revised draft of the tentative proposal for an International Stabilization Fund. It is my intention to keep you fully informed of further developments in connection with the proposals for international monetary cooperation.

Sincerely yours,



Secretary of the Treasury.

His Excellency, Arcadio Londerio Palacio,
The Minister of Finance,
The Republic of Colombia,
Bogota, Colombia.

Enclosure

SEP 21 1943

Excellency:

On March 4, 1943, I sent to the finance ministers of the United Nations and the countries associated with them a tentative draft proposal for an International Stabilization Fund, prepared by the technical experts of the United States Treasury in cooperation with the technical experts of other departments of this Government. At that time, I asked the finance ministers to submit this tentative proposal for critical study by their technical experts and to send their experts to Washington for informal discussions with the technical experts of this Government.

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I particularly wish to express to you my appreciation for the contribution to the discussions made by Mr. Illanes, the technical expert that you designated. The several conversations he had with the experts of the United States were helpful to us and we hope to him.

There is enclosed for your consideration the revised draft of the tentative proposal for an International Stabilization Fund. It is my intention to keep you fully informed of further developments in connection with the proposals for international monetary cooperation.

Sincerely yours,



Secretary of the Treasury.

Hls Excellency, Arturo Matte Larraín,
The Minister of Finance,
The Republic of Chile,
Santiago, Chile.

Enclosure

AMB/OT 9/25/43

SEP 21 1943

Dear Mr. Walsh:

This is in reply to your letter of September 15, 1943, regarding the tentative proposals for international monetary cooperation.

The Treasury is eager to discuss the tentative proposal for an International Stabilization Fund with interested public groups. We have already held some discussions with banking groups and with exporters and importers. We are delighted to find so much interest in the proposal among the labor organizations. You may be sure we welcome the opportunity of discussing the question with the representatives of labor.

I have asked Mr. White to get in touch with the labor organizations and to arrange for discussions of the proposal with them. You will hear from Mr. White in the very near future.

Sincerely yours,

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

Mr. J. Raymond Walsh, Director,
Department of Education and Research,
Congress of Industrial Organizations,
718 Jackson Place, N. W.,
Washington, D. C.

EMB/jm
9/20/43

Mr. White
Congress of Industrial Organizations

CIO

718 Jackson Place, N. W. • Washington, D. C.

J. RAYMOND WALSH, Director
Department of Industrial Research

EX-100-558

September 15, 1943

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

Dear Secretary Morgenthau:

Mr. Philip Murray has asked me to be Chairman of the Committee on Post War of the Congress of Industrial Organizations. As his representative, I have participated in a number of conferences of government officials and industry representatives on the problems that will confront us during the period of demobilization and conversion to a peace time economy. I write to express to you our great interest in the whole question of international monetary stabilization and the questions that have been raised by the so-called White Plan.

I need not point out to you how influential currency stabilization will be on employment and the general welfare of our members. In the light of this fact, I am wondering why the CIO has not been invited to participate in the discussions which have been held on the White Plan. Can you give me some assurance that we shall be invited to any future discussions to which representatives of other public groups attend?

Respectfully yours,

J. Raymond Walsh
J. Raymond Walsh

U.S. SECRET
BRITISH MOST SECRET

OPTEL 312A

Information received up to 10 a.m. 21st
September, 1943.

1. NAVAL

One of H.M. Battleships has arrived at Malta in tow. Unloading at Salerno is proceeding in spite of ineffective air attacks. Air reconnaissance of Naples 17th and 18th showed one liner, one tanker, four cargo ships and one coaster scuttled and a torpedo boat and submarine no longer visible and may be sunk. At Castellamare a Reggio Class Cruiser, a floating crane, three Escort Vessels and some small craft are sunk and a submarine probably sunk. At Pozzuoli a submarine was seen on fire and partly destroyed.

A 1400 ton Italian submarine entered Durban yesterday and surrendered. An outward Convoy was attacked by U-Boats about 400 miles South of Iceland (C) yesterday. 1 U.S. Liberty ship was sunk and another abandoned. 8 U-boats were sighted yesterday near this convoy 3 of which were attacked. In a premature explosion one of H.M. destroyers while hunting U-boats 3 officers and 12 ratings were killed and one missing. The Captain and several ratings were wounded.

2. MILITARY

Italy. 5th Army. Situation satisfactory and except on North flank Allies are only opposed by rear guards, the whole of the Sorrento Peninsula is now in our hands.

Eighth Army. U.K. and Canadian troops are concentrating South of Auletta and Potenza.

Corsica. German forces are moving from Bonifacio Area by road and rail to Bastia where evacuation to the mainland seems to have begun. Liaison between French and Italian Forces reported excellent.

On 18th/19th 2 Italian Destroyers under our control landed personnel and stores at Ajaccio.

Russia. The Russian advance continued yesterday on several sectors of the front South of Lake Ilmen to the Sea of Azov to depths varying from 6 to 16 miles.

3. AIR OPERATIONS

Western Front. 20th. Fighters operating over Brittany damaged 8 locomotives and a mine-sweeper. 3 aircraft missing.

20/21st. Aircraft despatched Berlin 8. Sea mining 22, Intruders 8, Leaflets 21.

Italy. 18/19th. Wellingtons dropped 98 tons on Viterbo airfield and light bombers attacked enemy communications in the Salerno area.

19th. 183 Mustangs continued to harass transport in the battle area, more than sixty motor vehicles were destroyed. Enemy casualties 200, ours 5 missing.

Dodecanese. 18/19th. 15 enemy aircraft attacked Vos Island destroying two aircraft on the ground including one damaged the previous day. Aircraft destroyed in the air, enemy 1, ours 2.

HM Jr's Broadcast with General Belyaev on
National Farm and Home Hour on 9/22/43

128 ✓
9/22/43

LADIES AND GENTLEMEN:

We are now approaching the final week of our Third War Loan drive. The importance of this drive to "Back the Attack" is attested by the fact that it was opened by the President himself, our Commander-in-Chief, *Pause* Mr. Winston Churchill, Prime Minister of Great Britain, in buying the first Bond, made clear his firm belief that the success of the Drive will appreciably shorten the war.

Today, ladies and gentlemen, we have further testimony to the vital importance of this undertaking -- the financing of the United Nations attack.

689
93
396

- 2 -

It is testimony from an equally distinguished and authoritative quarter -- a message to the American people from Marshall Joseph Stalin, Supreme Commander-in-Chief of the Armed Forces of the Soviet Union.

It is my pleasure and privilege to introduce my good friend, Major General Belyaev of the Soviet Air Force, Chairman of the Soviet Government Purchasing Commission in the United States -- who brings you Marshall Stalin's message. $\frac{1}{4}$

596
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- 3 -

BELYAEV

"I have been honored with the privilege to make the following statement at the request of Marshall Stalin, Commander-in-Chief of the Union of Soviet Socialist Republics:

"For 26 months the Soviet Union has been engaged in a difficult war of liberation against our common enemy, Hitlerite Germany, and her satellites Finland, Rumania, and Hungary. In this gigantic war more than five hundred divisions are involved on both sides.

528
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- 4 -

"Today the Soviet Army, the Red Army, is advancing from Smolensk to the shores of the Black Sea, pursuing and driving the hated enemy from Soviet soil. In this struggle the Red Army is also successfully employing planes, tanks, guns and other munitions and equipment which are received from the allied United States and Great Britain.

"The entire Soviet population is working unceasingly for the front to bring the hour of victory nearer.

457
73
384

- 5 -

"Our American friends who are participating in the manufacture of the ammunition and supplies of provisions are rendering great support in the fight against our common enemy. //

"Every Soviet citizen is not only assisting his Army and his Government to defeat the enemy, but is giving great financial support to the Soviet Government by buying War Bonds.

"It is desirable that the American people, by successful participation in the War Loan in the United States, promote the growth of the military might of the United States and help the joint efforts of the Allies to achieve victory over the bitter enemy within the shortest possible period of time."

384
108
276

- 6 -

SECRETARY MORGENTHAU

Thank you, General Belyaev. I know this important message from Marshall Stalin will be an inspiration to the American people. It will help us to equal and even surpass the 15 billion dollar goal of our "Back the Attack" War Bond Drive.

We of the United States are happy that our munitions and supplies have helped you to repulse the Germans. Everybody knows that Bonds paid for those munitions and supplies, in large part. The success of the Third War Loan will guarantee that our help will continue and even grow. $\frac{3}{4}$

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785

- 7 -

The American people are full of admiration for the magnificent and history-making resistance of the Soviet People to Nazi aggression.

Treacherously attacked by Germany, you fought a long delaying action against the onrush of the German military machine. You lost millions of your sons and daughters. With your cities and villages bombed and burned, you moved whole industries hundreds of miles behind the Urals. In your besieged factories, you laid aside your tools to take up guns and fight the enemy in your very homes. Never did your spirit fail. The vaunted Nazi "wave of the future" shattered on the rock of your determination.

185
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20

- 8 -

Today the valiant Red Army is gloriously
freeing Soviet soil, mile by mile, from the clutches
of the Nazi invader.

We know that throughout this long period of
trial your people never stopped buying Soviet War Bonds.
That should be an inspiration to us, too.

I wish to thank you, General Belyaev, -- and,
through you, Marshall Stalin -- for this message.
It will, I am sure, bring home to every one the
real meaning of our drive to "Back the Attack."

80
80

- 8 -

Today the valiant Red Army is gloriously
freeing Soviet soil, mile by mile, from the clutches
of the Nazi invader.

We know that throughout this long period of
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That should be an inspiration to us, too.

I wish to thank you, General Belyaev, -- and,
through you, Marshall Stalin -- for this message.
It will, I am sure, bring home to every one the
real meaning of our drive to "Back the Attack."

80
80

TREASURY DEPARTMENT

Washington

(The following message from Marshal Stalin, Commander-in-Chief of the armed forces of the Union of Soviet Socialist Republics on America's Third War Loan, is scheduled for delivery at the BACK THE ATTACK show at 12:15 P.M., E.W.T. Wednesday, September 22, 1943, and is for release at that time.)

Marshal Joseph Stalin, Commander-in-Chief of the victorious Soviet armed forces, today threw his mighty weight behind America's Third War Loan drive.

The Red warrior urged a listening populace to purchase generously the securities offered and, by thus doing, "help the joint efforts of the Allies to achieve victory over the bitter enemy within the shortest period of time."

The message from the Russian chieftain was read by Major General A. I. Belyaev of the Soviet Air Forces and presently chairman of The Government Purchasing Commission of the U.S.S.R. in the United States. It was solicited by Secretary Morgenthau who introduced the army notable.

With a background of heavy guns, tanks, planes and other implements of modern war, representing this country's contribution to Russia's gallant fight, General Belyaev made the plain prefatory statement that he had been honored with the privilege to make the following statement at the request of Marshal Stalin, Commander-in-Chief of the Union of Soviet Socialist Republics. The statement follows:

For 26 months the Soviet Union has been engaged in a difficult war of liberation against our common enemy, Hitlerite Germany, and her satellites Finland, Romania, and Hungary. In this gigantic war more than five hundred divisions are involved on both sides.

Today the Soviet Army, the Red Army, is advancing from Smolensk to the shores of the Black Sea, pursuing and driving the hated enemy from Soviet soil. In this struggle the Red Army also is successfully employing planes, tanks, guns and other munitions and equipment which are received from the allied United States and Great Britain.

The entire Soviet population is working unceasingly for the front to bring the hour of Victory nearer.

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- 2 -

Our American friends who are participating in the manufacture of the ammunition and supplies of provisions are rendering great support in the fight against our common enemy.

Every Soviet citizen is not only assisting his Army and his Government to defeat the enemy, but is giving great financial support to the Soviet Government by buying War Bonds.

It is desirable that the American people, by successful participation in the War Loan in the United States, promote the growth of the military might of the United States and help the joint efforts of the Allies to achieve victory over the bitter enemy within the shortest possible period of time.

Secretary Morgenthau, in introducing General Bolyaev, said:

Ladies and Gentlemen:

We are now approaching the final week of our Third War Loan Drive. The importance of this drive to "Back the Attack" is attested by the fact that it was opened by our Commander-in-Chief, the President himself, Mr. Winston Churchill, Prime Minister of Great Britain, in buying the first bond, made clear his firm belief that the success of the drive will appreciably shorten the war.

Today, ladies and gentlemen, we have further testimony to the vital importance of this undertaking - the financing of the United Nations' attack. It is testimony from an equally distinguished and authoritative quarter - a message to the American people from Marshal Joseph Stalin, Supreme Commander-in-Chief of the armed forces of the Soviet Union.

It is my pleasure and privilege to introduce my good friend, Major General A. I. Bolyaev, of the Soviet Government Purchasing Commission in the United States who brings you Marshal Stalin's message:

Following the reading of Marshal Stalin's message, Secretary Morgenthau made the following concluding remarks:

Thank you, General Bolyaev. I know this important message from Marshal Stalin will be an inspiration to the American people. It will help us to equal and even surpass the \$15,000,000,000 goal of our "Back the Attack" War Bond drive.

- 3 -

We of the United States are happy that our munitions and supplies have helped you to repulse the Germans. Everybody knows that bonds, in large part, paid for those munitions and supplies. The success of the Third War Loan will guarantee that our help will continue and even grow.

The American people are full of admiration for the magnificent and history-making resistance of the Soviet people to Nazi aggression.

Treacherously attacked by Germany, you fought a long delaying action against the onrush of the German military machine. You lost millions of your sons and daughters. With your cities and villages bombed and burned you moved whole industries hundreds of miles behind the Urals. In your besieged factories, you laid aside your tools to take up guns and fight the enemy in your very homes. Never did your spirit fail. The vaunted Nazi "wave of the future" shattered on the rock of your determination.

Today the valiant Red Army is gloriously freeing Soviet soil, mile by mile, from the clutches of the Nazi invader.

We know that throughout this long period of trial your people never stopped buying Soviet War Bonds. That should be an inspiration to us, too.

I wish to thank you General Belyaev - and through you, Marshal Stalin - for this message. It will, I am sure, bring home to everyone the real meaning of our drive to "Back the Attack."

oOo

September 22, 1943
2:24 p.m.

HMJr: Hello.

John
Sullivan: Hello, Mr. Secretary.

HMJr: John, I saw in the paper that you put in a negro as Acting Collector in Higgins' place.

S: No, sir. That was done last week end when I was away.

HMJr: Well, I still say you've done it. After all, you're in charge and -- of Internal Revenue.

S: Yes.

HMJr: Aren't you?

S: Yes, sir.

HMJr: Now, if you don't leave him in there, and put somebody over him, you're going to have hell to pay up there.

S: I think that there's a very delicate situation.

HMJr: Well, I mean....

S: He's an exceptionally able man, you know.

HMJr: I'm not -- I don't know any of the facts, but I've seen it and now if he's put in as Acting and he gets all this publicity and then they remove him, there'll be hell to pay.

S: I agree with you.

HMJr: Well, why did they -- I mean, didn't they let you know?

S: No. No.

HMJr: Well.

S: Joe -- Joe was nominated Thursday night....

HMJr: Yeah.

S:and apparently telephoned his resignation Friday morning.

HMJr: Yeah. Well, you'll -- you'll have to handle it, John. That's all.

S: I think so.

HMJr: And you'd better -- when you get into it, if there's going to be any trouble, you'd better advise with me.

S: Oh, I -- I think very definitely, sir, because....

HMJr: That's dynamite.

S:that's something that the people across the street will be very much interested in.

HMJr: Yeah. And have you got anybody -- did that Committee meet that I appointed on a successor to Helvering?

S: That's right. We have met and Randolph had his friend down from Chicago.

HMJr: Yeah.

S: My man from Jacksonville had lunch with Dan and Herb yesterday noon.

HMJr: Are you making a little progress?

S: Oh, I haven't suggested anything to him. He didn't even know he was being considered.

HMJr: When will this committee have a recommendation for me?

S: Oh, I should think we'd be able to meet with you this afternoon if you want it, Mr.....

HMJr: Well, I -- you've got me there. I haven't got the time.

S: I see.

HMJr: Have you people made -- definitely got somebody?

- 3 -

S: No, we haven't. I think that we generally feel Wenchel would be very good.

HMJr: Yeah.

S: Herb has a little misgiving on him.

HMJr: I don't want to put Wenchel in there.

S: Yeah.

HMJr: Do a little more digging, will you?

S: Well, yes, but there's a little rumor of geographical preference across -- expressed across the street....

HMJr: Oh.

S:that has a very considerable bearing on it.

HMJr: That hasn't reached me.

S: If we are restricted to one side of the Mississippi River, that's one thing.

HMJr: Well, who from the White House....

S: I don't know. I've heard it in two or three places and I can't pin it down.

HMJr: I see. Well, if it's as vague as that, we don't have to pay much attention to it.

S: Well, that's what I thought.

HMJr: Well, keep after....

S: Well, I'll keep at them.

HMJr: Yeah.

S: Are you going to be back here before Monday?

HMJr: No.

S: I see.

HMJr: No.

S: Well, I had a memorandum from you on these forms.

HMJr: Beg pardon?

S: I had a memorandum from you....

HMJr: Yes.

S:on the March 15th form....

HMJr: Yeah.

S:and I talked with Randolph and we're going to recommend some very strong language in your statement calling for immediate rectification of that law so that this form can be put in the language that an ordinary person will understand.

HMJr: Well, I'll be ready for you Monday.

S: All right, sir. You're not going to New Orleans, then?

HMJr: No.

S: I see. All right, sir.

HMJr: Thank you.

S: All right.

September 22, 1943
2:57 p.m.

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HMJr: Hello.

Operator: Go ahead.

HMJr: Hello.

Robert
McConnell: Yes.

HMJr: Mr. McConnell, Morgenthau speaking.

M: Yes, sir.

HMJr: My apologies, but I've been trying to sell a few bonds.

M: Well, you've been doing pretty well, sir.

HMJr: Fairly well, and when I got around today and had a minute, they told me you were down home and I just wanted to call up and say I was sorry that I was all tied up yesterday.

M: That's all right. I was just wondering, Mr. Secretary, if you thought we could do anything....

HMJr: Yeah.

M:to see Judge Rosenman.

HMJr: Well, he's not in town this week.

M: Oh, I see.

HMJr: That's the trouble. But I think he's coming back the end of the week.

M: Is there anything you'd like to have me do in the meantime?

HMJr: Nothing that I know of.

M: Well, I think we've covered the ground fairly well and if we could see him, perhaps we can make some progress.

HMJr: Well, I'll be back Monday and if I'm here and if he doesn't see you, I'll call him up myself.

M: All right, I'll plant to be in then.

HMJr: Will you do that?

M: Yes, sir.

HMJr: Thank you.

M: Thank you for calling, sir.

HMJr: Hello.

M: Yes.

HMJr: Is there any market down there for hunters?

M: Oh, no. Nearly everybody that -- you mean to sell them?

HMJr: Yes.

M: Nearly everybody has got them in the field.

HMJr: I see. That's my situation.

M: Nobody -- nobody is riding very much now.

HMJr: No. The boys are away -- they're not -- I didn't know if there was anybody down there wanted any.

M: I doubt it very much. There might be -- might be someplace but I haven't heard of any. Nearly everybody's gone and there is very little hunting.

HMJr: Okay. Thank you.

M: I'll see you next week.

HMJr: Good.

M: Bye.

September 22, 1943
3:10 p.m.

TAXES

Present: Mr. Bell
Mr. Gaston
Mr. Paul
Mr. White
Mr. Sullivan

MR. PAUL: Doughton called me this morning and wants to fix a time. I am seeing him this afternoon about that and also about cutting down the administrative amendments to this bill by agreement.

H.M.JR: I will clear you first on whatever you want.

MR. PAUL: The first thing is a date.

H.M.JR: One of these shot-gun affairs - the longer you put it off, the better.

MR. PAUL: He wants very much to have - in the first place, it is fundamental, his desire to get a September dateline. He wants to have - I think he really is pressing for next Wednesday now.

H.M.JR: Well, the way it is now, I am to make a speech Wednesday or Thursday somewhere in the middle of the United States.

MR. PAUL: Wednesday or Thursday? You are going to New Orleans Monday, aren't you?

H.M.JR: No, that is off. I will be here Monday.

MR. PAUL: How about Tuesday? Would you like to make it Monday or rather have it Tuesday?

- 2 -

H.M.JR: The trouble is, I don't know what to say. What am I going to go up there and say?

MR. PAUL: Well, we have a lot of that worked out. We haven't had a chance to talk with you about it.

H.M.JR: I am not blaming you. From the time you left the White House until today, I don't know whether you have made any progress with Stam.

MR. PAUL: The progress with Stam - we have given him the data. You don't expect us to agree. I have given him all the information.

H.M.JR: I am not trying to be combative. I don't know whether you are or not.

MR. PAUL: No, I am not. Maybe my sense of humor failed me, but I didn't think you ever thought I would make progress with Stam.

H.M.JR: I wasn't being sarcastic; I was being serious.

MR. GASTON: It is a question of how far we are authorized to go in outlining a program.

MR. PAUL: The President is going away Thursday.

H.M.JR: Going away? He has been away.

MR. PAUL: He won't be here for five days beginning Thursday, I was told.

H.M.JR: Beginning with this Thursday?

MR. PAUL: He called off a date - the reason I heard it is because he called off a date with Murray Thursday.

H.M.JR: That doesn't mean anything. Most likely he means to get back here Friday or Saturday. He has been away. He has been up in the country. I think he went up last Thursday night.

- 3 -

Well, let me put it this way. Where we stand is this, we have got this impossible - three alternatives.

MR. PAUL: Two, really.

H.M.JR: But putting in the one of the President's--

MR. PAUL: That is really a refinement of one of them.

H.M.JR: I am not going to march up on the Hill and present the Social Security one plus the alternative of post-war credit. I didn't get it, that the President said that was the final decision. You can correct me.

MR. GASTON: It seems to me it was left pretty vague at both meetings.

MR. PAUL: It was left vague all right.

H.M.JR: Where are they meeting?

MR. PAUL: At Doughton's little office in the Capitol building. You have been up there.

H.M.JR: I don't know - I mean I have never been in a more impossible position.

MR. WHITE: What is the purpose of your going up?

MR. GASTON: To start consideration of the tax bill.

MR. WHITE: It always has to begin with his appearance?

MR. GASTON: It usually does, with recommendations by the Secretary of the Treasury. It is a traditional responsibility of the Secretary of the Treasury to open those hearings.

MR. WHITE: Is it impossible in the President's frame of mind to start them off with the Social Security recommendation and not the others?

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H.M.JR: Then the President doesn't want us to do the health thing, and that is the one thing that CIO wants. Is that right?

MR. PAUL: That is right. The sentiment of the meeting - yesterday I had a meeting with Murray and delegates of the Steel Workers Union, and I can tell you a lot about it. But certainly, generally, they were in favor of the Social Security.

MR. GASTON: All the union groups are. I sent Randolph a magazine of an independent union, the Federal Telephone Workers. They are a hundred percent for it.

H.M.JR: Just so you know what I am doing, this message of Stalin dropped in my lap yesterday. I don't know if you know about it.

MR. PAUL: Message from whom?

H.M.JR: Stalin.

MR. PAUL: I didn't know anything about it.

H.M.JR: Then we had to go back and forth late last night and this morning, and we cleaned it up at quarter past one today.

Now, I have all day tomorrow in New York, plus a speech tomorrow night, which isn't yet written - half an hour on the radio.

MR. PAUL: That is a long time on the radio.

H.M.JR: There will be others with me.

Then I am going to go up and recuperate a little bit. Then they want me to go Wednesday and Thursday to the Middle West. Then I am finished with this, you see. I am just thinking out loud. Quite frankly, I don't know how you feel - I am very loath to go up without some message from the President, something to talk about - post-war credit, and all the rest. In the first place, I don't

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believe in it. It isn't just the war bond thing. I would much rather have it through taxes than I would through post-war credit. If we tax the people, it may slow down production; then we go through the same evolution we did before.

(Mr. Bell entered the conference.)

H.M.JR: So when you get all washed up and done, I am not giving myself time to turn around. I don't care what they say about me on the Hill; I will be ready to go up on the 4th. That is what we said. When I am here Monday or Tuesday, we can talk a bit.

MR. WHITE: There may be even a chance, might there not, by delaying to--

H.M.JR: Excuse me, he (Paul) has to go up and see George and Doughton. They are putting him on the spot as to when I go up on the Hill.

MR. PAUL: We did say you would appear between the 27th and the 29th. We told you about it. Of course, that was before a lot of these engagements.

H.M.JR: Yes, and I got a speech now - the Navy would very much like to have me make one in the Middle West, in connection with some of their shipyards in the Middle West. That is for them. I mean, I asked them where they wanted - Admiral King - after sending three people over here, we decided the best place for me to go was to do this thing in connection with invasion barges, and build the whole story about invasion barges and the attack, and all that. They have written the speech for me, and it is a bang - wonderful. There is enough truth in it - it was initiated by me, but they have come through on information, loss of planes, loss of ships - the whole business. The bottle-necks are the invasion barges. They want help on them. They think it will be good. They have given me wonderful stuff.

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MR. SULLIVAN: Eubank?

H.M.JR: No, no, Admiral Schuirmann, who is chief of Naval Intelligence. The reason King picked him was he said if it gets by him, nobody can object on security. And with him came somebody from their Publicity Department. No, no, this boy is a honey - one of the smartest admirals I have met in a long time.

MR. GASTON: Oh, that is Pinky Schuirmann.

H.M.JR: Yes. Do you know him?

MR. GASTON: Yes.

H.M.JR: Isn't he smart?

MR. GASTON: Yes.

H.M.JR: That is the fellow who is doing the job. He is head of Naval Intelligence, isn't he?

MR. GASTON: I didn't know he was.

MR. BELL: When does the speech take place?

H.M.JR: Wednesday or Thursday next week.

MR. BELL: No date set?

H.M.JR: No. What I am saying is - I mean, just a matter of turning around - I don't care if they do get a little angry at me. I have got this whole thing, and a matter of three days - I don't know what the hell to do. I can go up the way you could if you were independent Randolph Paul, a private citizen - you could present a tax bill, and Henry Morgenthau, Jr. - I can present one, too, but to do one that is going to try to please Roosevelt and Byrnes and Vinson and Stam - your palsy-walsy - don't hit me-- (Laughter)

MR. PAUL: I realize that was sarcasm. (Laughter)

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H.M.JR: That was. (Laughter)

I just don't know what to do.

MR. BELL: You mean you don't know what you are going to say up there as to a program? You have no approval across the street?

H.M.JR: If we take the little thing the President gave us, I just think it doesn't make sense. Either Paul or I have got to explain the blankety blank thing and it is very difficult. Then if you are going to do Social Security and want to do it to please organized labor, you take the one thing out that organized labor wants, and that is health. When you take health out you take out a billion and a half, don't you?

MR. PAUL: Yes.

MR. WHITE: If the labor groups are so strong for it, is there a chance to come back at the President and try to get him to put it in again?

H.M.JR: That is what Harry Hopkins says to do.

MR. PAUL: That is what I was hoping Murray and Green would do this Thursday, but the President cancelled his appointment.

MR. WHITE: It would pay to wait, maybe.

H.M.JR: I just don't - and Hopkins said he was going to go to work on it. Next to his bed he had this book I gave him. I was over there yesterday. He talked to Lubin and he is in our corner a hundred percent.

MR. PAUL: I will go up and tell George - I had better put it solely on the ground of this statement of yours - bond speeches.

MR. BELL: The campaign.

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MR. SULLIVAN: Series of speeches.

H.M.JR: You can tell him I am making three speeches a week. It is a regular campaign. Now, I can't see - let's say I was willing to go up on the 27th to the 30th, I don't see that three days can kill or break this country on the tax front, but it is a major break on this War Bond thing. I am absolutely just as flat as a steamroller - I have been going under this terrific pressure.

Just to digress one minute - just take one second to show you people what has been going on behind the scene - yesterday I called up this man, the second man over in Elmer Davis' shop - Palmer Hoyt - "Greatest feat of the year - greatest news story of the year - got to do it at noon tomorrow - can't wait. You have got to do it." He gets me thirty stations on the Home and Farm Hour and that is all. We have got to get all the radio hookup - had to get the newsreels - he said he would get the band. The band he got didn't know how to play the Russian national anthem. Every step that was taken we had to take - and I took part in it.

I had to get Coca Cola down here to put their influence to work to get me time on the radio, and with their influence - the biggest buyer of time - Mr. Coca Cola got me on the radio at noon today.

MR. GASTON: Their wagon drove in there while you were speaking. (Laughter)

H.M.JR: If they did, by gawd, they earned it. (Laughter) Believe me, I am against the one-cent tax on Coca Cola. (Laughter)

Anyway, I am just trying to tell you I can't do any more than I am unless I go to a hospital.

MR. WHITE: Put it on the basis of the campaign - the winding up.

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MR. PAUL: I will just have to go up and shoot the works on it, that is all.

H.M.JR: You will?

MR. PAUL: I mean, I will go up now.

H.M.JR: And tell them - you say, "Morgenthau is going day and night on this thing" - which is gawd's truth - "And he just can't stop on this thing until this campaign is over."

Now, you can put it squarely on the War Bond campaign.

MR. GASTON: I was wondering if they couldn't start anyway without a formal statement. That is, have you and Stam informally on the excise taxes and two or three other things like that.

H.M.JR: Excuse me--

MR. PAUL: That won't work.

H.M.JR: Excuse me, please. Am I making a mistake?

MR. SULLIVAN: I don't think you are, Mr. Secretary. The situation you are in now is that if you go up Monday you are not going to be prepared; you are going to have to present a program in which you don't believe.

If you go up a week from Monday, they may be offended, but in addition to having had an opportunity to persuade the President to adopt a sensible program, you will have a chance to do your home work and I think that it is better to run the risk of delaying it a week and knowing your stuff when you go.

Now, this last suggestion of Herb's about letting somebody else open it and you come in later would not be as dangerous in other years as it is this year. There has been so much talk in the papers as to who is going to run this show, and if, for the first time in ten years, the Secretary doesn't appear--

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MR. PAUL: They would ask me all kinds of questions about the rest of it. They wouldn't keep within bounds.

H.M.JR: Do you think I am making a mistake, Dan?

MR. BELL: No, but I was wondering if maybe the fact that the thing hadn't been cleared at the White House might also be used. In addition to your heavy program on the bond campaign, couldn't you say, "Furthermore, I haven't cleared it with the President"?

MR. SULLIVAN: "And the President is out of town."

MR. PAUL: When will he be back?

H.M.JR: He has been out all week. I haven't been able to talk to him.

MR. PAUL: I think I could use that to good effect.

H.M.JR: He has been out of town all week.

MR. BELL: That is very important, it seems to me.

MR. GASTON: Yes.

MR. PAUL: Do you authorize me to use that?

H.M.JR: Yes.

MR. PAUL: All right. If I can use that, I can get the time.

H.M.JR: If that doesn't work, I will get Coca Cola to help you, and that is not so funny, either. (Laughter)

Fred Smith ✓
George Albee
The Secretary.

September 22, 1943

I want David Levy to handle the broadcast from
6:30 to 7:00 in New York Thursday night. I think we ought
to have a rehearsal before hand.

Finished -

September 22, 1943.

Dear Dave:

I want to let you know that I have had the very finest reports about our Monticello program, including an enthusiastic letter from Colonel Drake of Gulf Oil, copy of which is enclosed.

As at Cedar Rapids, you did a great job and I want to thank you for it. I hope to be able to work under your direction again.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Mr. David Levy
Young & Rubicam, Inc.
285 Madison Avenue
New York, N. Y.

*Enclosure: photo of ltr from
Mr. Drake dt 9/13/43*

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Redone -

September 15, 1943

Dear Dave:

From all reports, our Monticello program turned out to be very effective.

I think its effectiveness was due to the hard work you and your crew put into it. And I think it was due, to a large degree, to your patience with me.

I hope you will tell your assistants, for me, that they are the finest radio crew that I have ever seen.

I will look forward to another "We the People" in the future.

Sincerely,

Mr. David Levy
Young & Rubicam, Inc.
285 Madison Avenue
New York, New York

FS:gr
9-16-43

JS

158
THIRD WAR LOAN TEEOFF

Den Amelco, Robert Young, Kay Kyser, Burns and Allen, Edgar Bergen, Ronald Colman, Akim Tamiroff, Charles Boyer, George Murphy, Jimmy Durante, Jane Darnell, Bing Crosby, Gordon Jenkins

Director: George Zachary

Writers: Norman Corwin, Ronald MacDougall, Carroll Carroll, Glen Wheaton, Manny Manhattan, Harry Bailey and Lipscomb and Davis
60 Mins., Wed., 8 p. m., Sept. 2
All Networks

The gathering of this clan was for the purpose of helping our Treasury Department infuse a little glamorous oomph into the launching of the Third War Loan drive. Show business' part in the event was distinguished by good organization, sound radio procedure and all-around infectious showmanship.

Unlike the usual toss-together of this type program, the Third Loan teeoff had a continuity that tied every item on the bill into a cohesive, logical narrative. The telling was entertaining, informative and inspiring. The program set out to tell by way of dramatic sketch, comedy patter and song 'how far we have gone' in the nigh two years of war.

In the looking backward there was recalled to the listener the heroic island on Bataan (Robert Young); the spirit that brought forth 'Praise the Lord and Pass the Ammunition' (Kay Kyser's orchestra); an amusing sidelight on the housing shortage (Burns and Allen); a bit of lyrical longing on the home front (Dinah Shore); how the auto driving restrictions hypoed the importance of the bicycle (Edgar Bergen); the spirit that drew the Allies together in the North African battle (Ronald Colman, Charles Boyer, Akim Tamiroff and George Murphy); an adventure of two men in an upper berth resulting from the transportation shortage (Jimmy Durante), and woman's importance in the American arsenal (Jane Darnell and Mercedes McCambridge). Despite the pot pourri of moods and entertainment facets, the whole thing had the aspect of an adroitly fitted mosaic. The timing was faultless, which fact gave special emphasis to the skillful direction of George Zachary.

Bing Crosby had the closing spot on this Hollywood-originated bill. With the support of a chorus, Crosby intoned the current drive's theme song, 'Get on the Road to Victory.' All the comedy passages were good, but Durante's monolog packed an added pinch of TNT. Gordon Jenkins' orchestra accompaniment was of marked merit.

The final 15 minutes of the hour brought from Washington James

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Cagney, Secretary of the Treasury Henry A. Morgenthau, Jr., and President Roosevelt. Cagney told about the latest 'Hollywood Cavalcade' that had been put at the disposal of the drive, and introduced Morgenthau, whose mike delivery now rates as about the best among his Cabinet confreres, and a rich relief when compared to the general run of Washington politicians.

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YOUNG & RUBICAM, INC.
Advertising

NEW YORK - CHICAGO - DETROIT - SAN FRANCISCO - HOLLYWOOD - MONTREAL - TORONTO

NEW YORK - 285 Madison Avenue

September 18, 1943.

Mr. Henry Morgenthau, Jr.,
 Secretary of the Treasury,
 Treasury Building,
 Washington, D.C.

My dear Mr. Morgenthau:

I am enclosing a clipping from a current issue of "Variety", the latter portion of which I think will be of interest to you.

Last night I caught your broadcast from St. Louis and I would like to add my compliments to the many you must have received after the speech. As Young and Rubicam would put it, the content of the speech carried "terrific impact" and as "Variety" would put it, the delivery of the speech was "socko".

I am sure you must have seen some of the fine reaction to the Charlottesville program. In New York the "World-Telegram" and "Daily News" were particularly complimentary. The consensus of opinion here was that Charlottesville was far more impressive than Cedar Rapids.

With kindest regards,

Sincerely yours,

David Levy
 YOUNG & RUBICAM, INC.
 Director "We the People"

David Levy
 egs
 enc.

September 22, 1943.

My dear Colonel Drake:

Naturally I am immensely pleased by your comment on the Monticello program. I too thought it should be appealing and I am happy to have the assurance of your judgment.

A large part of such effectiveness as it had is, I think, due to the adaptability of the "We the People" type of program to the message we are attempting to convey. But further than that we are deeply indebted to the members of your organization for their devotion and artistry in putting together and directing a program which said so clearly what we wanted to say.

I am personally grateful to each of them and to you for giving us the air time and the facilities for doing the job.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Colonel J. F. Drake
President, Gulf Oil Corporation
Gulf Building
Pittsburgh, Pennsylvania

MS

September 18, 1943

Dear Colonel Drake:

I want to thank you for your letter.

One reason for the success of our program was the cooperation and enthusiasm of the people who worked on it and produced it. I think the Bond Drive is fortunate to have the assistance of these people who so clearly understand what we are trying to do. And I want you to know that Gulf made a particularly important contribution by turning its entire program to doing this job - and by giving us regular help on "We the People" for the duration of the drive.

I hope we will be able to work together again in the Fourth War Loan.

Sincerely,

Colonel J. F. Drake,
President,
Gulf Oil Corporation,
Gulf Building,
Pittsburgh, Pennsylvania.

FS:gr
9-16-43



Thank the Board

Dear Colonel Drake:

I want to thank you for your letter.

~~I should like to say that~~ ^{one} ~~the~~ reason for the success of our program was ~~certainly~~ the cooperation and enthusiasm of the people who worked on it and produced it. I ~~consider myself very fortunate~~ to have the assistance of these people, who so clearly understand what we are trying to do. ~~I believe~~ Gulf ~~is making~~ a particularly important contribution by ~~letting us turn the entire program to doing this job, which I consider to be vitally important.~~

And I want you to know that Gulf is making a particularly important contribution by letting us turn the entire program to doing this job, which I consider to be vitally important.

I hope we will be able to work together again in the Fourth War Loan.

Sincerely,

— and by giving no help on the "We The People" of the drive. In the direction

Colonel J. F. Drake,
Gulf

GULF OIL CORPORATION
OFFICE OF THE PRESIDENT
GULF BUILDING
PITTSBURGH, PA.

September 13, 1943

My dear Mr. Morgenthau:

I take this opportunity to congratulate you upon the excellent manner in which you discharged the duties of Master of Ceremonies upon "WE, THE PEOPLE" program last evening. It was one of the most effective and thrilling programs to which I have ever listened, and I feel certain that it must have made a profound impression upon the many who listened to it. It must have been a source of inspiration to all listeners that you took the time and made the effort to go to "Monticello" in order to give the splendid background to the broadcast. Needless to say the officials of our company are happy that they have had the privilege of being of service in this very important War Bond Campaign now under way.

Sincerely yours,



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

September 22, 1943.

Dear Mr. Anderson:

Thank you for your letter, and for its interesting enclosures. I am glad to have the clipping telling of the exciting events of National Stock Yards Day, and also appreciate the gift of the pencil with which you did such valiant work during the course of the Bond sales.

*in Hepesaki's
file -*

I very much enjoyed my visit to the Stock Yards, and thank you again for the cordial welcome that was given me.

Sincerely,

(Signed) H. Morgenthau, Jr.

Mr. Dorsey B. Anderson,
Postmaster,
National Stock Yards, Illinois.

H. Boyd
POSTMASTER

D. Berry Anderson
POSTMASTER

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Gordon J. Bennett
FOREMAN

United States Post Office
NATIONAL STOCK YARDS, ILLINOIS

CLASS
IN REPLYING
MENTION INITIALS AND DATE

September 18, 1943.

Hon. Henry W. Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D. C.

My dear Mr. Morgenthau:

I realize that you have drawn blood
from many men in our grand and glorious country, but
in our desperate duel at National Stock Yards, Illinois
I was the victor by delivering the first injury.

Now, to prove that I love you and all
is forgiven I am sending to you my weapon under separate
cover. I am yours with all good wishes for you and yours.

Sincerely,

Dorsey B. Anderson

Postmaster.

This office handles the
largest volume of business
any office in America,
considering population.

We are 18 inches from
the largest bank in Illinois,
south of Chicago.

We are 18 inches from
the largest horse and mule
ranch in America.

Spring bond sales one
million each year our aim.

No customer ever waits
at our windows.

We stand back of our
government, body and
soul.

Our receipts are 85 per
cent profit.

St. Louis, Mo., is just
across the river. Drive
through our yards; we
have no speed limits.

If you meet with disaster
we put you away gently
for eternal rest.

In many ways this is
the greatest office in
America.

If in doubt ask K. P. or
L. P.

We strive to carry out
the orders of Hon. Frank C.
Baker and his capable
staff.

God so loveth the world
that he gave his only be-
son that whosoever
believe on him shall not
perish but have everlasting
life.

The honest political lead-
er should have the bless-
ing of the community in
which they live.

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9/17/43

St. Louis Daily Livestock Reporter REPORTER

COGN BELT FARM DAILIES
AGRICULTURAL NEWS SERVICE

\$5.00 PER YEAR

National Stock Yards Day Presents "King Neptune" In Great War Bond Drive

Pig Tops Market for All Time at \$1,400,000 Per Cwt.
Selling for Total of \$5,600,000 In Third War Loan
Drive — Treasurer Morgenthau Opens Auction.

"King Neptune," regal purebred Hereford hog which has already sold for more than \$5,000,000 in war bonds in the past few weeks when his owner, Chief Petty Officer Don Lingie, navy recruiting official at Marion, Ill., presented him in numerous war bond drives over the state, reigned supreme today over the highest National Stock Yards, Ill., hog market ever known at this great terminal market. The King topped the day's market at \$1,400,000 per cwt.



HENRY W. MORGENTHAU, JR.

Secretary of the Treasury Henry W. Morgenthau, Jr., lent the influence of his presence at the sale in St. Louis for assisting in the Third War Loan drive by his presence, he took the opportunity to see the sale of the world famous "King Neptune" and to enjoy the encouragement that comes to one bearing such heavy responsibility which comes from the hearty response with which the National Stock Yards interests display in the purchase of war bonds to "back the attack."

"King Neptune" never sold at a higher price than that he commanded today when he finally was knocked down by Auctioneer L. Grand Ritter of Anna, Ill., to State Treasurer William G. Stratton on his bid of \$1,500,000 for the account of the State of Illinois and running the total sales of the day to the great sum of \$5,600,000 to put over the National Stock Yards quota for the Third War Loan drive.

Recording the orders for bonds as they poured in during the sale were members of the East St. Louis Junior Wednesday Club under the direction of their Chairman Mrs. Frank Lawler and their Co-Chairman Miss Pauline Clausen. This club has been very active in the promotion of the War Loan drive in the various communities of St. Clair county. Their costumes, topped by bright red coats today lent cheer to the throng of spectators participating in the sale.

SEP 22 1943

My dear Madam Secretary:

Reference is made to your letter of September 14, 1943, and to the enclosed estimate of cost and plan of operation for the proposed survey of income, spending and saving of American families.

This will inform you that arrangements have been made for the immediate transfer of funds in the amount of \$250,000 to the Bureau of Labor Statistics from the Treasury's appropriation "Expenses of Loans, Act of September 24, 1917, as Amended and Extended". This amount represents the estimated cost of the survey covering data for the July-September quarter of 1943. It has been decided to make no provision at present for extending the survey beyond that period. Details of the transfer of funds are being handled for the Treasury by the Commissioner of the Public Debt.

The use of Expenses of Loans funds for the purpose of the survey has been approved informally by Representative Louis Ludlow and Representative John Taber, the ranking members of the Treasury Sub-Committee of the Appropriations Committee of the House of Representatives, as well as by the Director of the Bureau of the Budget. In giving his approval, Representative Taber stipulated particularly that the survey be carried out with as small an expenditure as possible and that plans be made so as to keep the cost well under the \$250,000 provided. I shall appreciate it if your staff will keep this request in mind, and will transmit it also to the members of the staffs of the Bureau of Human Nutrition and Home Economics and the Bureau of Agricultural Economics who may be concerned with the survey.

It is understood that with arrangements completed at this date for the transfer of funds your staff will be in a position to begin field work on the survey by October 7, 1943, that preliminary tabulation of data for the first one-quarter

2 - Honorable Frances Perkins

of the families will be available to the Treasury by November 22, 1943, and that the preliminary tabulation for all families will be completed by January 15, 1944.

The promptness with which this information can be provided will make it particularly useful in the formulation of Treasury fiscal policies, and I appreciate very much the ready cooperation of yourself and your staff in handling the survey for us.

Sincerely,

(Signed) H. Morgenthau, Jr.

Honorable Frances Perkins
Secretary of Labor
Washington, D. C.

AMM:mc
9-21-43

DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON 25

SEP 14 1943

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

My dear Mr. Secretary:

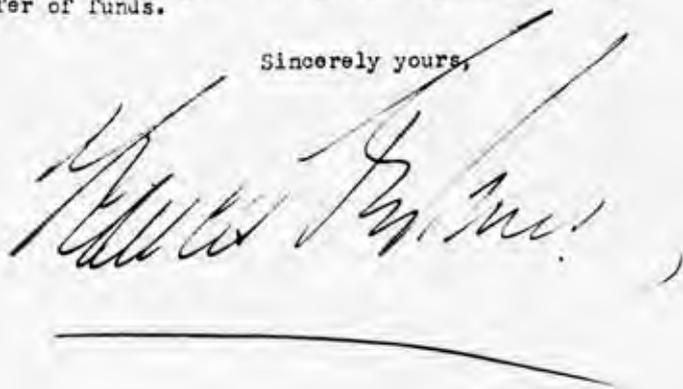
This is in reply to your letter of September 2, regarding your letter to the Director of the Bureau of the Budget urging his favorable consideration of a request to be submitted for funds with which to conduct a survey of income, spending and saving of American families during the balance of the year 1943 and the first half of 1944.

The Department of Labor will be very glad indeed to conduct such a study, since it is also concerned with many of the problems faced by American families during wartime.

In the interval since your request was made, members of the staff of the Bureau of Labor Statistics have been in consultation with members of your staff regarding the specific needs of the Treasury Department. In accordance with their plans, there is submitted for transmission to the Bureau of the Budget by your Department an estimate of the cost of this study, together with a description of the plan of operations.

If results are to be obtained within the time limits which you desire, it is urgent that prompt approval be given to the transfer of funds.

Sincerely yours,



A handwritten signature in cursive script, appearing to read "Walter P. Reuther", is written over a horizontal line. The signature is written in dark ink and is somewhat stylized.

(COPY)

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September 2, 1943

My dear Madam Secretary:

I am enclosing a copy of my letter of this date, addressed to the Director of the Bureau of the Budget, urging his favorable consideration of requests to be submitted by the Department of Labor for funds with which to conduct a survey of the income, spending, and saving of a given number of families during the third quarter of 1943 and succeeding periods.

Such survey, as you know, is essential to the Treasury Department in the formulation of tax policy and methods of war borrowing. The Treasury will be pleased to assist the officials of your Department with the view of obtaining approval of this important project.

Sincerely,

(Signed) H. Morgenthau, Jr.

Honorable Frances Perkins,
Secretary of Labor,
Washington, D. C.

September 2, 1943

Dear Mr. Smith:

I have requested the Department of Labor to make application to you for funds for the purpose of enabling the Bureau of Labor Statistics to make a survey of the income, spending, and saving of a sample of about 3500 families during the third quarter of 1943. The Bureau of Labor Statistics would conduct the survey in urban regions, and would utilize the services of the Bureau of Home Economics, Department of Agriculture, in rural areas.

I am writing this letter to urge that the Department of Labor's application be given favorable consideration, as the results of the proposed survey are essential to the Treasury Department.

I trust the funds can be made available promptly from the President's Emergency Fund. I understand that the amount needed for this study of the third quarter is approximately \$200,000.

The Treasury Department is constantly confronted with the necessity of making policy decisions involving many billions of dollars in which the issue turns largely upon the distribution of income by income classes, upon recent changes in the incomes of individuals and family groups, upon the kinds of things that people in the different income groups are spending their money on, and upon the amount of savings in different income groups and how these savings are being held or invested. You will readily appreciate that the more abundant and the more accurate the available information of this type, the better will be our decisions with respect to tax policy and to the methods of war borrowing.

The issues just described are so large and so vital to the welfare of the country that I feel that I would be doing less than my full duty if I neglected any method of securing the required information at reasonable expense.

- 2 -

In the present case, it seems to me that the Bureau of Labor Statistics and the Bureau of Home Economics are both exceptionally fitted to obtain the information required and, because of previous work which they have done in the field, they are in a position to go forward without delay.

I understand that deficiency funds will shortly be requested to place this survey on a continuing basis, securing information for the fourth quarter and succeeding periods. I should like to urge that such deficiency requests also be given your favorable consideration as I believe that a continuing survey is definitely needed for the year-by-year formulation of sound fiscal policy.

Sincerely,

(Signed) H. Morgenthau, Jr.

Honorable Harold D. Smith
Director, Bureau of the Budget
Executive Offices of the President
Washington, D. C.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE September 22, 1943

TO Secretary Morgenthau
 FROM Mr. Hass
 Subject Current Developments in the High-grade Security Markets

I. Prices and Yields of Government Securities Show Little Change

Prices of Government securities moved within a narrow range during the last calendar week. Except for the partially tax-exempt 2's of 1953-55, which declined 3/32, no issue moved more than 2/32 in either direction.

II. Decline in Federal Reserve System Holdings of Government Securities

The Government security portfolio of the Federal Reserve System increased by \$67¹/₄ millions during the week ended Saturday. The bulk of the decrease was accounted for by a reduction of Treasury bill holdings by \$440 millions. The whole amount of special certificates acquired directly from the Treasury was also liquidated, resulting in a net decrease of \$243 millions for the week. Transactions in other Government securities were negligible on balance.

The reduction in bill holdings reflected, in the main, the relaxing of pressure on member bank reserves as a result of the transfer of deposits, incident to the Third War Loan, from private accounts, requiring reserves, to War Loan accounts, against which no reserves are required. Banks were thus enabled to replenish their holdings of Treasury bills, which the posted rate enables them to treat as the equivalent of reserves.

III. Sharp Rise of Excess Reserves

During the week ended Wednesday, September 15, excess reserves of member banks rose \$613 millions to \$2,051 millions, the highest since May 5. An important factor in this sharp increase was a decrease of \$235 millions in required reserves due principally to the transfer of deposits from private accounts to War Loan accounts. Actually, the decline in required reserves due solely to transfers of deposits to War Loan

Secretary Morgenthau - 2

accounts was much greater; but it was offset in part by an expansion of bank credit which amounted during the week, in the case of weekly reporting member banks in leading cities, to \$2.5 billions. The composition of this expansion is shown below:

(Millions of dollars)

| | |
|--|--------|
| Commercial loans | +246 |
| Loans to brokers and dealers | +499 |
| Other loans for purchasing or carrying securities | +257 |
| All other loans | +83 |
| Treasury bills | +697 |
| Treasury certificates of indebtedness | +453 |
| Treasury notes | +11 |
| Treasury bonds | +201 |
| Other securities | +44 |
| | <hr/> |
| | +2,491 |

IV. Still No Evidence of Major Inter-district Deposit Movements

Weekly figures through September 15 show no important shifts of deposits about the country in connection with the Third War Loan. The New York Federal Reserve District gained \$1.2 billions of deposits during the week, private deposits decreasing \$1.9 billions; while United States Government deposits increased by \$3.1 billions. Practically all of this movement occurred in New York City, the net changes in deposits of banks elsewhere in the district being negligible. All districts lost private deposits while gaining greater amounts of Government deposits, but there are no indications of abnormal changes in particular districts.

V. SEC Estimates of Liquid Savings in the Second Quarter of 1943

About 46 percent of the liquid savings of individuals during the second quarter of 1943 was invested in Government securities, according to estimates released by the SEC last Thursday. This figure, which reflects the results of the

Secretary Morgenthau - 3

Second War Loan, compares with 29 percent invested in Government securities during the first quarter of this year, and is the highest proportion so invested since the first quarter of 1942. The dollar amount of such investment -- \$4.2 billions -- was about one-third greater than in any quarter since the beginning of 1942. The next best performance in this respect was \$3.3 billions during the fourth quarter of 1942, the quarter in which the First War Loan occurred.

Total liquid savings of individuals and the amount and proportion invested in Government securities, according to the SEC, since the beginning of 1942, are shown in the following table:

| | | : Total : | Invested in Government | |
|-----------------------|----------------|-------------|------------------------|---------|
| | | : liquid : | securities | |
| | | : savings : | Amount : | Percent |
| (Billions of dollars) | | | | |
| 1942 | First quarter | 3.8 | 2.2 | 58 |
| | Second quarter | 6.0 | 2.0 | 33 |
| | Third quarter | 9.3 | 2.7 | 29 |
| | Fourth quarter | 10.5 | 3.3 | 31 |
| 1943 | First quarter | 9.1 | 2.6 | 29 |
| | Second quarter | 9.1 | 4.2 | 46 |

As the accumulation of cash balances (currency and bank deposits) and the purchase of Government securities have been the two principal uses for liquid savings during the war period, the increase in Government security purchases during the second quarter was reflected in a substantial decrease in the proportion of current savings going into currency and bank deposits. The proportion of liquid savings going into currency and bank deposits during each quarter of the war period is shown in the following table:

| | | : Total : | Placed in currency and | |
|-----------------------|----------------|-------------|------------------------|---------|
| | | : liquid : | bank deposits | |
| | | : savings : | Amount : | Percent |
| (Billions of dollars) | | | | |
| 1942 | First quarter | 3.8 | -0.2 | -5 |
| | Second quarter | 6.0 | 2.1 | 35 |
| | Third quarter | 9.3 | 4.4 | 47 |
| | Fourth quarter | 10.5 | 5.4 | 51 |
| 1943 | First quarter | 9.1 | 4.0 | 44 |
| | Second quarter | 9.1 | 2.9 | 32 |

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SEP 22 1943

Dear Jesse:

Reference is made to our telephone conversation of September 15, 1943 regarding the release of 109,000 of pounds sterling held in a blocked sterling account of Mr. Charles B. McDaniel, Jr. at the National City Bank of New York in London.

We discussed the matter with Sir David Hales before his departure to London the latter part of August. At his request, we submitted a formal inquiry which we cabled on September 1 to the American Embassy in London for transmittal to the British Treasury. We have just received a reply in which the British Treasury states that Mr. McDaniel did not deliver any francs against the pounds sterling in question and that this sterling is, in effect, the property of the Polish Government. We are investigating further and will keep you informed.

Sincerely,

(Signed) Henry

The Honorable Jesse Jones,
Secretary of Commerce.

THK:ff 9/21/43

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE Sept. 22, 1943

TO Secretary Morgenthau

FROM Mr. White

Subject: Some matters before us that I should like to call to your attention.

1. Determination of the French franc rate. The British and the Army are pressing us for our recommendation as to the franc rate and the type of currency to be used by the Allied forces upon invading France. We have been discussing the matter at some length within the Treasury and we are now ready to submit our recommendations for your consideration. McCloy has called a meeting for Friday morning with State and the British participating. I should very much like to discuss the matter with you before that meeting.

2. The Army is also pressing us for recommendations with respect to similar matters in Belgium, Holland, Norway and Greece. We are ready with our recommendations on those too but if you do not have time to discuss them we can, I believe, get McCloy to postpone discussion of those particular points.

3. Renewal of the \$50 million Chinese stabilization loan. We have had a number of conferences with the Chinese delegation on this matter. The provisions in the earlier stabilization loan which the Chinese now want changed are not as drastic as they had led us to believe and we should find no difficulty in coming to an agreement with them. However, we have serious doubts whether we ought to renew the agreement with the present official dollar-yuan rate being so much out of line with its real value. We should like to discuss our recommendation with you soon inasmuch as the Chinese are pressing us for a decision. This matter, however, can wait until next week. We may even be able to postpone it until you return. We would like to stall as long as possible but don't wish to do so until we have discussed the matter with you inasmuch as the Chinese are pressing us for action.

4. The Dutch request for lend-lease of silver coins for the Netherlands remains unsettled but both the Army and the Dutch Government are pushing us. I think that we are rather in a weak position to refuse the Dutch request and I should like to raise this question with you again. We have, upon investigation, found that they are asking for more silver than they have ever had in circulation. In our last

Division of Monetary
Research

- 2 -

discussion with them they agreed that 17 million ounces would be adequate instead of the 45 million they originally requested. The Army is leaving this decision wholly to us but the time has arrived when we have got to say either no or yes.

5. International Bank Proposal. We have had a number of extended conferences on the international bank plan proposal and are making more progress than I expected and are finding the task of agreement among the various technicians easier than I had expected. I believe now that it is desirable to have a meeting with the Congressional committees certainly before you go and to present to them the Bank Plan though the discussion at the meeting can encompass both the revised Fund Plan and the Bank.

There are two hurdles which must be crossed if possible within the next few days: (1) calling of your Cabinet Committee -- Eccles, Crowley, Jones and Berle to approve the plan as a committee, (2) get the President's approval to inform the Congressional committees of the tentative proposal and to send it to the respective Ministers of Finance as an unofficial technical proposal for their consideration just as we did with the International Stabilization Fund proposal.

We are having our final meeting of the technical committee this afternoon and I am hoping you can arrange for a meeting with your Cabinet group Friday afternoon if possible, if not, Monday or Tuesday morning of next week.

If you obtain the green light from the President on the Bank Plan we propose to print copies of the plan with a foreword from you which we are preparing similar in character to the pamphlet on the International Stabilization Fund.

6. Conferences on the International Stabilization Fund proposal. We have had several conferences with Keynes and two formal largely attended meetings with the British delegates. I think that we can meet their counter-proposals on some of the points they raise and partly meet their suggestions on other points but I feel that there are two important points upon which we cannot go along with them. We are still discussing the matter and I should like to discuss the matter with you as soon as the first phase of our discussions is over.

We have completed a draft of a sizeable booklet of Questions and Answers relative to the Stabilization Fund. We are designing the booklet for technical experts and we should like to print them using a short foreword from you which we are preparing.

We are preparing a draft of a statement you may wish to make before the appropriate Senate and House Committees on both the Stabilization Fund and the International Bank.

- 3 -

7. British reciprocal lend-lease of raw materials. You have received a reply from the British Chancellor to your communications with respect to the proposal for reciprocal lend-lease of raw materials. On the whole they accept our counter-proposals to their original suggestion. However, it is doubtful whether in practice the mechanism which the British wish to use will work smoothly. Representatives of OEW are now engaged in discussions with the British to see whether the mechanism suggested by the British will work satisfactorily. If the OEW is satisfied with the results they think they can obtain, there still remains the task of successful negotiations with the Indian, Australian and South African Governments. These are being initiated but a successful outcome does not look very promising.

8. British International Dollar Position. The British Government has submitted a memorandum of their international dollar position with a view to convincing us that we ought to let their gold and dollar balances continue to increase. They regard this memorandum as very important. We are having another meeting soon of the committee on this British position and unless I hear to the contrary from you I am taking the position you outlined a month ago, namely, that we must cut down their dollars unless the President orders otherwise and that you will not raise the question with the President unless the State Department or Lend-Lease specifically requests us to do so.

9. Saudi Arabia. The State Department has requested us to take up with the British the problem of the joint handling of the Saudi Arabian monetary arrangements which up to now was being dealt with Saudi Arabia and the British Government. We have conferred with the British on this matter and they are agreeable to the proposal and are going to give us information as to what they have done so far. I should like to discuss the matter with you when we have any definite recommendations to make.

10. Gold Sales. We are now engaged in rather extensive operations of selling gold in Iran, Iraq, Egypt, Syria, Palestine and India. Hitherto we have paid in local currency in line with our regular policy. From now on, we shall be buying currency at rates lower. In each case we have made the arrangements with the approval of the particular Government involved. It involves about \$20 million sale of gold to those areas in the next three months and the amount is likely to grow if our activities in the Middle East and India increase. Mr. Bell has approved these gold transactions. Though the totals are not large compared with our gold holdings, they do represent increased holdings of gold in those areas by individuals rather than central banks, gold which you felt was desirable at this time.

- 4 -

11. Shipments of gold to China. China has asked us for \$50 million worth of gold in accordance with your promise to make the gold available. I have taken the position that the gold is available as rapidly as they can ship it. We have arranged to ship from one to two tons a month by Army air transport.

The Chinese have asked us to arrange with the British if we could for China to get gold either in India or South Africa in exchange for gold or dollars that we would give the Indian or South African Governments in New York. The British Treasury reported that they have made the request and that that could not be arranged either for India or South Africa. The Chinese asked me to make a similar request of the Russian Government which I have via Gromyko. Gromyko has not yet given me an answer.

The Mint has made a request to the Chinese that the design for a large gold coin use the U.S. Mint on one side and the Chinese engraving on the other. These designs have been forwarded to Chungking for possible approval.

12. Looted Gold. I have not heard from you with respect to your reaction to our proposal for a public Treasury statement on the purchase of possibly looted gold. If favorable action is to be taken on this matter it should be done within the next few months.

13. Canadian Dollar Position. The Army pressed us for approval of the cancellation of \$86 million worth of Canadian contracts designed to reduce Canadian balances to replace the Army calling for resale to Canada of \$50 million worth of armaments. We have already approved the latter arrangement but the Canadians reversed themselves and our Army agreed with the Canadian's reversal. The Army claimed that the delay in our approval would cost us a million to \$2 million. I took the matter up with D. Bell and he approved so we gave the Army our approval last Saturday.

14. Release of McDaniel's blocked sterling. The British informed us that McDaniel is not the legal owner to the blocked sterling he wanted us to get released for him. McDaniel claims that he filed evidence of his legal title with the State Department. We are checking with the State Department and will discuss the matter with you before taking any further action with the British.

September 22, 1943

My dear General Deane:

Thank you for your letter of September 16th, enclosing a report on AMFA.

For my proposed trip, in addition to Dr. Harry White, will you please add Mr. Fred Smith, Assistant to the Secretary.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Brig. General John R. Deane,
Secretary, The Joint Chiefs of Staff,
United States Army,
Washington, D.C.

By messenger Schey
9/22/43 - 4:08

THE JOINT CHIEFS OF STAFF
WASHINGTON

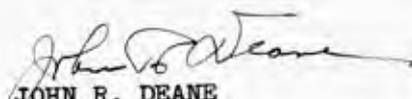
16 September 1943.

MEMORANDUM TO THE SECRETARY OF THE TREASURY

Subject: Report on AMFA activity

Attached hereto is a report on AMFA activities received from Brigadier General J. C. Holmes, Chief of the Military Government Section, Allied Force Headquarters.

For the U.S. Chiefs of Staff:


JOHN R. DEANE
Brig. General, GSC,
Secretary.

Enclosure



5. September 1943

From: AMG

To: MGS, AFHQ, for transmission to treasuries, London and Washington.

Subject: Activities of Allied military financial Agency during the period 10 July to 31 August, 1943

1. In accordance with instructions contained in cable 2305 (ran 161) of 11 July 1943 from AGWAR, the following report is submitted for transmission to the treasuries at London and Washington covering the activities of AMFA for the period 10 July to 31 August, 1943. Future reports will be made monthly.
2. During the period 10 July to 22 July, AMFA's activities were confined to the following, and were carried out in Algeria and Tunisia:
 - a) Completing arrangements for receipt of first air shipment of AM Lire.
 - b) Completing arrangements with appropriate finance Officers and Paymasters of the two Armies for proper accounting of AM Lire and transfers to the Armies by AMFA and for preparation by the Armies of monthly statistical reports of their cash receipts and expenditures in Sicily.

∞∞ Continued planning of AMFA accounting, legal forms, and similar matters of policy and procedure.
3. During the period 23 July to 9 August AMFA was engaged in transporting its first receipt of AM Lire to Sicily, carrying the currency into its accounts, making the first bulk transfers of AM Lire to the Armies and to the Provincial Senior Civil Affairs Officers (SCAOs) and acquiring the necessary vault and office facilities in Palermo and establishing a bank account in the Banco di Sicilia. At the end of this period the first balance sheet of AMFA was prepared, dated 9 August 1943, and attached as Exhibit A. This balance sheet serves to recapitulate AMFA's principal activities during this second period:
 - a) AM Lire notes received by air amounted, as of this date, to Lire 2,163.2 million. In accordance with the balance-sheet concept previously agreed on, the full amount of these notes was carried into the balance sheet as a liability.
 - b) The sum of about 1,000 million lire was paid out to the Chief Finance Officer of the 7th Army, primarily for the purpose of meeting his 31 August payroll. A portion of this sum was, however, used to make exchange for North African francs and yellow-seal dollars still possessed by officers and men. Small amounts of BMA pounds were also presented for exchange in the Western part of the Island.

Report on AMFA's Activities, continued.

c) The sum of 532 million lire was advanced to Provincial SCAO's as working balances. The entire amount was charged to Occupation Costs, although as of August 9 only a small part had actually been spent. Should any part of this be used to make advances to provinces, communes, or to various organizations and enterprises, these amounts would subsequently appear under "Advances" (presumed to be recoverable), with a consequent reduction in the amount charged to Occupation Costs.

d) AMFA made its first advance during this early period -- other than transfers to the Armies or to AMG officials -- in the form of an advance of 1 million lire to the State Railroads for the purpose of meeting essential payrolls.

4. In the remainder of the month of August AMFA's concern has been primarily with the following two groups of activities: (a) Participation in further development of policy and planning; (b) continued banking transactions, as reflected in the balance sheet of August 31, attached as Exhibit B.

a) In the field of policy and planning the principal matters have been:

1) Arrangements for the reopening of the banks, dependent on receipt of additional supplies of currency and now planned for approximately 6 September in Palermo Province. AMFA drew up the form of credit agreement to put the banks in funds (in collaboration with the legal Division) and AMFA officers participated in Island-wide survey of the banking situation.

2) Estimating currency needs, and scheduling arrivals. With additional shipments delayed, arrangements were made for the two armies to continue the use of dollars and BMA's, and to provide such currencies for AMG use in emergency.

3) The accounting procedures and the allocation of accounting responsibility within AMG continued to occupy the attention of AMFA; the main outlines of AMFA's accounts are now complete.

b) The balance sheet of 31 August, attached as Exhibit B, indicated, by comparison with Exhibit A, that AMFA's cash reserve had declined to 238 million lire. This decline was due chiefly to outpayments of an additional 290 million to Provincial SCAO's between 10 and 31 of August. At the same time, 112 million lire held by the SCAO at Siracusa were transferred to the Command Paymaster of the 8th Army. These are being held by him as a reserve until enough lire can be supplied to permit the British forces to shift from BMA's to lire. Arrangements were also completed to provide funds to the U.S. Navy through the Disbursing Officer at the Naval Operating Base in Palermo. By the end of August 20 million lire had been turned over to him. The Royal Navy is able to obtain funds, when necessary, from British Army Paymasters. Funds

Report on AMFA's Activities, continued.

needed by the American merchant fleet are being provided by the U.S. Naval Disbursing Officer. British-flag merchant ships or ships under British charter are currently being provided with funds by the Royal Navy, but other arrangements are under discussion with British Army Paymasters.

The balance sheet also shows a further development of AMFA's activities in other directions. Advances to the State Railways increased to 30 million, principally for salaries. This represents the first advance made by AMFA to an Italian State institution on an Island-wide basis. Toward the end of August the Civilian Supplies Division arranged its first export transaction -- citric and tartaric acids -- and gave to AMFA for an advance of 2 million to cover a partial payment to the supplier.

5. As of 31 August, the staff of AMFA consisted of 4 officers (with two others employed part-time on AMFA work) and 6 enlisted men, apart from porters and cleaners.

A.P. Grassby Smith

Colonel
Chief Finance Officer

Exhibit B

Allied Military Government
 ALLIED MILITARY FINANCIAL AGENCY
 Balance Sheet as of 31 August 1943

Assets

(All amounts in Lire)

Cash

| | | |
|--|-------------------|-----------------------------|
| <u>Current</u> | | |
| Lire | 356,982 | |
| U.S. dollars | 319,200 | |
| £.s. pounds | 58,180 | 734,362 |
| On deposit in Banco di Sicilia | 183,417,264 | |
| In reserve | <u>53,952,000</u> | |
| Total cash | | 238,103,626 |
| <u>Utilized currency</u> | | 1,705 |
| <u>Post stamps</u> charged to Postal Section | | 90,000 |
| <u>Expenditures on account of occupation costs</u> | | |
| British Army | 112,054,000 | |
| U.S. Army | 1,141,184,000 | |
| U.S. Navy | <u>30,266,000</u> | 1,283,514,000 |
| Provincial SCAGs | | 610,096,000 |
| AGS HQ administrative expenses | <u>267,643</u> | |
| Total expenses on account of occupation costs | | 1,893,967,643 |
| <u>Export account, Civilian Supply Division</u> | | |
| Purchase of goods for export | | 2,000,000 |
| <u>Advances</u> | | |
| Railroads of the State | 30,000,000 | |
| Industries and individuals | <u>5,000</u> | |
| Total advances | | <u>30,005,000</u> |
| Total assets | | <u><u>2,164,077,974</u></u> |

Liabilities

| | | |
|---|---------------|-----------------------------|
| New A.M. notes received | | 2,163,200,000 |
| Postage stamps issued | | 90,000 |
| <u>Deposits:</u> | | |
| Civilian Supply Division, sale of goods | 214,384 | |
| Property Controller, revenue from films | <u>63,100</u> | |
| Total deposits | | 277,484 |
| Suspense account (deposit by CFO pending clearing of his imprest account) | | <u>510,490</u> |
| Total liabilities | | <u><u>2,164,077,974</u></u> |

Exhibit A

Allied Military Government
 ALLIED MILITARY FINANCIAL AGENCY
 Balance Sheet as of 9 August 1943

Assets

(All amounts in Lire)

Cash

| | | |
|--------------------------------|--------------------------|--------------------------|
| Current | 743,319 | |
| On deposit in Banco di Sicilia | 574,936,000 ^o | |
| In reserve | <u>53,952,000</u> | |
| Total Cash | | 629,631,319 ^o |

Expenditures on account of occupation costs

| | | |
|---|---------------|---------------|
| U.S. Army | 1,000,384,000 | |
| Provincial SCACs | 532,160,000 | |
| A.M.S. Administrative expenses: | | |
| Civilian Supply Division | 4,000 | |
| A.M.F.A. | <u>20,681</u> | |
| Total expenditures on account of occupation costs | | 1,532,568,681 |

Advances

| | | |
|------------------------|-----------|------------------|
| Railroads of the State | 1,000,000 | |
| Total advances | | <u>1,000,000</u> |

Total assets

2,163,200,000^oLiabilities

| | | |
|------------------------------|---------------|--|
| New A.M. Lire Notes received | 2,163,200,000 | |
|------------------------------|---------------|--|

Total liabilities

2,163,200,000^o

^oFigures adjusted to show correct amounts on basis of check subsequent to 9 August.

SEP 22 1943

My dear Mr. Secretary:

This will acknowledge your letter of September 7, enclosing an exchange of correspondence between the Department of State and the Norwegian Embassy regarding the type of currency to be used and the exchange rate to be established for such currency in the event of an Allied occupation of Norwegian territory.

The Norwegian authorities have had conversations with this Department and submitted memoranda dealing with these questions. This information has in the normal course of events been transmitted to your Department and will be sent to General Hilldring of the Civil Affairs Division of the War Department.

In view of the fact that these matters are to be reviewed by the Combined Civil Affairs Committee of the War Department under the Joint Chiefs of Staff, the Treasury though welcoming the expression of views by the Norwegian authorities has not felt it expedient to commit our Government on the questions of the currency to be used or the rate of exchange to be established. When these matters pertaining to Norway come up for review by the Combined Civil Affairs Committee, the Treasury will be prepared to review the situation with representatives of your Department, the War Department and the British governmental agencies involved.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

The Honorable,

The Secretary of State.

ET:Dr1 - 9/21/43

DEPARTMENT OF STATE
WASHINGTON

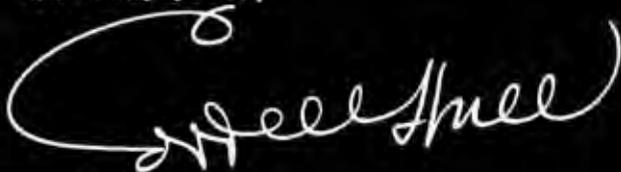
September 7, 1943

My dear Mr. Secretary:

I enclose exchange of correspondence between the Department of State and Norwegian Embassy regarding the question of the currency to be used to satisfy the needs of Allied expeditionary forces on Norwegian territory, and the question of the exchange rate.

As will be perceived from the Department's reply, it is believed to be highly desirable and of importance that the Norwegian Government be fully consulted in advance on these matters, if at all possible consistent with military necessities, and the views of the Norwegian Government concerning the use of Norwegian currency be satisfied and every effort made to settle the exchange rate by mutual agreement.

Sincerely yours,



Enclosures:

1. From Norwegian Embassy,
August 23.
2. Department's reply.

The Honorable
Henry Morgenthau, Jr.,
Secretary of the Treasury.

September 7, 1945

Excellency:

Careful consideration has been given to your
note of August 23, 1945 informing this Government of
the plans of the Norwegian Government for the use of
Norwegian currency, with the view of supplying Allied
forces in the event of military activity in Norway,
and giving the views of your Government regarding a
desirable exchange rate, and stating finally that your
Government takes it for granted that in Norway, the
territory of a United Nations government, no foreign
special invasion money will be sought or put into cir-
culation by the authorities of any Allied government
without the consent of the Royal Norwegian Government.

Copies

The Excellency

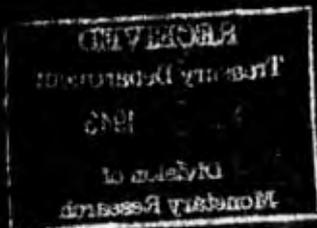
Wilhelm Munthe de Mergenskiöld,

Ambassador of Norway.

Copies of your note are being sent to the Treasury
and War Departments with the suggestion that fullest and
most sympathetic consideration be given to the views
on these matters therein expressed.

Accept, Excellency, the renewed assurances of my
highest consideration.

800.515/706



NORWEGIAN EMBASSY
WASHINGTON, D. C.

August 23, 1943.

Excellency:

Acting under instructions from my Government I have the honor to confirm the communications previously conveyed to officers of the Department of State and more particularly the Treasury Department, to the effect that it is the opinion and the policy of the Norwegian Government that Norwegian currency should be used to satisfy the needs of Allied expeditionary forces in Norwegian territory.

For its own monetary and financial purposes and with a view to supplying

His Excellency Cordell Hull
Secretary of State,
Washington, D. C.

to supplying Allied forces with adequate amounts of Norwegian currency, the Norwegian Government last spring took steps to have printed in London up to 600 million kroner (approximately corresponding to the total amount of Norwegian paper currency in circulation immediately prior to the invasion) in notes of the following denominations: 1, 2, 5, 10, 50, 100, 500 and 1,000 kroner. There has by now been printed 350 million kroner, and the remainder will be finished in October-November this year.

At the same time coinage of Norwegian small coins (10, 25 and 50 ore) has been effected in London. Such notes and coins are intended to cover Norwegian needs as well as those of Allied expeditionary forces.

The rate of exchange between the Norwegian krone and other currencies will be fixed by the Norwegian Government after discussions with the competent authorities of the various United States. The exchange rates will in the first instance have to be fixed provisionally pending the clarification and stabilization of the

of the

of the various factors involved.

A couple of months ago conversations took place in London between the British Treasury and the Norwegian Ministry of Finance regarding the use of Norwegian kroner by the British expeditionary forces and the exchange rate krone/pound sterling during the coming invasion of Norway. The British Treasury agreed to use Norwegian currency during the invasion and also declared that they would have no objection to an exchange rate of 20 Norwegian kroner to 1 pound sterling.

It was mutually understood that if conditions in Norway should be considerably changed before the invasion, this rate of exchange could be altered even before going into force.

This provisional arrangement was not implemented by any formal agreement, i.e. because such agreement would have needed the acquiescence of the proper American authorities.

The Norwegian Government ventures to expect that the United States authorities will see their way to take the same attitude

in these

in these matters as adopted by the British.

During recent conversations with the United States Treasury the representatives of the Norwegian Embassy have reiterated the desire that Norwegian currency be used during a possible invasion by United States armed forces. The Norwegian Ministry of Finance would have liked to obtain an assurance from the United States Treasury Department that the competent United States authorities agree to use Norwegian currency and also agree to a provisional exchange rate of 5 Kroner per United States dollar. As no such assurance was received from the United States Treasury, I hereby, on behalf of my Government, venture to approach Your Excellency with a view to reaching a speedy agreement between our Governments concerning the use of Norwegian currency and the rate of exchange between the Norwegian krone and the United States dollar for a possible period of invasion of Norwegian territory by U. S. forces.

On the basis of the above it can be stated that an adequate amount

of Norwegian kroner can at once or at short notice be placed at the disposal of the proper United States authorities in London or at an other designated place.

I hardly need to emphasize that my Government takes it for granted that in Norway, the territory of a United Nations government, no foreign special invasion money will be sought put into circulation by the authorities of any Allied government without the consent of the Royal Norwegian Government.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Ambassador,

(SIGNED) LARS J. JORSTAD

588

Ref: F 17.

RECEIVED
Treasury Department
1943
Division of
Monetary Research

PARAPHRASE OF TELEGRAM RECEIVED
FROM: AMERICAN EMBASSY, CHUNGKING, CHINA
DATE: September 22, 1943, 7 p.m.
NO.: 1779

The following has been repeated to New Delhi for Adler's information. Please inform Treasury.

The Embassy is informed by a reliable source that there has been no change in the situation since Embassy's telegram 1634 (1624) of September 2 and that the Ministry of Finance is awaiting "the American reply" to suggestions sent some time ago by Kung To Hsi Teh Mo in regard to revision of the stabilization agreement.

ATCHESON

BRITISH MOST SECRET
U.S. SECRET

COPY NO. 13

OPTEL NO. 313

Information received up to 10 a.m. 22nd Sept. 1943.

1. NAVAL

One of H.M. Canadian destroyers escorting an outward convoy was torpedoed and sunk South of Iceland (C) on 20th, and a corvette escorting the same convoy was torpedoed and believed sunk yesterday. A Polish submarine sank 2 ships in Bastia Harbour yesterday. The remaining 3 ships were on fire.

2. MILITARY

Italy By 4 p.m. 21st our troops had reached Trani, Aquaviva, Gioja, Laterza, Potenza, Contursi and Montecorvino. Little enemy opposition, but our advance delayed by demolitions.

Corsica French reinforcements have arrived and the Germans are still moving Northwards towards Bastia. Zonza and Vezzani have been occupied by the Italians. German evacuation from Bastia by air was in progress during daylight 21st.

3. AIR OPERATIONS

Western Front 21st. Escorted Mitchells dropped 25 tons on a synthetic petrol and ammonia plant at Lens and escorted Marauders bombed Beauvais airfield. Day's casualties: Enemy; 6, 3, 4. Our; 3 medium bombers.

21st/22nd. Aircraft despatched. Sea-mining 26, Intruders 5, Anti-shipping 5 (1 E-boat destroyed, 1 damaged), leaflets 3. About 30 enemy aircraft operated in 2 phases over and off the East and South East coasts. 2 of them were destroyed.

Italy 19th/20th. Wellingtons attacked and hit the road bridge at Benevento. 20th. Heavy and medium bombers dropped 230 tons on communications behind the battle area. Warhawks bombed and machine-gunned a probable petrol convoy setting on fire 35 vehicles and damaging many others. A total of 24 Liberators attacked the railway centres at Venice and Pescara.

Burma 19th. Mitchells dropped 21 tons on Monywa 60 miles West North West of Mandalay hitting the power station, barracks and other buildings.

SCHEDULE FOR SECRETARY MORGENTHAU'S VISITThursday, September 23, 1943

- 9:00 A.M. Chairman Burgess and Executive Manager Ford meet Secretary Morgenthau at
- 9:15 A.M. 2112 Broadway, Room 501. Central Savings Bank Bldg. West 73 St.
Director Community Sales Division Johnson.
Mrs. Sidney Borg, C. D. V. O.
Mrs. Talbot, A. W. V. S.
Chairmen of 11 District offices, workers,
sales representatives.
- 9:30 A.M. Leave.
- 9:50 A.M. Bronx Office. 2400 Grand Concourse (187th Street)
Downstate Chairman Pierson
Downstate Vice-Chairman, Mrs. Barnes
Bronx County Chairman Parkas
Bronx County Vice Chairman, Mrs. Coghlan
Deputy Manager Frank Sheridan, etc.
- 10:10 A.M. Leave.
- 10:35 A.M. Queens Office. 29-28 -41st Avenue (Queens Plaza) Long Island City.
Downstate Chairman Pierson
Downstate Vice Chairman, Mrs. Barnes
Queens Chairman Macdonald
Queens Vice Chairman Lemmerman
Queens Vice Chairman Mrs. Williams
Deputy Manager Nelson Bengston.
- 10:55 A.M. Leave.
- 11:20 A.M. Kings County Office. 60 Clinton Street, Brooklyn 2.
Downstate Chairman Pierson
Downstate Vice Chairman Mrs. Barnes
Kings Chairman Paige
Kings Vice Chairman, Mrs. Sturgis
Deputy Manager John Rae
Deputy Manager John Fitzgerald
- 11:40 A.M. Leave.
- 12:00 Noon Federal Reserve Bank, 33 Liberty Street, New York City.
Rest Period. (NF See 9:00 a.m.)
- 1:00 P.M. Federal Reserve Bank. Lunch - President Sproul and Board.
- 2:00 P.M. Federal Reserve Bank, 10th Floor Committee Room.
Bank team captains.

- (2:15 P.M. War Finance Committee, Banking & Investment Division,
5th Floor, Federal Reserve Bank Building.
Director Black.
(Community Sales Director Johnson and representatives
of insurance company community sales section will
also be present).
- 2:45 P.M. New York Stock Exchange, 11 Wall Street.
President Emil Schram.
- 3:20 P.M. Leave.
- 4:00 P.M. War Finance Committee, 27th Floor, 1270 Sixth Avenue.
- 5:20 P.M. Leave.
- 7:30 P.M. War Center, Victory Square, 50th Street & Sixth Avenue.
Signal Corps Exhibit.
The Secretary will send a message to General Eisenhower.
- 8:00 P.M. Leave.
- 8:20 P.M. Columbia Broadcasting System, 485 Madison Avenue.
- 8:30 P.M. to 9:45 P.M. Broadcast.
- ~~9:00 P.M. Dinner with Chairman BURGESS.~~
- ~~9:00 P.M. War Center, Victory Square.
Appearance at Sports Night Rally.~~

OFFICIAL PARTYCar No. 1

Secretary Morgenthau
Mr. Fred Smith
State Chairman Burgess
Executive Manager Ford

Car No. 2

Downstate Chairman Pierson
Downstate Vice Chairman Mrs. Barnes.

(This car will precede Car No. 1 by 10
minutes to Bronx, Queens and Kings
Offices and then return to 1270 Sixth Avenue)

Press Car

Reports and photographers which will cover
route to Federal Reserve Bank.

LUNCHEON AT FEDERAL RESERVE BANK OF NEW YORK
AT ONE O'CLOCK P.M., SEPTEMBER 23, 1943.

Secretary Morgenthau - Guest of Honor
Allan Sproul, President - Host

Mr. Winthrop W. Aldrich
Mr. Eugene Black
Mr. Donaldson Brown
Mr. Henry Bruere
Mr. W. Randolph Burgess
Dr. Robert D. Calkins
Mr. Carle C. Conway
Mr. Guy Emerson
Mr. William J. Field
Mr. M. B. Folsom
Mr. Nevil Ford
Mr. Leon Fraser
Mr. E. Chester Gersten
Mr. Russell C. Leffingwell
Mr. Henry Morgenthau, Sr.
Mr. Bayard Pope
Mr. William C. Potter

Mr. Beardsley Ruml
Mr. Emil Schram
Mr. Frederick E. Williamson

203

9/23/43 ✓

- 1 -

THE COLUMBIA BROADCASTING CORPORATION PRESENTS THE HONORABLE HENRY MORGENTHAU, JUNIOR - SECRETARY OF THE TREASURY OF THE UNITED STATES. FROM NEW YORK CITY, MR. MORGENTHAU BRINGS YOU THE LATEST NEWS ON THE THIRD WAR LOAN. WITH HIM AT THE MICROPHONE ARE NEW YORKERS FROM ALL WALKS OF LIFE, WHO ARE PLAYING A PART IN NEW YORK'S BOND DRIVE. SECRETARY MORGENTHAU -

THE THIRD WAR LOAN WILL COME TO AN END AT MIDNIGHT ON SATURDAY, OCTOBER SECOND. THAT GIVES US NINE DAYS TO COMPLETE OUR FIFTEEN BILLION DOLLAR QUOTA.

OUR SALES TO DATE- AS OF THIS EVENING - ARE OVER TWELVE BILLION DOLLARS. THAT MEANS WE MUST RAISE THREE BILLION DOLLARS IN THE NEXT NINE DAYS. THESE THREE BILLION DOLLARS MUST COME FROM THE PEOPLE. WE MUST GET THEM LARGELY THROUGH THE SALE OF B BONDS - TWENTY FIVE DOLLAR, FIFTY DOLLAR, HUNDRED DOLLAR BONDS -- TO MILLIONS OF PEOPLE.

AND THIS MUST BE DONE IN NINE DAYS!

TO SOME, THIS MAY SEEM IMPOSSIBLE. BUT TO SOME, NOT VERY LONG AGO, BEATING GERMANY SEEMED IMPOSSIBLE. THE INVASION OF NORTH AFRICA, OF SICILY, OF ITALY SEEMED IMPOSSIBLE. IT SEEMED IMPOSSIBLE FOR THE RUSSIANS TO DRIVE THE NAZI FORCES OUT OF THEIR LAND. BUT ALL OF THESE THINGS ARE BEING DONE.

I AM JUST AS CONFIDENT, THAT OUR HOME FRONT ARMY OF FIVE MILLION VOLUNTEER SALESMEN, WILL SUCCEED IN GETTING THE FINAL THREE BILLION DOLLARS WE NEED FROM THE AMERICAN PEOPLE TO INSURE THE SUCCESS OF THE THIRD WAR LOAN. NOR WILL THEY FORGET THAT EVERY EXTRA BILLION WILL END THE WAR JUST THAT MUCH SOONER.

I'D LIKE TO MAKE A SUGGESTION. I'D LIKE TO SUGGEST THAT WE DEDICATE THESE LAST NINE DAYS OF THE DRIVE TO GENERAL MARK CLARK'S GALLANT AMERICAN FIFTH ARMY.

Pause IT IS NIGHT, NOW, IN ITALY. THE SHIPS ARE OFF SHORE, LOADED WITH THE WEAPONS AND AMMUNITION AND SUPPLIES WHICH YOUR WAR BONDS HAVE BOUGHT. BARGES ARE CARRYING THEM ASHORE, TO THE BEACH-HEAD WE HAVE GAINED AT THE COST OF THOUSANDS OF AMERICAN LIVES.

IT'S A HILLY PART OF THE ITALIAN COAST. SOME OF YOU MAY HAVE SEEN IT. THE HILLS AREN'T VERY HIGH. YOU COULD WALK UP THE SMALLER ONES IN A FEW MINUTES. BUT OUR SOLDIERS- MEN FROM YOUR TOWN, AMONG THEM - ARE CLIMBING THOSE HILLS IN THE FACE OF MACHINE-GUN FIRE. THE NIGHT IS BRIGHT WITH THE FLASH OF GUNS. EVERY FOOT OF THE GROUND WE HAVE GAINED SO FAR, EVERY FOOT OF THE LONG, FIVE-HUNDRED-MILE DRIVE WE MUST MAKE TO THE NORTH, THE LENGTH OF ITALY, WILL COST US DEARLY IN LIVES. FOR US THE WAR IS BEGINNING, NOW, FROM HERE ON, GENERAL MARSHALL SAYS, IT WILL BE A CONSUMING FURNACE.

OUR SOLDIERS--YOUR SOLDIERS--WONDER ABOUT YOU. DRIVING FORWARD, GOING WITHOUT SLEEP AND FOOD FOR TWO AND THREE DAYS AT A TIME, TIRED AND DIRTY, SEEING THEIR FRIENDS WOUNDED AND KILLED BESIDE THEM - THEY WONDER IF THE FOLKS AT HOME REALLY KNOW HOW GRIM THIS WAR IS. THE LETTERS THEY GET TELL THEM THAT MOTHER IS WORRIED ABOUT THE BUTTER SHORTAGE. UNCLE FRED IS INDIGNANT BECAUSE HE CAN ONLY BUY THREE PAIRS OF SHOES A YEAR.

THE MEN WHO ARE MARCHING ON NAPLES TONIGHT AREN'T WORRIED ABOUT BUTTER. THEY'RE HAPPY TO EAT ANY FOOD THEY CAN GET - AND THEY HOPE THEY'LL LIVE LONG ENOUGH TO EAT IT. THEY HAVE A SHOE PROBLEM, TOO. SOME MEN, IN SICILY, WALKED THE SOLES OFF THEIR SHOES, AND WORE THEIR SOCKS AWAY, SO THEY WERE FIGHTING ON BARE AND BLEEDING FEET.

THIS LAST WEEK OF THE THIRD WAR LOAN DRIVE GIVES US OUR OPPORTUNITY TO PROVE- TO THE AMERICANS WHO ARE DOING OUR FIGHTING FOR US-THAT EVERY ONE OF US DOES UNDERSTAND. THESE WAR BONDS THAT WILL FEED AND CLOTHE OUR MEN, THAT WILL "BACK THE ATTACK" WITH THE WEAPONS AND MUNITIONS THEY MUST HAVE, ARE THE HAND OF FRIENDSHIP AND LOVE THAT WE CAN STRETCH ACROSS THE SEA TO THE MEN OF OUR GREAT FIFTH ARMY.

BECAUSE OF WHAT I HAVE SEEN THROUGHOUT THE COUNTRY, I KNOW THAT AMERICANS WILL NOT FAIL TO SUPPORT THE FIFTH ARMY. || I HAVE SPENT TODAY IN NEW YORK CITY VISITING BOND HEADQUARTERS IN THE VARIOUS BOROUGHS.

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I WANT YOU TO MEET SOME OF THE PEOPLE I SAW IN NEW YORK TODAY - SOME OF THE PEOPLE WHO OUT OF PATRIOTISM, AND OUT OF HEARTFELT DESIRE TO GIVE EVERY POSSIBLE HELP TO THEIR FRIENDS AND NEIGHBORS, THEIR SONS AND THEIR FATHERS ON THE BATTLEFRONTS, ARE SPENDING ALL OF A GREAT PORTION OF THEIR TIME SELLING BONDS.

AT MY FIRST STOP TODAY, IN THE CENTER OF MANHATTAN, I MET FIFTEEN-YEAR-OLD ALLAN GARNER. HERE HE IS.

GARNER

IN THE PAST TEN DAYS I HAVE SOLD \$49,725. WORTH OF WAR BONDS. BUT I AM NOT THROUGH YET. I AM GOING TO KEEP AT IT TO BACK UP MY BROTHER WHO IS STUDYING TO BE A MASTER GUNNER. I AM GOING TO KEEP SELLING BONDS UNTIL THE WAR IS OVER OR UNTIL I AM OLD ENOUGH TO JOIN THE ARMED FORCES AND DO SOME FIGHTING MYSELF.

SECRETARY

THANK YOU, ALLAN. UP IN THE BRONX, BOROUGH PRESIDENT JAMES J. LYONS INTRODUCED ME TO LOUIS LEVINE, A TAXICAB OPERATOR. I WANT YOU TO MEET HIM TOO.

LOUIS LEVINE

SINCE THE WAR BEGAN I HAVE SOLD SIX MILLION DOLLARS WORTH OF BONDS MYSELF. THE TAXI INDUSTRY HAS SOLD A GREAT MANY MILLIONS. THERE IS HARDLY A TAXI DRIVER IN NEW YORK THAT HASN'T BOUGHT A ONE HUNDRED DOLLAR BOND IN THE THIRD WAR LOAN. I SPEND TWENTY-FOUR HOURS A DAY AT MY JOB OF SELLING BONDS, AND THAT IS THE LEAST I CAN DO. I AM A JEWISH BOY, MY MOTHER WAS BORN IN GERMANY. I WENT TO GERMANY IN 1934, AND ALREADY IT WAS HELL. I CAN TELL YOU I KNOW WHAT THIS WAR MEANS.

SECRETARY

ONE OF THE INTERESTING THINGS I FOUND IN NEW YORK WAS THAT THE INSURANCE INDUSTRY HAS ORGANIZED ITSELF INTO A TREMENDOUS SALES FORCE. NOT ONLY ARE THE LIFE INSURANCE SALESMEN SELLING BONDS, BUT ALL THE OFFICE WORKERS AND CLERKS. ONE MAN I MET TODAY IS ASSISTANT REGISTRAR AT THE EQUITABLE LIFE ASSURANCE SOCIETY. HE WORKS FROM EIGHT TO TWELVE O'CLOCK EVERY NIGHT, IN THAT SECTION OF MANHATTAN ~~THAT USED TO BE CALLED HELL'S KITCHEN.~~ HIS NAME IS CHRISTOPHER GAMBOLATI.

GAMBOLATI

I HAVE MADE ABOUT SEVENTY SALES SINCE THE BEGINNING OF THE THIRD WAR LOAN. ALL MY SALES WERE TO ITALIANS WHO ARE MIGHTY GLAD, I CAN TELL YOU, THAT ITALY HAS CHANGED SIDES. AT FIRST I THOUGHT I WOULD TRY TO SELL TWENTY-FIVE DOLLAR BONDS, BECAUSE I THOUGHT THAT WAS ALL THE PEOPLE COULD AFFORD. BUT MY FIRST CUSTOMER BOUGHT A FIVE HUNDRED DOLLAR BOND, SO I CHANGED MY TUNE. MY AVERAGE SALE IS TWO HUNDRED FIFTY DOLLARS, AND MY AVERAGE CUSTOMER MAKES FROM THIRTY TO FORTY DOLLARS A WEEK AT MOST. THAT GIVES YOU SOME IDEA OF HOW MUCH THE LITTLE PEOPLE ARE DOING IN THE THIRD WAR LOAN.

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SECRETARY

A LOT OF PEOPLE WONDER HOW MUCH BUSINESS IS DONE BY BOND BOOTHS ON STREET CORNERS AND IN THEATRES AND IN DRUG STORES. I THINK I CAN GIVE YOU SOME IDEA. I TALKED TODAY TO MRS. SOPHIA ~~DA~~ SESCO, WHO HAS A BOOTH OUTSIDE THE BUILDING AT 26 COURT STREET. LET HER TELL YOU ABOUT IT.

MRS. DA SESCO

I SET UP MY BOOTH LAST FEBRUARY, AND UP TILL NOW MY HELPERS AND I HAVE SOLD FIVE HUNDRED EIGHTY FOUR THOUSAND DOLLARS' WORTH OF BONDS. WE HAVE BOUGHT SIX PURSUIT SHIPS AT SEVENTY FIVE THOUSAND DOLLARS EACH, AND NAMED THEM FOR OUR CUSTOMERS. JUST TO GIVE YOU SOME IDEA OF HOW GOOD BUSINESS CAN BE IN A STREET BOOTH, I'D LIKE YOU TO KNOW THAT ONE DAY A MAN FROM THE BROOKLYN ELKS CAME TO MY BOOTH AND GAVE ME A CHECK FOR ONE HUNDRED THOUSAND DOLLARS. OF COURSE THIS DON'T JUST HAPPEN. I HAVE TO WORK UP CUSTOMERS, JUST LIKE ANYONE ELSE. IN THE SUMMERTIME I SPEND EVERY DAY, ALL DAY, AT MY BOOTH. SO YOU CAN SEE, MR. MORGENTHAU, IT IS CERTAINLY WORTH WHILE.

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SECRETARY

I HAVE JUST INTRODUCED TO YOU A FEW AMONG THE THOUSANDS OF NEW YORKERS WHO HAVE SO UNSELFISHLY TAKEN UPON THEMSELVES THE JOB OF MAKING THE THIRD WAR LOAN A SUCCESS. THEY DID NOT WAIT TO BE ASKED -- THEY TOOK THE TASK ON THEIR OWN SHOULDERS. HERE IS ANOTHER MAN WHO GLADLY TOOK RESPONSIBILITY UPON HIMSELF. AS CHAIRMAN OF THE WAR FINANCE COMMITTEE OF NEW YORK STATE, MR. W. RANDOLPH BURGESS HAS MET THE STAGGERING CHALLENGE OF A QUOTA AMOUNTING TO 31 PER CENT OF THE QUOTA FOR THE ENTIRE NATION -- AND HE HAS MET IT LIKE THE PATRIOTIC, DETERMINED AMERICAN HE IS; A BIG MAN IN A BIG JOB. I AM PROUD TO INTRODUCE TO YOU MY VERY GOOD FRIEND, W. RANDOLPH BURGESS.

BURGESS

OUR JOB IN NEW YORK, AND I THINK IT IS THE SAME AS EVERY WAR FINANCE COMMITTEE'S JOB ACROSS THE COUNTRY, HAS NOT BEEN SO MUCH FINDING PEOPLE TO SELL BONDS, AS TO ORGANIZE THE PEOPLE WHO ARE DETERMINED TO SELL BONDS -- OF WHOM WE CANNOT HAVE TOO MANY. IT IS A CASE OF HARNESSING SPONTANEOUS COMBUSTION. INSTEAD OF TRYING TO ORGANIZE THE STATE LIKE AN ARMY, WE HAVE RELIED ON THESE HUNDREDS OF GROUPS OF PEOPLE EVERYWHERE WHO HAVE VOLUNTEERED AND ON THEIR OWN INITIATIVE STARTED WORK SELLING BONDS. IT'S "EAST SIDE, WEST SIDE, ALL AROUND THE TOWN." IN FACT WE HAVE HAD TO HUSTLE TO KEEP UP WITH THEM. MORE THAN ONCE I HAVE MARVELLED AT THE ENERGY THEY PUT

INTO THEIR WORK, AND I BELIEVE THAT MOST OF THESE WORKERS HAVE SONS OR BROTHERS IN THE ARMED SERVICES AND ARE BACKING THEM UP.

BUT I WANT TO SAY HERE AND NOW THAT THE NINE DAYS THAT LIE AHEAD OF US ARE GOING TO BE THE HARDEST. BETWEEN NOW AND OCTOBER SECOND WE ARE FACED WITH THE PROBLEM OF GETTING AROUND TO SEE THE PEOPLE AND GIVING THEM A CHANCE TO SUBSCRIBE. I THINK EVERY WORKER WE HAVE REALIZES THAT THE YARDSTICK OF SUCCESS IN THE THIRD WAR LOAN IS NOT THE MONEY WE RAISE, BUT THE NUMBER OF PEOPLE WHO HAVE BOUGHT A SHARE IN THE WAR - AND BECAUSE THEY UNDERSTAND THIS, I AM SURE THEY WILL WORK DOUBLE TIME TO GET THE JOB DONE. I'D LIKE TO HAVE THREE OF THE PEOPLE IN OUR ORGANIZATION WHO ARE CONCENTRATING ON THE SALE OF BONDS TO INDIVIDUALS TELL YOU WHAT THEY EXPECT TO DO DURING THE NEXT NINE DAYS.

FIRST, ~~MRS. MARIAN M. [REDACTED]~~



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MRS. MILLER

THROUGHOUT THE COUNTRY THE WOMEN HAVE CONSIDERED THE WAR FINANCE PROGRAM VERY MUCH THEIR BUSINESS. IN NEW YORK STATE EVERY WOMAN-- WHETHER HOUSEWIFE, MOTHER, INDUSTRIAL WORKER OR PROFESSIONAL CAREER WOMAN--IS A POTENTIAL CUSTOMER FOR WAR BONDS, AND THOUSANDS OF WOMEN ARE WAR FINANCE WORKERS IN ONE CAPACITY OR OTHER. OUR GOAL IS TO MAKE EVERY WOMAN A BOND HOLDER IN HER OWN RIGHT. IN WESTERN NEW YORK, THE SLOGAN " A BOND IN EVERY KITCHEN" HAS CAUGHT ON. IN NEW YORK CITY, THE POWERFUL WOMEN'S CLUBS AND ORGANIZATIONS ARE VYING WITH EACH OTHER TO SELL BONDS ON TERMS OF TONNAGE FOR THE COMING EUROPEAN INVASION FLEET. AT \$2,000 PER TON. MANY MILLIONS OF DOLLARS ARE REPRESENTED BY NEW YORK WOMEN. LARGE NUMBERS OF THESE BONDS ARE BOUGHT DAILY AT BOOTHS WHICH ARE STAFFED BY WOMEN VOLUNTEERS. OUR AIM FOR THESE LAST CRITICAL NINE DAYS IS TO FIND THE WOMEN WHO ARE NEITHER ON PAYROLLS NOR ACTIVE IN ORGANIZATION WORK, AND WHOSE FINANCIAL TRANSACTIONS ARE ORDINARILY MADE BY THE MEN IN THEIR FAMILIES. THEY AND THEIR CHILDREN ARE OUR VERY SPECIAL CUSTOMERS BECAUSE THEY ARE "E" BOND BUYERS, AND BECAUSE THERE ARE STILL SOME AMONG THEM WHO WILL BUY THEIR FIRST BOND BETWEEN NOW AND OCTOBER 2. IT IS OUR FIRM CONVICTION THAT WE ARE PERFORMING A VALUABLE SERVICE FOR THESE WOMEN IN SELLING THEM EITHER THEIR FIRST OR ANOTHER "E" BOND.

BURGESS

THANK YOU, MRS. MILLER--FRANK B. MITCHELL OF OUR PAYROLL SAVINGS DIVISION.

THE PAYROLL SAVINGS DIVISION IS CONCERNED WITH THE WAGE EARNERS OF THIS STATE---EVERY MAN AND WOMAN WHO HAS A JOB. THERE ARE 47,000 CONCERNS IN THIS STATE THAT ARE MAKING IT POSSIBLE FOR THEIR EMPLOYEES TO FIGHT THIS WAR BY BUYING BONDS THROUGH THE PAYROLL SAVINGS PLAN. WITHIN THESE COMPANIES, THERE ARE THOUSANDS OF LOYAL AND PATRIOTIC PEOPLE WHO HAVE ACCEPTED THE RESPONSIBILITY OF OFFERING THEIR CO-WORKERS AN OPPORTUNITY OF SHORTENING THE WAR AND PROVIDING FOR FUTURE SECURITY. THESE VOLUNTEERS HAVE OUR HEARTFELT THANKS AND THEY DESERVE THE THANKS OF EVERY AMERICAN. WE ARE COUNTING UPON THEM TO INSURE THE SUCCESS OF THE ATTACK THEY ARE BACKING. THEY, THE PEOPLE, AND YOU, THE PEOPLE, WORKING TOGETHER AND SAVING TOGETHER CAN DO MUCH TO INSURE THE SUCCESS OF THE THIRD WAR LOAN. WE ASK ALL WAGE EARNERS AS FREE MEN TO BUY TO BUY THEIR EXTRA BONDS THROUGH THEIR OWN COMPANIES. NOW!

MR. BURGESS

NOW MR. WALTER H. JOHNSON, JR. WILL TELL YOU ABOUT OUR COMMUNITY SALES.

MR. JOHNSON

IN MANHATTAN, FIFTY THOUSAND MEN AND WOMEN - - TRAINED AND ORGANIZED - -
ARE CALLING FROM DOOR TO DOOR, SELLING BONDS IN THE THIRD WAR LOAN. EACH
ONE IS PATRIOTICALLY DOING AN IMPORTANT WAR JOB. EACH ONE IS GETTING HIS
NEIGHBORS TO LEND MONEY TO THEIR COUNTRY TO BUY WAR EQUIPMENT NEEDED BY THE
SOLDIERS AND SAILORS FROM THEIR OWN HOME BLOCK.

THIS GROUP OF SALESMEN WILL REACH A MILLION BOND BUYERS. IN THE
LAST FEW DAYS OF THE CAMPAIGN THEIR OBJECTIVE IS FIVE HUNDRED THOUSAND
SALES FOR FIFTY MILLION DOLLARS AND THEY'RE GOING TO REACH IT.

IF YOU'RE NOT CALLED ON, HOWEVER - - - WHEREVER YOU LIVE - - - GO
TO YOUR BANK OR THE THEATRE AND BUY YOUR BOND. REMEMBER THIS IS YOUR
WAR!

BURGESS

THANK YOU, MR. JOHNSON.

SECRETARY

LADIES AND GENTLEMEN, YOUR GOVERNMENT WANTS TO THANK ALL OF YOU!
IN YOUR HEARTS, AS IN MINE, ARE THE SOLDIERS AND SAILORS WHO ARE
ATTACKING THE NAZIS IN ITALY AT THIS MOMENT: WHO ARE SLOWLY, PAINFULLY
DRIVING THE JAPS OUT OF ISLAND AFTER ISLAND IN THE PACIFIC. ON LONELY
BEACHES, IN SWELTERING JUNGLES, ON BARE HILLS, ON OPEN REACHES OF THE
SEVEN SEAS -- MEN WE ARE PROUD TO CALL AMERICANS ARE FIGHTING, STRUGGLING
AND DYING. THEY ARE FIGHTING A WAR THEY NEVER WANTED, BECAUSE THEY MUST
---BECAUSE OUR DECENT WORLD IS THREATENED BY AS FOUL AN ENEMY AS THE
WORLD HAS KNOWN--AN ENEMY ARROGANT, TREACHEROUS, MURDEROUS AND VICIOUSLY
CRUEL, WHO HAS SWORN TO DESTROY US.

WE KNOW WHY WE BUY BONDS.

WE BUY BONDS TO "BACK THE ATTACK" WHICH THESE SOLDIERS AND SAILORS
ARE CARRYING TO THE ENEMY.

"BACK THE ATTACK" WE MUST--AND "BACK THE ATTACK" WE WILL.

THANK YOU--AND GOOD EVENING.

ANNOUNCER

Columbia brings you "Report To the Nation On the Third War Loan," ~~and~~ ^a
~~and~~ ^{of War Bonds with} this round-table discussion ~~on~~ ^{the} Honorable Henry Morgenthau, Junior,
 Secretary of the Treasury; Randolph Burgess, Chairman of the New York
 War Finance Committee; Mrs. Sturgiss, of
 Brooklyn and Mr. of the Office of Civilian Defense.

SECRETARY

Good evening, ladies and gentlemen. This is Henry Morgenthau, Junior.
 New York City has long been a symbol of the United States because, more
 than any other city, it is our melting pot. So we report to you from
 New York, this evening, at the close of the second week of the Bond Drive.
 Mr. Burgess, I'll ask you to open our round-table discussion.

BURGESS

Thank you, Mr. Secretary. You've seen just about everything we have
 to show you, in New York today. Do you think we're doing as good a Bond
 job as the rest of the country?

SECRETARY

The thing that impresses me most is the variety of the groups working ^{you have}
 on Bonds. Radio stations, retail stores, labor unions -- you seem to
 have everybody at work from bank presidents to the Civilian Defense
 organization. I'm ~~also~~ ^{just about} impressed by the number of people who are sell-
 ing Bonds. ^{How} How many are there?

BURGESS

In Greater New York, about () people are selling Bonds.

STURGISS

As you know, Mr. Secretary, we have to raise 4 billion dollars of the
 national ~~quota~~ ^{That calls for hard work,} quota of 15 billion.

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SECRETARY

~~SECRET~~ *is asking*
 The Treasury ~~asked~~ everybody to buy an extra \$100 Bond, this time. -- especially the ~~people~~ *men and women* working in war plants. How will you make out, there?

CIVILIAN DEFENSE

Our results, so far, show that workers are doing more than that. ~~Our~~ *Our*
~~average results~~ show a pledge of two hundred dollars per worker.

~~SECRETARY~~

BURGESS

certainly
 That ~~our~~ *the job* answer, the people who said we couldn't do ~~it~~ the voluntary way.

SECRETARY

believe
 I ~~think~~ the whole country is ~~solidly~~ behind our voluntary War Bond way of raising money to finance the war, now. After all, selling Bonds this way we ~~can~~ ask for help from people who can afford to give it to us. We don't ask ~~for~~ *the* the impossible from people who simply haven't the money to ~~do~~ *their government* a ~~plan~~ a ~~choice~~. Under compulsory ~~arrangements~~ *nobody* would have ~~the~~ choice.

STURGISS

Mr. Secretary, I'd like to pay a special compliment to our foreign-born people, here in New York. The Italian-Americans, the German-Americans, ~~the~~ *the* ~~our~~ Armenians and all the other groups are among our heaviest purchasers of Bonds. The ~~very~~ first district in Manhattan to reach its quota was the Lower East Side. These people are real Americans, ~~and~~ *We're* proud of them!

SECRETARY

They've ~~lived~~ lived in Europe. They know what this war is about. Foreign-born Americans are making wonderful Bond records all over the country. Last week in St. Louis I heard the story of an American ~~ambassador~~ ~~of~~

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Italian parents, for instance, who was asked to buy a \$100 Bond and bought one for ¹⁰ ~~12~~ thousand dollars instead! ~~XXXXXXXXXXXXXXXXXXXX~~ I have a letter from an Armenian-Italian in San Francisco who wrote to me personally — to buy a 20 thousand dollar Bond.

STURGISS

Of course/ there are some people we aren't so proud of. We've all heard ~~the~~ stories about women rushing away from the war plants on pay day and spending every penny before they even get home -- buying sixty-dollar hats, and expensive fur coats. I understand department store sales for the week of September 11th were 10 per cent higher than they were a year ago. Do you think many people ~~who ought to be buying bonds~~ are spending their money extravagantly *instead of buying Bonds?*

SECRETARY

~~Should~~ you gentlemen answer that question?

CIVILIAN DEFENSE

There's no question but ^{that} some people are going on spending sprees. I suppose the answer is that there are foolish, ~~and~~ selfish people in every country, ^{including ours.} For every person who is throwing his money around there are ten ^{probably} or twenty who are buying Bonds, but we don't hear those stories -- we ~~just~~ ^{just only} hear ~~the~~ about the extreme cases.

SECRETARY

I can say this, ^{much.} Those people who are choosing to 'spend in the present rather than invest in the future', ~~and~~ ^{the other way.} if they are really as smart as they think they are, will turn it around. They ^{anybody} invest in the present in order to save the future! A sixty-dollar hat won't do ^{anybody} much good if the Nazis take over America!

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BURGESS

~~We know one thing~~ Figures don't lie. We wouldn't have reached a national today of (\$) on the 15th day of the drive if ^{most} people weren't buying Bonds. We will definitely ^{reach} the 15 billion total, won't we, Mr. Secretary!

SECRETARY

I think ~~we'll probably~~ ^{we may} go over/ ~~15 billion~~ it.

STURGISS

One question I ^{quite often} ~~am~~ asked is, 'Where is the money coming from?'

CIVILIAN DEFENSE

It's coming out of sugar bowls, out of mattresses -- everywhere.

SECRETARY

~~all,~~ The Government is simply borrowing back ~~the~~ ^{that the} money people are earning ^{in war work}. Our national income is 'way up. It will reach 150 billion dollars this year. There are 18½ billion dollars in cash ~~is~~ floating around the country right now. That's ~~the~~ dangerous ~~xxxx~~ money, ^{it can} ~~the~~ cause inflation if people don't ~~xxxx~~ buy Bonds with it. That is worth emphasizing again and again, ~~xxxx~~ Bonds not only 'Back the Attack,' ^{They} ~~protect us against~~ ^{prevent} inflation.

BURGESS

If we get inflation, everybody's hat will cost 50 dollars. ~~That's~~ ^{after} that's the cheapest hat we'll be able to buy. I remember, ~~the~~ ^{the} last war, ~~a ten-pound bag of sugar cost~~ ^{a ten-pound bag of sugar cost} \$ 2.67.

SECRETARY

~~We~~ ^{this time,} don't want that to happen ~~xxxx~~. As I say, that's another reason for buying Bonds. But the first and most important reason ^{must}

-~~xxx~~
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always be to 'Back the Attack' ~~and~~ ^{and} end the war sooner. Every Bond not only helps to buy weapons of war -- it also saves lives.

STURGISS

Sales of 'E' Bonds are only 65 per cent of ^{in New York} the 'E' Bond quota, ~~in~~ ^{over} ~~the~~ 'E' Bond quota, ~~in~~ ~~the~~ ~~U.S.~~ ~~and~~ ~~Mr.~~ ~~Secretary.~~ ~~Those~~ ~~are~~ ~~the~~ ~~Bonds~~ ~~we~~ ~~want~~ ~~most~~ ~~of~~ ~~all~~ ~~to~~ ~~sell.~~
How are 'E' Bond sales throughout the country?

SECRETARY

We haven't sold as many as we need to sell, ~~and we will still need to sell more.~~

CIVILIAN DEFENSE

I've ~~run~~ run into several people who think it isn't important to buy 'E' Bonds. They read about this Company buying a million dollars' worth, ~~or~~ ~~that~~ ~~Company~~ ~~buying~~ ~~two~~ ~~million~~ ~~dollars'~~ ~~worth~~ ~~of~~ ~~Bonds,~~ ~~and~~ ~~so~~ they decide their \$18.75 doesn't mean much. ^{They're turned about stepping} ~~They~~ ~~hesitate~~ ~~to~~ ~~step~~ ~~forward~~ ~~to~~ ~~buy~~ ~~any~~ ~~a~~ ~~small~~ ~~Bond,~~ ~~because~~ ~~it~~ ~~doesn't~~ ~~seem~~ ~~like~~ ~~much.~~

STURGISS

^{Some people even think} ~~Yes; I even think some people~~ ~~and~~ their \$18.75 isn't needed, with so many big ~~and~~ subscriptions coming in for millions of dollars.

SECRETARY

^{certainly} ~~They're~~ ~~mistaken.~~ ^{The} ~~These~~ \$18.75 Bonds are the ones we need most of all. They're ~~more~~ ~~important~~ ~~than~~ ~~any~~ ~~others.~~ Seven-eighths of the 15 billion dollars ~~we~~ ~~we've~~ ~~got~~ ~~to~~ ~~raise~~ ~~must~~ ~~come~~ ~~from~~ ~~people~~ ~~earning~~ ~~less~~ ~~than~~ ~~\$5000~~ ~~a~~ ~~year.~~ ~~From~~ ~~labor,~~ ~~from~~ ~~farmers,~~ ~~from~~ ~~office~~ ~~workers~~

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BURGESS

You say 'E' Bonds are lagging. ~~xxxx~~ Mr. Morgenthau. ~~xxxx~~ More people are buying them than ~~bought them~~ during the Second War Loan, aren't they?

SECRETARY

Yes; we've sold in the neighborhood of half a billion dollars' worth. On the whole, sales are ~~very~~ good. We ~~xxxxxxxxxxxxxxxxxxxx~~ don't know the whole story yet on 'E' Bonds, either. In many ~~trading offices~~ places, orders are coming in so rapidly that we won't know for several weeks exactly how many people ~~xxxxxxxxxxxx~~ are buying. Just the same, I can't say too often that people must buy 'E' Bonds ~~up to and beyond~~ the point of real sacrifice.

STURGISS
CIVILIAN DEFENSE

I don't think it's any sacrifice to lend your money to the Government — the safest investment in the world — at good interest. A War Bond is ~~actually~~ safer than cash, *really*.

SECRETARY

That's true

STURGISS

I ~~do~~ have one suggestion that might be called real sacrifice, ~~though~~ *alot*
Some of that dangerous 'inflation' money you spoke of, Mr. Secretary, is going to be spent for Christmas presents. This is no year for ~~such~~ extravagant Christmas gifts. Every patriotic American home, this year, ought to give War Bonds ~~for~~ *as a* Christmas, ~~gifts~~. And they ought to buy the Bonds now.

CIVILIAN DEFENSE

I don't think that's much of a sacrifice, ~~either, really~~. Not when I remember the ~~xxxx~~ soldiers in the Aleutian Islands. Their Christmas

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tree was a piece of driftwood ~~decorated~~ decorated with some scraps of red cellophane. ~~about~~ The boys who got presents at all got a ^{five-cent} chocolate ~~bars.~~ *bars.*

SECRETARY

All of us have someone we love in the armed forces. If we think of them, I know we'll buy all the War Bonds needed to 'Back the Attack.' ~~This is a crime, ...~~ I should like to announce, now, that the Third War Loan Drive will ~~close~~ ^{end} on October 2nd. There will be no extra week — ^{last-minute} no ~~last~~ period for people to make up their minds. All Bonds bought before midnight on October 2nd will be counted in the Third War Loan quota, but the drive will end on that date. *I* ~~and~~ I am confident that we will reach, and pass, our 15 billion dollar quota. We will 'Back the Attack' because, in cities and towns all over the country, men and women have organized and worked to sell bonds as you people here in New York have done. *I* We will 'Back the Attack' because, when all is said and done, every one of us knows that we must 'Back the Attack' all the way — with no half measures — if we are to win the war. Thank you! *and*

Good Evening.

#

MAR 21 1945

THIRD WAR LOAN

NEW YORK STATE and UNITED STATES SALES

Cumulative through September 21st.

(In thousands of dollars)

| | <u>New York</u> | <u>United States</u> |
|--------------------------------|-----------------|----------------------|
| Sales to Individuals | 439 | 1,929 |
| Attainment of Drive quota | 55% | 39% |
| | | |
| Sales to Others | 3,661 | 8,724 |
| Attainment of Drive Quota | 94% | 87% |
| | | |
| Total Sales | 4,100 | 10,775 |
| Attainment of Drive quota | 87% | 72% |

September 23, 1943

Dear Mr. Stauffer:

From network and local programs I have heard here in Washington and reports coming from the field, I know that the entire radio industry is doing a splendid job for the Third War Loan.

It is too early to predict how effective the War Bond appeals have been. There is still a tremendous job ahead before we reach the \$15,000,000,000 goal. But I know we can count on the continued, splendid support of the radio industry.

Please extend the Government's thanks to every one who has helped bring the "Back the Attack" story to the nation's radio listeners.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Mr. Donald D. Stauffer,
Domestic Radio Bureau,
Office of War Information,
Washington, D.C.

PC:TRG:ecb

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September 23, 1943.

My dear Mr. Dexey:

On September 22 you wrote the Secretary urging that he send a telegram of greeting to the War Bond Committee in Holly Springs, Mississippi.

Mr. Morgenthau was very glad to comply with your request and believes that you would like to see a copy of the message that he sent. I am therefore enclosing this at his suggestion.

Sincerely yours,

(Signed) H. S. Klutz

H. S. Klutz,
Private Secretary.

Honorable Wall Dexey,
Sergeant at Arms,
Senate of the United States,
Washington, D. C.

Enclosure. copy of teleg. to Collins Tidwell

GKF/dbe

TED R. GAMBLE**WAR FINANCE DIVISION****EXPENSES OF LOANS****TRG:ceb SEPTEMBER 23, 1943**

**COLLINS TIDWELL, CHAIRMAN
WAR LOAN DRIVE
MARSHALL COUNTY
HOLLY SPRINGS, MISSISSIPPI**

I HAVE BEEN INFORMED THAT MEMBERS OF YOUR COUNTY ORGANIZATION WORKING WITH THE JUNIOR CHAMBER OF COMMERCE HAVE PLANNED SEVERAL SPECIAL EVENTS TO INSURE THE SUCCESS OF YOUR COUNTY THIRD WAR LOAN DRIVE. I WISH TO COMPLIMENT YOU AND ALL THE WORKERS OF BOTH ORGANIZATIONS WHO ARE PARTICIPATING IN THIS DRIVE. THIS IS THE KIND OF PATRIOTISM THAT WILL HELP US THROUGH TO VICTORY.

**HENRY MORGENTHAU, JR.
SECRETARY OF THE TREASURY**

SENATE OF THE UNITED STATES
OFFICE OF THE SERGEANT AT ARMS
WASHINGTON, D. C.

September 22, 1943

The Honorable
the Secretary of the Treasury,
Washington, D. C.

Dear Sir:

In re: - Telegram from the Secretary of
the Treasury urging purchase of
War Bonds: -

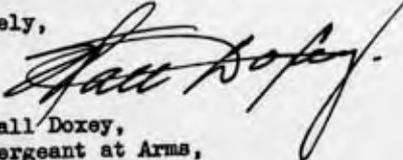
The attached letter from Mr. Collins Tidwell of
Holly Springs, Chairman of the War Bond Drive for Marshall
County, Mississippi, speaks for itself.

If found consistent to comply with the request
made therein, the same will be greatly appreciated and naturally
will boost the sale of War Bonds tremendously.

Holly Springs, Mississippi, is my home town and I
personally know the community is doing everything possible to
aid our present war effort.

I have made a similar request of the President.

Sincerely,


Wall Doxey,
Sergeant at Arms,
U. S. Senate

JUNIOR CHAMBER OF COMMERCE
HOLLY SPRINGS
MISSISSIPPI

September 19, 1943

Hon. Wall Doxey,
Sergeant at Arms,
U. S. Senate,
Washington, D. C.

Dear Wall:

We are coming to you with a most unusual request. Here is what we want: The Junior Chamber of Commerce is sponsoring a War Bond Auction, Wednesday night, September 29th. Inasmuch as we feel that it would not be convenient for you to be with us, we would appreciate it if you would telegraph us a short message to be read over the public address system the night before the auction starts.

To be further trouble to you, would it be foolish or out of the question to get a like telegram from Secretary of the Treasury Morgenthau and the President.

This may seem foolish but we sure would like to have these telegrams and would add much to the auction. We are not passing up anything that would contribute to the success of our raising our quota in the Third War Loan.

These telegrams could come on the day of the auction or any time between now and then at your convenience. One could come to me as Chairman of the War Loan Drive and the other to - Guy Palmer as President of the Junior Chamber of Commerce.

Wish you could be with us. We are planning big things for the ole home town on that night and hope above all else to get enough War Bonds to put us over the top.

With very best regards to you and yours, I am

Very truly yours,

COLLINS TIDWELL, Chairman -
War Loan Drive,
Marshall County

WAR DEPARTMENT
THE SCHOOL OF MILITARY GOVERNMENT
CHARLOTTESVILLE, VIRGINIA

23 September 1943.

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

My dear Mr. Secretary:

Your very kind letter of 18 September 1943 is greatly appreciated.

I, too, have received a number of comments indicating that the program was effective and successful. This was due to your foresight and careful planning, and I am very happy to have had a small part in it. It was a great pleasure also to have an opportunity of seeing something of you personally.

With best thanks for your kindness, and best personal regards,

Faithfully yours,

C. W. Wickersham
C. W. WICKERSHAM,
Brigadier General, U. S. A.,
Commandant.

For VICTORY



EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington, D. C. - 25

September 23, 1943.

My dear Mr. Morgenthau:

Receipt is acknowledged of your letter of September 2, 1943, with respect to the financing of a survey by the Bureau of Labor Statistics and the Bureau of Home Economics of income, spending, and savings, of a sample of about 3,500 families during the third quarter of 1943, and recommending favorable consideration of an allocation of approximately \$200,000 to the Department of Labor from the Emergency Fund for the President for this survey.

In the judgment of this office it would not be appropriate to draw upon the Emergency Fund for the President for this purpose but, in view of the interest of the Treasury Department in the project and the uses to which the resulting information would be put, I suggest that you consider with the Chairmen of the Appropriations Committees the possibility of financing this project by means of reimbursement to the Department of Labor from the appropriation for Expenses of Loans. If this handling meets with the approval of the Committee Chairmen, there would appear to be no question as to the availability of the Expenses of Loans appropriation.

Very truly yours,

(signed) Harold D. Smith

Director.

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

Noted by Mr. Schoeneman.

Mr. Sullivan cleared with
Messrs. Ludlow and Taber.
WNT

9-24-43 Original sent to Mr. Broughton to associate with the official file.

COPY

OFFICE OF LEND-LEASE ADMINISTRATION
FIVE-FIFTEEN 22d STREET NW.
WASHINGTON 25, D. C.

September 23, 1943

MEMORANDUM

To: The Honorable Henry Morgenthau
From: E. R. Stettinius, Jr.
Subject: Executive Reports

Transmitted herewith, for your information, are copies of the Executive Reports on lend-lease operations, as of August 31, 1943.

CONFIDENTIAL
Executive Report No. 1

ALLOCATIONS, OBLIGATIONS AND EXPENDITURES
LEND-LEASE FUNDS APPROPRIATED TO THE PRESIDENT

Report as of Aug. 31, 1943

(Thousands of Dollars)

| Appropriation Category | Adjusted Appropriations | Cumulative to August 31, 1943 | | |
|----------------------------------|-------------------------|-------------------------------|-------------------|-------------------|
| | | Allocations | Obligations | Expenditures |
| Ordnance and Ordnance Stores | 1,683,306 | 1,679,614 | 1,502,083 | 1,215,464 |
| Aircraft and Aero. Material | 2,669,625 | 2,667,886 | 2,506,372 | 1,984,255 |
| Tanks and Other Vehicles | 759,273 | 690,060 | 625,779 | 582,369 |
| Watercraft | 3,871,703 | 2,555,043 | 2,133,162 | 1,801,171 |
| Misc. Military Equipment | 353,288 | 353,272 | 304,133 | 228,855 |
| Production Facilities | 1,104,688 | 1,102,488 | 1,065,209 | 889,774 |
| Agric. and Indust. Commodities | 12,608,929 | 10,110,124 | 6,879,547 | 5,775,330 |
| Servicing, Repair of Ships, etc. | 790,818 | 624,112 | 436,091 | 422,408 |
| Services and Expenses | 800,000 | 406,273 | 296,910 | 232,164 |
| Administrative Expenses | 28,999 | 24,431 | 22,761 | 22,488 |
| Total | 24,670,629 | 20,213,303 | 15,772,047 | 13,154,278 |

| Procuring Agency | Cumulative to August 31, 1943 | | |
|---|-------------------------------|-------------------|-------------------|
| | Allocations | Obligations | Expenditures |
| War Department | 5,742,286 | 5,311,034 | 4,520,937 |
| Navy Department | 3,239,841 | 2,417,989 | 1,786,394 |
| Maritime Commission and War Shipping Admin. | 2,435,458 | 1,908,310 | 1,837,309 |
| Treasury Department | 3,893,110 | 2,878,720 | 1,910,268 |
| Department of Agriculture | 4,884,486 | 3,240,983 | 3,087,118 |
| Other | 18,122 | 15,011 | 12,252 |
| Total | 20,213,303 | 15,772,047 | 13,154,278 |

September 21, 1943

CONFIDENTIAL
Executive Report No. 2

STATEMENT OF LEND-LEASE AID

Report as of August 31, 1943

(Thousands of Dollars)

| Type of Aid | Cumulative to | | Month of | |
|--|-----------------|---------------|-----------|-----------|
| | August 31, 1943 | July 31, 1943 | August | July |
| Goods Transferred | 13,015,749 | 11,901,972 | 1,113,777 | 1,018,026 |
| Servicing, Repair of Ships, etc. | 327,580 | 321,030 | 6,550 | 6,135 |
| Rental of Ships, Ferrying of Aircraft, etc. | 1,208,995 | 1,065,102 | 143,893 | 20,316 |
| Production Facilities in U. S. | 601,150 | 601,956 | - 806 | 2,437 |
| Miscellaneous Expenses | 81,042 | 83,279 | - 2,237 | 3,493 |
| Total Services | 2,218,767 | 2,071,367 | 147,400 | 32,381 |
| Total Goods and Services | 15,234,516 | 13,973,339 | 1,261,177 | 1,050,407 |

Data on Goods Transferred include value of goods procured from lend-lease appropriations to the President and to the War and Navy Departments.

| Type of Aid | Cumulative to August 31, 1943 | | | | |
|---|-------------------------------|---------|-----------|---------|------------|
| | Br. Empire | China | U.S.S.R. | Other | Total |
| Goods Transferred | 10,023,174 | 142,020 | 2,606,616 | 243,939 | 13,015,749 |
| Servicing, Repair of Ships, etc. | 233,718 | 1,705 | 57,392 | 34,765 | 327,580 |
| Rental of Ships Ferrying of Aircraft, etc. | 902,850 | 12,345 | 177,175 | 116,625 | 1,208,995 |
| Production Facilities in U. S. | - | - | - | - | 601,150 |
| Miscellaneous Expenses | 49,832 | 1,170 | 2,464 | 27,576 | 81,042 |
| Total Goods and Services | - | - | - | - | 15,234,516 |

September 21, 1943

CONFIDENTIAL
Executive Report No. 3

LEND-LEASE GOODS TRANSFERRED

Report as of August 31, 1943

(Thousands of Dollars)

| | Cumulative to August 31, 1943 | | | | |
|---|-------------------------------|----------------|------------------|----------------|-------------------|
| | Br. Empire | China | U.S.S.R. | Other | Total |
| Ordnance (Excl. Ammunition) | 472,015 | 15,547 | 105,825 | 49,705 | 643,092 |
| Ammunition and Components | 1,043,889 | 22,188 | 274,567 | 23,382 | 1,364,026 |
| Aircraft | 1,076,042 | 45,722 | 578,175 | 39,272 | 1,739,211 |
| Aircraft Engines, Parts, etc. | 582,473 | 5,202 | 18,415 | 3,716 | 609,806 |
| Tanks and Parts | 1,235,436 | 923 | 238,286 | 25,869 | 1,500,514 |
| Motor Vehicles and Parts | 319,720 | 25,395 | 311,073 | 14,460 | 670,648 |
| Watercraft and Parts | 1,118,766 | 447 | 138,803 | 11,635 | 1,269,651 |
| Foods | 1,473,275 | - | 235,697 | 21,371 | 1,730,343 |
| Other Agric. Products | 353,998 | 41 | 4,080 | 122 | 358,241 |
| Machinery | 359,723 | 4,176 | 209,316 | 3,088 | 576,303 |
| Metals | 539,420 | 9,224 | 233,971 | 1,615 | 784,230 |
| Petroleum Products | 560,178 | 2,418 | 28,068 | 1,178 | 591,842 |
| Miscellaneous Materials and Manufactures | 888,239 | 10,737 | 230,340 | 48,526 | 1,177,842 |
| Total | 10,023,174 | 142,020 | 2,606,616 | 243,939 | 13,015,749 |

September 21, 1943

/ABRPHASE OF TELEGRAM RECEIVED

FROM: American Consulate General, Calcutta, India

DATE: September 25, 1945, 2 p.m.

NO. 1 1230

PRIORITY.

SECTION ONE.

SECRET

FROM ADLER FOR THE SECRETARY OF THE TREASURY.

Reference is made to Section one (over-all picture) of telegram No. 664, dated September 6, 1945, from the Department.

1. Severe inflation is being experienced in India, due to the following:

(a) The cost of living has trebled; (b) notes in circulation are now quadruple prewar; (c) all-India wholesale general price index two and one-half times; (d) prices of food and clothing nearer quadruple.

Note issue and wholesale price index have risen twenty-five percent since January, with the rate of increase being the sharpest up to May and tapering off since that time partly because of belated measures being taken by the government. In a number of the key areas where famine conditions prevail there is a continuation in sustained rise in food prices.

2. At the present time total governmental expenditures amount to rupees 900 crores annually, which is about 1/8th of the national income; before the war expenditures amounted to 250 crores or approximately 1/8th of the national income. Estimated General Government receipts from revenue and borrowing amount to 500 crores. The current annual expenditures on central United Kingdom and Allied Government's account is estimated to be 700 crores, of which over eighty percent is for war purposes. Expansion of the note issue is employed to fill the gap.

3. According to information which I have received from Ratsman, the inflationary gap - which was thirty crores monthly during the later part of the last fiscal year - has dropped to about fifteen since April; however, it might be restored to thirty by the South-East Asia Command. Even with the anticipated 5 crores monthly from additional borrowing and 5 from the sale of gold, the gap might be twenty crores per month. If this were

maintained

- 2 -

maintained for a period of two years it would create a severe internal strain on a scale which would seriously hamper the war effort in the Far East of the United Nations. Raisman indicated that if this condition was not checked prices might rise geometrically three to four percent per month, and that it was necessary to take some action with respect to monetary and other measures.

PATTON

U.S. SECRET
BRITISH MOST SECRET

COPY NO. 13

OPTEL NO. 314

Information received up to 10 a.m. 23rd Sept.

1.

NAVAL

Atlantic 21st/22nd 9 further/attacks by U-boats on outward bound convoy. Screen not repeat NOT penetrated and no casualties. During 20th/21st, 1 U-boat badly damaged and on morning 22nd 1 U-boat rammed and sunk.

Med. 20th - 8 Italian minor war vessels arrived Malta; a further 31 are on passage to Allied bases.

2.

MILITARY

Italy 5th Army Enemy offering stiff resistance on high ground North of Salerno. On 21st, United States troops captured Eboli, Campagna and Acerno (10 miles North of Eboli) with patrols towards Oliveto.

8th Army 21st Progress towards Ailetos delayed by demolitions. In centre, after capture of Potenza, Canadians pushed out patrols to East and to Avigliano on North and also made contact with patrols of 5 corps in Ginosa. In 5 corps sector, Acquiviva Ozlaterza clear of enemy but Santeramo held in some strength.

Corsica Italian troops have entered Sartene in Southwest and French troops are moving towards Bonifacio and Porto Vecchio.

Aegean Detachments of British troops now occupy Samos, Leros, Kos, Syri, Stampalia and Kastelorizo.

3.

AIR

Western Front 22nd Marauders (B26) dropped 94 tons on Ervieux-Faubille Airfield and Mitchells (B25) dropped 21 tons on Brest-Guipavas Airfield. Fighters provided escorts and carried out sweeps. Casualties - enemy; 6, 1, 6; ours; 3 fighters missing.

22nd/23rd Aircraft despatched - Hanover 716 (26 missing), Oldenburg 29, Emden 12, sea-mining 4, leaflets 7, Intruders 34 (2 missing).

- At Hanover weather excellent, attack very concentrated. 10 enemy aircraft flew over East Anglia, no casualties or damage. 2 enemy aircraft destroyed.

Italy 20th/21st Targets at Benevento attacked by 50 Wellingtons and 39 light bombers. 2 small ships probably sunk by Wellingtons in convoy West of Leghorn.

21st 35 Liberators (B24) bombed Leghorn Harbour. 105 heavy and medium bombers attacked enemy communications at Benevento, Capua and Cancellio, 84 medium bombers attacked troop concentrations 10 miles North of Salerno.

Corsica 21st. Several hits made on ships during bombing of Bastia by 20 Liberators (B24).

Eastern Med 20th/21st Airfields in Athens, Rhodes and Crete attacked by 11 medium, light and fighter bombers who started many fires.

OFFICE OF WAR INFORMATION
WASHINGTON

236 ✓

September 24, 1943

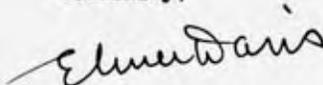
The Honorable
The Secretary of the Treasury
Washington, D. C.

Dear Mr. Secretary:

The series of short talks to the audiences at the Army-Treasury War Show, broadcast over the Blue Network, have been very well received and were an effective aid to the success of the Third War Loan.

This note is just a personal message of thanks to you for taking part in the program and for your excellent talk on the evening of September 15.

Cordially,



Elmer Davis
Director

237



TREASURY DEPARTMENT
WAR FINANCE COMMITTEE
NEW YORK



1270 SIXTH AVENUE
NEW YORK CITY
CIRCLE 6-3100

September 24, 1943

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

Dear Henry:

I just wanted to say how much we all appreciated the job you did for us yesterday.

Everybody is very much pleased indeed and I am sure it was a real lift in our campaign. I got a lot of personal pleasure out of it, in addition.

With best regards.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "W. Randolph Burgess".

W. Randolph Burgess
State Chairman

New York Stock Exchange,
PRESIDENT'S OFFICE.

September
Twenty-fourth
1943

Dear Mr. Morgenthau:

May I express my deep personal appreciation, and the Stock Exchange's as well, of your generous and constructive participation in our War Bond efforts. Your visit to the Exchange on Thursday brought much satisfaction and encouragement to our community.

We are grateful for your complimentary allusions to the Exchange and for your fine cooperation in our War Bond rally. You may be assured that this institution will continue to devote its best efforts to our Government's war finance program and otherwise to the successful prosecution of the war.

Thank you again for coming to see us.

With kind regards,

Sincerely yours,



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

Treasury Department

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COPY***

TELEGRAPH OFFICE

U38 85 GOVT COLLECT

BEACON NY SEPT 24/43 140P

US URGENT THEODORE GAMBLE
OFFICE SECRETARY OF TREASURY
WASHINGTON DC

MRS MORGENTHAU GOT MRS ROOSEVELT TO CONSENT TO MAKE HER FIRST
BROADCAST FROM WASHINGTON FOR WAR BONDS. MRS ROOSEVELT WILL
BE IN WASHINGTON TONIGHT SUGGEST YOU CONTACT HER OR HER
SECRETARY AND TRY AND GET FOR HER A HALF/HOUR COAST TO COAST
HOOK UP EITHER SUNDAY OR MONDAY EVENING. YOU CAN TELL OWI WE
HAVE SCOOPED THEM AGAIN. COPY TO MRS KLOTZ

HENRY MORGENTHAU JR
157P

Under Secretary's Office - 278

Exp. Loans-War Finance

September 24, 1943

TO ALL STATE CHAIRMEN (Last attached)

Please contact every plant in your state making war material and ascertain percentage of total employees buying extra bonds in Third War Loan Drive. Let me have a preliminary report of this survey by wire not later than Monday noon. Next week every effort should be made to get all plants that have not already done so to put on a campaign to get all employees to buy extra bonds. I personally attach great importance to this.

HENRY MORGENTHAU, JR.
Secretary of the Treasury

DWB:ew

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION


DATE

TO Secretary Morgenthau
FROM Fred Smith

September 24, 1943

Herman Hettinger reports to me that for the week beginning September 13, 62.6% of all the nation's radio facilities were employed for the Third War Loan. He estimates that during the week we should get approximately 290,000,000 listener impressions.

(7)

201

9-24-43

Secretary Morgenthau

242

I asked Callahan to get
excerpts from the commentators
after your "Back the Attack"
show about Sicilian losses.
Here are some of them.

HS

Fred Smith
Room 8904

Baukhagd

~~Summary~~ 1:00 P.M. 9/16

You may have noted that Secretary Morgenthau last night, in showing the hard, cold facts why your support in the purchase of bonds is necessary, revealed the figures of our losses in equipment in Sicily. There the casualties were comparatively light, the campaign was not a gruelling one and yet over half of our equipment was destroyed.

-0-

9/16/43

Twelve O'Clock Senate

Treasury Secretary Morgenthau warns that America is indulging in criminal over-confidence in Victory. Morgenthau declares that the attack in Italy is merely the beginning of the war so far as the United States is concerned, and urges the country to "Back the Attack." The Treasury Chief points out that every time we think the war is in the bag, we are paying the way for death to more American soldiers.

7

WESTERN UNION

1220

| |
|--------------------------|
| 245 |
| SYMBOLS |
| DL = Day Letter |
| NT = Overnight Telegram |
| LC = Deferred Cable |
| NLT = Cable Night Letter |
| Ship Radiogram |

CLX
 This is a rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

A. N. WILLIAMS
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

Time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

CDU147 398 NL COLLECT 1/191=NEWYORK NY 16 1943 SEP 17 AM 7 16

JERRY HUGHES, WAR FINANCE DIV US TREASURY=

347 643 WASHINGTON BLDG WASHDC=

COLUMBIA BROADCASTING USED SIZEABLE PIECES IN SECRETARY MORGENTHAU'S STATEMENT ON THREE NETWORK BROADCASTS 11 PM MIDNIGHT, AND 1 AM AND ALSO ON A WABC BROADCAST AT 7:45 AM THURSDAY THE LONGEST WAS BY NED CALMER AT 11 PM HE SAID: QUOTE THE MOST SPECIFIC INFORMATION ON THE ITALIAN CAMPAIGN IS A WHOLE WAS REVEALED TONIGHT BY MR. MORGENTHAU, THE SECRETARY OF THE TREASURY. HE DECLARED THE INVASION OF ITALY IS MERELY THE BEGINNING OF THE WAR SO FAR AS THE UNITED STATES IS CONCERNED. AND THE CONQUEST OF SICILY, ONLY AN OUTPOST ALONG THE ROAD. COST THE ALLIES LOSSES IN MATERIAL UP TO 54 PER CENT. I SAY NOTHING, MORGENTHAU WENT ON, ABOUT KILLED AND WOUNDED. BUT AS TO THE BATTLE OF SALERNO, HE SPOKE OF TREMENDOUS LOSS OF LIFE, AND SAID IT WILL TAKE MONTHS, AT THE LEAST TO CONQUER ITALY. POINTING TO THE OPTIMISM ENGENDERED BY OUR NORTH AFRICAN SUCCESSES, THE SICILIAN CAMPAIGN, AND THE ITALIAN SURRENDER, HE SAID, LET US STOP THIS FOOLISH, CHILDISH OVEROPTIMISM AND OVER-CONFIDENCE. IT IS CRIMINAL. IT IS CRIMINAL BECAUSE EVERY TIME WE DECIDE THE WAR IS WON, WE SIGN A DEATH WARRANT

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

WESTERN UNION

1290

246

SYMBOLS

| |
|--------------------------|
| DL = Day Letter |
| NT = Overnight Telegram |
| LC = Deferred Cable |
| NLT = Cable Night Letter |
| Ship Radiogram |

A. N. WILLIAMS
PRESIDENTNEWCOMB CARLTON
CHAIRMAN OF THE BOARDJ. C. WILLEVER
FIRST VICE-PRESIDENT

Billing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

DU147 2/207

1943 SEP 17 AM 7 16

FOR ANOTHER THOUSAND, OR TWO THOUSAND, OR FIVE THOUSAND,
OR FIVE THOUSAND AMERICAN SOLDIERS AND SAILORS.
LET MANAGEMENT SPEND LESS TIME TELLING THE PUBLIC WHAT A
MAGNIFICENT JOB IT IS DOING, WHICH EVERYBODY KNOWS, AND
MORE TIME DOING THE JOB. LET LABOR THINK LESS ABOUT THE FUN
THINGS GOING TO HAVE ON SATURDAY NIGHT AND THINK MORE ABOUT
WAYS TO INCREASE PRODUCTION AND BUY MORE BONDS. MORGENTHAU
SAID THAT AFTER THE ITALIAN SURRENDER THE PUBLIC ADOPTED THE
ATTITUDE THAT THE WAR WAS WON. WE COULD STOP DRAFTING.

SOLDIERS. WE COULD STOP PRODUCING WEAPONS. WE COULD REDUCE
TAXES. EVERYBODY COULD SIT BACK AND TAKE IT EASY. WELL.
HE CONTINUED YOUVE SEEN THE NEWSPAPERS TODAY. WE ARE HOLDING
AROUND NAPLES BUT WE ARE JUST BARELY HOLDING WITH
TREMENDOUS LOSS OF LIFE. IN A HARD WEEK OF FIGHTING WE HAVE
MANAGED TO GAIN ONLY A SMALL FOOTHOLD IN ITALY. TODAY THE
SITUATION IS CRITICAL. IN ANY EVENT WE STILL HAVE TO DRIVE
NORTH ABOUT 500 MILES. WITH THE GERMANS FIGHTING EVERY INCH
OF THE WAY. AT THE VERY LEAST, IT WILL TAKE MONTHS. AND WHEN
AND IF WE CONQUER THE WHOLE OF ITALY, WE WILL STILL BE
NOWHERE NEAR GERMANY. WE WILL STILL HAVE A LONG WAY TO GO.
UNQUOTE=

PAUL WHITE COLUMBIA BROADCASTING SYSTEM NEW YORK.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

EXCERPTS FROM BILLY REPAID'S RADIO BROADCAST OF SEPTEMBER 16, 1943.

11:00 P.M. WOL

As you folks know and know well, if you have been following our nightly broadcasts, we have absolutely failed to pile aboard the band wagon of those who foresee an early victory over Germany - We stated January the Third of this year that 1943 would indeed be a year of progress, but definitely not the Victory year ---- and see absolutely no reason to change our mind at this point, in fact, this was the basis of a talk we gave at noon today to the Down town Lions Club at the Mayflower Hotel.

Well, tonight at the "Back the Attack" exhibits here in Washington Henry Morgenthau Jr., the Secretary of the Treasury, made a speech and I wish every single American could have heard it. I believe this speech was just for local consumption, but, in my opinion this same speech should be given to all America on the radio networks, and then repeated so all America could hear his words. So instead of any closing commercial tonight, I'm taking it upon myself to pass along to you some of the things Mr. Morgenthau and I hope you'll remember because they are mighty important, believe me. Now among other things Mr. Morgenthau said this -- Quote"

"From where I am standing I can see a 155 millimeter Howitzer. In one month, in Sicily, we lost 13 per cent of all the 155 millimeter Howitzers we landed. Near this Howitzer I see some 57 millimeter guns. In Sicily we lost 46 per cent of all the 57 millimeter guns we put into action there. I'm not talking about Italy. I'm talking about Sicily. In Sicily we met only a small fraction of the opposition we are getting from the Germans, now, in Italy. Sicily was merely an outpost of the fortress of Europe, very lightly defended. Listen to what it cost us. We lost 36 per cent of the motor carriages for our 75 millimeter guns. We lost 22 percent of the carriages for our 105 millimeter Howitzers. We lost 54 per cent of the carriages for our 37 millimeter guns! All this in a minor campaign that lasted one month! We lost 7 per cent of our light tanks, 8 per cent of our medium tanks. We lost nearly 13 per cent of our 37 millimeter guns ...when we were cleaning the Germans out of North Africa, we were as proud as though the war were already won. The fact is that the British did as much as we did, if not more. And at the most, in North Africa, we engaged no more than 15 German divisions. The Russians are fighting 300. When we beat the Germans in Sicily, we cheered again. The war was practically over, again. Well--- Sicily was only an outpost held by two or three German divisions. The Italians hardly fought back. Yet, again, with British help, it took us a full month to conquer Sicily. And, as I say, in certain types of equipment we lost half of the weapons we put into the battle. A week ago, Italy surrendered. We did the same thing all over

-2-

again. The war was won. We could stop drafting soldiers. We could stop producing weapons. We could reduce taxes. Everybody could sit back and take it easy...let us stop this foolish, childish, over-optimism and over-confidence. It is criminal. It is criminal because, every time we decide the war is won, we sign a death warrant for another thousand, or two thousand, or five thousand American soldiers and sailors.

End of quotation from the remarks made by your Secretary of the Treasury. That gives us all something to think about - so - let's think about it -- the facts are - that the war in Europe - the real test, has not yet started - and we might just as well know it - Americans can face the facts - no matter how tough they may seem - so let's be done with Pollyanna Prophecies - and get down to cold stark realities. Thank you Mr. Morgenthau.

EXCERPT

249

NOON NEWS

September 16, 1943

Treasury Secretary Morgenthau comes out with some strong words--words explaining more fully that "Back The Attack" slogan of the War Bond Drive. Morgenthau says this attack--the one in Italy--is the beginning of the war as far as the United States is concerned. He called upon Americans to put aside "criminal" overconfidence. Morgenthau uttered these words after the Treasury announced the total sales for the first week of the Bond Drive.....

GEORGE PUTNAM AND THE 11:15 NEWS - September 15, 1943

Our Treasury Secretary, Henry Morgenthau, lashed out at what he calls this foolish, childish, over-optimism; declared that the conquest of Sicily, merely an outpost of the fortress of Europe cost the Allies materiel losses ranging up to 54 percent. Solemnly Morgenthau warned that the attack in Italy simply is the beginning of the war as far as the United States is concerned.

He then gave the nation fair warning; this Third War Loan Drive--the figures on which I'll give you later on in this program--this current 15-billion dollar war loan drive will not be the last.

ESSO REPORTER -- 11:00 PM -- 9/15/43

Washington -- Secretary of the Treasury, Morgenthau, reveals that the Allied situation in Italy is critical, entailing a "tremendous loss of life."

"We are holding around Naples," he said, "Just holding. In a hard week of fighting, we have managed to gain only a small toehold in Italy."

Morgenthau spoke in a bond selling address, he said he believed the Italian campaign at the very least would take "months."

"And, months from now," he added, "This winter or next spring, when and if we conquer the whole of Italy, we will still be nowhere near Germany. We will still have a long way to go."

MIDNIGHT EXTRA -- 12:00 -- 9/15/43

Secretary Morgenthau, for instance, discloses the high cost of the conquest of Sicily....and that, he adds, is merely an outpost of the fortress of Europe. Speaking over the Blue Network this evening, the treasury head revealed that the Allies lost up to fifty four percent in equipment in the conquest of Sicily.

Morgenthau says the attack on Italy is the beginning of the war as far as we are concerned. And he adds that any optimism at this time is criminal. The treasury adds that he cannot say anything of killed or wounded...or of the vast amount of secondary materials used...like eleven hundred miles of copper telephone wire.

But he emphasizes that every time we get optimistic enough to decide the war is won---we sign a death warrant for another thousand, or two thousand...or five thousand soldiers.

WATCH THE WORLD GO BY --Roy Porter -- 11:00 -- 9/15/43

Just a hint of what we can expect has been given over this network tonight--by Secretary of the Treasury Morgenthau--who painted none too optimistic a picture of what is going on--and what is coming. Morgenthau was talking about Sicily--and he cited, for the first time officially, some of the losses that we sustained in Sicily. He emphasized that in Sicily we met only a small fraction of the opposition we are getting now, from the Germans, in Italy--and then he talked plain figures. Whether you heard his radio statement or whether you didn't those figures are important. Here's what Morgenthau said:

In Sicily, we lost this amount of equipment: THIRTEEN per cent of all the 155 howitzers landed by the Allies; FORTY SIX per cent of all the 57 millimeter guns put into action; THIRTEEN per cent of all the guns we used; EIGHT per cent of all the medium tanks and SEVEN per cent of all the light tanks; FIFTY FOUR per cent of the carriages for the 37 millimeter guns; THIRTY SIX per cent of all the carriages for the 75's; and TWENTY TWO per cent of all the carriages for the big 105's.

"I say nothing of the killed and wounded," the secretary continued. "I say nothing of the vast quantity of secondary materials used--such as ELEVEN HUNDRED miles of copper telephone wire."

And then, Morgenthau told a lot of us off, in blunt terms. "Let us stop this foolish, childish, over-optimism and over-confidence," he appealed. "It is criminal. It is criminal because every time we decide the war is won, we sign a death warrant for another thousand, or two thousand, or five thousand American soldiers and sailors."

(Continued)

PORTER -- (Continued)

"Let management spend less time telling the public what a magnificent job it is doing--which everybody knows--and more time doing the job. Let labor think less about the fun it's going to have on Saturday night--and think more about ways to increase production--and buy more bonds."

And solemnly, he warned, that the attack on Italy is the beginning of the war, as far as the United States is concerned.

NEWS -- 12:55 AM 9/16/43

Secretary of the Treasury Morgenthau spoke tonight on the Blue Network of the critical situation in Italy. He said he believed the Italian campaign--at the very least, would last for months. Of the fighting in Italy he said; We are holding around Naples--just holding. He declared that the fighting at Salerno has entailed a tremendous loss of life. Speaking of the time when Italy will be conquered, Mr. Morgenthau added that we will still be nowhere near Germany. We will still have a long way to go. The Secretary of the Treasury made these statements at a war bond rally in connection with the third war loan drive, now in progress.

BAUKHAGE TALKING -- 9/16/43

You may have noted that Secretary Morgenthau last night, in showing the hard, cold facts why your support in the purchase of bonds is necessary, revealed the figures of our losses in equipment in Sicily.



TREASURY DEPARTMENT

WASHINGTON 25

705 Washington Building

September 24, 1943

AIR MAIL - SPECIAL DELIVERY

The Honorable Henry Morgenthau, Jr.,
Fishkill Farms,
Fishkill, New York.

Dear Mr. Morgenthau:

I am enclosing herewith the first crop of answers received by William Green of the A. F. of L. and Jim Carey of the C.I.O. as the result of the telegrams which they sent out last week-end to the presidents of their national and international unions and of their state Federations and Industrial Union Councils.

These replies are very impressive, both because of their promptness and because of their fine spirit. It is obvious that the top officials in both the A. F. of L. and C. I. O. are keenly alive to our War Bond program and the Third War Loan Drive, and, in this campaign, almost universally feel that they have been given a foremost part therein.

Both Mr. Green and Mr. Murray were away from Washington last Friday when you suggested these telegrams. The junior officers who acted for them advised me very positively that the question of increased income tax vs. increased social security tax ought not to be included in these telegrams, as both labor bodies had delegated responsibility over tax questions to special committees and neither Green nor Murray would be willing to by-pass these committees by consulting the presidents of their international unions and state federations direct.

Yours sincerely,

James L. Houghtaling
James L. Houghtaling,
Director,
National Organizations Division.

Enclosures
JLH/myr



September 21, 1943

The following telegram was sent by Mr. William Green, President of the American Federation of Labor, to all national and international unions affiliated with the American Federation of Labor.

TELEGRAM

(Copy)

WASHINGTON, D.C. SEPTEMBER 19, 1943

SECRETARY OF TREASURY MORGENTHAU REQUESTS ME TO ASCERTAIN BY WIRE PROGRESS OF THIRD WAR LOAN DRIVE AMONG OUR AFFILIATES. ARE YOUR MEMBERS BUYING BONDS IN ADDITION TO PAYROLL DEDUCTIONS? CAN YOU SUGGEST ADDITIONAL STEPS TO STIMULATE THIS CAMPAIGN? PLEASE REPLY BY WIRE.

WILLIAM GREEN

The following constitute the replies which have been received by the President of the American Federation of Labor to date:

POSTAL TELEGRAPH

(Copy)

ST. LOUIS, MO. SEPTEMBER 20, 1943.

WILLIAM GREEN, PRESIDENT AMERICAN FEDERATION OF LABOR
A F OF L BLDG (WASHINGTON D C)

REPORTS REACHING THIS OFFICE INDICATE OUR MEMBERS QUITE GENERALLY ARE BUYING BONDS IN CURRENT DRIVE IN ADDITION TO THEIR WAGE DEDUCTION COMMITMENTS, BUT UNLESS THE WAGE INCREASE RECOMMENDED IN MAY FOR RAILROAD EMPLOYEES BY A LEGALLY CONSTITUTED EMERGENCY BOARD AND WHICH THE EMPLOYERS ARE NOW MORE THAN WILLING TO MAKE EFFECTIVE, IS APPROVED BY THE GOVERNMENT AUTHORITY WHICH IS NOW SPECULATING THAT INCREASE MANY OF OUR MEN ESPECIALLY IN COMMUNITIES WHERE WAR EFFORT INDUSTRIES ARE LOCATED AND WHERE LIVING COSTS HAVE ABNORMALLY INCREASED WILL BE ABSOLUTELY UNABLE TO CHANNEL MORE THAN TEN PERCENT OF THEIR SHRUNKEN INCOMES INTO WAR BONDS.

V O GARDNER, PRESIDENT THE ORDER OF RAILROAD TELEGRAPHERS

SEP 21 1943

POSTAL TELEGRAPH

(Copy)

WASHINGTON D C SEPTEMBER 20, 1913

WILLIAM GREEN, PRESIDENT
 AMERICAN FEDERATION OF LABOR A F OF L BUILDING 9TH AND
 MASS AVE NW (WASHINGTON D C)

PLEASE BUYING EXTRA BONDS DURING DRIVE. ACTIVITY BEING
 FACILITATED THROUGH LOCAL COMMITTEES.

LEE S GEORGE (PRESIDENT NATIONAL FEDERATION OF POST OFFICE CLERKS,

4-14449-6-13-1888

WESTERN UNION

(Copy)

NEW YORK N Y SEPTEMBER 20, 1913

WILLIAM GREEN, PRESIDENT
 AMERICAN FEDERATION OF LABOR AMERICAN FEDERATION OF
 LABOR BLDG

NO OTHER GROUP IN THE LABOR MOVEMENT IS GIVING MORE OR
 DOING MORE FOR THE THIRD WAR LOAN DRIVE THAN THE ACTORS,
 THEATRETS, AND ENTERTAINERS OF THIS INTERNATIONAL. THE
 A.M.S. SAYS THAT SOCIETY MEMBERSHIP IS AWARE OF THIS AND
 WOULD WELCOME WITHOUT SUGGESTION AS TO HOW OUR PEOPLE
 CAN DO MORE. FROM THE SO CALLED LITTLE ACTORS TO THE
 AMERICAN STARS, THEY ARE ALL BUYING WHAT THEY CAN IN WAR
 BONDS AND BONDS. REGARDS-

PAUL DILLIZELL, PRESIDENT ASSOCIATED ACTORS AND ARTISTS OF AMERICA

4-14449-6-13-1888

WESTERN UNION

(Copy)

ALBANY N Y SEPTEMBER 20, 1913

WILLIAM GREEN, PRESIDENT
 AMERICAN FEDERATION OF LABOR A F OF L BLDG

YOU MAY ADVISE SECRETARY OF TREASURY HERRINGHAM THAT
 INTERNATIONAL BROTHERHOOD OF PAPER MAKERS IS PARTICIPATING
 THOROUGHLY IN THE THIRD WAR LOAN DRIVE AND THIS
 PARTICIPATION IS IN ADDITION TO THE REGULAR PAYROLL
 DEDUCTIONS FOR BONDS-

ANNOR HUGGINS, PRESIDENT (INT'L. BROTHERHOOD OF PAPER MAKERS)

WESTERN UNION

(Copy)

CINCINNATI, OHIO SEPTEMBER 20, 1943

W. GREEN, PRESIDENT
AMERICAN FED OF LABOR A F OF L BLDG

RE YOUR TELEGRAM IN WHICH YOU STATE SECRETARY MORCENHAU REQUESTED YOU TO ASCERTAIN BY WIRE PROGRESS IN THIRD WAR BOND DRIVE AMONG AFL AFFILIATES PLEASE BE ADVISED THAT OUR MEMBERS ARE BUYING BONDS IN ADDITION TO PAYROLL DEDUCTIONS ALSO OUR LOCAL UNIONS ARE PUTTING THEIR MONEY INTO THIS WAR BOND DRIVE THE INTERNATIONAL UNION HAS JUST BOUGHT TWO HUNDRED THOUSAND DOLLARS WORTH OF THESE BONDS DO NOT KNOW OF ANY SUGGESTIONS I CAN MAKE AS WE ARE MAKING MUCH PROGRESS IN THIS MATTER-

HARRY STEVENSON (PRESIDENT IRON MOLYBDEUM INTERNATIONAL UNION)

WESTERN UNION

(Copy)

CINCINNATI, OHIO SEPTEMBER 20, 1943

WILLIAM GREEN
PRESIDENT AMERICAN FEDERATION OF LABOR AFL BLDG

MEMBERS OF OUR ORGANIZATION ARE BUYING WAR BONDS TO THE FULLEST EXTENT OF THEIR ABILITY IN ADDITION TO THE PAYROLL PLAN. OUR INTERNATIONAL IS ALSO BUYING BONDS AND IS IN OUR JOURNAL SUPPORTING THIS CAMPAIGN. CAN OFFER NO SUGGESTIONS TO STIMULATE THIS CAMPAIGN. FURTHER

RAY KERSAY PRESIDENT METAL POLISHERS FINISHERS
BUFFERS AND HELPERS INTER'L UNION.

WESTERN UNION

(Copy)

DETROIT, MICHIGAN SEPTEMBER 20, 1943

WILLIAM GREEN, PRESIDENT
AMERICAN FEDERATION OF LABOR A F OF L BLDG

YOUR TELEGRAM RECEIVED. INTERNATIONAL UNION SUBSCRIBED SEVEN HUNDRED THOUSAND DOLLARS IN THE THIRD BOND DRIVE. WE HAVE NO FINAL REPORT FROM OUR MEMBERSHIP BUT WE KNOW THEY ARE WORKING HARD TO PUT THE BOND ISSUE OVER THE TOP

EDW MCNEIL (ACTING PRES. AMALGAMATED ASSN. STREET & ELEC. NY. EMPLOYEES
OF AMERICA)

WESTERN UNION

(Copy)

Washington (1) D.C. Sept. 20, 1943

Mr. William Green, President
American Federation of Labor
700 AFofL Building
Washington, D.C.

In response to your wire addressed President Haggerty officially absent International Brotherhood Bookbinders have purchased to date \$185 thousand dollars in War Bonds \$75 thousand of which purchased in Third War Loan Drive. We urge local memberships to purchase to the limit their ability. Clerks at headquarters are purchasing bonds limit their ability. We have no payroll deduction plan.

J. B. Frewitt
Secretary-Treasurer

WESTERN UNION

(Copy)

WASHINGTON D C SEPT. 20, 1943

WILLIAM GREEN
AMERICAN FED OF LABOR BLDG

IN ANSWER TO YOUR WIRE OUR INTERNATIONAL HAS PURCHASED \$500,000 OF THIRD WAR LOAN BONDS. OUR SUBORDINATE UNIONS ARE PURCHASING BONDS TO THE LIMIT OF THEIR FINANCES. IN ADDITION OUR INDIVIDUAL MEMBERSHIP ARE ALSO COOPERATING IN ALL PAYROLL DEDUCTIONS AND ARE BUYING BONDS WHERE THE DEDUCTION PLAN IS NOT IN EFFECT

HARRY C BATES (PRESIDENT, BRICKLAYERS INTERNATIONAL UNION)

WESTERN UNION

(Copy)

WASHINGTON D C SEPT. 20, 1943

WILLIAM GREEN PRESIDENT
AMERICAN FEDERATION OF LABOR A F OF L BLDG

REURTEL THE INTERNATIONAL UNION OF OPERATING ENGINEERS HAS PURCHASED \$150,000 WORTH OF GOVERNMENT DEFENSE BONDS IN THIRD WAR LOAN DRIVE. LOCAL UNIONS. ALL REPRESENTATIVES AND EMPLOYEES ARE PURCHASING DEFENSE BONDS ON THIS THIRD WAR LOAN DRIVE IN ADDITION TO REGULAR 10 PERCENT DEDUCTIONS FROM SALARIES. I AM INFORMED THAT THE MEMBERSHIP OF

THE VARIOUS LOCALS ARE ALSO PURCHASING ADDITIONAL BONDS

MR E MALONEY (PRESIDENT)

WESTERN UNION

(Copy)

BOSTON MASS SEPT. 20, 1943

WILLIAM GREEN
PRESIDENT AF OF L BLDG

OUR ORGANIZATION HAS SENT OUT LETTERS TO ALL OUR LOCAL UNIONS TO
BUY MORE WAR BONDS

JOHN F MCNAMARA (PRESIDENT FIREMEN & OILERS INTERNATIONAL UNION)

WESTERN UNION

(Copy)

FORT EDWARD N Y SEPT. 20, 1943

WILLIAM GREEN PRESIDENT
AF OF L AF OF L BLDG

IN REPLY TO YOUR TELEGRAM REGARDING PROGRESS OF THIRD WAR LOAN
DRIVE STOP OUR MEMBERS ARE BUYING BONDS IN ADDITION TO PAYROLL
DEDUCTIONS. THE INTERNATIONAL BROTHERHOOD OF PULP SULPHITE AND PAPER
MILL WORKERS HAS BACKED THIS DRIVE TO THE EXTENT OF SIXTY THOUSAND
DOLLARS AND IS URGING ITS LOCAL UNIONS AND INDIVIDUAL MEMBERS TO BUY
BONDS TO THE EXTENT OF THEIR ABILITY. OUR INTERNATIONAL UNION COULD
DO EVEN BETTER WERE WE NOT COMPELLED TO SPEND SO MUCH MONEY IN
DEFENDING OURSELVES AGAINST THE RAIDING ACTIVITIES OF THE CIO AND
DISTRICT 50 OF THE MINE WORKERS

JOHN P BURKE (PRESIDENT, INTERNATIONAL BROTHERHOOD OF PULP
SULPHITE AND PAPER MILL WORKERS OF THE U.S. AND CANADA)

WESTERN UNION

(Copy)

WASHINGTON D C SEPT 20, 1943

WILLIAM GREEN
PRESIDENT A F OF L

YOUR TELEGRAM OF SEPT 19, 1943 TO J R WILSON SECY TREAS AT UTAH FED
OF LABOR 535 GARDEN AVE SALT LAKE CITY UTAH IS UNDELIVERED FOR THE
FOLLOWING REASON: MR WILSON HAS LEFT SALT LAKE CITY UTAH

WESTERN UNION TELEGRAPH COMPANY

WESTERN UNION

(Copy)

PROVIDENCE R I SEPT. 20, 1943

W GREEN, PRESIDENT

AMERICAN FEDERATION OF LABOR AND FEDERATION OF LABOR BLDG

REGARDING TELEGRAM THIRD WAR LOAN DRIVE STATE FEDERATION OF LABOR
 JOINS EVERYTHING POSSIBLE TO PROMOTE DRIVE STOP WOULD SUGGEST IF
 POSSIBLE LABOR MAN BE APPOINTED FULL TIME BASIS BY TREASURY DEPT TO
 WORK IN RHODE ISLAND HAVE NO ONE HERE WHO CAN AFFORD TO GIVE UP
 WORK AND CONFINE THEMSELVES WHOLLY TO THIS HUGE TASK STOP HAVING MEETING
 THURSDAY STOP MEANTIME WILL DO EVERYTHING POSSIBLE

ELIZABETH M CAHER SECRETARY TREASURY RI AMERICAN FEDERATION
 OF LABOR PROVIDENCE RI

WESTERN UNION

(Copy)

TAMPA FLA SEPT 20, 1943

FROM WILLIAM GREEN, PRES AMERICAN FEDERAL LABOR
 AF OF L BLDG

OUR IMMEDIATE FIGURES ARE 56,725.00 PURCHASED THROUGH LABOR UNION
 IN THE TAMPA DISTRICT WILL HAVE MORE COMPLETE REPORT AFTER MEET-
 ING OF CENTRAL TRADES AND LABOR ASSEMBLY TUESDAY THE 21ST WILL
 ADVISE

W E SULLIVAN SEC FLORIDA FEDERATION OF LABOR

POSTAL TELEGRAPH

(Copy)

AUSTIN TEXAS SEPT. 20, 1943

WILLIAM GREEN, PRESIDENT

AMERICAN FEDERATION OF LABOR (WASHINGTON DC)

REURTEL MEMBERSHIP AND UNIONS IN TEXAS SUPPORTING THIRD WAR LOAN
 ENTHUSIASTICALLY IN ADDITION TO PAYROLL DEDUCTION. SEVERAL AREAS
 IN THIS STATE HAVE ALREADY PASSED QUOTA

HARRY W ACREMAN, EXECUTIVE SECRETARY TEXAS STATE FEDERATION
 OF LABOR

WESTERN UNION

(Copy)

PHOENIX ARIZ SEPT. 20, 1943

WILLIAM GREEN, PRESIDENT
AMERICAN FEDERATION OF LABOR WASHDC

RE YOUR TELEGRAM ARIZONA LABOR HAS TO THIS DATE CONTRIBUTED ONE HUNDRED FIVE THOUSAND ON "BUY A BOMBER" CAMPAIGN IN ADDITION TO SINGLE HEARTED PARTICIPATION IN PAYROLL DEDUCTION PLANS. WE COOPERATE FULLY WITH ALL CITY, COUNTY AND STATE GROUPS IN PROMOTION OF BOND SALES. ENTHUSIASM ON PART OF LABOR LEADERS APPEARS TO BE BEST STIMULUS

CHARLES COPPER SECY TREAS ARIZONA STATE FEDERATION OF LABOR

WESTERN UNION

(Copy)

PVATELLO ICA SEPT 20, 1943

WILLIAM GREEN
PRES A F OF AFL BLDG WASHDC

LOCAL UNIONS ARE BUYING ADDITIONAL BONDS AND MANY OF OUR MEMBERSHIP ARE DOUBLING THEIR PURCHASE OF WAR BONDS THIS MONTH AND TWO TEN PER CENT. DEDUCTIONS ARE CONTINUED

AUG ROSQVIST SEC TREAS IDAHO STATE FEDERATION OF LABOR

WESTERN UNION

(Copy)

LANSING MICH SEPT 20 1943

WILLIAM GREEN PRESIDENT AMERICAN FEDERATION OF LABOR
AF OF L BLDG WASHDC

MEMBERS OF LABOR IN MICHIGAN ARE BUYING EXTRA BONDS IN THIRD LOAN DRIVE. LANSING HAS ALREADY EXCEEDED QUOTA

JOHN REID SECRETARY FEDERATION OF LABOR

WESTERN UNION

(Copy)

BARRRE VT SEPT 20 1943

WILLIAM GREEN PRESIDENT
AMERICAN FEDERATION OF LABOR WASHINGTON DC

ALL AFFILIATES OF VERMONT FEDERATION OF LABOR GOING THE LIMIT OF THEIR TREASURY FOR THIRD WAR LOAN DRIVE. MEMBERS BUYING BONDS IN ADDITION TO PAYROLL DEDUCTION. SUGGEST PEP UP RADIO APPEALS

ROBERT SINCLAIR (PRESIDENT)

WESTERN UNION
(Copy)

ELYRIA OHIO SEPT 20 1943

W. GREEN

PRESIDENT A F OF L BLDG WASH DC

BOYS ARE BUYING ALL CAN AFFORD. SUGGEST PASS COLE BILL MORE WAGES MORE BONDS

WALTER N NEVINS

WESTERN UNION
(Copy)

LITTLE ROCK ARK SEPT 20 1943

WILLIAM GREEN

PRES AMERICAN FEDERATION LABOR AF OF L BLDG WASH DC

RETEL ESTIMATED FIFTY PERCENT OUR MEMBERS ARE BUYING BONDS IN ADDITION PAYROLL DEDUCTIONS LITTLE ROCK CENTRAL TRADES COUNCIL HAS SOLD APPROXIMATELY EIGHTEEN THOUSAND DOLLARS IN BONDS THIRD WAR LOAN DRIVE SIMILAR PROGRAMS IN OTHER LOCALITIES. FT SMITH HOT SPRINGS ELIZABETH RESORT PROGRESS YOUR PERSONAL WIRE TO OUR CENTRAL AND BUILDING TRADES COUNCIL WILL STIMULATE ACTION

L P WILLIAMS SEC TREAS ARK STATE FEDERATION LABOR

WESTERN UNION
(Copy)

COLUMBIA SC CAR SEPT 20 1943

WILLIAM GREEN

A F OF L BLDG WASH DC

MEMBERS COOPERATING FINE IN THIRD WAR LOAN DRIVE SUGGEST YOU SEND CENTRAL BODYS IN COLUMBIA SPARTANBURG AND CHARLESTON AN APPEALING TELEGRAM WILL HELP THE SITUATION I THINK SC CAR FEDERATION OF LABOR JUST PURCHASED AN ADDITIONAL \$1,000 BOND

FRED E MATCHELL (SECRETARY)

WESTERN UNION

(Copy)

MCCOMB MISS SEPT 20 1943

WILLIAM GREEN PRESIDENT
AMERICAN FEDERATION OF LABOR A F OF L BLDG WASH DC

ASSURING YOU THAT THE MEMBERS OF THE MISSISSIPPI STATE FEDERATION OF
LABOR ARE BUYING BONDS TO THE FULLEST EXTENT OF THEIR ABILITY AND WILL
CONTINUE TO DO SO

V F OFLINN SEC TREASURY MISS STATE FEDERATION OF LABOR

WESTERN UNION

(Copy)

CLEVELAND OHIO SEPT 20 1943

WILLIAM GREEN
PRESIDENT AMERICAN FEDERATION OF LABOR WASH DC

YES. TEACHERS ARE INVESTING HEAVILY IN WAR LOAN BONDS IN ADDITION TO
WITHHOLDING TAX. ALMOST EVERY SCHOOL IN AMERICA HAS ITS OWN BOND
SALE DRIVE. TEACHERS INCREASE THEIR STANDING WITH THEIR SUPERVISORS
AND IN THEIR NEIGHBORHOOD BY PURCHASING AT THEIR OWN BUILDING. THE
AFT THEREFORE HAS NOT ATTEMPTED A DRIVE FOR ITS SPECIAL PRIVILEGE.
WE WANT BONDS SOLD. WE DON'T CARE WHO GETS THE CREDIT. AM SENDING
A SPECIAL MESSAGE TO ALL AF OF T LOCALS URGENT FULLEST POSSIBLE
INVESTMENT IN VICTORY

JOSEPH F LANDIS PRESIDENT AMERICAN FEDERATION OF TEACHERS

WESTERN UNION

(Copy)

PORTLAND ORE DEPT 20 1943

WILLIAM GREEN PRESIDENT AMERICAN FEDERATION OF LABOR
A F OF L BUILDING WASH DC

OREGON LABOR BUYING BONDS IN EXCESS OF PLEDGED QUOTA. MANY PURCHASES
IN AFL DRIVER PRECEDING LABOR DAY HAVE NOT BEEN CREDITED IN NATIONAL
DRIVE, BUT AFL MEMBERS STILL BUYING. STATE AS A WHOLE IS LAGGING
SOMEWHAT FROM ITS PREVIOUS RECORD OF LEADING NATION BUT LABOR IS DOING
MORE THAN ITS SHARE. REPORTS FROM WAR INDUSTRY WORKERS NOT YET COMPLETE
BUT NEXT TEN DAYS WILL SHOW GRATIFYING PARTICIPATION

D E NICKERSON EXEC SECY OREGON STATE FEDERATION OF LABOR
506 LABOR TEMPLE PORTLAND OREGON

WESTERN UNION

(Copy)

ALBANY N Y SEPT 20 1943

WILLIAM GREEN, PRESIDENT AMERICAN FEDERATION OF LABOR
AF OF L BLDG WASH DC

ANSWERING YOUR WIRE OF SEPTEMBER 20TH RELATIVE TO THIRD WAR LOAN DRIVE
WAS TO ADVISE THAT OUR SPECIAL WAR BOND AND STAMP COMMITTEE REPORTED
TO OUR 80TH ANNUAL CONVENTION CERTIFIED SUBSCRIPTION OF AF OF L UNIONS
IN THIS STATE WHICH SUBMITTED REPORTS SHOWING UP TO JULY 31 1943
PURCHASES OF WAR BONDS AND STAMPS BY ORGANIZATIONS AND MEMBERS OF
\$85,176,112.30 THE CONVENTION ADOPTED A RECOMMENDATION MADE BY THIS
COMMITTEE THAT IN ADDITION TO CONSISTENTLY CONTINUING WITH THE PAYROLL
ALLOTMENT PLAN THAT WE MAKE OUR GOAL IN TOTAL SUPPLEMENTAL SUBSCRIPTIONS
TO THIRD WAR LOAN \$2,000,000 OR AS MUCH MORE AS WILL BE NECESSARY TO
PAY FOR A LIBERTY SHIP TO BE NAMED FOR OUR PAST DECEASED PRESIDENT
THOMAS J LYONS. A MINIMUM WHICH WE WILL STRIVE OUR UTMOST TO ACCOMPLISH

N Y STATE FEDERATION OF LABOR E W EDWARD SECRETARY

WESTERN UNION

(Copy)

CHICAGO ILL SEPT 20 1943

WILLIAM GREEN
AMERICAN FEDERATION OF LABOR WASH DC

REFERENCE YOUR WIRE CONCERNING WAR BOND PURCHASES, CAN ADVISE THAT
OUR INTERNATIONAL UNION HAS JUST SUBSCRIBED FOR TWO HUNDRED THOUSAND
DOLLARS WHICH EXAMPLE IS BEING FOLLOWED BY MANY AFFILIATED LOCALS.
INDIVIDUAL MEMBERS ARE URGED BY CONSTANT PUBLICITY IN OUR OFFICIAL
ORGAN, IN ADDITION TO THEIR PAYROLL DEDUCTION, TO INCREASE THEIR PURCHASES.
OUR ENTIRE FIELD AND CLERICAL STAFF, ASIDE FROM PRESENT PAYROLL
DEDUCTIONS, ARE BUYING ADDITIONAL BONDS. WE PLAN TO RESURVEY ALL OUR
AFFILIATED LOCALS AS TO ADDITIONAL BONDS BEING PURCHASED

A A MYRUP (PRESIDENT, BAKERS' INTERNATIONAL UNION)

WESTERN UNION

(Copy)

SALISBURY NCAR SEPT 20 1943

WILLIAM GREEN PRESIDENT
AMERICAN FEDERATION OF LABOR AFL BLDG. WASH DC

OUR MEMBERS ARE BUYING ALL BONDS THEIR INCOME WILL PERMIT IN ADDITION
TO THE PAYROLL DEDUCTIONS STOP TELL SECRETARY OF TREASURY MORSETHAU
THAT HE CAN COUNT ON ORGANIZED LABOR IN NORTH CAROLINA INVESTING EVERY

DOLLAR POSSIBLE IN WAR BONDS

H C FISHER SEC

WESTERN UNION

(Copy)

MILWAUKEE WIS SEP 20 1943

WM GREEN, PRESIDENT AMERICAN FED OF LABOR
A F OF L BLDG

LABOR HERE RESPONDING SPLENDIDLY ON THIRD WAR LOAN DRIVE. FEDERATION REQUESTED ALL AFFILIATED MEMBERS BY LETTER TO PROMOTE SALE OF WAR BONDS

WM MAGORSKE SECRETARY-TREASURER WISCONSIN STATE FEDERATION OF LABOR

WESTERN UNION

(Copy)

CHICAGO ILL SEPT 20 1943

WM GREEN, PRES
AMERICAN FEDERATION OF LABOR A F OF L BLDG WASH DC

OUR INTERNATIONAL UNION PURCHASED \$100,000.00 WORTH OF BONDS IN THIS DRIVE. WE ARE NOW CONSIDERING THE PURCHASE OF ANOTHER QUARTER OF A MILLION DOLLARS WORTH. OUR LOCAL UNIONS HAVE SUBSCRIBED FOR ALL THE BONDS THAT THEIR TREASURIES WILL STAND. THOSE OF OUR MEMBERSHIP WHO HAVE THE ABILITY TO BUY ARE PURCHASING ADDITIONAL BONDS OTHER THAN PAY ROLL DEDUCTIONS TO STIMULATE THIS BOND CAMPAIGN. I WOULD SUGGEST THAT THE BANKS WOULD ALLOW WORKERS TO PURCHASE BONDS ON A WEEKLY INSTALLMENT PLAN AS WITH THE PAY ROLL DEDUCTIONS FOR INCOME TAX AND SOCIAL SECURITY AND THE HIGH COST OF LIVING & WAGES BEING FROZEN UNDER THE LITTLE STEEL FORMULA, IT MAKES IT ALMOST PROHIBITIVE FOR OUR LOW PAID INCOME GROUP TO LAY OUT CASH PAYMENTS FOR PURCHASE OF BONDS

E W JIMENSON PRESIDENT AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF N A

WESTERN UNION

(Copy)

INDIANAPOLIS IND SEPT 20 1943

WILLIAM GREEN
A F OF L BLDG

BE YOUR WIRE IMPOSSIBLE FOR OUR INTERNATIONAL TO KEEP TABULATION ON INDIVIDUAL MEMBERS BUYING BONDS. OUR LOCAL UNIONS AND DISTRICT

XII

COUNCILS HAVE RESPONDED HERETOFORE AND FROM INFORMATION WE HAVE ON HAND ARE PARTICIPATING IN THE PRESENT BOND SALES. LAST WEEK OUR INTERNATIONAL BOUGHT ONE MILLION DOLLARS WORTH OF BONDS

WILLIAM L HUTCHESON (PRESIDENT, CARPENTERS INTERNATIONAL UNION)

WESTERN UNION

(Copy)

BOSTON MASS SEPT 20 1943

WILLIAM GREEN
PRES AMERICAN FED OF LABOR

HAVE URGED ALL AFFILIATED LOCALS INCREASE WAR BOND PURCHASES IN ADDITION TO PAYROLL DEDUCTIONS. INTERNATIONAL HAS PURCHASED ADDITIONAL BONDS IN SUM OF THIRTY FIVE THOUSAND DOLLARS

BOOT AND SHOE WORKERS UNION

WESTERN UNION

(Copy)

PRESSMAN HOME TENN SEPT 20 1943

WILLIAM GREEN PRESIDENT
AMERICAN FEDERATION OF LABOR

ACKNOWLEDGE YOUR TELEGRAM. PLEASE BE ADVISED THAT IN THE VERY BEGINNING OF THE SALE OF WAR BONDS AND STAMPS THE INTERNATIONAL PRESSMEN AND ASSISTANTS UNION SET UP AN ORGANIZATION WITHIN OUR UNION TO FURTHER THE SALE, AND ON THE FIRST DAY OF SEPTEMBER OUR MEMBERS HAD PURCHASED A TOTAL OF 3,975,303.02 IN BONDS AND STAMPS. FOR THE MONTH OF AUGUST WE WERE ABLE TO BUY 91,228.74 THIS REPRESENTED A SLIGHT REDUCTION FROM THE PREVIOUS MONTH WHICH IN OUR JUDGMENT WAS LARGELY DUE TO PAYROLL DEDUCTIONS. WE ARE REVIVING AND REVISING OUR PROGRAM TO RENEW THE AVERAGE OF APPROXIMATELY ONE HUNDRED FIFTY THOUSAND PER MONTH WHICH HAS HERETOFORE PREVAILED NOTWITHSTANDING THE PAYROLL DEDUCTIONS. I TRUST THIS WILL BE HELPFUL

GEORGE L BERRY (PRESIDENT, PRINTING PRESSMEN'S INTERNATIONAL UNION)

WESTERN UNION
(Copy)

WASHINGTON DC SEPT 20 43

WM GREEN
AMERICAN FEDERATION OF LABOR BLDG.

OUR LOCAL UNIONS ARE INVESTING ALL OF THEIR SURPLUS MONIES NOT NECESSARY FOR THE OPERATION OF THE LOCAL UNION IN THIRD WAR LOAN BONDS. THEY ARE ALSO ENCOURAGING THEIR MEMBERS TO PURCHASE BONDS BOTH FROM TEN PERCENT DEDUCTIONS AS WELL AS OUTRIGHT PURCHASES. THE UNITED ASSOCIATION HAS PURCHASED FIVE HUNDRED THOUSAND DOLLARS WORTH OF BONDS

MARTIN P BURKIN (PRESIDENT PLUMBERS INTERNATIONAL UNION)

WESTERN UNION
(Copy)

ST LOUIS MO SEPT 20 43

WM GREEN
A F OF L BLDG

REPLYING TO YOUR TELEGRAM OUR INTERNATIONAL ASSOCIATION ITS OFFICERS AND EMPLOYEES ARE ENTHUSIASTICALLY SUPPORTING THE THIRD WAR BOND DRIVE BY BUYING ALL THE BONDS THEY POSSIBLY CAN

P J MORRIN (PRES. STRUCTURAL IRON WORKERS' INTL. UNION)

WESTERN UNION
(Copy)

CHICAGO ILL SEP 20 43

WILLIAM GREEN, PRESIDENT
AMERICAN FEDERATION OF LABOR

ALL DISTRICT COUNCILS AND LOCAL UNIONS OF THE UNITED CEMENT, LIME AND GYPSUM WORKERS INTERNATIONAL UNION ARE PARTICIPATING IN AND CONTRIBUTING FINANCIALLY TO THE FULLEST EXTENT OF THEIR ABILITY TO THE THIRD WAR LOAN DRIVE. WE HAVE OFFICIALLY REQUESTED ALL OUR UNITS THROUGHOUT OUR JURISDICTION TO EVERYWHERE PARTICIPATE IN THE SPECIAL ARRANGEMENTS MADE BY STATE FEDERATIONS OF LABOR AND CENTRAL LABOR UNIONS. I AM VERY CONFIDENT THAT IN DUE TIME WE WILL BE ABLE TO REPORT MORE FULLY TO YOU ON OUR ACTIVITIES IN THE THIRD WAR LOAN DRIVE, ALL OF WHICH IS IN ADDITION TO THE REGULAR PAYROLL DEDUCTIONS AND OFFICIAL CONTRIBUTIONS OF OUR ORGANIZATION REPORTED MONTHLY THROUGH THE OFFICIAL PUBLICATION, COPY OF WHICH YOU RECEIVE EACH MONTH

WM SCHOENBERG GENERAL PRES. UNITED CEMENT, LIME & GYPSUM WORKERS INTL. UNION

WESTERN UNION
(Copy)

PHILADELPHIA PA SEPT 20 43

WILLIAM GREEN PRES
AMERICAN FEDERATION OF LABOR

REPLYING TO YOUR TELEGRAM ABOUT THIRD WAR LOAN AMONG AFFILIATES WILL
 SAY, OUR MEMBERS ARE SUBSCRIBING IN ALL THE PLANTS WHERE EMPLOYED.
 NEEDS NO FURTHER STIMULATING HERE. REPORTS ARE ENCOURAGING THROUGHOUT
 JURISDICTION

BERNARD G QUINN GENERAL PRESIDENT UNITED LEATHER WORKERS
INTL UNION

WESTERN UNION
(Copy)

BOSTON MASS SEPT 20 43

WILLIAM GREEN, PRESIDENT
AFL A F OF L BLDG

RETEL REPORTS RECEIVED SHOW OUR MEMBERS ARE BUYING BONDS IN THIRD WAR
 LOAN DRIVE BESIDES THEIR PAYROLL DEDUCTIONS. THE INTERNATIONAL UNION
 HAS PURCHASED BONDS IN THIS DRIVE

JAMES J DOYLE PRESIDENT COOPERS INTERNATL UNION

POSTAL TELEGRAPH
(Copy)

LAFAYETTE IND SEP 20 43

WILLIAM GREEN PRESIDENT AMERICAN FEDERATION OF LABOR
A. F. OF L. BUILDING (WASHINGTON DC)

THE MEMBERS AFFILIATED WITH THE BROTHERHOOD OF PAINTERS AND DECORATORS
 ARE SUPPORTING THE THIRD WAR LOAN DRIVE TO FULLEST EXTENT IN CONJUNCTION
 WITH BUILDING TRADES COUNCIL CENTRAL LABOR UNION AND CIVIC ORGANIZATION.
 OUR BROTHERHOOD HAS PURCHASED FOUR HUNDRED THOUSAND DOLLARS IN TREASURY
 BONDS IN THE THIRD WAR LOAN DRIVE MAKING A TOTAL OF EIGHT HUNDRED AND
 FIFTY THOUSAND DOLLARS INVESTED FROM THE GENERAL FUND OF OUR INTERNATIONAL
 AN ADDITIONAL TWO HUNDRED THOUSAND WILL BE PURCHASED BEFORE THE END OF
 THE YEAR AS THIS AMOUNT WILL BE AVAILABLE AT THAT TIME. OUR INTERNATIONAL
 REPRESENTATIVES AS WELL AS THE SECRETARY TREASURER AND MYSELF ARE ATTENDING
 THE MANY PAINTERS STATE CONVENTIONS HELD DURING THIS TIME OF THE YEAR
 AND OUR PLEA FOR A GREATER EFFORT IN SUPPORTING THE THIRD WAR LOAN DRIVE
 IS MEETING WITH GREAT ENTHUSIASM

L P LINDELOD GENERAL PRESIDENT B OF P D P-H OD A

*Ponder Beerehnrs
 & Peter Hayes*

WESTERN UNION
(Copy)

INDIANAPOLIS IND SEPT 20 43

WILLIAM GREEN, PRESIDENT

A F OF L

RETEL TEAMSTERS INTERNATIONAL HAS PURCHASED \$250,000 IN THIRD WAR LOAN BONDS MAKING TOTAL OF OVER \$8,500,000. HAVE ALSO REQUEST ALL OUR LOCAL UNIONS TO INCREASE THEIR PURCHASES OF THESE BONDS

THOMAS E FLYNN

WESTERN UNION
(Copy)

CLEVELAND OHIO SEPT 20 43

WILLIAM GREEN

PRES OF AMERICAN FEDERATION OF LABOR A F OF L BLDG

YOUR WIRE RECEIVED REGARDING THIRD WAR LOAN DRIVE REPORTS FROM OUR LOCALS AND MEMBERS ARE VERY INCOURAGING GLAD TO STATE OUR MEMBERS ARE DOING EVERYTHING POSSIBLE TO MAKE THE THIRD WAR LOAN DRIVE A SUCCESS

JOHN E ROONEY PRES OF AND CFIA

WESTERN UNION
(Copy)

CHICAGO ILL SEPT 20 43

WILLIAM GREEN, PRESIDENT

AMERICAN FEDERATION OF LABOR AFL BLDG

OUR MEMBERS ARE CONTINUING TO BUY BONDS ALTHOUGH SOMEWHAT DISCOURAGED BECAUSE OF WAGE INCREASE DENIALS ON NEGOTIATED INCREASES IN CONTRACT RENEWALS

FRANK KASTEN PRESIDENT UNITED BRICK AND CLAY WORKERS OF AMERICA

WESTERN UNION
(Copy)

BUFFALO NY SEPT 20 43

WILLIAM GREEN, PRES AMERICAN FEDERATION LABOR
P C CASHEN AT HAMILTON HOTEL WASHINGTON DC - MRS MARIE KELLY

September 22, 1943

X

COPY

RAILWAY MAIL ASSOCIATION

Washington 1, D.C.

September 20, 1943

Mr. William Green, President
 American Federation of Labor
 A. F. of L. Building
 Washington 1, D. C.

My dear Mr. Green:

Your telegram of September 19th, making inquiry as to the progress of the Third War Loan Drive among members of the Railway Mail Association, received today.

Permit me to advise that based upon the information we have received the members of our organization are participating in the purchase of additional bonds to the extent of their ability to do so. The national office does not maintain a record of these purchases and therefore it is not possible to furnish you with detailed information. All members of our Association have been fully informed in regard to the necessity for their participation in this campaign.

With my kind regards to you, I am

Fraternally yours,

C. H. Harvey
 President

WESTERN UNION

(Copy)

DES MOINES IOWA SEP 21 43

WILLIAM GREEN PRESIDENT
 AMERICAN FEDERATION OF LABOR A F OF L BLDG WASH DC

BELIEVE ORGANIZED LABOR IS RESPONDING FAVORABLY IN THIRD WAR LOAN DRIVE. PAYROLL DEDUCTION PROGRAM NOT SO SATISFACTORY. WOULD SUGGEST NAMING A FULL TIME PAID LABOR MAN TO IOWA WAR FINANCE COMMITTEE TO ASSIST IN IRONING OUT DIFFERENCES AND SETTING UP PROGRAMS FOR PAYROLL DEDUCTIONS

J J BROWN SECY IOWA STATE FEDERATION OF LABOR

PENNSYLVANIA FEDERATION OF LABOR
Harrisburg, Penna.

September 20, 1943

William Green, President
American Federation of Labor
AF of L Building
Washington 1, D. C.

Dear Mr. President:

Replying to your wire of September 20th with respect to our activity in the Third War Loan Drive we beg to advise that it is not possible to give you the amount of bonds purchased by our members, or whether or not all members have purchased bonds.

We have requested all organizations to advise us of the amounts purchased by their members but will not receive this information until the Drive has closed. However, in the meantime, President McDevitt and the writer have been working very closely with the Treasury Department Officials, and where there is any indication of lack of participation we make immediate contact urging them to make available every possible dollar for our Government.

With respect to a suggestion I believe it would be very helpful if the respective General Presidents of our Federation would immediately dispatch a wire to all their affiliates urging full and immediate cooperation.

Assuring you of our continued interest in this matter.

Franterially yours,

Earl C. Bohr
Secretary-Treasurer

WESTERN UNION

(Copy)

CHEYENE WYO SEP 21 43

WILLIAM GREEN PRES
AFL WASH DC

LABOR AND ALL AFFILIATED UNIONS COOPERATING BUYING BONDS BESIDES
PAYROLL DEDUCTIONS STATE IS OVER 50% OF QUOTA TO DATE CANNOT SUGGEST
ADDITIONAL STEPS TO STIMULATE THIS CAMPAIGN

MARTIN CAHILL (PRESIDENT WISCONSIN STATE FED. OF LABOR)

XIP

INTERNATIONAL ASSOCIATION OF
 MARBLE, SLATE AND STONE POLISHERS, RUBBERS AND SAWYERS,
 TILE AND MARBLE SETTERS HELPERS AND TERRAZZO WORKERS HELPERS
 Washington, D.C.

September 20, 1943

Mr. William Green,
 President, American Federation of Labor,
 A. F. of L. Building,
 Washington, D. C.

Dear Sir and Brother:

I am in receipt of your telegram with reference to the Third War Loan Drive and wish to advise that our office force is purchasing 17% of its salary a month in war bonds and has purchased additional bonds from time to time.

With best wishes, I am,

Fraternally yours

William McCarthy
 General President

POSTAL TELEGRAPH
 (Copy)

SPRINGFIELD ILL SEP 21 43

MR GREEN PRESIDENT
 AMERICAN FEDERAL OF LABOR A F OF L BUILDING (WASHINGTON DC)

THE PROGRESSIVE MINE WORKERS OF AMERICA ARE DOING EVERYTHING WITHIN THEIR POWER TO MAKE 3RD WAR LOAN DRIVE A SUCCESS. THE MINERS UNDER OUR JURISDICTION ARE CONTINUING THE 10% CHECK-OFF FOR VICTORY BONDS. ANYTHING THIS ORGANIZATION MIGHT DO TO FURTHER THE CAUSE DO NOT HESITATE TO CALL ON US

LLOYD A THURSH PRESIDENT PROGRESSIVE MINE WORKERS OF AMERICA

POSTAL TELEGRAPH

(Copy)

NEW YORK N Y SEP 21 43

WILLIAM GREEN PRESIDENT
AMN FEDERATION OF LABOR A F OF L BLDG (WASHN DC)

OUR MEMBERS ARE BUYING BONDS IN ADDITION TO PAYROLL DEDUCTIONS.
WE HAVE DECIDED TO BUY A BOMBER IN THE NAME OF OUR UNION THROUGH
THE PURCHASE OF 300,000 DOLLARS IN WAR BONDS

LEON WILLIAMS PRESIDENT
INTL JEWELRY WORKERS UNION

September 22, 1943

274

Copy

AMERICAN FEDERATION OF LABOR

Washington 4, D. C.

September 22, 1943

Mr. F. J. Dillon
607 Washington Building
15th and New York Avenue
Washington, D. C.

Dear Sir and Brother:

I transmit herewith copies of telegrams just received from our International affiliates and State Federations in regard to the Third War Loan Drive.

Please return them to me when they have served your purpose, with those I handed you yesterday.

Fraternally yours,

W. C. Hushing, Chairman
National Legislative Committee
American Federation of Labor

POSTAL TELEGRAPH
(Copy)

BRIDGEPORT CONN SEPT 20 43

WILLIAM GREEN PRESIDENT- A F OF L BUILDING
(WASHINGTON DC)

RETEL BE ADVISED THAT TO THE BEST OF MY KNOWLEDGE THE THIRD
WAR LOAN DRIVE IS MEETING WITH SUCCESS FROM ALL NEWSPAPER
ACCOUNTS CONNECTICUT WILL FULFILL ITS OBLIGATIONS

JOHN J EGANS CONNECTICUT FEDERATION OF LABOR

POSTAL TELEGRAPH
(Copy)

TOPEKA KANSAS SEPT 20 43

WILLIAM GREEN, PRESIDENT
AMERICAN FEDERATION OF LABOR A F OF L BLDG. (WASHINGTON DC)

RETEL ADVISE AFFILIATES OF AMERICAN FEDERATION OF LABOR IN

KANSAS INDIVIDUALLY RESPONDING NOBLY BY BUYING BONDS IN THIRD WAR LOAN DRIVE IN ADDITION TO REGULAR PAYROLL DEDUCTIONS NOW EXCEEDING TEN PERCENT. MANY LOCALS BUYING TO FULL EXTENT OF SURPLUS TREASURY. STATE PRESIDENT LUNDGREN AND VARIOUS OTHER STATE ORGANIZATION HEADS WILL SPEAK INTERMITTENTLY ALL DURING NEXT WEEK ON RADIO BROADCASTS. JOINT FARM LABOR MEETINGS BEING ARRANGED LOCALLY IN PLACES WITH MILITARY TALENT ENTERTAINING FORTY MILLION OF OUR HUNDRED TWELVE MILLION QUOTA HAS BEEN RAISED THIS DATE. SPECIAL EMPHASIS BEING PLACED ON INDIVIDUAL BUYING BY WORKERS. SITUATION VERY SATISFACTORY

F E BLACK SECRETARY KANSAS STATE FEDERATION OF LABOR

POSTAL TELEGRAPH

(Copy)

LOUISVILLE KY SEPT 20 43

WM GREEN
PRES AMN FED OF LABOR- AFL BLDG (WASHINGTON DC)

REFER I AM RELIABLY INFORMED THAT A LARGE MAJORITY OF OUR MEMBERSHIP ARE BUYING BONDS IN ADDITION TO PAYROLL DEDUCTIONS

ELMER D KEEN GENL VICE PRES TOBACCO WORKERS INTL UNION

WESTERN UNION

(Copy)

MILWAUKEE WIS SEPT 21 43

WM GREEN, PRESIDENT AMERICAN FEDERATION OF LABOR
AFL BLDG

GLOVE WORKERS ARE DOING THEIR PART TO PURCHASE ADDITIONAL WAR BONDS DURING THE PRESENT CAMPAIGN

THOMAS BURIAN (PRESIDENT INTERNATIONAL GLOVE WORKERS
OF AMERICA)

POSTAL TELEGRAPH

(Copy)

DETROIT MICH SEP 20 43

WILLIAM GREEN
PRES AMN FEDERATION OF LABOR WASHINGTON DC (CARE FS WASH DC)

PURCHASE OF BONDS BY OUR MEMBERS BY VOLUNTARY PURCHASE PLAN
 STOP NO PAYROLL DEDUCTIONS STOP CONSIDER RESULTS EXCELLENT
 STOP BEST ASSURANCE OF UNRMITTED SUPPORT TOWARD ENLARGED
 AND FUTURE PURCHASE WOULD BE WORKERS POSITIVE ASSURANCE
 POST-WAR INSECURITY WILL NOT FORCE THEM THROUGH DEPRESSION
 TO SELL THEIR BONDS STOP

DELMER L MCDANIEL PRES NAYL ASSN SPCL DLY USGR

WESTERN UNION
 (Copy)

CHARLESTON W VA SEP 21 43

WILLIAM GREEN PRES
 AMN FEDERATION OF LABOR A F OF L BLDG

AT JOINT MEETING OF CENTRAL BODY AND BUILDING TRADES
 COUNCIL LAST NIGHT WAS ASSURED THAT OUR MEMBERSHIP IN
 THIS VICINITY ARE BUYING ADDITIONAL BONDS OTHER THAN
 PAYROLL DEDUCTIONS. LETTER FOLLOWS

VOLENY ANDREWS SECRETARY-TREAS WVA STATE FEDERATION
 OF LABOR

WESTERN UNION
 (Copy)

KANSAS CITY KANS SEP 21 43

WM A GREEN, PRESIDENT
 AMERICAN FEDERATION OF LABOR

REPLY TO YOURS NINETEENTH ADDRESSED TO PRESIDENT FRANKLIN
 ADVISING SECRETARY MORGENTHAU REQUESTS REPORT OF PROGRESS
 ON THIRD WAR LOAN DRIVE AMONG AMERICAN FEDERATION OF LABOR
 AFFILIATES STOP INTERNATIONAL BROTHERHOOD OF BOILERMAKERS
 IRON SHIP BUILDERS AND HELPERS OF AMERICA PURCHASED IN
 THIRD WAR LOAN DRIVE ONE MILLION FIVE HUNDRED THOUSAND DOLLARS
 WORTH STOP CONTACTED EIGHT OF OUR LARGER LOCAL UNIONS AND
 THEIR COMBINED PURCHASE IN THIRD WAR LOAN DRIVE AMOUNTS OF
 ONE MILLION DOLLARS STOP REPORT FROM LOCAL UNIONS OUR
 MEMBERSHIP IS ENTHUSIASTICALLY SUPPORTING THE BOND DRIVE
 MORE INFORMATION AT A LATER DATE

WM E WALTER (SECRETARY BOILER MAKERS INTL UNION)

WESTERN UNION
(Copy)

WASHINGTON DC SEP 21 43

WILLIAM GREEN, PRESIDENT
AMERICAN FEDERATION OF LABOR

ALTHOUGH OUR INTERNATIONAL UNION DOES NOT HAVE AN SPECIFIC DATA I
HAVE GOOD REASONS TO BELIEVE THAT OUR MEMBERS ARE BUYING THEIR
SHARE OF BONDS IN THE PRESENT THIRD WAR LOAN DRIVE THIS MATTER
WILL BE DISCUSSED AT OUR 20TH REGULAR CONVENTION IN CINCINNATI
NEXT MONTH

W L ALLEN (PRESIDENT WASHINGTON TELEGRAPHERS' UNION)

WESTERN UNION
(Copy)

DETROIT MICH SEP 21 43

WILLIAM GREEN, PRESIDENT
AMERICAN FEDERATION OF LABOR A F OF L BLDG

RETEL SORRY WE ARE UNABLE TO OBTAIN INFORMATION DESIRED ON BOND
BUYING AMONG OUR MEMBERSHIP

IRWAN GARY INTERNATIONAL PRESIDENT UAWA AFL

WESTERN UNION
(Copy)

WASHINGTON DC SEP 21 43

WILLIAM GREEN
A F OF L BLDG

SUPPLEMENTING THE INFORMATION CONTAINED IN OUR WIRE RELATIVE TO THE
PURCHASE OF BONDS BY THE UNITED ASSOCIATION OF JOURNEYMEN PLUMBERS
AND STEAMFITTERS, I WISH TO INFORM YOU THAT WE HAVE PURCHASED FOUR
HUNDRED THOUSAND DOLLARS WORTH OF BONDS IN ADDITION TO THE AMOUNT
REPORTED TO YOU IN OUR WIRE OF SEPTEMBER 20TH.

MARTIN P DUBOIN (PRESIDENT PLUMBERS INTL. UNION)

POSTAL TELEGRAPH
(COPY)

SPRINGFIELD ILL. SEP 21 43

WILLIAM GREEN-PRESIDENT AMERICAN FEDERATION OF LABOR
(WASHINGTON DC)

THE ILLINOIS STATE FEDERATION OF LABOR IS URGING ALL ILLINOIS LABOR BOTH ORGANIZED AND UNORGANIZED TO GIVE THE FULLEST POSSIBLE MEASURE OF SUPPORT TO THE THIRD WAR LOAN DRIVE, CENTRAL BODIES, LOCAL UNIONS, COUNCILS AND ALL OTHER DIVISIONS OF THE LABOR MOVEMENT OF ILLINOIS AS WELL AS INDIVIDUAL MEMBERS ARE BEING CALLED UPON TO PARTICIPATE IN THE DRIVE NOT ONLY BY THEMSELVES PURCHASING WAR SAVINGS BONDS TO THE UTMOST OF THEIR RESOURCES IN ADDITION TO PAYROLL DEDUCTIONS AND URGING ALL OTHERS TO DO LIKEWISE. OUR 61ST ANNUAL CONVENTION NOW IN SESSION HERE WILL UNDOUBTEDLY FURTHER STIMULATE THE DRIVE BY STRONG DECLARATION ON THE SUBJECT. THE RESPONSE RECEIVED THUS FAR FROM OUR A F OF L AFFILIATES HAS BEEN DECIDEDLY GOOD. RECENTLY HOWEVER I RECEIVED INFORMATION TO THE EFFECT THAT THE UNAFFILIATED UNITED MINE WORKERS OF THE STATE HAD ANNOUNCED THEY COULD NOT SEE THEIR WAY CLEAR TO CONTINUE THE PAYROLL DEDUCTION PLAN AND I AM NOW IN CORRESPONDENCE WITH THEIR OFFICIALS IN THE HOPE OF INDUCING THEM TO CONTINUE THE PLAN. THE PROGRESSIVE MINE WORKERS AFFILIATED WITH THE A F OF L ARE CONTINUING THE PLAN AND ARE ALSO CALLING UPON THEIR MEMBERS TO RESPOND TO THE CALL FOR ADDITIONAL SUBSCRIPTIONS TO THE LOAN. WE ARE COOPERATING WITH STATE AND LOCAL WAR LOAN STAFFS AND COMMITTEES. I BELIEVE THE TWELVE HUNDRED DELEGATES ATTENDING OUR CONVENTION WOULD BE HIGHLY PLEASED IF SECRETARY MORDETHAU WOULD SEND A TELEGRAM TO THE CONVENTION EXPRESSING APPRECIATION OF THE SUPPORT WE ARE GIVING THE DRIVE AND URGING THAT EVERYTHING POSSIBLE BE DONE TO STILL FURTHER STIMULATE THE PURCHASE OF BONDS WE WILL BE IN SESSION UNTIL SATURDAY

VICTOR A GLANDER SECY ILLINOIS STATE FEDERATION OF LABOR

POSTAL TELEGRAPH

(Copy)

KANSAS CITY MO SEP 21 43

MR WILLIAM GREEN PRESIDENT AMERICAN FEDERATION OF LABOR
A F OF L BLDG (WASHINGTON DC)

THIRD WAR LOAN IS BEING SUPPORTED BY OUR RAILROAD MEMBERSHIP TO THE FULLEST EXTENT POSSIBLE UNDER THE CIRCUMSTANCES
F H KNIGHT (PRESIDENT BROTHERHOOD RR. CARMEN)

WESTERN UNION

(Copy)

KANSAS CITY MO SEP 21 43

WILLIAM GREEN, PRESIDENT AMERICAN FEDERAL OF LABOR
A F OF L BLDG

RETEL ALL AFFILIATED ORGANIZATIONS ARE COOPERATING FULLY IN THIRD

WAR LOAN DRIVE MEMBERSHIP BUYING ADDITIONAL BONDS AND ALL SURPLUS
IN LOCAL UNIONS TREASURIES ARE BEING USED TO BUY BONDS

FRANK J MURPHY SECRETARY MISSOURI STATE FEDERATION OF LABOR
GARDEN BUILDING

WESTERN UNION

(Copy)

HELENA MONT SEP 21 43

WILLIAM GREEN
A F OF L BLDG

RETEL OF NINETEENTH IT APPEARS THAT DRIVE IN THIS STATE IS BELOW
NORMAL. HOWEVER AS FAR AS I CAN LEARN OUR AFFILIATES ARE RESPOND-
ING SATISFACTORILY WILL INVESTIGATE FURTHER AND IF IT APPEARS THAT MORE
PERSUASION IS REQUIRED WILL ADVISE YOU BY WIRE

JAMES D GRAHAM (PRESIDENT MONTANA STATE FEDERATION OF LABOR)

WESTERN UNION

(Copy)

NEW YORK N Y SEP 21 43

WILLIAM GREEN, PRESIDENT A F OF L
A F OF L BLDG

REPLYING TO YOUR WIRE TO PRESIDENT ZARITSKY, ALL OUR LOCALS ON
PAYROLL DEDUCTION BASIS. IN ADDITION NEW YORK MILLINERY LOCAL
24 IS NOW CONDUCTING CAMPAIGN IN CONJUNCTION WITH MILLINERY INDUSTRY
FOR PURCHASE FIVE MILLION DOLLARS ADDITIONAL WAR BONDS, LOCALS QUOTA
BEING \$500,000. CAPMAKERS LOCAL 2 NEW YORK HOLDING RALLIES AND
CANVASSING EACH SHOP HAS ALREADY SOLD \$35,000 ADDITIONAL BONDS
WITH GOAL \$100,000

WESTERN UNION

(Copy)

OKLAHOMA CITY OKLA SEP 21 43

WILLIAM GREEN, PRESIDENT AMERICAN FEDERATION OF LABOR A F OF L
BLDG WASH DC

A F OF L MEMBERS BUYING MANY BONDS IN ADDITION TO PAYROLL DEDUCTIONS.
LOCAL CAMPAIGN LEADERS IGNORE LABOR ORGANIZATIONS. CHAMBER OF
COMMERCE DOMINANT AND SELFISH. TABULATION OF PURCHASES BY LABOR
IMPOSSIBLE. SUGGEST NATIONAL LEADERS ENCOURAGE LOCAL LEADERS TO
RECOGNIZE ALL GROUPS AND QUIT PERSONAL FLAG-WAVING

RAY BYLER EXECUTIVE SEC-TREAS. (OKLA. STATE FED. OF LABOR)

INTERNATIONAL BROTHERHOOD OF BLACKSMITHS, DROP FORGERS AND HELPERS
CHICAGO, ILLINOIS

September 20, 1943

Mr. William Green, President,
American Federation of Labor,
A. F. of L. Bldg.,
Washington, D. C.

Dear sir and Brother:-

Your wire of September 19th, just received. Secretary of Treasury Morgenthau evidently does not understand that the information he requests, cannot be given by wire.

As far as I know, our organization is keeping up its splendid reputation for buying bonds. I, myself, have purchased \$3,750.00 worth this year.

The Government should be in a better position to answer in regard to payroll deductions, than I am.

I am getting ready to leave Chicago, day after tomorrow, for the conventions in Boston, and I will not have time to take up this business at present. However, you may tell Secretary Morgenthau, that the final analysis will show that our organization has kept up its reputation in the past, in regard to buying bonds, and supporting the government in every manner possible, for the winning of the war, at the earliest possible opportunity.

With best wishes, I am

Fraternally yours,

(Roy Horn)
GENERAL PRESIDENT

WESTERN UNION
(Copy)

COLUMBUS OHIO SEP 21 43

MR WILLIAM GREEN
PRESIDENT AMERICAN FEDERATION OF LABOR WASH DC

REURTEL SEPTEMBER TWENTY WILL TAKE SOMETIME TO GET INFORMATION
WILL ADVISE AS SOON AS POSSIBLE

J E MYBUR (PRES. FLAT GLASS CUTTERS INTL. UNION)

WESTERN UNION

(Copy)

OMAHA NEBR SEP 21 43

WILLIAM GREEN
A F OF L BLDG WASH DC

OMAHA CENTRAL LABOR UNION REPORT WAR LOAN DRIVE PROGRESS 125,000 DOLLARS SUBSCRIBED IN ADDITION TO 175,000 DOLLARS IN PAYROLL DEDUCTIONS FROM JULY 26TH TO SEPTEMBER 6TH. STIMULATED BY BOMBER GOAL OF 175,000 DOLLARS

J J GUENTHER (PRES. OMAHA CENTRAL LABOR UNION)

INTERNATIONAL ASSOCIATION OF SIDEROGRAPHERS

PEEHAM 65, N. Y.

Mr. Green President
American Federation of Labor
Washington, D. C.

Dear Mr. Green:

In reply to your wire, am happy to state all members are participating in Third War Loan Drive, in addition to payroll deductions.

No suggestions to offer, ground covered very thoroughly by Companies.

Fraternally yours

John T. Ford
International President

WESTERN UNION

(Copy)

WILMINGTON DEL SEP 21 43

WL GREEN
PRES A F OF L A F OF L BLDG WASH DC

WRITER MADE PLEA ON RADIO FOR LOCAL ORGANIZATIONS TO BACK BOND DRIVE LOCAL AFFILIATES HAVE OWN INDIVIDUAL PROGRAMS STATE QUOTA 63 PCT SOLD

REQUEST N PARKER SECTY DELAWARE STATE FED OF LABOR

COPY

INTERNATIONAL BROTHERHOOD ELECTRICAL WORKERS

WASHINGTON, D. C.

September 20, 1943

Mr. William Green
 President, American Federation of Labor
 A. F. of L. Building
 Washington, D. C.

Dear Sir and Brother:

I have your wire, and of course I cannot advise you what our local unions have purchased in this drive. You realize that the situation is a little complicated - we urged our locals and members to buy for the bond drive of Labor Day, but we did not ask them to report here. I believe that our locals followed our instructions, and I think that those who did not participate in the drive up to Labor Day are being urged by the local unions to buy during the present drive, in addition to whatever payroll deductions they are participating in at the present time.

As for the International, we bought \$1,100,000 worth.

With best wishes, I am

Fraternally yours,

G. M. Bagnazet
 International Secretary

WESTERN UNION

(Copy)

PHILADELPHIA PA SEP 21 43

WILLIAM GREEN, PRESIDENT
 AMERICAN FEDERATION OF LABOR WASH DC

REPLYING YOUR TELEGRAM SEPTEMBER 19 AS PER SECRETARY OF TREASURY MORGENTHAU'S REQUEST WOULD ADVISE OUR MEMBERSHIP EVERYWHERE IS BUYING BONDS AND DOING THEIR UTMOST TO MAKE A SUCCESS OF THIS CAMPAIGN

JAMES MALONE PRESIDENT GLASS BOTTLE BLOWERS ASSOCIATION

Charge to the account of

| | |
|--------------------------|--------------|
| CLASS OF SERVICE DESIRED | |
| DOMESTIC | CABLE |
| DAY | ORDINARY |
| LETTER | URGENT |
| WEEK | DEFERRED |
| WEEKEND | NIGHT LETTER |
| NIGHT | WEEK |
| RADIOGRAM | |
| TELETYPE | |

WESTERN UNION

1217-D

| |
|------------------------|
| CHECK |
| ACCOUNTING INFORMATION |
| TIME FILED |

A. N. WILLIAMS
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

Please consult check class of service used, otherwise the message will be transmitted as a telegram and carry charges.

and the following telegram, subject to the terms on back hereof, which are hereby agreed to

C O P Y

WANT A REPLY?
 "Answer by WESTERN UNION"
 or similar phrase may be
 included without charge.

NIGHT LETTER

WASHINGTON, D. C.

SEPTEMBER 19, 1943

AT THE INSTANCE OF SECRETARY OF TREASURY MORGENTHAU I AM REQUESTING INFORMATION FROM YOU ON PROGRESS OF THIRD WAR LOAN DRIVE AMONG YOUR MEMBERS. ARE THEY BUYING ADDITIONAL WAR BONDS BESIDE REGULAR PAYROLL ALLOTMENTS? WHAT DEFINITE STEPS HAS YOUR ORGANIZATION TAKEN TO STIMULATE THIS CAMPAIGN? PLEASE ADVISE BY WIRE AS PROMPTLY AS POSSIBLE.

PHILIP MURRAY
 PRESIDENT, C. I. O.

(Sent to presidents of all C. I. O. national and international unions and State Industrial Union Councils, and to all regional representatives)/

C
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YDENVER COLO
SEPT. 21 1943

Mr. James B. Carey Sec'y Treas
718 Jackson Place N.W.

WE HAVE REQUESTED OUR LOCAL UNIONS TO PURCHASE BONDS TO THE UTMOST OF
THEIR ABILITY AND FROM ALL REPORTS THEY HAVE RESPONDED MAGNIFICENTLY.

Thomas Long, Sec'y Treas Colo State
Industrial Union Council CIO

C
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YDENVER COLO
Sept. 21 1943

Mr. James B. Carley Secy Treas
718 Jackson Place N.W.

WE ARE RECEIVING INFORMATION THAT THE CIO MEMBERSHIP IN THIS STATE IS STRONGLY PURCHASING THIRD WAR BOND DRIVE BONDS IN ADDITION TO PAYROLL PLEDGES. OUR LOCAL UNIONS HAVE MEMBERS ON THE WAR BOND DRIVE COMMITTEES. RESPONSE TO THE DRIVE FROM OUR MEMBERS IS VERY GOOD.

Michael Livoda Sub-Regional Director CIO
DENVER COLO.

C
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YANACONDA MONT.
Sept. 22 1943James B. Carey Secy. CIO
718 Jackson Pl.N.W.

STATE COUNCIL OFFICERS ARE SERVING ON COMMITTEES ON 3RD WAR LOAN DRIVE IN
VARIOUS CITIES THROUGHOUT MONTANA. ARE PLEDGED TO BUY BONDS BESIDES REGULAR
PAYROLL ALLOTMENTS. WORKINGMEN RESPONDING SPLENDIDLY. LETTER FOLLOWS.

Montana State Industrial Union Council
Charles McLean, Secretary

C
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YWINSTONSALEM N.C. + S.C.
SEPT. 20 1943

James B. Carey, Sec and Treas
CIO
718 Jackson Place N.W.

IN REPLY TO PRESIDENT MURRAY'S WIRE WE HAVE NO STATE COUNCILS IN EITHER STATE SO COULD NOT INAUGURATE SPECIFIC PROGRAM IN BOND CAMPAIGN. THUS THE QUESTION LEFT UP TO LOCAL UNIONS WHICH ARE EXPECTED TO MAKE REPORT TO THEIR NATIONAL UNIONS. LOCALLY WE ARE USING RADIO AND FLASH ADS ON MOVIE SCREENS AS WELL AS TALKS AT MEETINGS. MANY OF OUR LOCAL UNIONS FAIL TO COOPERATE WITH THIS OFFICE BUT DEAL DIRECTLY WITH THEIR OWN REGIONAL OR NATIONAL OFFICE IN SUCH MATTERS.

E. L. SANDEFUR CIO Regional Director

OKLAHOMA CITY OKLA
SEPT. 20 1943

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Mr. James B. Carey, Sec. and Treas. CIO
718 Jackson Place N.W.
Washington D.C.

LOCAL UNION MEMBERS THROUGHOUT THE STATES OF OKLAHOMA AND ARKANSAS ARE BUYING BONDS TO CAPACITY. COMMITTEES WORKING WITH SHOP MANAGERMENTS COMMITTEES WORKING WITH CIVIC GROUPS COMMITTEES WORKING INDIVIDUALLY AS LOCAL UNION GROUPS. BOND DRIVE INDICATES GOING OVER TOP FOR STATE'S QUOTA.

James P. Dean, Regional Director CIO
Okla. and Ark.

C O P Y

HOUSTON TEX.
SEPT. 20 1943

Mr. James B. Carey , Sec. Congress of Industrial Organizations
718 Jackson Place N.W.
Washington D.C.

OUR MEMBERS ARE BUYING ADDITIONAL BONDS OVER REGULAR PAYROLL DEDUCTIONS AND
HAVE JOINED WITH WAR FINANCE AND WAR ADVERTISING COMMITTEES IN EFFECTIVE
PROGRAM FOR THIS PURPOSE. LOCAL UNION BOND DRIVE COMMITTEES ARE WORKING.
WE EXPECT TO EXCEED OUR QUOTAS.

J.E. Crossland, South Texas Sub-Director, CIO

C O P Y

RICHMOND VA.
SEPT. 20 1943

MR. JAMES B. CAREY SEC-TREAS.
CIO, 718 Jackson Place N.W. Washington D.C.

RE PRESIDENT MURRAY'S TELEGRAM SEPT. NINETEENTH CIO OFFICIALS AND MEMBERS
ARE WORKING CLOSELY AND EFFECTIVELY WITH THIRD WAR LOAN DRIVE STATE AND
LOCAL ORGANIZATIONS. VIRGINIA INDUSTRIAL WORKERS ARE AHEAD OF NATIONAL
QUOTA ATTAINMENT TO DATE. AGRICULTURAL SECTIONS NOT DOING SO WELL ACCOUNT
OF SIXTY DAY DROUGHT. WE SHALL NOT SLACKEN OUR EFFORTS.

ERNEST B. PUGH VA. CIO REGIONAL DIRECTOR

C
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YCHARLESTON W.VA.
SEPT. 20 1943James Carey, Sec. Treas.
CIO
718 Jackson Place N.W.

AS PER THE REQUEST OF PRES. MURRAY I GIVE YOU THE FOLLOWING INFORMATION.
THIS OFFICE HAS MADE SEVERAL APPEALS BY LETTER AND DIRECT CONTACT INCLUDING
LABOR DAY MEETING AT PARKERSBURGH AND SPECIAL MEETING AT WHEELING FOR OUR
PEOPLE TO BUY AT LEAST \$100.00 ADDITIONAL IN BONDS. MY REPORTS ARE THAT OUR
PEOPLE ARE BUYING ADDITIONAL BONDS BUT TO WHAT EXTENT I CANNOT SAY WITH ANY
DEGREE OF ACCURACY.

John B. Omlton

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JAMES B. CAREY
CIO

SEPTEMBER 21, 1943

REPLYING PHILIP MURRAY'S WIRE REGARDING WAR BONDS. CIO MEMBERS BUYING LARGE NUMBER EXTRA BONDS IN ADDITION TO REGULAR PAYROLL ALLOTMENTS. ANDERSON INDUSTRIAL UNION COUNCIL BOUGHT FIVE THOUSAND DOLLAR BOND LAST WEEK. MY OFFICE IN COOPERATION WITH STATE SECRETARY FRISBIE CIRCULARIZED EVERY LOCAL UNION IN STATE URGING THEM BUY ADDITIONAL WAR BONDS AND ASKING THEM MAKE REPORTS ON BLANKS FURNISHED BY TREASURY DEPARTMENT ADDRESSED TO MARY MC CARTHY. AM SURE THAT THIS LETTER AND VARIOUS MEETINGS HAVE STIMULATED WAR BOND DRIVE. PLEASE ADVISE PRESIDENT MURRAY.

POWERS HAPGOOD
CIO REGIONAL DIRECTOR
INDIANAPOLIS, INDIANA

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JAMES CAREY
CIO

SEPTEMBER 23, 1943

REPORTS COMING TO THIS OFFICE INDICATE OUR MEMBERS ARE NOT ONLY MEETING QUOTAS BUT IN MANY INSTANCES HAVE DOUBLED OR TRIPLED THEIR PURCHASES. THROUGH THE COLUMNS OF OUR BUFFALO UNION LEADER AND PAPERS OF VARIOUS LOCAL UNIONS FULL PUBLICITY IS BEING GIVEN TO THE THIRD WAR LOAN CAMPAIGN AND ALL STAFF AND FIELD REPRESENTATIVES ARE INSTRUCTED TO EMPHASIZE THE IMPORTANCE OF THE DRIVE TO THE WAR EFFORT AT ALL MEETINGS THEY ATTEND. LOCAL UNIONS AS SUCH ARE SUBSCRIBING FOR SUBSTANTIAL AMOUNTS.

HUGH THOMPSON, REGIONAL DIRECTOR
CIO
BUFFALO, NEW YORK

C
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JAMES CAREY
CIO

SEPTEMBER 22, 1943

MEMBERS ARE TAKING ACTIVE PART IN THIRD WAR LOAN DRIVE SHOP STEWARDS
ARE SERVING AS BOND SALESMAN LOCAL UNIONS ARE BUYING ALL BONDS POS-
SIBLE FROM THEIR TREASURER.

ORVEL TCHAMP, SECRETARY - TREASURER
IOWA-NEBRASKA STATES

COPY

JAMES CAREY
CIO

SEPTEMBER 22, 1943

ALL REPRESENTATIVE ASSISTING IN THIRD WAR LOAN DRIVE BY URGING MEMBERS
TO INCREASE PAYROLL ALLOTMENTS REPORT FROM LOCAL UNION OFFICERS FAVOR-
ABLE.

BEN HENRY, CIO DIRECTOR
DES MOINES, IOWA

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SEPTEMBER 21, 1943

JAMES CAREY
CIO

IN ANSWER TO WIRE RECEIVED FROM PRESIDENT MURRAY TODAY REGARDING
PROGRESS MADE IN THIRD WAR LOAN IN THIS AREA OUR MEMBERS ARE BUYING
ADDITIONAL WAR BONDS BESIDE PAYROLL ALLOTMENTS AND ARE PARTICIPATING
IN BLOCK CAMPAIGNS TO STIMULATE SALES. THE INDIVIDUAL SALES QUOTA
HAS EXCEEDED CORPORATION SALES QUOTA BY NEARLY TWENTY PERCENT. LOCAL
UNIONS REPORT INDIVIDUAL SALES TO MEMBERS EXCEPTIONALLY GOOD.

JAMES DAVIS, SECRETARY
MO. STATE INDUSTRIAL UNION COUNCIL

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JAMES B. CAREY
CIO

SEPTEMBER 21, 1943

RETEL PHILIP MURRAY CIO APPEALING ALL MEMBERS VIA RADIO.
INCOME TAX LOST TIME DUE WEATHER CONDITIONS LOGGING INDUSTRY
SLOWED DOWN DRIVE. WOODWORKERS HAVE MADE REPEATED APPEALS
WORKING TO INTENSIFY DRIVE. ALL CIO OFFICIALS DOING EVERY-
THING POSSIBLE.

A. F. HARTING
CIO REGIONAL DIRECTOR
PORTLAND, OREGON

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WISCONSIN STATE INDUSTRIAL UNION COUNCIL

511 Cawker Bldg 108 West Wells St.

Milwaukee (3) Wis.

Sept. 20 1943

Mr. James B. Carey, Sec.-Treas.
CIO
718 Jackson Pl., N.W.
Washington 6 D.C.

Dear Brother Carey:

At the request of Brother Philip Murray I am sending you the following information in regard to the CIO unions in Wisconsin "Backing the Attack" through the third war loan drive.

Most of our unions are working with management or through their labor-management committees or through direct methods instituted by the unions. To what extent their success has been is not fully known at this time, however, as an example I am enclosing a copy of a leaflet that was drawn up by local 1344, USA, and the Heil Company, located in Milwaukee. They designed a campaign to place a garand rifle in the hands of every Heil Co. employee now in the service; the total amount to be \$64,000. Seventy per cent of that goal has been reached to date with full assurance that it will go over the top. This is indicative of the spirit of all of our members in this area.

We are cooperating with our local and state committees to assist in this War Bond Drive having representation on each of the committees and also the CIO War Relief Committee is working with us in doing our share to go over the top in this drive.

If you need any additional information, I shall be most happy to be of assistance.

Sincerely and fraternally yours,

S/S Mel J. Heinritz
Secretary-Treasurer

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CIO WEST VIRGINIA INDUSTRIAL UNION COUNCIL

STE. 806-808-810 Peoples Bldg.

P.O. Box 646

Charleston 23 W.Va.

September 20 1943

TO ALL LOCAL UNIONS, INDUSTRIAL UNION
COUNCILS AND FIELD REPRESENTATIVES

Greetings:

President Murray has wired us, asking that we re-double our efforts toward buying additional War Bonds over and above our regular payroll allotment during the balance of this 15 billion dollar drive.

Please do not wait for your meeting night to act upon this matter. Bring it to the attention of your officers and members and do everything humanly possible toward making a glorious finish. There is still 5 billion dollars worth of Bonds to be sold to reach the 15 billion goal.

It might be well to post this letter on the bulletin board.

Understand, President Murray has made this urgent appeal and asked us to pass it on.

Fraternally yours

S/S John B. Easton
President and CIO Regional Director

COPY

MINNESOTA STATE INDUSTRIAL UNION COUNCIL
CIO
1126 Harmon Place
Minneapolis Minnesota

Sept. 20 1943

Mr. James B. Carey, Secy-Treas.
712 Jackson Place NW
Washington D.C.

Dear Brother Carey:

In response to Brother Murray's wire I can inform you that the CIO unions are active in doing their share in the Third War Loan Drive. I am enclosing a clipping showing that in the Minneapolis area labor's share of five million dollars has been over subscribed, and I am also in receipt of a report from the Minnesota War Finance Committee that shows that the counties where labor unions are mostly concentrated are at the top of the list. The rank is as follows:

Ramsey County, that is strongly organized into CIO, AFL and Brotherhoods, is in 3rd place, with 59% of the quota subscribed.

Hennepin County, in 4th place, with 56.6% of quota subscribed.

Mower County in 5th place, with 44.3% subscribed.

St. Louis County in 6th place, with 43.7% subscribed.

These four counties include the large metropolitan areas of Minneapolis, St. Paul and Duluth, and are among a total of 87 counties in Minnesota.

I have just been informed that the Duluth labor unions are near to subscribing their quotas and it is expected that Ramsey county will do likewise.

I hope that this brief report will meet with your approval. However, if there is any other information you desire I shall be glad to give it to you.

Fraternally yours

S/S Leonard Lageman
Secretary-Treasurer

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NEW YORK STATE INDUSTRIAL UNION COUNCIL

CIO

101 West 31st St.
New York 1 N.Y.
Sept. 21 1943

Mr. James Carey, Secretary-Treasurer
CIO
717 Jackson Place N.W.
Washington D.C.

Dear Brother Carey:

In response to the wire received from President Philip Murray requesting information on the progress of the Third War Loan Drive, in the survey just completed by President Hollander and myself on the participation of the CIO in the State of New York, I am happy to state that all of our affiliated unions are not only carrying out their original pledges through payroll deductions and other purchases, but the information I have received from the heads of these unions is such that I know that their members are purchasing additional bonds to make this drive a success.

Brother Hollander is serving on the War Finance Committee with Mr. W. Randolph Burgess, State Director, who reports splendid progress.

Trusting this is the information you desire, and awaiting the pleasure of seeing you at the State Convention, I remain

Fraternally yours,

S/S Harold J. Garno
Secretary-Treasurer

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ILLINOIS STATE
INDUSTRIAL UNION COUNCIL

205 W. Wacker Drive
Chicago Ill.
Sept. 21 1943

Mr. James Carey, Secretary-Treasurer
Congress of Industrial Organizations
718 Jackson Place N.W.
Washington D.C.

Dear Sir and Brother:

Regarding the wire from President Murray requesting information regarding the Third War Loan Drive, please be advised that we have circulated literature from the Chicago office of the Treasury Department to our members.

Definite results of the campaign have not been received as yet, but assure you we will advise you further when we have something concrete to offer.

~~_____~~
Fraternally yours,

S/S Francis J. DeLaurie
Secretary-Treasurer

KENTUCKY C I O COUNCIL

476 Starks Bldg.
Louisville
Sept. 21 1943

c
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Mr. James B. Carey, Sec.-Treas.
CIO
718 Jackson Place N.W.
Washington D.C.

Dear Sir and Brother:

In reply to a telegram from President Murray in regard to the Third War Loan Drive, wish to advise that all the Field Workers in this area are urging their respective Local Union membership to purchase additional bonds during the month of September if at all possible.

Some of the Locals have put on special drives, and are meeting with success.

Trusting this is the desired information, I am

Very truly yours

S/S Amelia Harp
Secretary-Treasurer

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OHIO CONGRESS OF INDUSTRIAL ORGANIZATIONS

503 United Bldg.
Akron
Sept. 20 1943Mr. James B. Carey, Secy-Treas.
CIO
718 Jackson Place N.W.
Washington D.C.

Dear Sir and Brother:

In answer to President Murray's wire regarding statistics of Third War Loan Drive the following pertinent information is offered for your records:

| | |
|---|-------------|
| Goal | 26,000,000. |
| Subscription to date | 17,000,000. |
| Drive runs to Sept. 30th. | |
| 75% of all subscriptions coming from organized labor over and above regular 10% payroll deductions. | |

Rubber workers' wage increases granted by National War Labor Board of 3¢ per hour as against their 8¢ per hour requested being used for this War Bond subscription. Back pay now being distributed by three major companies here. Drive for War Bond contributions timed successfully with the payment of back wages.

With all good wishes, I am

Sincerely and fraternally,

S/S Harry R. Doll, Sub-Regional Director
CIO

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CONGRESS OF INDUSTRIAL ORGANIZATIONS

205 West Wacker Drive
Chicago 6 Ill.
Sept. 20 1943

James B. Carey, Sec.-Treas.
Congress of Industrial Organizations
718 Jackson Place N.W.
Washington 6 D.C.

Dear Sir and Brother:

In reply to the telegraphed request of President Murray of this date, kindly be advised that the Chicago local unions are cooperating with the Treasury Department in the Third War Loan Drive to the utmost.

From all indications of information received the affiliated locals and their membership are, in addition to the regular payroll bond checkoff of 10%, buying bonds and stamps through local affairs, Treasury Department rallies at which movie stars are present, War Exhibit rallies, etc. In short, the CIO of Chicago is cooperating to the fullest extent and buying bonds over and above their regular purchases.

The Chicago Industrial Union Council, of which I am president, has a committee acting on this Drive working in conjunction with the Treasury Department. Mr. Sam Levin, President of the State Council, and myself are Sponsors of the Third War Loan Drive in Chicago.

We have written to the affiliated National organizations telling them to make special appeals to the affiliated locals to give and give again.

Trusting that this information meets with your approval, and with best personal regards, I beg to remain,

Very truly yours,

S/S Fullerton Fulton - CIO Director
State of Illinois

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CONNECTICUT STATE INDUSTRIAL UNION COUNCIL

95 Bank St.
Waterbury 18 Conn.

Sept. 20 1943

Mr. James B. Carey, Secretary
CIO
718 Jackson Place N.W.
Washington D.C.

Dear Sir and Brother:

In reply to Philip Murray's request for information for Secretary of Treasurer Morgenthau on the progress of the Third War Loan Drive among CIO members in Connecticut, I am pleased to advise that Connecticut locals have conducted their own special drives with excellent success. Besides obtaining the purchase of additional bonds by members, these locals have in many instances given special impetus to the drive among the public by participating in outdoor rallies and bond sales, etc.

Sincerely and fraternally yours

CONN. STATE INDUSTRIAL UNION COUNCIL

S/S Harold Senior
Council Organizer

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RHODE ISLAND STATE INDUSTRIAL UNION COUNCIL

511 Westminster St.
Providence R.I.
Sept. 20 1943

Mr. James B. Carey, Sec'y-Treas.
CIO
718 Jackson Place
Washington D.C.

Dear Sir and Brother:

In regards to telegram from President Murray on progress of Third War Loan Drive among our members, this is to advise that many of our members are buying additional war bonds, and we are making every effort to have all members buy extra bonds.

In many plants labor and management are holding mass meetings to encourage the purchase of additional bonds. Union representatives are on speakers list and working with the local War Finance Committee.

Fraternally,

S/S Anne Marsoli, Secy.

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CONGRESS OF INDUSTRIAL ORGANIZATIONS

109 Church St.
New Haven Conn.
Sept. 20 1943

Mr. James B. Carey, Sec-Treas.
CIO
718 Jackson Place N.W.
Washington D.C.

Dear Sir and Brother:

In answer to a telegram received from President Murray, concerning the purchase of War Bonds in the Third War Bond Drive by our CIO members, I wish to advise that it is my understanding that many of our members are buying Bonds besides regular payroll allotments.

I will ~~try~~ to get a detailed report in the very near future as to what percentage the increased purchases amount to.

I am serving on the State Executive Board of the War Council and on the Executive Board of the New Haven War Bond Committee. I have addressed three War Bond Rallies as representative of the CIO.

With best wishes, I remain

Faternally yours,

S/S Edward McChone
Regional Director

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CONGRESS OF INDUSTRIAL ORGANIZATIONS

544 Camp St.
New Orleans La.

Mr. James B. Carey Secy-Treas.
Congress of Industrial Organizations
718 Jackson Place, N.W.
Washington D.C.

Dear Sir and Brother:

CIO Regional Director Fred C. Pieper has referred to me a request from President Murray that you be advised of New Orleans CIO's participation in the Third War Loan.

Mr. Pieper, myself and members of the regional office staff have cooperated closely with the Louisiana and New Orleans War Finance Committee in connection with the Third War Loan by carrying the campaign appeal to all local unions.

This has been and is being done through conferences between representatives of the CIO regional office, the War Finance Committee, the local union and plant management to the end of arranging both increased payroll bond deductions and the purchase of additional bonds during the Third War Loan campaign.

To date, arrangements have been made in four local unions--1101, 1124 and 1167 of the United Sugar Workers and 1101 of the United Cooperative Workers--whereby members are pledging a portion of pay awarded under a WL order to the purchase of additional war bonds. In the case of 1101 and 1111, the American Sugar Refinery and the Brooklyn Cooperaage, unofficial reports place the pledge total at about \$12,000. Tabulations of pledges by the other locals are not yet available.

In addition to the above specific programs, CIO field representatives, following a meeting with the War Finance Committee, have carried the bond appeals to all membership meetings of local unions, additional pledges during the Third War Loan drive. Further, within the next few days I have scheduled meetings with War Finance Committee and management representatives in five more plants to arrange war bond programs.

The New Orleans NEWS-DIGEST has been used to promote the campaign, regularly carrying publicity to local union members. The CIO regional office staff, to keep abreast of the campaign, purchased additional bonds this month.

Hoping this information satisfies the request, I am,

Sincerely yours,
S/S Morris B. Higgins
Public Relations Representative

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TENNESSEE STATE INDUSTRIAL UNION COUNCIL

ROOM 302 * 218 SOUTH GAY STREET * PHONE 3-6323

KNOXVILLE, TENNESSEE

September 20, 1943

Mr. James B. Carey
Secretary-Treasurer
Congress of Industrial Organizations
718 Jackson Place, N. W.
Washington, D. C.

Dear Sir and Brother:

We are glad to send you this letter at the request of President Murray, advising generally what we have done to help promote the sale of War Bonds among CIO members in Tennessee during the Third War Loan Drive.

First, we sent a letter to each affiliated local and Industrial Union Council requesting that this matter be taken up at all the meetings in September, and that special emphasis be given to this question during meetings scheduled during the actual drive, urging the locals to buy bonds out of their treasuries if they were financially able to do so, and to urge their respective members to buy extra bonds during the drive. And in those cases where less than 100% of the membership was buying bonds on the payroll deduction plan, to put on special committee members to try and make it 100%.

We also asked all CIO Field Representatives and organizers for CIO affiliated unions in Tennessee to get behind this. And the few reports we have received indicate that our CIO members are doing their part - more than others are doing, to help put the Third War Loan Drive over.

However, we would probably have done better if our CIO people had been given committee appointments and more recognition in the form of active, recognized assignments in the various counties. Although we have over 60,000 members in Tennessee the CIO is not represented on the State Committee. And there is only one county - Shelby - where any CIO leader is on any of the committees, as far as we have been able to learn. Not only that, but why can't we get some sort of pennants for our locals where 100% of our membership is using 10% or more of their income to buy War Bonds regularly?

Fraterhally yours,
Paul R. Christopher

COPY

CIO
Smith Tower Main 6761 Seattle, Washington

Mr. James Carey
Secretary-Treasurer CIO
718 Jackson Place, N. W.
Washington, D. C.

Dear Sir and Brother:

As per request in telegram from President Philip Murray, under date of September 17th., I am wrting you to advise relative to our action in the Third War Bond Loan campaign.

While we have tried to take part in all Bond activities, and while several of the International Unions have done considerable amount of work among their members, the purchase of extra Bonds by our people is not as large as expected. The 20% withholding tax together with the Campaign for War Chest and Red Cross Drive, made the work somewhat difficult.

You can be assured that we will cooperate wherever possible with the officals of the Treasury Department and those conducting the drive in the State of Washington.

Fraterhally yours,

Roy W. Atkinson
CIO Regional Director
State of Washington

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YCONGRESS OF INDUSTRIAL ORGANIZATIONS
North Texas Sub-Regional Office309 Southwestern Life Bldg.
Dallas 1 Tex.
Sept. 21 1943Mr. James B. Carey, Secretary-Treasurer
Congress of Industrial Organizations
718 Jackson Place N.W.
Washington D.C.

Dear Sir and Brother:

I received the following telegram yesterday from
President Murray:

(Copy of telegram)

I am enclosing a copy of our Labor Day paper of which we distributed
22,000 copies in Dallas and Fort Worth. This is the only written ap-
peal we have made in behalf of the Third War Bond drive.We, of course, urge our membership at all meetings to participate in
this drive to the very limit of their ability. We have not so far
made any attempt to put on a CIO drive that would segregate the bonds
bought by the CIO members from that of the general drive. However,
our members are participating very well.

Sincerely and fraternally

S/S A. R. Hardesty, Director
North Texas Sub-Regional Office

UNITED STONE AND ALLIED PRODUCTS WORKERS
OF AMERICA

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Scampini Bldg.
Barre Vt.
Sept. 21 1943

James B. Carey, Secretary
Congress of Industrial Organizations
718 Jackson Place, N.W.
Washington D.C.

Dear Brother Carey:

On September 20th we received a telegram from President Philip Murray concerning the Third War Loan Drive. At his request we are replying to you.

Our organization has consistently stressed the importance and necessity for purchase of war bonds. Financial reports from local unions show they are investing surplus funds in war bonds and information from branch officers and representatives indicate our membership, in addition to payroll allotments, are purchasing bonds.

Fraternally yours

S/S John C. Lawson
Intl. Secretary-Treasurer

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CONGRESS OF INDUSTRIAL ORGANIZATIONS

NEW JERSEY REGIONAL OFFICE

17-19 William Street, Room 401

Newark N.J.

Sept. 20 1943

Mr. James B. Carey, Secy-Treas.
Congress of Industrial Organizations
718 Jackson Place, N.W.
Washington, D.C.

Dear Sir and Brother:

In regard to telegram sent by President Murray regarding the War Bond drive, the Regional Office has supplied speakers at bond rallies, organized bond rallies such as in Bloomfield N.J. where on Labor Day, \$33,000 in bonds were sold, one rally was held at the American Smelting and Refining Company, Perth Amboy, N.J. and one to be held at the plant of the Federated Metals Company in Newark next Wednesday.

These are only a few of the numerous rallies that have been and will be held in the future from which good results are to be expected. The above plants are under contract with the Mine Mill and Smelter Workers Union.

In addition, Local Industrial Union Councils, such as Greater Newark IUC, Bergen County IUC, Central Jersey IUC and Union and Middlesex IUC have set up war bond committees to push sales of additional bonds, and generally coupling political action campaign with the sale of same, in addition to newspaper ads and leaflets. Local Union newspapers have issued special editions on the war bond drive in the New Jersey area.

I have been flooded with requests for reports from other sources not related to our organization and have not had the time nor did I deem it necessary to reply to these various requests.

Last May I received a telephone call from Miss McCarthy while I was in Washington to get in touch with her office which I did. However, she was not in and later she wrote me a letter requesting a report on the Regional Offices war bond efforts. I called her up and spoke to her personally and explained to her that we were doing everything possible in the various drives.

It was quite a surprise to me that the Treasury Department should again make a request on this office for a report. I therefore want to emphasize the fact that this office has always cooperated fully with the CIO policy and matters of carrying out every phase of the war effort and especially in adhering loyally and strictly in keeping with the CIO no strike pledge

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and will continue to do so.

Of course, it is impossible to give a detailed report of amount of bonds sold in the hundreds of local unions in addition to regular payroll allotments in our State. Such a check-up is only possible through the International Unions who must check continually as the drive progresses through their affiliated locals. However, this no doubt can be done sometime in the future when they have the necessary time to carry on this work aside from their regular duties. If the Regional Office can get the data from the various Internationals, we will be glad to forward them to the responsible parties.

Hoping that the above report gives you some inkling as to the cooperation in the bond drive, I am,

Fraternally yours,

S/S Ewald Sandner,
CIO REGIONAL DIRECTOR

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau
FROM Randolph Paul

SEP 24 1943

Conference with Steelworkers

At 10:30 on the morning of September 21 I met with the Executive Board of the United Steelworkers of America at the William Penn Hotel in Pittsburgh. The invitation to discuss the Treasury's tax proposals with the steelworkers' representatives was extended by the officers of the international organization. Phil Murray presided at the meeting. On the platform with him were Daird J. McDonald, secretary-treasurer; Clinton J. Golden and Van A. Bittner, assistants to the president. Thirty-nine board members and 15 or 20 staff members were present.

I explained that I was going to give them an off-the-record summary of the tax program the Treasury will present to Congress and I invited their reactions to it. Mr. Murray also stressed the confidential nature of the discussion.

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In conclusion he expressed appreciation of my coming to talk confidentially with the executive board. He said talking these problems over with the "common people" indicated a wholesome spirit on the part of the Treasury. He expressed his gratitude to Secretary Morgenthau and to me for making this information available. And he finally cautioned the men again that the whole discussion was off-the-record.

[Handwritten Signature]

AMERICAN FEDERATION OF LABOR



Executive Council

- President, **WILLIAM GREEN**
 Secretary-Treasurer, **GEORGE MEANY**
 A. F. of L. Building, Washington, D. C.
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| First Vice-President, WILLIAM L. HUTCHINSON , Carpenters' Bldg., Indianapolis, Ind. | Seventh Vice-President, HARRY C. BATES , 815 Fifteenth St., N. W., Washington, D. C. |
| Second Vice-President, MATTHEW WOLL , 570 Lexington Ave., New York, N. Y. | Eighth Vice-President, W. D. MARRIS , 300 Varner Highway, East Detroit, Mich. |
| Third Vice-President, JOSEPH N. WAZEN , 621 Alta Drive, Beverly Hills, Los Angeles, Calif. | Ninth Vice-President, PAUL H. KENNY , 400-402 Carman's Bldg., Kansas City, Mo. |
| Fourth Vice-President, G. M. BUCKLAND , 1200 Fifteenth St. N. W., Washington, D. C. | Tenth Vice-President, EDWARD FLORE , 423 Sidway Building, Buffalo, N. Y. |
| Fifth Vice-President, GEO. M. HARRISON , Railway Clerks' Bldg., Cincinnati, O. | Eleventh Vice-President, HARVEY W. BROWN , Machinists' Bldg., Washington, D. C. |
| Sixth Vice-President, DANIEL J. TORON , 222 East Michigan St., Indianapolis, Ind. | Twelfth Vice-President, W. C. EISENHARTER , Deleware at Twelfth Street, Indianapolis, Ind. |
| | Thirteenth Vice-President, W. C. DOORNEY , 428 A. F. of L. Bldg., Washington, D. C. |

LONG DISTANCE TELEPHONE NATIONAL 3870-1-2-3-4
CABLE ADDRESS AFEL.

Washington 1, D. C.

September 24, 1943

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

Dear Mr. Secretary:

I am enclosing herein copy of a letter I have just addressed to the President of the United States, and which I am asking you to accept as equally addressed to you.

Respectfully yours,

President
American Federation of Labor

RmP
Enclosure

AMERICAN FEDERATION OF LABOR



COPY

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 Secretary-Treasurer, **GEORGE MALBY**
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- Thirteenth Vice-President, **W. O. STEPHENS**,
Delaware at Twelfth Street, Indianapolis, Ind.

NATIONAL TELEPHONE NATIONAL 3970-1-2-3-4
CABLE ADDRESS AFEL

Washington, D. C. September 24, 1943

Honorable Franklin D. Roosevelt
President of the United States
The White House
Washington, D.C.

Dear Mr. President:

Labor wants more adequate social insurance to carry workers through the reconversion and readjustments after the war and to protect us against dependency in the future. We propose to raise the rate of taxation on payrolls to twelve percent, half paid by employees and half by employers. Because wage earners incomes do not permit of much adjustment after we buy the necessities at present prices, we urge that the Federal tax program be drawn so as to permit us to make this investment, otherwise we shall be effectively denied our first step in post-war planning.

Our bill for this purpose which is already before Congress, would increase revenues from social insurance taxes to eight or nine billion dollars. On behalf of all wage earners I appeal to you for the opportunity to make this investment in insurance to provide against loss of income through unemployment, old age, permanent disability and sickness. This is the only fiscal proposal that will serve the double purpose of providing the Government with war credit and meeting the insurance needs of Labor. Forced loans may meet an immediate fiscal need but they do not provide insurance against coming emergencies that interrupt wage earning.

As you initiated our social insurance program, I feel warranted in making this plea. Expansion of social insurance to meet post-war emergencies desperately needs your support and leadership.

Very respectfully yours,
William Green

President,
American Federation of Labor

*Mr. Paul will
mail original
to Secy. 9/24/43*

Secretary Morgenthau

Randolph Paul

SEP 24 1943

Conference with Steelworkers

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(Initialed) R.E.F.

*orig. sent to Secy. of Farm
by Mr. Paul 7/24/42.*

SUMMARY OF TAX PROGRAM IN SECRETARY'S
STATEMENT TO WAYS AND MEANS COMMITTEE

I

Need for More Revenue

With governmental expenditures of \$109 billion and our present tax system, about \$66 billion must be borrowed from the banks and the public during the fiscal year 1944 if no further tax measures are enacted.

1. So much deficit spending threatens a further rise in prices.
2. A large accumulation of purchasing power also threatens prices and postwar stability.
3. The postwar interest-carrying charges are lessened by additional taxes.
4. Borrowing does not lighten the real economic sacrifice of the war, which is doing without wanted things.

II

Excise Taxes

The recommendation is \$2.5 billion new revenue from raising excise tax rates and imposing new excises.

1. The sales tax may be criticized on several grounds.
 - (a) That it affects necessary expenditures of the average family, which excises do not; that it is not compatible with wage and price stabilization; that it imposes severe administrative difficulties; and that it bears heavily on persons with low incomes.

- 2 -

2. There is a very strong demand for cigarettes, distilled spirits, admissions, etc., showing that added taxation is possible.
3. Excise taxes and the new rates suggested should not be permanent.
4. A sales tax with personal exemptions, or at a graduated rate, and a luxury purchasing tax of the British type is not practical.

III

Estate and Gift Taxes

The recommendation is \$400 million on a full year basis through an increase of rates and a reduction of exemptions.

IV

Corporation Taxes

The recommendation is an additional \$1.1 billion by raising the combined surtax and normal tax rates to 50% for the large corporations and 29 to 33% for small corporations.

1. Corporate profits are so high that these additional taxes can be paid.
2. Small corporations deserve special treatment as to rates, and should be permitted to cash their postwar credit immediately on termination of the war up to \$25,000.
3. We oppose corporate postwar reserves, but advocate a carryback system for late war expenses which will give adequate relief.

-3-

V

Individual Income Tax

A. Social Security Program. -- The preferred recommendation is that the Social Security program should be extended and expanded to cover practically all persons now uncovered, to increase unemployment insurance benefits, and to provide benefits for temporary disability and hospitalization, but not medical care.

1. This would require an increase in the employee payroll tax of 2 percentage points and an increase in the employer payroll tax of about 1 percentage point.
2. In this way there will be provided for the civilian population somewhat the same kind of postwar security outlined by the President for the armed forces.
3. These increased payroll taxes will check inflation during the war.
4. The individual income tax increases proposed have been adjusted for this 2-point increase in the employee payroll tax.

B. The Individual income tax. -- The recommendation is that there be increases in the income tax, integrated to the above Social Security program, which, together with the Social Security program, will yield from \$6.5 billion to \$8 billion of additional revenue, the net increase in income tax revenue being from 3 to 3 1/2 billion with postwar

-4-

credits being substituted to the extent that the Social Security increases recommended above are not adopted.

C. Postwar Credits. -- Postwar credits are recommended in the event that the Social Security program is not extended.

1. To the extent that a postwar credit is allowed, it should be returnable primarily to the low income group.
2. The credit should be currently available in part to those whose incomes remain fixed, or who have heavy commitments for debt repayment and life insurance contracts.

D. We have completed a study of the possibility of taxing increases in incomes and have decided not to recommend such a tax. The study is offered for the record.

E. To simplify the individual income tax law and the income tax return it is recommended that the Victory tax be repealed.

F. It is recommended that personal exemptions should be lowered from \$1200 to \$1100 for married persons and the dependency credit from \$350 to \$300, leaving the single exemption unchanged at \$500. This recommendation assumes the repeal of the Victory tax and the allowance of postwar

- 5 -

rebates. With such repeal, married persons with very low incomes will still be benefited.

G. Assuming the repeal of the Victory tax, it is recommended that the present falsely-named earned income credit be repealed.

H. It is recommended that the additional revenue required be raised through an increase of the surtax rates throughout the scale.

VI

Conclusion

While important loopholes should be eliminated, it may be impossible to deal with them in this bill because of time limitations.

Many technical matters important for simplification and the relief of hardship could be taken up in next year's revenue bill. In the meantime, to avoid retroactive taxation, the present bill should become law in time to place tax increases in operation on January 1, 1944.

MEMORANDUM FOR THE SECRETARY.

September 24, 1943.

Mail Report

Mail concerning the Declaration of Estimation hit its peak on Saturday, September 18, with 35 letters on that subject alone; two-thirds of them including copies of Form 1040 E.S. Since then, completed returns, remittances, inquiries and protests have continued to arrive, but with a diminishing intensity. Needless to say, there continues strong opposition both to the tax rates now in force and to further increase. A number of writers urge simplified taxes as well as simplified forms. Among the possible methods suggested, the sales tax continues to be the most widely approved. The Win the War tax program of the CIO was endorsed by 5 local Unions and by 21 persons in what might be the start of a postal card campaign. The excess profits tax on the income of individuals is recommended now and then, while one writer disapproved the current proposal to allow tax-exemption on insurance policies in effect prior to Pearl Harbor.

Bond mail was much like that of last week, although even heavier. Sales reports, requests for various type of assistance, and quantities of promotional material came in every mail. There were many replies to form communications mailed by the War Finance Division to banks, merchant associations, and Chambers of Commerce. While nearly all replies gave assurances of cooperation, many bank officials spoke out strongly against the competition of Federal Credit Agencies, or bewailed the manpower problem resulting from the failure of the War Manpower Commission to recognize banks as essential to the War effort. There were occasional protests of the use of long telegrams instead of letters, while several local Committee Chairmen explained that Bond sales are slow in rural areas because crops have not been harvested and cash is not available.

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Memorandum for the Secretary.

September 24, 1943.

For the first time there were a number of individual requests for exemption to the \$5,000 maximum yearly purchase ruling in regard to "E" Bonds. Each request was based on the purchaser's desire to contribute to the quota of a particular group or community.

There was a slight decline both in the number of complaints from War Department personnel and in the number of Bonds submitted for redemption.

Although earlier addresses by the Secretary were occasionally mentioned, most of the comments during the past week centered on the address of September 15 at the "Back the Attack" show. About one-third of the comment was complimentary. Most of the unfavorable comments were scribbled on clippings of an article by DeWitt MacKenzie, or appeared to be paraphrases of his ideas.

The anonymous, abusive postal cards and letters re-appeared in the mail and several came in each day. Taxes, the Third War Loan Drive, anti-British feeling, and Government waste all served as reasons for attack upon the Secretary personally and upon the Administration. Several writers sent copies of a hand-bill circulated in the campaign of Edward W. Carey for Mayor of Detroit and complained of the extremely prejudicial contents as calculated to stir up race hatred.

Although the protests about the new pennies have slacked up, they still appear with fair regularity and continue to be very bitter.

Abuello E. Forbush

General Comments

Fritz Lederer, Quito - Ecuador, S.A. I take the liberty again to draw your attention to the matter of fact that I made an application on the 15th of March, 1943, to your office, with the request to release my blocked 202 dollars, which I put in the Banco Central in Guayaquil, Ecuador on the 26th of August, 1942. I was called in this matter to the American Embassy in Quito on the 6th of May, 1943, and I gave all the information they want, frankly and truly. Since I got no answer, I wrote again to your office on the 8th of July, 1943, asking for a reply or a decision. Neither I got answer yet, nor has been sent back again my papers, sent on the 15th of March. Therefore I beg to ask you again, Dear Sir, to release my money, as I need it and I don't think that there is any slightest supposition that I am not worthy for the release of my money. Please accept my apology for the caused troubles.

Archibald McMillan, Boston, Mass. The three enclosures will explain why I cannot help in your campaign to sell Victory Bonds to the extent of \$1,000. Mary McMillan, my sister, has been interned by the Japs since January, 1942. She was associated with the Peiping Union Medical College since 1932. With a Power of Attorney I have had charge of her affairs and to her apparent satisfaction during that period. I was informed last June that her account was blocked and upon inquiry at the Federal Reserve Bank I was told that Uncle Sam was protecting her interests, just how, I have never been able to figure out. However, I spent hours filing the necessary papers to enable me to obtain a license asking that I be permitted to take care of her business as called for in my Power of Attorney. When I received the license it was so circumscribed that the bank declined to pay a check for \$11.00 for a fire insurance premium without first receiving the approval of the Federal Reserve Bank. I am now supposed to make a report on any business I may have transacted during those three months, and I presume apply for an extension. Aside from paying her taxes and making deposits I have nothing to report and as the State Department has notified me that my sister is returning on the

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Gripsholm, I shall not unravel any more red tape but will let things ride as they are until her return. Here's the check and it's up to you whether you want to fill the order. (Enclosed check for \$1,000 for Bonds returned to Mr. McMillan by bank as funds blocked and cannot be released for such purpose.)

J. Wesley Rose, Rochester, N.Y. Only the fact that this is still the land of the free gives me the courage to write this letter. Because of my vocation as an accountant, it has been, for a period of twenty odd years, my privilege and pleasure to have had a reasonable amount of contact and experience with the office of the Collector of Internal Revenue and other divisions of the Treasury Department. The contacts have been pleasant, the Treasury personnel excellent, and the rulings have been reasonable, fair and equitable. During the past year a new department has been added, namely the Salary Stabilization Unit, and, after some experience with that particular division, it is quite obvious that either the entire setup is subterfuge or the personnel is politic and incompetent, or else the Stabilization Act is so written as to make a reasonable or fair interpretation of the Act impossible. * * * Insofar as your Salary Stabilization Unit is concerned, it is a one-way street, for with that particular division time definitely is not of the essence and replies (if you are fortunate to receive one) are curt to the point of being insulting. Unfortunately, the only people who get euchred by your Salary Stabilization Act are the ones who are called upon to do the extra work in connection with Governmental requests -- namely, the so-called white-collar workers who are on a salary basis and who are honest enough to endeavor to comply with the law. * * * Your program from Monticello was excellent, in fact, the entire promotional program in connection with the Third Loan has been worthy of the Treasury Department. Frankly, the majority of the people in my category feel guilty that they cannot participate to a greater degree. * * * Personally, I doubt whether your S.S.U. has the authority to act favorably

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on a request, and if this is the case, in all fairness to the public, we should be so advised and thus eliminate the work that these so-called requests involve -- incidentally, this is the first letter I have ever written the Treasury Department that did not start with "Enclosed please find", and it really seems good.

Norman B. Hafleigh, President, Hafleigh & Company, Manufacturers of Bone Buttons, Bone Meal, Case Hardening Bone, Buchanan, Va. The enclosed clipping (Bond Statement) is from the Philadelphia Bulletin of September 13 and I am heartily in accord with everything you say, as I usually am. We need more Morgenthau's in Washington. * * * Now you want us to buy more Bonds, and we want to buy them but the Administration has practically knocked the foundations out from under us. During the first five months of this year there have been brought in from Argentina alone 2,932 tons of bones that were ground up for gelatine and fertilizer. These same bones could have had the buttons taken out of them and then gone into gelatine and case hardening material for hardening gun parts, but the short-sightedness of Washington has prevented us from getting one bone from South America since October 1942. We are shut down, all but our machine shop, where we have about a dozen men making small parts for gun mounts. We have left no stone unturned to get help, but without success. Do you feel disposed to do something?

W. C. Hubbell, President, The Harvard State Bank, Harvard, Illinois. We have your letter of September 7th expressing appreciation for the cooperation of the banks of the United States in the nation's war financing. * * * There are just two little favors we would like to ask of your Department in return. * * * First, when the Treasury Department has a difference to settle with banks, we believe it would be more ethical and polite to do it directly with the banks involved rather than through the newspapers. We have reference to your Mr. Bell's recent waspish comments on legitimate bank charges for handling

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redemption of U. S. Savings Bonds. Second, the next time the Department of Agriculture comes to the Treasury Department for a hand-out to be used in competition with country banks, we wish you would remember that in order to render gratuitous service to the Treasury Department, country banks must first make a living in their legitimate field of private enterprise, then pull the Treasury purse strings just a little tighter on the Department of Agriculture.

Senator H. C. Lodge, Jr., forwards the following letter he has received from Fred E. Bergfors, Treasurer, The Quincy Oil Company, Quincy, Mass. We have been informed that the Treasury Procurement Division is about to change the contract period for gasoline on their bids from three months to one month. This would practically eliminate us and all other small independent oil companies from bidding, as we could not afford the risk of a guaranteed bid over a year in advance. The elimination of independent marketers from bidding on Government business means that the Government will pay higher prices because even where the independent marketers have not been the low bidders, the fact that they were bidding influenced the prices submitted. * * *

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Favorable Comments on Bonds

C. Albert Gilson, President, The Farmers and Mechanics National Bank, Frederick, Md. * * * I am sure we are all glad for the part we have been privileged to have in all of this work under your able and inspiring leadership. I wish to thank you for your address in St. Louis last week. It made me feel like making greater effort in behalf of the Third War Loan. The banks have responded in every way possible to advance the War effort, which we all hope will be successfully and speedily concluded. * * *

Harry Scherman, Book-of-the-Month Club, N.Y.C. It was certainly most thoughtful of you to write me about our War Bond advertisement, in the midst of your perpetual activity, and I fully appreciate it. I always feel that these educational jobs are more or less futile, except for the long run. Yet, of course, they have to be done, and it is certainly gratifying to have you think that this particular one has been of some use in the current situation.

Benj. Mesrobian, Forest Hill, Long Island. Some thirty years ago I came to this country from Turkey -- one more Armenian whose life had been made unlivable by the then-existing Turkish regime. When I landed here I had 3 schillings in my pockets and nothing more. The following day I applied for citizenship papers, receiving them in due time. True enough, I worked very hard for little pay, but I was a young man then and it was good for me. It was not all hard work, however, for the country gave me many opportunities, never questioned my ancestry, nor denied me a chance because of my old-country beliefs and church affiliations. Today, I find myself comfortably settled in my home, with my happy family, and I realize that all I have I owe to my Uncle Sam. * * * I am, unfortunately, too old to fight and buying War Bonds makes me feel as I would if I charged my son board for living in our home. I happen to have two apartment houses in Forest Hills from which I collect rents. I have notified my tenants that if they will buy a Bond

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during this Third War Loan Drive, I will rebate \$5 on account of their October rent. Most of them have taken advantage of this offer so far. * * *

Robert J. Walker, Paint Lick, Kentucky. Nestling near the foot-hills of the Cumberland, on the bank of Paint Lick Creek, from whence the village got its name, is Paint Lick, Kentucky. On the morning of the 15th of September, 1943, the villagers were gathered, dejectedly discussing the battle of Salerno; all were wishing they could do something to help, and as most of them had bought about all the Bonds they felt they could, some one suggested they all "chip in" and buy a Bond in the name of the President, and send it to him to be put in a scrap book -- "The President's Scrap Book of War Bonds". No sooner suggested than they began to chip in and word of it passed around the village. Soon the money was made up to buy a \$100 War Bond. After the Bond was written and being made ready for dispatch, more money came in and War Savings Stamps were pasted on the face of the Bond. It was mailed to the President from the village of Paint Lick, Kentucky, for his "Scrap Book".

Charles H. Lane, Southboro, Mass. Urgent appeals are being broadcast over the radio to help the Third War Loan Drive. I cannot do anything more than I am already doing. I am employed on the night shift at the Bay State Abrasive Products Company in Westboro, Mass., and all of my salary, after tax deductions, is left for War Bonds. In other words, I do not receive one cent in money. I doubt whether a large percentage of the citizens of the United States can say the same. * * *

Charles J. Babcock, N.Y.C. On Sunday, Sept. 26, 1943, Holy Trinity Church will commemorate its Thirty-fifth Anniversary. This occasion will mark the opening of a campaign to liquidate the church mortgage by means

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of an arrangement made with the Lincoln Savings Bank of Brooklyn, N. Y., whereby all contributions received will be applied against the mortgage and invested by the Bank in War Bonds. By this method our parishioners will sustain their Church and also make a direct contribution to the Third War Loan. We believe this is unique in the history of Church financing. * * *

Marion G. Terry, President, Organization of Parents of Motion Picture Children, Los Angeles, Calif. Please accept my thanks for your timely wire of September 4 to the children of our organization. The youngsters were thrilled, and with the enthusiasm of youth, gave untiringly of their talents and efforts to make their Bond Drive of September 14 an outstanding success. You may be assured the boys and girls of the Motion Picture Industry will carry on, not only to inspire all others in our southland schools, but to all Americans, and those privileged to enjoy the hospitality and freedom of our great country, irrespective of race or creed.

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Unfavorable Comments on Bonds

Samuel Sternefeld, N.Y.C. I own Series D Bonds purchased in January, 1940. I bought these and named certain beneficiaries, and now I find that I want to change the beneficiary. To my surprise I was told that I could not change beneficiaries unless the present one signed a waiver. This would have been very embarrassing for me or any citizen to ask the beneficiary to sign these papers. Rather than do this, I had to sell a greater portion of these Bonds so that I could buy new ones, made out with the name of the new beneficiary. This, I believe, is very unfair. Because of my income bracket, the interest which I probably will receive on my sale will be approximately \$360, and this transaction will cost me 1/3 on my income tax. In other words, this action cost me \$120 only because I wanted to make a change of beneficiary. * * * After all, we have a right to leave our money to whomever we wish, and nobody likes to sell his Bonds prior to maturity unless it is an absolute necessity. * * *

Shirley M. Kammerman, Atlantic City, N.J. On April 8 I attended a dinner Bond rally at the Statler Hotel in Washington and purchased a \$1,000 Bond, for which I gave a check in payment. To date I have never received my Bond. Several times I have written to Mr. A. E. Wilson, who is Assistant Chief in Charge of the Division of Loans and Currency at the Chicago Office, and each time he writes that as soon as he has definite information he will write to me. * * * His letters have always been exactly the same, only for a difference in date, and I am not at all satisfied. Several months have passed since I sent him a photostatic copy of my check, which was never acknowledged. * * * I would certainly appreciate any attention that you could give this matter and advise me on it. I am enclosing photostat copy of my check which was the payment for the Bond in question.

Hugh W. Sanford, Knoxville, Tenn. I have just been approached for the purchase of some more War Bonds on the present drive. I bought my limit of \$5,000 Series E Bonds both for myself and Mrs. Sanford in April of this year, and I am now informed that I will not be permitted to buy any more of this class of Bonds. * * * If I buy any Bonds at all, I should take those which give a less return in interest. This indicates to me that the Government is not very anxious to sell Bonds to the people of wealth; otherwise they would not treat them in this fashion. Or perhaps it is that the Government merely wants to treat people of wealth in this manner. In my own case I would probably have to pay 75% to 85% of the interest on these Class E Bonds to the Government in taxes anyhow, so even if I were able to purchase the 2.9% Bonds, the actual spending money returned to me would amount to approximately .6%. * * * If the Government really wanted to sell War Bonds to the wealthy people, they would be more inclined to make the investment more attractive. Or does the Government expect rich people to put patriotism above everything else so that they will buy these Bonds even on a basis that pays practically no yield whatever to them, while the working classes are permitted to receive a much better return. * * * This sort of socialistic attitude is very discouraging to the average American who has saved money and gotten ahead. Unless some change of heart takes place in Washington pretty soon, I think there will be somewhat of a revolution in this country.

Anonymous - Postal Card. In re news reel showing you and Churchill. That was wonderful information. No person has hauled as much out of this land as Churchill - American lives, supplies and money. And he gets his picture broadcast for the purchase of a \$100 Bond. NO MORE THAN ANY ORDINARY WORKMAN in this land is expected to give. Does he come in for any of the 20% withholding tax? We did not see your picture taking that from him up to now. Why not show one of him getting the 20% for that's the way it is.

G. M. Poley, General Chairman, Ogle County War Finance Committee, The Ogle County National Bank, Oregon, Ill. I wish to protest most vigorously against your method of geographical sales credit of the Third War Loan securities. It is absolutely unfair to allocate sales of all but Series E Bonds to the geographical location of the purchaser instead of the geographical location of the issuing agency. Our Third War Loan Committee has worked hard for additional subscriptions from corporations doing business in this county and from non-resident landowners. * * * If you are going to have quotas, it is only right that the sales be credited to the place they originated. * * * In rural areas the larger cities receive credit for the Series E Bonds withheld under payroll deductions, rather than the communities in which the workers live. Unless you adopt a fairer method of allocating sales, your County Finance Committees will cease to put forth this extra effort.

Senator Burton K. Wheeler sends the following letter he has received from R. A. Culbertson, Chairman of Democratic Central County Committee, Chouteau County, Mont. (Identical letter also sent to the Secretary by Senator James E. Murray of Montana.) There have been several complaints made to me by the newspapers of this small community on the advertising sent out by the Secretary of the Treasury on these War Loan Drives. The Secretary of the Treasury asks them to secure sponsors to help pay for these advertisements. In these small communities they cannot secure sufficient sponsors to pay for these advertisements, and practically all the burden falls upon the newspapers. Further, they are cut down on their paper supply and are required to use such advertisements, which cuts them down on their legal commercial advertisements. So they feel, and I believe likely so, that they are carrying the whole burden of these advertisements. And I was wondering if there was any way in which the Treasury could be permitted to take up some of the slack in this matter by providing for some payment for these advertisements to the small newspapers, probably based upon the circulation of such newspapers. As in most cases, these small newspapers are having a hard enough time trying to get by without requiring them, at their own expense, to use their limited paper supply for running these advertisements, and it is also reducing their regular paid ads. * *

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John Smith, A Disgusted Taxpayer, San Francisco, Calif. Please read enclosed articles. If your Third War Loan is disappointing, your answer is here. We who work in shipyards see so much of our money wasted that we wonder if what we subscribe for War Bonds goes where our taxes go -- into the pockets of grafters and war contractors, and not into the proper channels -- that is, war materials.

Congressman Robert A. Grant, Washington, D. C. (Indiana). I am sending you a copy of a telegram which was forwarded to me by the Editor of a newspaper of some 10,000 circulation in a small city in Indiana. I would like to have you advise me how many newspapers of the country received copies of this telegram and what was the expense involved. I would also like to have your personal comment as to whether or not you approve of this tripe at the expense of the Bond program which we are trying to promote. (Long telegram by line Hortense Britt, describing HMJr's. broadcast from Monticello, signed Treasury News Room.)

Senator Tom Connally (Texas). Herewith I am handing you a letter from Mr. Rau H. Nichols, Editor of the Vernon Daily Record of Vernon, Texas, with respect to wasteful extravagance in the matter of telegraphing instructions for advertising regarding the Third War Loan. * * * (The letter from Mr. Nichols reads as follows.) On September 8 we received a telegram of several hundred words giving copy for a full-page advertisement which we were requested to run free in connection with the Third War Loan. The Treasury Department was not satisfied to waste many thousands of dollars of the taxpayers' money in handling a matter by telegraph, which could have just as easily been handled by mail, but went on to give detailed instructions as to capitalization, punctuation and spacing in connection with putting the ad in type. * * * The Treasury Department spent the taxpayers' money with the Western Union, asking newspapers to donate hundreds of thousands of dollars worth of space. * * * The only way a free press can be maintained in this country is through the sale of advertising. Under present Government policies, the idea seems to be that all paid advertising should be discouraged. * * *

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I believe relations between the press and the Government would be on a much sounder basis if the Government paid newspapers for services rendered, just as it pays other kinds of businesses for goods and services. I think this matter is serious enough to justify some attention by Congress. * * *

Cezar Milos, Officers and Seamens Unions of the Kingdom of Jugoslavia, N.Y.C. There are many Yugoslav seamen who have bought War Bonds to help the Allied cause. Many of them have put them in their name and as beneficiaries, relatives in Jugoslavia. We considered that it will be possible to cash the Bonds through the American Embassy or Consulate in a foreign country. Just now we learned that those Bonds can be cashed only in the United States and not from a foreign country. That fact puts our sea-going men in a very difficult position. Many of them may not be able to come to the United States for the purpose of cashing War Bonds, as they do not know where their assignment might take them. * * * For others, big travelling expenses may be involved. Many seamen will probably consider it necessary to cash the Bonds before maturity date, and maybe at their next visit to the United States. * * * This fact does not make it possible for us to recommend further buying of War Bonds, as we have done until now, as we and the seamen will have to consider that the money invested in War Bonds will be lost. * * * We would appreciate it very much if you could let us have some explanation concerning the above situation. * * *

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Favorable Comments on Taxation

Max P. Haas, European Picture Service, N.Y.C. I believe that many people are seriously inconvenienced by the impossibility to continue to buy Tax Bonds. This is particularly true of those taxpayers who are not subject to the withholding tax because they are in business for themselves. I am sure that an issue of Tax Bonds, even if it would not bear any interest at all, would be a great help for these taxpayers because it would enable them to save up for the day when their taxes fall due.

Unfavorable Comments on Taxation

Augustus L. Richards, N.Y. C. My purpose in sending you the enclosed correspondence with a local branch of your Department is not to criticize any individual, but to bring to your attention a general condition which could be easily corrected by a few words from high authority, to the enhancement of the popularity of your Bureau of Internal Revenue. (The following comments are from the letter addressed by Mr. Richards to the Collector of Internal Revenue, 110 East 45th Street, N.Y.C. -- Joseph T. Higgins.) I have your letter of September 3 in which you advise me that you received my V-1 Return of Victory Tax Withheld for the period ending June 30, 1943, but that no remittance was enclosed; and after calling my attention to a statute imposing "severe civil and criminal penalties for willful failure to pay over amounts withheld for tax and declared by the statute to be trust funds, conclude: 'Filing of suit is now under consideration'. This return was prepared by my secretary, and I had supposed that she attended also to the drafting and enclosure of a check for the amount stated to be due and enclosed with the return. She evidently overlooked this part of the transaction. * * * I am sorry the money was not remitted when due. (Check enclosed.) * * * I wonder if the young person (for I assume it was a youngster) who wrote that letter has any idea of the harm he is doing, not only to the Treasury Department, but to the Administration in general, and even to our Federal Government by letters like that. I presume it is a kind of form letter which is sent out to any taxpayers who have been careless in forgetting to enclose checks, and that it represents in its tone and atmosphere the policy of your department in dealing with taxpayers. * * * The letter assumes that I am a crook, wilfully seeking to defraud the Government. It refers to criminal penalties and threatens to enforce them against me. As a matter of fact and of common sense, the presumption should be the other way. When a citizen turns in a tax return showing him to be indebted to the Government in a specified amount, and stating that he is

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remitting that amount with the return, and you find no check enclosed, the natural inference would be that the omission was an inadvertence. The letter which should go out should be a simple notification, courteous in tone, advising the taxpayer of the absence of the remittance and requesting him to send in the money promptly. Then if he does not respond, it is time enough to suspect that he may be a crook and write him accordingly. * * *

Anonymous - postmarked Paterson, N. J. If the New Dealers take another 10% out of the working man's wages, they are nothing but leeches. It is not the people's fault that we are in this awful debacle of this bloody war all over the world, it is the fault of the New Deal interventionists, and it is just to make the rich richer. The commitments made by Mr. Roosevelt and his buddies to Britain got us into this mess. (Signed) A Mother With Boys Fighting in This War.

Annette V. Marshall, Otsego, Mich. I have just returned home, after paying \$3.00 to have some one make out the new Federal income tax form for me (my nerves being in such a state, worrying about our country being "thrown to the dogs", or the British Empire), that I just couldn't battle with its complexity myself -- my total income for 1942 was \$1,277.50 and for 1943 it will have been \$1,441.50. Out of this pittance I am forced (it's not done willingly) to pay by the end of this year \$154.80 in Federal income taxes; \$15.35 Michigan State tax; \$80.00 as a property tax on a house; 3% Michigan sales tax; plus 10% luxury tax. * * * Only that I do not care to embarrass relatives and friends, I would have the spunk to refuse to pay such killing amounts and would just let them "come and get me". * ** The whole War from the exchanging of the ships for bases to the present moment is a horrible sell-out of the American people, and while I have never voted for Mr. Roosevelt, I believe I will in 1944 (provided, of course, that he doesn't die in the meantime -- I hear at the moment that

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he isn't any too well --) in order that he may finish what he started. Kindly keep this in mind when you are fixing up next year's torture.

Linda Aslaug Lynneberg, N.Y.C. For the past four days I have been reading the letter you sent me asking for a declaration on the 15th of September or the 15th of December, and I still don't know what to tell you. I'm a toy demonstrator and most of my business is done between December 15 and December 25. I'm paid on a percentage basis, so my wage depends on the amount of business I produce. Since I receive no fixed wage, if I fill out the declaration I'm liable to underestimate my year's salary. I would then be liable to a penalty. * * * Isn't it unconstitutional for the Government to demand that I hazard incriminating myself? It is possible that I won't make enough to have to make a declaration, but I don't know. I will receive a statement of my income for 1943 about January 15, 1944, so I don't see how I can make a correct statement on the 15th of December, 1943, since most of my income will be earned after that date. * * * P.S. Vice President Wallace suggests that every one should be free from worry about a job; maybe I'll take his advice and stop working. Whenever I have a job, my worries begin.

John M. Phillips, Omaha, Nebraska. I am just mailing in my income tax return and my thoughts turn naturally to you, not in gratitude but in anguish. May I make some suggestions that occur to me as a taxpayer? Could the specific instructions of the work sheet be put in Missouri River American next time? I have gone over some of it again and again and still do not smell the idea the writer was trying to convey from his mind to mine. Remember as you prepare to lead us to the financial slaughtering pen again that some of us have already had a raise in rates of twelve and one-half percent for two years. Please desist from telling us what the English do on taxes. They have a different system of levying taxes and we pretty generally know it. We like the English so please do not develop ill will toward

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them. * * * Talk about giving aid and comfort to the enemy, we could lose the war while millions of us are home toiling and fuming over the incomprehensibles of the work sheet. I believe you are a good and upright man. I am sure you do the best you can in an exceedingly difficult post. I am not complaining, at least I am trying to keep from complaining; I am not threatening; I am just asking that you show a little mercy to us who are not financial wizards or CPA's.

Rev. Henry A. Walters, First Presbyterian Church, Kimberly, Wisconsin. * * * The confusion in your Department is most disillusioning to multitudes of us. Last January 10, in order to honestly cooperate in the payment of the Victory Tax, I applied to the Department of Internal Revenue for full information concerning it. Your Department was absolutely uninformed concerning method of payment, etc. This was ten days after the law had gone into effect. I feel sure you will agree that this is a clear cut case of delinquency. Today I have filed my 1943 tax statement, and I am informed that I am fined \$10.00 for delinquency in making Victory Tax payment, and that if I do not make out the next installment on time (necessary statement is not even available yet), I will be fined still more. I think I speak in behalf of thousands of confused and busy people when I beg that tolerance be used in exacting of fines that have been caused, in part at least, by your own Department. Please, for the sake of the nation, streamline these confusing, overlapping tax returns and get the printed material out on time.

Herbert J. Atkinson, South Sudbury, Mass. Perhaps you would be interested in knowing just how this new income tax law is working in an actual case. * * * We have a small business, operated from home, on a back road in the New England countryside. * * * This business was started about ten years ago by myself and wife. At first we produced our product and conducted the business as a sideline. The business grew until we needed some one on the job full time, so we hired our first employee

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and today we have twelve. The growth of our business has been financed entirely from its profits, and you know how a small growing business needs money. Each year our income taxes have increased until last year, 1942, I was told that our books showed that we had made sufficient profits to indicate that we owed an income tax of about \$7,300.00. This seemed like an impossible amount, but we had a full year to pay it, and by June 15, 1943, half of our obligation had been liquidated. We immediately began to deposit, in a special bank account, \$300.00 a week to take care of our new taxes. Imagine my surprise when I was informed the other day that the projected profit curve for our business for 1943 indicated that our total income tax liability would amount to somewhat over \$22,000.00. On this we would get credit for the payment we have made on the 1942 tax. But the balance would have to be paid in two equal installments within a 13-week period. This, in view of the fact that the total we have taken out of the business for personal living expenses for the first eight months of 1943 amounted to only \$3,939.00. Today, I convinced a banker that he should loan us enough to pay the installment on our income tax due September 15. The borrowing of money was a new experience, for as I have said, we finance this business out of profits. A check will go to you tomorrow for \$9,610.80, and we have until Dec. 15 to pay back the loan and accumulate another \$9,610.80 to pay the next installment. It does not seem possible that a business of our type can have even \$400.00 a week taken out of its working capital and still continue to exist. But \$400.00 a week won't pay back the loan in thirteen weeks, before the next payment is due. It would take almost \$750.00 a week. If we had had a full year in which to pay a full year's taxes, we feel that we could arrange to struggle through. But with \$750.00 a week taken out of our slim assets, and the prospect of extra payment due March 15th, to make up for the 1942 tax, the situation looks hopeless. * * *

T. B. Williams, San Marino, Calif. I wish to add my protest to the present system of income tax, which was recently adopted by Congress. I am a lawyer, a banker

and an experienced accountant. I therefore feel qualified to talk with some understanding of the problem. The present system is nothing but confusion, and on every side I hear similar exclamations from my friends and associates. Any system that applies to the great mass of the public must be simplified if you expect to have reasonable compliance with that system. The great mass of the public has little understanding of accounting, and none of the law; and when the people are confronted with complex regulations, couched in legal language, they throw up their hands. As an experienced business man I have read the series of directives on the subject, issued in the last six or seven months, and I chucked them in the corner in the spirit of confusion and disgust. * * * Most people conscientiously try to comply with all the "weasel" words in Government regulations, but when those weasel words leave them in a state of confusion, you can imagine what the political repercussions will be. * * * Before it is too late, I urge you to back-track and think in terms of the administrative and practical problems as well as in terms of technical and mathematical formulas. * * *

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Comments on Speeches

C. Reutel, Chicago, Ill. Your address last evening is not encouraging. It certainly won't build up morale and encourage buying Bonds, when such a drive through Italy would mean death (staggering losses) to great numbers of our sons. We mothers are opposed to this useless invasion. We desire peace negotiations. Where there is a will there is a way.

Alberta F. Matthews, Poughkeepsie, N.Y. I have been ill for a long time and it is very difficult for me to write, but I am so incensed by your remarks about the "foolish optimism" of the people regarding the War that I feel impelled to remind you of a few things you seem to have overlooked. I have talked to many about the progress of the War and have found no one who has not a keen sense of the seriousness of the situation or is unwilling to make any sacrifice necessary to the winning of the war. There seems to be, however, no enthusiasm as to the way things are being handled on the home front, which, after all, is a very vital part of the war. Don't you think you would have presented a much more honest picture if beside the expenditures for the conquest of Sicily you had given a list of the wasteful expenditures made by the Government? * * * Don't you think it is time you turned a critical eye on your own political family and insisted that economy be made the order of the day, instead of assuming that money grows on trees? The people are all right; they have always come up to the scratch and always will, but they are sick and tired of being scolded and threatened by Government Officials. * * *

Emil B. Vietheer, Hoboken, N. J. I've read your statement. It is just wonderful. That's the kind of statement that can win the War for us. If every reader who had read it will follow your lines closely, the War can be accomplished and won in a shorter time. * * * Lots of writers are doing a lot of damage with their foolish

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stories; better not to have them. Real facts of the truth will give our boys more courage to fight than to read a lot of praise. * * *

Dr. S. J. McGraw, El Dorado, Arkansas. I just read your account of our losses in Sicily and Italy, that's bad. Also your warning to the American people not to become overconfident, that's good. You admonish us to save and buy Bonds, which is also good. But did you ever stop to think how much money you could save if you were to dismiss the three hundred thousand useless employees Senator Byrd tells us about, who are on the Federal payroll? We could buy Bonds with much better grace if we knew our money was being used economically for the boys at the front and not being sucked up by political vampires here at home.

L. J. Roach, Victory Hotel, Burbank, Calif. Your recent radio talk (shall we call it an explosion?) is the most refreshing thing that has come out of Washington in years. Since January, 1933, F.D.R. and Queen Eleanor have spread the idea that the average mentality of the people of the United States is about 8 years; and thousands of Federal employees firmly believe it, and treat everyone accordingly. I am a Veteran of the Spanish War and Philippine Insurrection, age 65. I work 48 hours a week in an aircraft factory. Let us have more plain talk and less scheming to make elective offices perpetual.

Anonymous -- postmarked Kalispell, Mont. What's the matter with your eyes that you can't see the sign posts so close to you? Optimism is winning this War and you can't stop it. * * *

W. A. Taylor, Santa Ana, Calif. I have read your description (in connection with the War Bond sale campaign) of the losses of materials in the Sicilian campaign -- all of which is regrettable, but an unavoidable accompaniment of War. The press has, however,

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within the past day or two, given particulars concerning an enterprise which is neither necessary nor inevitable, and which has, to my certain knowledge, aroused much indignation. I refer to the "Department of Pronunciation", headed by a man at \$8,000 a year, with an Assistant at \$5,000 per year, and with 110 employees, which, it is asserted, are to be increased shortly to about 25 or 30 more. It is further stated that inquiry of several Congressmen fails to locate any member of Congress who knows anything about any authority for the existence of such a Department or any appropriation for its support. * * * Indeed, I have just subscribed for more War Bonds for myself, and for a trust which I administer, and I am a peaceable man; but if this story proves to be true, and the Government is wasting our money for such purposes as above-indicated, I will want to fight here at home!

Henry L. Exstein, N.Y.C. * * * You of course received many letters of thanks from radio listeners about your "Monticello" program. It was so well done and interesting, free from commercial, and with it all so dignified, felt it incumbent upon me to say many thanks for keeping alive the spirit of that wonderful patriot.

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Copy of this letter and the attachment
returned to Mrs. McHugh for Mr. Paul.

Att: "A New System For the Taxation of
Weekly Wage Earners", presented to
Parliament by the Financial Secretary
to the Treasury, Sept. 1943.

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White



Your Reference _____

Treasury Reference _____



TREASURY CHAMBERS,
GREAT GEORGE STREET,
LONDON, S.W.1.
24th September, 1943.

Dear Mr. Morgenthau,

The message from you which the Prime Minister read out in the House of Commons on Wednesday was, as you will understand, especially valued by all of us at the Treasury who worked under Kingsley Wood, indicating as it did that you on the other side of the Atlantic shared in the sudden shock and loss which we all sustained a few days ago. It came at a particularly sad moment, because the Chancellor had on the very day of his death intended launching in Parliament his new "pay-as-you-earn" Income Tax scheme. I know that he had intended to send you a copy of the proposals and that it would have been his wish that I should now do so on his behalf. I am therefore sending with this letter a copy of the White Paper which was presented to Parliament and which gives full details of the scheme.

There are naturally wide differences of detail between the Income Tax systems in operation in our two countries, and I think you will be interested to see how the Chancellor of the Exchequer had proposed to apply in this country a principle which has already been adopted by you in the United States. I think he would have wished me to tell you, in particular, that before embarking on this plan he had himself given very close and prolonged study to all the details of the American scheme now in force. He would have been the first to acknowledge what he had learnt in this way from the pioneer work on the subject carried out in the United States.

Yours sincerely
Ralph Assheton

RECEIVED
Treasury Department
OCT 8 1943
Director of
Mortgage & Finance

Henry Morgenthau
Secretary to the
United States Treasury.

P.S. Since signing this letter Sir John Anderson has been appointed Chancellor of the Exchequer, and he will, I know, wish to write to you himself very shortly.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Consulate General, Calcutta, India
 DATE: September 24, 1943, 10 a.m.
 NO.: 1230

PRIORITY.

SECTION TWO, re: Silver.

1. 100,000,000 ounces of silver could effectively be utilized by the Government of India if it were lend-leased to them now:

- (a) The intention, according to a statement made by Mr. Raisman, is to set up a "mass of maneuver", selling only to keep the price down and to intimidate speculators; this amount is justified by the theory that the bigger the stock the less the need for wielding it. The Indian Government wishes to keep the price down because of the following reasons: (i) The public regards bullion prices as an economic barometer; (ii) the rupee coin might be melted down should the price go beyond the danger point of 150 rupees per hundred tolas.
- (b) It is the belief of the Governor of the Reserve Bank (Deshmukh) that silver should be used for selling and - if necessary - for additional minting. The price of silver is now around rupees 120 per hundred tolas in Bombay; however, the market is very thin with the supply on hand being only 800 bars and the daily off take amounts to between 10 and 50 bars (in the past it was often over 100 and sometimes as much as 350 bars). Consequently, the silver market in Bombay is highly sensitive and speculative. Should it be true - as officials here claim it is - that the peasants of India have higher money incomes with few consumer goods available for purchase, there will be a persistent demand for gold by the wealthier primary producers and for silver by the poorer primary producers; the seasonal peak for both will be from December to April. Hence substantial quantities of silver should be saleable without pushing the price below one rupee per tola, in which case 1,000,000 ounces would yield approximately twenty-seven lakhs - minting yielding double. Consequently, should 4,000,000 ounces of silver be sold per month at one rupee per tola, there could be a reduction in the inflationary gap by over one crore.

(c)

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- (c) While point (b) above is more convincing and perhaps franker than point (a), under point (a) substantial amounts would have to be sold in order to keep the price down.

2. Of course, the case for minting silver is familiar to you. It is claimed by officials here that India could easily absorb 8,000,000 ounces per month for coinage alone. The officials also emphasized that the minting of silver would help relieve the immediate food problem by inducing the peasants to dishoard food. However, the net effect of dishoarding by the peasants might be concentration of food into large hoards unless effective anti-hoarding measures are adopted.

3. It might be worth considering ~~the~~ one suggestion which was made to me in an informal manner; that is, that the Treasury provide silver to India to the extent that India advances rupees for USAF expenditures, which now total one crore per month. The Government of India would undoubtedly, for this purpose, prefer silver to gold.

PATTON

1943 SEP 23 PM 2 37

TREASURY DEPARTMENT

F.S. SECRET
BRITISH MOST SECRET

COPY NO. 1

OPTEL No. 315.

Information received up to 10 a.m. 24th
September, 1943.

1. NAVAL.

Mediterranean. 21st/22nd. M.T.B.'s sank two
ships and damaged two others in Valona Harbour (Albania).
One M.T.B. damaged by shore batteries but reached harbour.
No casualties.

22nd/23rd. One of H.M. destroyers sank a
Westbound ship off Rhodes and damaged an escort vessel.

23rd. Polish S/M DZIK' sank three Siebel
Ferries off Bastia where enemy evacuation continues by sea
and air. Enemy activity against shipping in the Salerno
Area has been on reduced scale.

Atlantic. On Morning 23rd, two further
attacks by U-boats on outbound convoy South of Greenland.
A Canadian frigate was sunk.

During 22nd/23rd escort vessel and Canadian
Aircraft had some successes.

2. MILITARY.

Italy. Enemy continues withdrawal Northwards
pivoting on Salerno. Considerable minefields have been
encountered. Fieldworks are in preparation South of
River Volturno.

Fifth Army. The Sorrento Peninsula is largely
in our hands. U.K. formations are attacking in Salerno
Area and making slow but steady progress against positions.
U.S. forces continue to advance opposed by rearguards.

Eighth Army. British troops in contact with
the enemy at Spinazzola (25 miles Northeast of Potenza).
On remainder of front forces continue to concentrate with
patrols moving forward. A strong force has been directed
against enemy's position at Altamura.

Russia. Russian attacks continue and
captures include Pochinok (35 miles South by East of
Smolensk), Unecha (15 miles North of Starodub and Poltava).

3. AIR OPERATIONS.

Western Front. 22nd/23rd. 2358 tons dropped
in Hanover Area where first reconnaissances show that main
weight of attack fell to South East of City.

23rd. 270 tons dropped in two attacks by Fortresses (B.17) on Port Area Nantes where main target was U-boat supply ship. 4 ships and floating dock damaged in first attack. Heavy and medium bombers dropped 515 tons on 5 airfields in Northern France. Fighter bombers made small scale attacks on 4 other airfields and on Lock Gates at Wemeldinge (Dutch Islands North West Antwerp).

Casualties 23rd. Enemy by bombers. 11 5 6
By Fighters. 13 4 4 . Ours 3 Fortresses (B.17) 1 Fighter bomber and 5 Fighters missing. 1 Fortress (B.17) crashed in U.K.

23rd/24th. Aircraft despatched. Mannheim 635 (32 missing), Darmstadt 25 Aachen 6, Leaflets 28 (1 missing) Intruders 27 (4 enemy aircraft destroyed). At Mannheim preliminary reports indicate good attack in clear weather. 9 enemy aircraft operated over East Coast. No damage or casualties reported.

Italy and Corsica. Bastia, Leghorn and Naples attacked by 240 heavy and medium bombers on 21st and 114 medium and light bombers night 21st/22nd.

22nd. Objectives in Naples Area shipping near Corsica attacked by 209 medium bombers. From these operations 7 Allied aircraft missing and 2 more crashed.

Greece and Dodecanese. 22nd. Liberators (B.24) dropped 100 tons on airfields at Maritza (Rhodes) and Eleusis (Athens).