

Diary

Book 694

January 14-17, 1944





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January 14, 1944  
9:30 a.m.

GROUP

- Present: Mr. Bell
- Mr. Gaston
- Mr. Smith
- Mr. Sullivan
- Mr. White
- Mr. Thompson
- Mr. Haas
- Mr. O'Connell
- Mr. Blough
- Mrs. Klotz

H.M.JR: Is Paul sick?

MR. O'CONNELL: No, he left to go to Providence last night. He is making a speech tonight.

H.M.JR: Herbert?

MR. GASTON: I have nothing.

MR. O'CONNELL: We heard several rumors yesterday that a deal was being made to settle the fight on re-negotiation. The rumor resembles quite closely what Forrestal had suggested from time to time, that the Senate Finance Committee recede on most of the amendments they prepared, but that they set on a termination date.

Several people called independently of each other and asked us whether such a deal was pending. And, of course, we said that so far as we knew, no, and we were pretty confident that we didn't know it.

As near as we can figure out, the rumor has apparently started from Senator George or from some people down on the Hill who would like to settle on that basis.

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As you probably know, at the last meeting we had at Byrnes' office we agreed that we would make no such agreement with Senator George. It may be though that by the time the thing gets to the Floor some sort of a deal will be offered by the Senate Finance Committee or Senator George, so I gathered that we would probably accept it.

H.M.JR: What would be the cut-off date?

MR. O'CONNELL: The only one discussed in our group was January 1, 1945. They talked of an earlier date of July 1 of this year, but Byrnes seemed to be of the opinion that the first he would agree to would be the 1st of January next year, but with the authority of the President to extend the date.

MR. SULLIVAN: Would that be for contracts executed after January 1?

MR. O'CONNELL: No, it would be for business done after January 1, 1945.

H.M.JR: Business done or new work?

MR. O'CONNELL: Business done under any contract after January 1, 1945, whether a new contract or an old one.

Politically it seems to me to be wrong. It sounds ridiculous to the average fellow to build such a background and in the next breath say, "Repeal the statute at the end of this year." It doesn't sound right to me, but I think that kind of deal may be worked out. But, no one has any authority to make such a deal.

One of our difficulties is that there are so many people talking and so many people--five or six agencies are concerned, and each one of the agencies has half a dozen people, all with different ideas about it. It is a little difficult to follow the line, but no one is supposed to make such an agreement without further discussion with the interested agencies and with Byrnes, because Byrnes said definitely the other day that the President did not want to make a deal which would have a cut-off date in it. He apparently had talked to him.

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H.M.JR: Anything else?

MR. O'CONNELL: That is all I have.

H.M.JR: I have no report about what Sullivan is doing with the selling of surplus property.

MR. SULLIVAN: I will get you one, sir.

H.M.JR: I would like to be kept current. I don't know what happened in the last week or so.

MR. SULLIVAN: Day before yesterday they had their auction sale on the horses, which was pretty successful.

H.M.JR: What prices did they bring?

MR. SULLIVAN: Sixty and seventy dollars apiece.

MR. BLOUGH: Some of them were more than that.

MR. SULLIVAN: The ones that weren't any good we got sixty or seventy dollars apiece for.

H.M.JR: That is out at Front Royal?

MR. SULLIVAN: Yes.

MR. GASTON: I noticed the story on the ticker this morning about a tax compromise involving the passage of a sales tax and exempting the necessities of life.

MR. BLOUGH: I didn't see that. Who is that supposed to come from?

MR. GASTON: They didn't nail it to anybody at all.

MR. BLOUGH: George said on the radio that if the President vetoes this bill we will have to decide to stand pat or get another bill.

MR. O'CONNELL: There might be a compromise including a sales tax.

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MR. BELL: Practically every editorial this morning comments on the sales tax or has the suggestion that we have a sales tax.

MR. SULLIVAN: I think the best way to keep you current on Procurement is to set up the same kind of report we gave you on the Lend-Lease and Russian programs.

H.M.JR: I thought we were going to get that.

MR. SULLIVAN: I will see that you do.

MR. HAAS: Here is some interesting week-end reading (Hands the Secretary memorandum dated January 14, 1944, and attachments).

H.M.JR: All right.

MR. HAAS: That is all I have.

MR. BLOUGH: I suppose you saw that the Republican caucus is calling on the Treasury to simplify the tax returns.

H.M.JR: No, I didn't see that.

MR. BLOUGH: Yes, they called for simplification, and, in effect, said, "We expect the Treasury to get busy and simplify it," the implication being that the reason it isn't simple is because we don't do what we could do under the law. Whether that will call for an answer, I suppose, depends on Public Relations.

H.M.JR: Will you have a look at it, Fred?

MR. SMITH: I didn't see it.

H.M.JR: You stay behind, Roy; I want to see you.

MR. SMITH: Just as a matter of interest, I talked to Larry Houghteling, and he told me that five thousand out of fifty thousand workers at Bridgeport are out of a

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job now because of the cutbacks. Ten percent of the people are out of a job right now.

MR. BELL: Several people came into my office lately and said that there has been quite a letdown in business throughout the country and said we should make a little study. Several have asked if we didn't know it, and said there was quite a substantial letdown.

H.M.JR: I saw in the annual report of General Electric that they had cancellations of over four hundred million in contracts. You don't see any evidence in what you are spending, do you?

MR. HAAS: It is not substantial yet. It is spotty yet.

MR. SULLIVAN: Most of those cancellations are substituted with new contracts. It is a change in the commodities being manufactured, isn't it, Dan?

MR. BELL: That is the statement that is being made by the War and Navy Departments. I don't know if that is true in every case. If there are new contracts, I suppose it takes time to get into production.

MR. O'CONNELL: I think in places like General Electric it won't affect their production, but some of the cancellations in places like Bridgeport involve stopping production in a given plant and letting the fellow just hang until he gets something else.

I think New Castle, Pennsylvania lost a couple of contracts, which means some unemployment.

H.M.JR: George, I would be curious. In any of these places like Bridgeport and New Castle, where they have Federal Housing will they go right ahead and build new houses, adjust themselves to the situation, or what? What does the Manpower Commission do about that? What does McNutt's office do about a thing like that?

MR. WHITE: The shipbuilding industry is going to a two-shift day instead of three shifts for the whole of

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this year, which presumably will release somewhere around a million men, whom, they expect, will be absorbed in other industries, because most shipbuilding areas are in tight labor areas. Whether they will be released, I don't know, but I think the significant thing is they have gone from a three-shift to a two-shift basis.

H.M.JR: George, that is all down your line. You ought to--

MR. HAAS: It isn't bad yet, but it might be spotty.

MR. SMITH: In Marietta, Ohio they closed down one big plant and threw half the people out of work. That was three or four weeks ago.

H.M.JR: How far did I get?

MR. SMITH: I haven't anything.

H.M.JR: Harry?

MR. WHITE: I haven't anything.

MR. THOMPSON: Could you find time for the Deferment Committee? Tomorrow is the deadline.

H.M.JR: I will do it today. I will do it right after I see Blough.

There is something I want to ask you, Fred: Where do I do this telephone thing, do you know?

MR. SMITH: I will find out from Fitz.

H.M.JR: I know it is eleven, but where?

MR. SMITH: Right from your desk. That is what Ted told me yesterday.

H.M.JR: How long does that run?

MR. SMITH: It probably won't run more than half an hour. I don't think there is any time set on it.

H.M.JR: O.K.

7  
January 14, 1944  
9:45 a.m.

DEFERMENTS

Present: Mr. Gaston  
Mr. Thompson  
Mr. Wilson

H.M.JR: Good morning. How are you?

MR. WILSON: Fine, thank you, sir.

H.M.JR: Frank Urich. You have signed them, Herbert, haven't you (indicating deferment applications)?

MR. GASTON: I usually sign them, those I have seen, not these.

H.M.JR: O. K. then. (Signs deferment application for Frank Urich.)

Eugene Hanson, Jr, pressman, Bureau of Engraving.  
O.K. (Signs deferment application for Mr. Eugene Hanson, Jr.)

T. C. Mickley, pressman. O.K. (Signs deferment application for Mr. T. C. Mickley.)

MR. THOMPSON: Some of these pressmen haven't been in the Bureau very long, but it took a year to get them.

H.M.JR: That is right.

R. J. Lofton, pressman, O.K. (Signs deferment application for Mr. R. J. Lofton.)

MR. THOMPSON: This is another pressman. That raises the age limit.

H.M.JR: George B. Brady.

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MR. THOMPSON: They are rather reluctant to consider reclassification cases under thirty.

H.M.JR: What do you think?

MR. THOMPSON: You can't replace this man, and they are doing more work.

H.M.JR: O.K. (Signs deferment application for Mr. George B. Brady.)

MR. THOMPSON: That is one of George Haas' economists.

H.M.JR: Thomas Lee Smith, economic analyst. O. K. (Signs deferment application for Mr. Thomas Lee Smith.)

MR. THOMPSON: This is another mechanic. He will be thirty-eight in a few months.

H.M.JR: C. M. Young, Government Garage.

MR. THOMPSON: That is under Cliff Mack. They have the large Bureau of Mines trucks.

H.M.JR: Bureau of Mines?

MR. THOMPSON: Yes, sir, the Coal and Fuel Division.

H.M.JR: O.K. (Signs deferment application for Mr. C. M. Young.)

L. M. Stegeman, Stores Branch, Procurement Division.

MR. WILSON: They want just six months on that. They are going to open some more warehouses, and they need this man for that purpose. They will not ask for another six months.

(The Secretary signs deferment application for Mr. L. M. Stegeman.)

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MR. THOMPSON: Here is a list of about twenty plate printers. Four of them are under thirty, but I feel, and I believe that you (Gaston) do that the thirty-year rule should not apply to men of that type.

MR. GASTON: I think when we just can't get plate printers you have to hold on to them.

H.M.JR: All right. (The Secretary signed deferment application covering plate printers, list attached.)

MR. GASTON: Otherwise, you will have to stop issuing bonds.

MR. THOMPSON: Here is one case, however, I think is too young.

MR. WILSON: He served two years as an apprentice.

H.M.JR: That is too young. George W. Schleske, rejected.

MR. THOMPSON: These (indicating) are cases that have just come in and the Committee hasn't had a chance--

H.M.JR: Well, let's go.

MR. GASTON: I haven't seen any of those.

H.M.JR: Why don't you take a look at these. I think the Committee ought to see them first, don't you?

MR. THOMPSON: I should think so.

H.M.JR: I will try to see you again.

Now, what happened to that big discussion about the fellow for Pehle?

MR. THOMPSON: We had a letter from Leahy, the Selective Service Chairman, saying that they had instructed the local board to stay induction for thirty days pending our investigation.

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MR. GASTON: Saxon?

MR. THOMPSON: Saxon, yes.

H.M.JR: I will give you another chance. Thank you.

January 13, 1944

The Committee on Deferments gives approval to requests for the deferments of Plate Printers in the Bureau of Engraving and Printing as shown on the attached list.

Plate Printers are engaged in printing war bonds, stamps and other revenue raising instruments from engraved steel plates. At the present time it is impossible to recruit plate printers as there is none available. The Bureau has lost 11 plate printers and 35 apprentices to the military service, and it is not feasible to train replacements since a four-year apprenticeship is required and apprentices if employed would be subject to induction.

(Signed) Herbert E. Gaston

Chairman

(Signed) W. N. Thompson

(Signed) T. F. Wilson

Approved: JAN 14 1944

(Signed) H. Morgenthau Jr.

Secretary of the Treasury

C/Flanagan:kl

PLATE PRINTERS WHO ARE PRE-PEARL HARBOR FATHERS

<u>Name</u>	<u>Age</u>	<u>Draft Status</u>	<u>No. of Children</u>	<u>Age</u>
Bernard Berkowitz	30	3-A (2/17/43)	1	2½ years
Edwin Cohn	32	3 (2/5/42)	1	2½ years
Judson F. Coulther	30	3-A (7/10/41)	2	2½ years 10 months
Edward J. Craig	37	3-A (11/13/42)	4	17 years 11 " 10 " 3 "
James H. Donahue	37	3-A (10/30/41)	1	17 years
Charles L. French	30	3-A (2/17/43)	3	9 years 3½ " 2 "
Archie A. Griest, Jr.	25	3-A (12/3/41)	1	1 year, 4 mos.
Milton E. Harrison	28	3-A (5/9/42)	2	5 years 4 months
George W. Hertel	34	3-A (4/1/41)	2	7 years 8 years
Otto Karsch	36	3-A (5/6/41)	1	1½ years
Charles W. Kohl	37	3-A (5/21/41)	2	12 years 7 "
Bertram R. Lumpkin	32	3-A (8/18/42)	1	2 years, 3 mos.
Harry Morett	33	3-A (12/3/41)	1	11 years
Malvin J. Radcliffe	27	3-A (6/5/41)	2	3½ years 1½ "
Mario J. Raymond	30	3-A (3/6/41)	2	4½ years 3 months
Frank B. Reese	31	3-A (8/20/41)	1	3 years
Charles H. Schappat	25	3-A (7/23/43)	2	2½ years 1 "
Anthony J. Schroeder	35	2-A (2/5/44)	1	16 years
Joseph G. Soper, Jr.	37	3-A (2/13/41)	1	6 years
Louis J. Swantek	34	3-A (3/17/41)	1	2½ years

JAN 14 1944

PAYROLL SAVINGS CHAIRMEN WHO WILL BE ON WIRE FOR  
SECRETARY'S CONFERENCE CALL AT ELEVEN O'CLOCK  
FRIDAY, JANUARY 14TH

---

<u>PERSON</u>	<u>STATE</u>	<u>TELEPHONE NUMBER AND CITY</u>
John P. (Jack) Stevens	New York	New York City Circle 6-4480
Marshall Bainbridge	New Jersey	Camden Emerson 1018
Tom Burkinshaw	Connecticut	Hartford 7-0101
Frank Burke	Massachusetts	Boston Liberty 4065
Frank Isbey	Michigan	Detroit Randolph 8208
Earl Shackelford	Missouri	St. Louis Chestnut 2728
Eber Spence	Indiana	Indianapolis Riley 2444
Gene Reiley	Pennsylvania	Philadelphia Walnut 3960
George Ruth	Illinois	Chicago State 2940
Herbert Dieter	Ohio	Cleveland Cherry 6300

STATE	PAYROLL CHAIRMAN	TOTAL "E" BOND QUOTA	AGGREGATE VALUE OF PLANT QUOTAS ESTABLISHED
MICHIGAN	FRANK ISBEY (Talking from Detroit)	\$165,000,000	
NEW JERSEY	MARSHALL BAINBRIDGE (Talking from Camden)	117,000,000	
ILLINOIS	GEORGE RUTH (Talking from Chicago)	207,000,000	
MASSACHUSETTS	FRANK BURKE (Talking from Boston)	103,000,000	
NEW YORK	JOHN P. (JACK) STEVENS (Talking from New York City)	384,000,000	
CONNECTICUT	TOM BURKINSEAW (Talking from Hartford)	60,000,000	
MISSOURI	EARL SHACKELFORD (Talking from St. Louis)	74,000,000	
OHIO	HERBERT DIETER (Talking from Cleveland)	174,000,000	
PENNSYLVANIA	GENE REILEY (Talking from Philadelphia)	217,000,000	
INDIANA	WEBER SPENCE (Talking from Indianapolis)	75,000,000	

THIS IS HENRY MORGENTHAU CALLING FROM WASHINGTON.

AS WE APPROACH THE BEGINNING OF OUR FOURTH WAR LOAN CAMPAIGN -- I AM NATURALLY ANXIOUS TO KNOW HOW WELL YOU GENTLEMEN HAVE PREPARED -- FOR I AM CONVINCED THAT A GREAT PART OF THE SUCCESS OF THIS DRIVE WILL DEPEND UPON THE EFFECTIVENESS OF YOUR SALES APPROACH TO THE MILLIONS OF MEN AND WOMEN WORKERS ON THE PLANT AND OFFICE PAYROLLS OF THE COUNTRY.

I HAVE A SCORE-SHEET HERE BEFORE ME, AND I AM GOING TO ASK EACH ONE OF YOU IF YOU WILL GIVE ME AN IDEA OF JUST WHAT WE MAY EXPECT IN SALES TO WORKERS IN YOUR STATE.

FIRST - FRANK ISBEY IN MICHIGAN.

(FOLLOW CHART)

(CLOSE -

A WORD ON SERIOUSNESS OF JOB AHEAD -  
ENCOURAGEMENT AND GOOD WISHES)

January 14, 1944 16  
10:59 a.m.

HMJr: Hello.

Operator: I have the call.

HMJr: Are they all ready?

Operator: All ready, yes, sir.

HMJr: All right.

In connection with this Payroll Savings, we're going very strong on it.

HMJr: Now, wait a minute. I'd better just identify myself. As you know, this is Morgenthau talking in Washington and I take it that all of you are on and as we are approaching the beginning of our Fourth War Loan Campaign, I'm naturally anxious to know how well you all are prepared for the job. I'm convinced that a great part of the success of this drive will depend upon the effectiveness of your sales approach to the millions of men and women and the workers at the plants and the office payrolls of the country. And I've got a score sheet before me here and I'm going to ask each one of you if you will give me an idea of just what we may expect in sales to workers in your State. Now, I'd like to call on Frank Isbey in Michigan first.

Frank Isbey: Good morning, Mr. Secretary.

HMJr: Hello, Frank.

Isbey: Well, everything is going fine. We have levied about \$117 million of quotas on our plants.

HMJr: Yes.

Isbey: And the plants this time are well organized, much better than any other drive that we have had.

HMJr: Yeah.

Isbey: The spirit is fine. I have just come from one of our big plants this morning.

HMJr: I see.

Isbey: I feel this time that the results of this drive are going to be better than any of the previous drives that we have been into so far.

HMJr: Well, I see they've got you down for \$165 million of "E" Bonds.

Isbey: That's right. And that's \$117 million in "Es" alone.

HMJr: Yes.

Isbey: That we have levied on quota.

HMJr: Yes.

Isbey: And some of the plants have already made their quota.

HMJr: They have?

Isbey: Yes. I figure that by the 18th -- the Fischer Body, the biggest plant in Flint went over the top yesterday. And all over our State the feeling -- there's a feeling under cover here that smacks of a spirit of wanting to do something. Evidently the anticipated invasion has taken hold.

HMJr: And as to the over-all on the \$165 million?

Isbey: No question about that, sir. We're going over the top on that one.

HMJr: Good.

Isbey: Going over without fail.

HMJr: Got any troubles?

Isbey: No troubles, Mr. Secretary. I want to say to you, sir, that Washington, this time, and everybody there has come through magnificently. The -- all the material was out on time. All our Chairmen have their material. We have no complaint of any kind. We have had the finest kind of cooperation. Certainly, the results of the drive are going to show that.

HMJr: Fine. We'll be watching....

Isbey: Mr. Morgenthau, will you please for me -- that the women's division here this time is really doing a job.

HMJr: Good. Good. Now, I'm going to call on Marshall Bainbridge from New Jersey.

Marshall  
Bainbridge: Good morning, Mr. Secretary.

HMJr: Good morning to you.

Bainbridge: Why, we here in New Jersey, too, feel confident that our payroll plan now -- the absolute commitments and quotas which have been accepted....

HMJr: Yes.

Bainbridge: ...is \$59,328,000, representing 2,347 firms and 695,877 workers.

HMJr: Yes.

Bainbridge: And one of our plants, the Leslie Company up in Lyndhurst, with only 560 employes though, went over the top three days ago and then decided to double their quota.

HMJr: Wonderful.

Bainbridge: And for the first time in history we have gotten the New York Shipbuilding Company to definitely accept a quota. They're taking a quota of \$2-1/4 million and the Union assured me that they will make at least \$3 million.

HMJr: Fine.

Bainbridge: The over-all picture is very good but we have had some trouble.

HMJr: You have?

Bainbridge: Yes. One of those acts of God -- a couple of our Deputies have been sick and we've had a lot of sickness around the office. We're straightening ourselves out now and we're definitely confident that we're going to make our "E" Bond quota. We know, of course, that we're going to make our over-all quota.

HMJr: But outside of sickness you're all right?

Bainbridge: Yes, sir, we're in nice shape outside of that and that's rounding out itself.

HMJr: I see. Well, that's fine. Now, I'd like to hear from George Huth in Illinois.

George  
Huth:

Well, in Illinois we're really going strong and everyone is enthusiastic and we're just astonished at the reception our people are taking toward the Fourth War Loan. We have covered -- we have quotas from about 30% of our firms. Here in Cook County, for instance, we have \$33 million of quotas on 534 firms of a hundred or more employes. That represents about 600,000 workers, and we, in Cook County, expect to run between \$75 and \$85 million of our \$130 million quota in payroll savings. Now, we think we're doing a swell job and our Companies, Western Electric -- I was just at a meeting last night at the Western Electric Company and they swore in 500 Minute Men out there and they're very enthusiastic and we ought to get a quota of \$2-1/2 million out of Western Electric.

HMJr: That's fine.

Huth: Douglas Aircraft, Carnegie Steel, Chicago Bridge and Iron, Standard Oil of Indiana, Dodge Plant -- they're all doing a marvelous job, and International Harvester Company just came through with a quota of almost -- it's near \$5,300,000. And everyone is very optimistic about the outcome of our drive.

HMJr: Now, have you got any troubles up there?

Huth: We have no troubles.

HMJr: No troubles?

Huth: No, except to get posters.

HMJr: Get posters?

Huth: That's the only trouble. We can't help -- our companies are demanding -- they want to have advertising literature to put up in their plants and that's the one thing we need worst of all.

HMJr: Well, the boys are here in the room with me and they're getting some posters out to you tonight.

Huth: Fine. Say, I'd like for you to talk to Mr. Richard, State Manager here. Would you talk a minute?

HMJr: Be glad to.

Mr. Richard: Down State is coming a little bit slower. There are forty counties out of a hundred and one that are in dust fields down State.

HMJr: Yes.

Richard: And they are quotaing companies that are smaller than we are in Cook County.

HMJr: Yes.

Richard: Of course, they've got about a million people down State on payroll with a 10% tolerance or turnover which makes about 900,000. So far we've got \$12,433,000 on quota, and down State is coming in a little slower than Cook County.

HMJr: I see. Well, you've got time to get them lined up, haven't you?

Richard: Well, I think they are lined up, but I think the reports are slow coming in.

HMJr: I see.

Richard: I think they are taking this thing pretty well down State. Of course, you've got your mining district and we're not trying to get a lot out of that.

HMJr: I see.

Richard: Miners have been out down there, you know.

HMJr: Yes.

Richard: So that the upper part of the State will come through in pretty good shape, I think.

HMJr: Good.

Richard: And I think you can say that we will get between \$105 and \$115 million, might even go better than that.

HMJr: Good.

Richard: Depends on whether they come through as well on the actual performance as they have on the quotas.

HMJr: Well, will you make the "E" Bond quota for Illinois?

Richard: We'll make the "E" Bond quota down State in Illinois. Whether we'll come through with the full \$200 million or not -- I think we will and I'll tell you why I think so, because we've got an additional \$20 million that we'll pick up in the extra month.

HMJr: I see.

Richard: See, we'll pick up probably \$85 million if we get all we can out of Cook County, with total deductions, plus the extra bond for one month, and then we ought to pick up \$20 million in addition to that which would shove us \$105 million.

HMJr: Good.

Richard: That will leave us \$31 million to raise outside of payroll.

HMJr: Good.

Richard: So I think we stand the best chance we have ever had to make our "E" Bond quota.

HMJr: Fine. I'm pleased.

Richard: All right, sir.

HMJr: Thank you.

Richard: All right. Good bye.

HMJr: Bye. Now, Mr. Frank Burke from Massachusetts. How are you going to do?

Frank  
Burke: Good morning, Mr. Secretary.

- 7 -

HMJr: Good morning.

Burke: We have a new Chairman here and we are very much pleased with the selection. Our organization is functioning very well. There's a very fine spirit here in Massachusetts. For the first time we've taken on the insurance underwriters in the larger group, and between Boston, Worcester and Springfield, which are our key industrial Cities, we have about 1,000 underwriters who are establishing these plant quotas.

HMJr: Yeah.

Burke: We find the quota plan is well received by the plants and also that there has been a lot of independent work already taken care of by the plants in their own way.

HMJr: Yeah.

Burke: The larger concerns, particularly, are taking the limit and in some cases, going over the \$100 purchase, that is, \$75 cash price. Our "E" Bond quota here is \$108 million and based upon the present number of employes who are presently on the payroll plan, we feel that we'll raise around \$60 million with the payroll savings plan alone.

HMJr: In January?

Burke: That's during the period of the -- January and February.

HMJr: Good.

Burke: In all, I can say that Massachusetts is in better shape now than it has ever been.

HMJr: Well, that's fine.

Burke: And I'm very optimistic about our performance in the payroll savings division.

HMJr: Well, thank you. We'll be watching you.

Burke: All right, sir.

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HMJr: Now, I'd like to hear from New York -- Jack Stevens.

Jack Stevens: Good morning, Mr. Secretary.

HMJr: Good morning to you.

Stevens: Quotas have been established throughout the State, conservatively indicating the sale of \$218 million worth of "E" Bonds in plants that have adopted our quota plan, quotas being set in most Counties in the State based on the sale of a \$100 bond to every employe, plus bonds issued through payroll savings with a minimum deduction of 10% wherever the quota plan was installed, plus bonds bought by executives.

Jack  
Stevens:

On checking 500 small concerns and 500 large concerns here in New York County, we find that the average individual purchase on the quota plan is \$208. per person in the smaller companies, and \$83.00 in the larger companies. Typical of the effectiveness of this quota set-up is the case of a communication company with 9, 482 employees. They have agreed to up their payroll to ten per cent and each employee will buy an extra \$100 bond. A brewery with 1400 employees agreed to do the same thing, as has a chemical company with 250 employees. Our plan, as you may know, differs from the national-quota plan in that we are getting companies to up their payroll savings plan to at least ten per cent and not deducting that from the quota of extra bonds. The post-drive records of this state will show, therefore, a marked increase in permanent payroll savings plan.

HMJr:

Fine. Well, that sounds good. You're not - you don't think you're too ambitious?

No. Don't believe we are, and I'm - we - we're positive that we'll hit the \$384 million quota the state has.

HMJr:

Well, that's ....

And closer observation here in New York County makes it almost positive that the \$166 million quota here will be attained.

HMJr:

Well, that's fine. Now, will you give my regards to Randolph Burgess?

I will.

HMJr:

And now I'd like to hear from Connecticut - Tom Burkinshaw.

Tom  
Burkinshaw:

Good morning, Mr. Secretary.

HMJr:

Good morning.

B:

Every indication that we are able to observe here in the state of Connecticut leads us to the belief that we will more than reach the quota of \$40 million that we have set for this state during the Fourth War Loan. In the Third War Loan we had a cash quota of \$42 million in

B: cont'd. E bonds, and the payroll savings division in this enterprise will undertake to raise that amount in itself during this period.

HMJr: That'll be wonderful.

B: We have a magnificent organization. They are thoroughly trained; they're ready, and they're enthusiastic and it is our hope and it is our belief that this state will be blue with Treasury star flags when the Fourth War Loan is over.

HMJr: Well, that will be fine. Now, let me hear from Missouri - Earl Shackelford.

Earl Shackelford: Good morning, Mr. Secretary.

HMJr: Good morning.

S: I'm very pleased to report to you, Mr. Secretary, that everything in Missouri is better than it has been since May, 1941 ....

HMJr: Good.

S: .... as far as enthusiasm is concerned. We have, to date, established quotas in Missouri firms of all sizes - 7,488 individual firms. With a total number of employees of 685,383. That represents an aggregate quota of \$32,343,188., and the McDonall Aircraft Company here, which is one of our largest, their man called me this morning and said that they have already attained their quota. The U. S. Cartridge Company - you recall you were there on your visit here?

HMJr: I had a good lunch there.

S: They have accepted a quota of \$1,343,750. ....

HMJr: Yes.

S: .... in spite of a greatly curtailed personnel out there. Now, we have the laboring unions - labor unions here - both A. F. of L. and C. I. O. have loaned us one man each - their top men.....

HMJr: Good.

S: .... for the duration of the Drive, and they're going into every union - every plant to act with the key men in that plant in getting not only

S: cont'd payroll savings but the over-all Fourth War Loan extra bond purchases up. And, I know that Mrs. Morgenthau and Miss Elliott will be glad to know that our Women's Division here has accepted a quota of \$75,000,000 for the Fourth War Loan.

HMJr: Fine.

S: And I'm sure that they'll get that.

HMJr: Have you got any troubles?

S: I certainly want to compliment the Washington organization there for the splendid work that they have done in preparing for this Drive. It's one of the best handled that I've ever seen in - either financing or any other kind.

HMJr: Have you got any troubles out there?

S: It's going to be infinitely easier.

HMJr: Any troubles?

S: Not a one - not a particle. We're all happy over the situation as it is. Our \$282 million doesn't scare us at all.

HMJr: Good. Well, that's - that's fine. Now, I'd like to hear from Ohio - Mr. Herbert Dieter.

Herbert Dieter: Good morning, Mr. Secretary.

HMJr: Good morning.

D: I just wanted to add what has been said right along that we are well organized out here - much better than we ever have been on the payroll savings plan, particularly, we have hit most of the larger firms with the most employees and without exception I have heard of none that have refused to take either their quota or to hold a Drive.

HMJr: Good.

D: Our quota of \$174,000,000 we expect you'll get without any trouble and should exceed. Generally speaking, the - the union organizations are a 100% in back of the Drive. In Akron where the

- D: Cont'd rubber workers' headquarters are, they were all out in a meeting the other night and put their stamp of approval 100% to get every employee to buy extra bonds, and not only to do that but to increase their regular payroll allotment plan. We anticipate no trouble out here. We are pleased the way the Washington headquarters has sent out the material way ahead of time so that all the organizations throughout the state are pretty well supplied - have their supplies ahead of time, and the firms themselves are already well supplied.
- HM Jr: Good.
- D: So we anticipate no trouble at all in meeting our quota over-all and certainly not on the payroll savings plan itself. Our quotas in the plants are either a \$100 Bond or two weeks' pay - whichever is the greater.
- HM Jr: I see.
- D: And that's been generally accepted without exception.
- HM Jr: Well, that's wonderful. Now I'd like to hear from Pennsylvania - Gene Reiley.
- Gene Reiley: Good morning, Mr. Secretary.
- HM Jr: Good morning.
- R: I anticipate that our over-all quota will be attainable in E Bonds. Unfortunately, though, I don't think that Pennsylvania has well accepted the dollar quota. There are many reasons for it, but we're not discouraged. We think that payroll savings will yield in excess of 45% of the total \$217,000,000 quota, or in excess of \$100,000,000 in regular payroll deductions and extra E Bond sales. There has been a bit of apathy on the part of our larger Pennsylvania corporations to accept the quota. However, they're all agreeable to plant rallies and will raise the money necessary without being told what their dollar quota should be.
- HM Jr: Well, I guess there's a little work yet to be done in Pennsylvania.

R: There is lots of work to be done, but the organization is ready, willing and able to do it, and I really think that you'll be pleased with the showing that the Keystone State's going to make for you.

HM Jr: Well, maybe some of these other fellows that have got it in the bag can come on over and help you.

R: No, sir. I - I don't think you'll have to worry about Pennsylvania. We're coming up for you, and we didn't fail the last time, although in the last Drive we didn't attain our entire E bond sale. But Payroll has a fine group of labor and management working together, and there just is that old Pennsylvania apathy to being told to do something. We don't hold it, but that is the condition and we think you should know it.

HM Jr: Well, I want the truth, and we're counting on you to deliver the goods.

R: We'll deliver, sir. Thank you for being in this conference call.

Hm Jr: Thank you. Now ~~the~~ the last is Indiana - from Eber Spence.

Eber Spence: Good morning, Mr. Secretary.

HM Jr: Good morning.

S: I am glad to report to you that Indiana is well organized. As of January 10, we had quotas established of \$51,200,000 - represented by 6,242 firms, and there have been additions since January 10. Ted Gamble was here on the 10th and gave us a fine kick-off and we're starting with much enthusiasm. You will be especially interested, Mr. Secretary, in knowing that among this group that are going after this thing hard, are some of the people that you visited down at Evansville - such as the Evansville Shipyard and Servel.

HM Jr: Good. Good.

S: It is being well accepted, and while we have an intense campaign on these

- 14 -

S: larger firms, we're not over-looking any firm. We have 52,800 firms in Indiana who employ one or more persons and everybody will be solicited to buy \$100 in bonds.

HMJr: Good.

S: Wherever they work.

HMJr: Good.

S: It looks very good to us, sir.

HMJr: Well, it - it all sounds fine, but as an old apple grower, I never count my apples until they're in the cold storage plant.

S: Me too. (Laughs) Me too.

HMJr: So, until the checks are in the bank, why I'll be watching you fellows.

S: Oh, yes, sir.

HMJr: But I - I'm glad for all this enthusiasm, and it, in turn, will make us more enthusiastic here. But all of these things need a lot of hard work, and I appreciate the time and the sweat that you men are putting into it. And, I hope I'll have a chance to see some of you during the Drive.

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HM Jr: Now, I don't want to close off without letting Ted Gamble say a word to you.

Ted Gamble: Hello, everybody.

Group: Hello, Ted.

G: It is nice to talk to you. I join with the Secretary in saying that I think that was a very fine report. We have representatives of the George Haas Department here and the Under Secretary and Ralph Engelsman - Fred Smith. We have a representative of our news shop here and I dare say he can weave a good story out of all of this enthusiastic report. We all wish you all the success in the world for the Drive and, as the Secretary said, it can't all be counted in until the very end. I think it would be a good thing for the Under Secretary to say hello to you and also for Mr. Engelsman to say hello to you. Just a minute.

Dan Bell: Good morning, everybody.

Group: Good morning, sir.

Bell: That really was a nice report and we're all quite enthusiastic about it and wish you all the luck in the world. If we don't do everything right here, why you know what to do - just give us a hot wire and you'll get attention. Now, here's Ralph Engelsman. He wants to say a word.

Frank Iseby: You've got a radio voice, Dan.

Bell: No, I don't believe so, Frank. You can't talk me into that.

Ralph Engelsman: Hello, everybody. You fellows have lined this thing up beautifully and we're all rooting for you to come across. It's really thrilling to hear that report. I think the Secretary is most pleased with it. That's all and goodbye and good luck.

- 16 -

Group:        Good luck, Ralph.    Good bye.

January 14, 1944  
2:43 p.m.

HMJr: Hello. Hello. Hello.

Operator: Yes, sir.

HMJr: Where is she?

Operator: She's coming on to the phone. I thought she had her on but she didn't. Just a moment.

Miss Matveyeva: Thank you.

HMJr: Hello.

Operator: Miss Matveyeva.

HMJr: Hello.

M: This is Ambassador Gromyko's secretary.

HMJr: This is Mr. Morgenthau.

M: Yes, Mr. Secretary.

HMJr: Good afternoon.

M: Good afternoon.

HMJr: I have this letter from the Council of American-Soviet Friendship.

M: Yes.

HMJr: Edwin S. Smith.

M: Yes.

HMJr: In which they invite me to be the principal speaker at a dinner at the -- New York on February 21.

M: Uh huh.

HMJr: They also say that the Ambassador is going to go and what I'd like to know from the Ambassador is: is he going to go and is this something that he would advise me to do or not, you see?

M: I see.

- 2 -

HMJr: I don't know whether -- something -- whether it's a good organization or whether it isn't a good organization.

M: All right, Mr. Secretary.

HMJr: I make very few speeches and it's a considerable effort and if I'm going to make one on behalf of Soviet-American friendship, I want to make it at the right place.

M: Well, thank you, sir, Mr. Secretary. You see the Ambassador is out in Philadelphia....

HMJr: Yes.

M: ....attending a concert.

HMJr: Well, this....

M: He will be in only tomorrow. Could we call you tomorrow?

HMJr: If you please.

M: Thank you very much.

HMJr: Thank you.

M: Bye.

January 14, 1944

To the Students of West Junior High School:

The schools of America have invested over \$250,000,000 in War Bonds and Stamps since September, 1943. This represents the hard work and careful economy of students who want to do their share in a world at war.

Their War Bonds, held until maturity ten years from now, will provide security and broader opportunities in a world at peace.

Your part in the Fourth War Loan Drive will be a positive contribution to winning the war and establishing a permanent peace.

Sincerely yours,

(Signed) H. Morganthau, Jr.

Mr. Leon Lyons  
30 Prospect Avenue  
Binghamton, New York

FS:mlf



AIR MAIL

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Sincerely yours,

Henry Morgenthau, Jr.

30 Prospect Avenue  
Binghanton, New York  
U. S. A.

January the first  
1 9 4 4

Hon. Henry Morgenthau, Jr.  
Secretary of the Treasury  
Washington 25, D. C.

My dear Mr. Secretary:

Will you be so kind as to write another brief personal message (statement) for the January 18, 1944 issue of "The West Junior Courier" ?

The week we published your October letter in our school publication we sold five thousand and five hundred dollars worth of War Savings Stamps and Bonds. Five thousand dollars worth in one day in one school building ! The young people are prepared to act !

Your first statement is enclosed herewith:

THE WEST JUNIOR COURIER

November 12, 1943

# Officials Honor Youth

Commanding General H. Arnold,  
Four-Star General in Air Forces,  
Greetings, Best Wishes

Henry Morgenthau Pays  
Tribute to W. J. H. S.

To the Students of West  
Junior High School:

The students of West Junior High School who read The Courier know that American youth is not waiting for the end of this terrible war to build a better world. They are helping in hundreds of ways to do so now.

Some day youth will inherit a better world from us...

Sincerely yours,  
Henry Morgenthau, Jr.

Henry H. Arnold, Commanding General of the Army Air Force, one of the Four-Star Generals in the United States Army, is sending the following message to the students of West Junior High School of this year:

It is not difficult to respond to your request for a brief message because it is timely and essential that every young man and woman in America realize that our Country needs you now more than ever has before.

That is meant in its broad, not its narrow sense. You are not asked to leave school and carry arms but to do your job, to learn the lessons of democracy and to help the soldiers at the front.

Sumner Sewall of Maine  
Acknowledges Message

Regraded Unclassified

JAN 14 1944

Dear Mr. Rae:

I was very pleased to receive your letter announcing that your 382 retail food stores, with an organization of 3,000 strong, were going to "Back the Attack" with an organized drive to sell War Bonds during the Fourth War Loan.

Be assured that the United States Treasury Department appreciates the spirit and willingness of your organization to do its share in the raising of funds so necessary for the successful prosecution of the war. I am sure that with the enthusiastic support of your organization a Bond selling record will be reached of which all can be justly proud.

Please extend to the officials and employees of H. C. Bohack my sincere wishes for a completely successful War Bond selling campaign during the Fourth War Loan.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Mr. William E. Rae  
Treasurer  
H. C. Bohack Company  
Metropolitan and Flushing Avenues  
Brooklyn 6, New York

WRH:mpf

**H. C. BOHACK CO.**  
INC.

*"The Stores of Friendly Service"*  
COMPLETE FOOD MARKETS

PHONE STAGG 2-8500



BOHACK SQUARE  
METROPOLITAN AND FLUSHING AVENUES  
BROOKLYN 6, N.Y.

January 5, 1944

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

Dear Mr. Morgenthau:

This company is about to undertake the sale of Fourth War Loan bonds throughout its 382 retail food stores located on Long Island, New York.

Our various departments are being geared up to put some real organized effort behind this job. Full publicity will be given to the Fourth War Loan in our newspaper advertising and our radio programmes.

We were the first retail food store organization to place War Savings Stamps on sale in this territory and we want to make this new drive a real event.

May we request an official letter from you regarding the sale of Fourth War Loan bonds by our organization of 3,000 people?

It would be our intent to give such a letter all possible publicity.

Thanking you, we are, with best wishes,

Sincerely yours,

H. C. BOHACK CO. INC.  
WM. E. RAE

Treasurer

/AN

## MEMORANDUM FOR THE SECRETARY.

January 14, 1944.

Mail Report

The Fourth War Loan Drive takes the center of the stage in correspondence. Promotional material, much of it work of amateurs, is coming in from all sections of the country. This type of mail has been overshadowed, however, by the many letters containing assurances of support and coming from a variety of sources. Governors of States, Defense Councils, Federal Agencies, banks, etc., are responding cordially to the request for assistance made by the Treasury Department. There are, of course, the inevitable protests -- insufficient gas; some of the Treasury-prepared advertising is off key; the good will of small newspapers has been lost because of statements about bond advertising, etc. These gripes, however, are a small proportion of an otherwise cooperative group of communications.

The number of bonds submitted to the Secretary for redemption jumped to 61 for the week. Of these 20 came from Puerto Rico; in each case the Air Mail postage for the return of the check was enclosed. Publicity about the Fourth Drive prompted a number of buyers to complain of undelivered bonds, resulting in an increase of total complaints. Those from personnel of the War Department relate almost entirely to 1942, or early 1943, purchases.

Taxes were not entirely forgotten in the mail for there were a few questions about proper withholding rates, an occasional request for an overdue refund, and a number of the usual suggestions for increased revenue. The chorus of demand for simplified tax forms grows ever louder and fuller. One Business Woman's Club submitted a formal resolution urging simplification. To counterbalance the protests, there were two letters which actually commended very warmly the work of the tax experts who drafted the form for the current year.

*J. S. Forbush*

General Comments

Lawrence A. Gregg, Route 6, Washington, C.H., Ohio. Please find enclosed a check for \$500 as a contribution to the funds of the U. S. Government.

H. M. Robins, Export Department, Clayton & Lambert Manufacturing Company, Dearborn, Mich. I am handing you herewith copy of a letter which was written to one of the Treasury Department Divisions on December 31st. It records a matter which has been hanging fire since last August. Actually the very simple matter of replacing a lost check. We have complied with all the requests for information, including affidavits and questionnaires and still we get no action. It occurs to us that you would be interested in checking up on what seems to be the gross inefficiency of some sections of the Treasury Department. I think you will appreciate that it is matters of this sort which add fuel to the fire of public indignation concerning Washington red tape.

Stephen M. Foster, Economic Adviser, New York Life Insurance Company, N.Y.C. In 1943 you were kind enough to send me a copy of the analysis of bank deposits by counties which you had had prepared both as of Dec. 31, 1941, and as of Dec. 31, 1942. I am writing to you about this because I want you to know that this Company has found the analysis very helpful. It so happens that most of our branch offices fail to follow state boundaries, but do follow county boundaries. Under the circumstances, an analysis of commercial bank deposits by counties is extremely helpful to us in appraising the sales value of our branch offices. I should like to express the hope that you will continue to make the type of analysis in question and that, if you do, you will again make it available to me.

- 2 -

H. L. Winston, Brooklyn, N.Y. Yesterday's Dow Jones' ticker carried a statement by you to the effect that Russian experts were on their way to this country to discuss post-war exchange and stabilization. In this connection, I would like to ask whether, in your opinion, this question can be discussed without bringing in the misunderstanding between the U.S.A. and the U.S.S.R. regarding the failure to negotiate any settlement of pre-Soviet debts. I recall that in 1933, when we recognized Soviet Russia, President Roosevelt and Mr. Litvinov signed a gentlemen's agreement providing for a discussion of ways and means of settling Russia's debt to our country and its nationals. Holders of old Russian dollar bonds were very much interested in learning of the debt discussions Ex-Ambassador Joseph E. Davies had with Russian officials while he was in Moscow from 1936 to 1938. At that time it seemed possible that arrangements would be made whereby American citizens who advanced money to Russia in 1916 in return for bonds, would receive at least a portion of the money they had advanced. Now, in view of our enormous advances in Lend-Lease, and in view of the assistance we will be requested to give Russia when the war is over, it would seem only fair that some acknowledgment of this debt be made, as a beginning. The bondholders have waited so long that I am sure they will be satisfied with a statement to the effect that, in due time, negotiations will be resumed. \* \* \*

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Favorable Comments on Bonds

A. C. Hedrick, President, The Hutchinson State Bank, Hutchinson, Kansas. Reading your letter of January 5, which undoubtedly you have sent to every bank president in the United States, I just want to answer to this extent, in that, I think you are possibly a little bit over-alarmed as to the conduct of some of the bankers in regard to the War Bond Drives. There is no patriotic banker who is going to be any party to the creation of inflation, by getting his customers to buy bonds on these drives, purely for the reason of helping put the drive over and then the bank buy the bonds back. I am probably as guilty as any banker in the part of the country, relative to encouraging people to buy bonds for more than the ready cash they have on hand at the time the drive is in progress. \* \* \* Let me relate to you one instance; we have a Greek shine parlor customer, who owns considerable property. In the last drive he walked in and wanted to buy a \$500.00, 2% bond; I sold him a \$5,000.00 bond, letting him pay \$500.00 down, charging him the same rate of interest that the bond drew. This naturally pricked his vanity, that he could borrow money that cheap at the bank, and I am happy to advise that he has now paid for the bond and has it in his possession. My idea is that these people who have deferred moneys coming, should be encouraged into buying bonds during the drive, so that we sort of hypothecate their incoming income. Now, I cannot see anything wrong with this whatever. \* \* \* This procedure has considerable merit, for the reason that in quite a few instances people who can buy bonds, do not, and the Administration has elected not to put pressure on these non-patriotic people, but the drives must go over. If you will examine the December 31, 1943, called bank statements, I think you will find that the banks, and especially in the middle west, do not have an average ten percent of their deposits in loans, which is a very unhealthy condition, not alone for the banks, but for the community. \* \* \* I hope you get my point in the matter as I can take the view from the banker's angle, while you take it as a Treasury official.

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Unfavorable Comments on Bonds

Theodore A. Thompson, Editor, Williamston Enterprise, Williamston, Mich. (Returning form letter requesting industry-sponsored advertising.) We have discontinued donating advertising space to the sale of War Bonds and selling sponsorship of same, since you said newspaper advertising was a waste of money.

Zoa Pixler, Worthington, Ohio. Please change the address of my bond 3½% No. 01659894 from . . . . to . . . . This is the third time I have ordered this change of address.

Letter from Mrs. Don H. Slocum, Oswego, Oregon, referred by the War Department to the Treasury. The Oswego State Bank, several weeks ago refused to sell me War Bonds on the plea that they were too busy. Day before yesterday I asked again and they said they would write a \$500 Bond, but they wouldn't fool with \$18.75 Bonds, which was what I wanted. Now it so happens that my son in New Guinea sends \$70 a month home, which is sent to the bank, and he wrote for me to turn it into bonds. I had to get a Power of Attorney from my son before they would release it, although I had his letter definitely telling me to buy bonds with the money. \* \* \* I'm going to withdraw my personal account from their bank because I don't care to do business with any one who is that unpatriotic, but the money from my son will still continue to come to the bank. \* \* \* They are apparently refusing to write bonds for others, for two people have told me they have also refused them. \* \* \* This is War and I feel that no one should do anything which would hamper us from winning it as fast as possible.

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Calvin Jones, Member of the Law Firm, Rainey, Flynn, Green and Anderson, Oklahoma City, Okla. On October 30, 1943, I wrote you that I owned the following bonds, Series G -- (bonds listed) -- and further advised that I had moved to 404 $\frac{1}{2}$  Northwest 22nd Street, Oklahoma City, and requested that you kindly show such change of address in future mailing of interest checks. I eventually received the interest check for January 1, 1944, mailed to the old address. \* \* \* I wish you would kindly advise me what I should do in order to have change of address shown for the purpose of mailing interest checks. Apparently the request I made on October 30, 1943, is not sufficient.

Edward Morrissey, Editor and Proprietor, The Delavan Republican, Delavan, Wis. I have your letter of recent date and note what you state in regard to the Fourth War Loan Drive, and will say that all I have done since the War started is to work for the Government for nothing. It costs \$1.25 or better an hour to put up material for the Government, and we get no pay for it. I can't keep this going forever. There has been money appropriated for advertising. Why hasn't it been spent with the weekly newspapers, the ones that need it? You have put a lot of them on the rocks. You expect more of them. I will do something for the Fourth War Loan Drive, but it will not be as much as I have done in the past.

Clarence E. Weston, Joplin, Mo. I wrote to the Treasury Department the last of May 1943, in regard to three War Bonds purchased November 1, December 15, and December 31, 1942. They were taken out of my wages at Camp Crowder, Mo., where I worked as a civilian fireman. You referred me to the War Bond Division at Chicago, Ill. I wrote to them and they informed me that Camp Crowder was handling the War Bonds. I wrote there, even used my rationed gasoline

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to go see them. They told me Chicago was to mail them out, but I have heard nothing from them, and it is now January 1944. \* \* \*

Al. A. Nichols, Arnold, Nebraska. Sorry to bother you again but still am unable to cash Series D Bond No. 13636. I received a check for the four \$50 Bonds after you wrote the Omaha Branch, Federal Reserve Bank of Kansas City. They requested proof of death. I sent all the papers we had from the undertaker, and railroad, with a request to return the papers. A little later my wife wrote them asking for the return of these papers. Have not received a reply to either letter. They said they had received no reply about the bonds when we sent them in. We wrote them three letters before writing you, which certainly got results. Perhaps if you would instruct them to return this Series D. Savings Bond, No. 13636, and Treasury Department Form P.D. 1646, and burial papers to me, I could send them to Kansas City or Washington and probably get somewhere. As it is, am at a standstill. \* \* \*

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Favorable Comments on Taxation

Dr. Philip A. Sheaff, San Diego, California.  
"Form 1040"

The "Nineteen Forty-three Income Tax Blank",  
 On first acquaintance, is so staggering.  
 But upon closer friendship - to be frank -  
 Is quite efficient in coin gathering.  
 After a headache from too big a bite,  
 We learn to take but one step at a time.  
 On the last page, with "FORGIVENESS" in sight,  
 Effort becomes rather pleasant pastime.  
 With close attention to each single line -  
 Reading directions as we go along -  
 The road ahead becomes clear-cut and fine,  
 Then, first reactions change from "cry" to "song".  
 DO YOUR BIT AND PAY YOUR INCOME TAXES;  
 HASTEN VICTORY AND DOWN THE AXIS!

Albert L. Wechsler, N.Y.C. Much has been written in the newspapers and magazines about the horrors of the income tax. Most of the things said are true. The present income tax law is truly an outrage, creating needless confusion, requiring duplicated computations for income tax and victory tax, introducing complications with respect to forgiveness, and, in general, presenting the ordinary taxpayer an unnecessarily complicated problem. Having struggled with my 1943 income tax problem, and having completed it yesterday, I find that there is just one bright thing connected with it, and I am writing you so that you may know that at least one taxpayer is appreciative. I refer to the person who conceived and drew up Form 1040. In my opinion it is a model of clarity, conciseness, precision, and ingenuity. The man who made it up is to be congratulated. He was confronted with a most

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unenviable problem, namely, to take a law conceived by ignoramuses and draw up a form which when broadcast to millions will carry into effect the manifold ramifications of that inane law. The form is so well planned that any one who follows it carefully and intelligently cannot fail to arrive at the correct result, provided, of course, that the initial data are correct. Again I say, Sir, that I take off my hat to the man who prepared Form 1040. It is truly a magnificent piece of work.

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Unfavorable Comments on Taxation

Mervyn Rae, Indianapolis, Ind. I am writing you at this time to inquire as to whether or not it may be possible for your Department to expedite the payment to me of a "refund" of my Federal Tax for 1942 -- amounting to \$49.00. Exactly one year ago I paid my Federal tax in full and in doing so, inadvertently overpaid. \* \* \* Upon discovery of my mistake, I returned to the Indianapolis Custom House and filed a claim. I was told at the time that a check would arrive from Washington, D. C., in about 3 months' time, and although I have waited with a patience that would make "Mr. Micawber" turn green with envy for that check to turn up, yet, to date, no check has arrived. I have received many assurances that payment would be made, but said assurances have never materialized. I would never for a moment think of accusing the Department of being guilty of malingering, but it has occurred to me that perhaps my claim has become sidetracked in some unexplained manner, and as the "Ides of March" are now approaching with rapid strides, and I am again due to pay the Federal income tax for 1943, then possibly you, Mr. Secretary, will kindly look into this matter and discover where this unfortunate hitch may lie. When I tell you that my monthly salary is \$70.40 (plus board), then you will realize that \$49.00 does mean something to me!

Francis Santos Suarez, Hotel Delmonico, N.Y.C. Please excuse me for writing you on the following subject. I own property in France on which I pay taxes. I left France in April 1941, and the American Consul in Biarritz, France, Mr. Roy McWilliams, especially recommended me not to carry any papers or documents while crossing the French frontier. Now an Agent in your Department insists on my paying an additional \$674.96 tax because I am unable to produce the receipts of taxes paid by me in France in 1940. I feel sure

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you will agree with me that this is most unfair. I might be able to communicate with relatives in Spain who might arrange to have friends smuggle out my tax receipts. But then I might be indicted for communicating with enemy territory. I submit my case to your judgment and decision frankly.

A. W. Siemon, Kansas City, Mo. I have an income of \$693.00 from my investments on one-half of my life's savings as a typewriter salesman. The other half is invested in Defense Bonds. Due to the war, as you know, my job was one of the first that was frozen, and after 42 years in one industry, I did not fit in any war work, and was a little too old for it anyway. With the above income, I am finding it a little hard to enjoy the more abundant life, keep up my insurance and pay for my board and room. \* \* \* I made up my estimated and victory income tax statement for 1943, as directed, on the 15th of September, and sent in my check for a little over \$25.00. Doing this took food out of my mouth, but I suppose paying taxes is more important than living today. \* \* \* Now I have received the blanks for my income tax from the Internal Revenue Office, and after considerable study I am still in a fog about them. \* \* \* I need the advice of a good financier and that is why I am appealing to you. Borrowing would only delay the day of reckoning. \* \* \* Somebody has to pay the bills some day. My biggest worry right now is to get my income blanks filled in an acceptable manner. I tried going to the tax office for help, but when I saw some 500 ahead of-me, I knew that I was not physically able to stand in line two days for that help. I shall fill them in myself and if I do wrong, and am sent to Leavenworth for any mistakes, it might be an answer to my troubles. I understand they still feed you up there, and when I called on them, in a business capacity for years, I found them right nice to mingle with.

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The Reverend J. Boyd Coxe, D.D., Delafield, Wisconsin. In the last 18 days I have received through the mails three communications from the Milwaukee Office of the Treasury Department, regarding the withholding tax on my salary received from St. John Chrysostom's Church, Delafield, Wisconsin. It is our understanding that since June 1943 this tax was not to be withheld from the salary of the clergyman, and the parish treasurer reported on all taxes withheld up to that time. Why the necessity of going through all that business again? It is just another example of the waste of time, labor, material, manpower, and expense by the Administration that is irritating people all over the country. If these same communications went broadcast to the nation's churches, the extravagant waste and unnecessary clerical labor assumes appalling proportions.  
\* \* \*

Miss Ruth E. Brown, Chicago, Ill. As a taxpayer I do seriously object to being told in July and August that the Victory Tax has been rescinded -- this fact being published in the newspapers and the same information, "that the victory tax is no longer in effect" is in printed material bearing the Government imprint. In other words, we were told and informed that the withholding tax put into effect last July absorbed the victory tax. What are we to believe and do you not agree that this is misleading and erroneous? The public does not like frauds of this kind. I was told at the local tax office both in September and December 1943 that I had "a little over \$100" to pay to bring my affairs current. Now I find I have \$185 to pay, and I just don't have it. \* \* \*

Letter addressed to Stephen Early by Max H. Rieser, Columbus, Ohio, and referred to the Treasury for handling.  
\* \* \* I have never had occasion to write to Washington for advice or opinion, and do so now reluctantly. But I have so little experience on the question and local

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talent does not satisfy. \* \* \* I cannot believe some things I hear in reference to our Government or the Treasury Department in regard to taxes. In effect, that there is no recourse; that if and when a report is submitted by a Treasury Agent, one better submit or else, and that the Department recognizes only figures as submitted by their examiner and that equity or the right of a loyal American Citizen will not be considered. I am anxious to pay all the taxes due my Government, but I hesitate on a forced tax that does not appear just. I was compelled to engage counsel and auditors, who are not agreed, and I am at a loss just how to proceed. Should my President say to me -- we need all your property and worldly possessions for War purposes -- I would cheerfully give all I have. \* \* \* But when an auditor from the Cincinnati office, after a few days' examination, decides to cut my salary by two-thirds after my long years of service, and my profession has built up a higher living expense than the auditor himself receives in salary, I feel it is time to protest. \* \* \*

Levi Bridgewater, Terre Haute, Ind. I am writing to you in regard to finding out if there is any reason why we shouldn't receive our money back on the Federal Income Tax where they have checked too much off of me. There are two in my family -- husband and wife. \* \* \* They have checked off 60% off of \$46.48, and is there any possible way we could receive the money back? \* \* \* I am sending you the stubs of the checks so you can see for yourself, and will you please send the stubs back when through with them? \* \* \*

Cornelius S. Imry, Detroit, Mich. Kindly let me know that my income tax collected wrong or rightly. I am Cornelius S. Imry born 1905, 5.7 in Pittsburgh, Pa., working at Cadillac Motor Co., Detroit, Mich. from 1942. Married in Romania (Europe) where my wife and son are leaving. I am they sole supporter. For all that facts my income tax collected as a single.

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Burt V. Stevens, Akron, Ohio. I received my 1943 income tax blanks today and had my first opportunity to find out what was required. It stunned me! I don't object to paying plenty of tax, but I do object to submitting to such an ordeal in figuring out what I owe. In these strenuous days, I think it is a crime to have to waste so much time and energy in figuring and filling out forms. I hope the rectification of this matter will receive your earnest consideration for the future.

Miss Henrietta Hagerty, Baltimore, Md. Can't you simplify this income tax problem this year? You don't realize what it means to women on fixed incomes, who not only have to pay a much larger tax, but also must pay twice to have the reports made out. I paid in March 1943 and again in September 1943, and now I must make out one for the rest of 1943, but also for 1944 and so on twice a year.

January 14, 1944

Dear Oscar:

Thank you very much for  
sending me the figures on the  
Argentine trade.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Mr. Oscar Cox,  
Foreign Economic Administration,  
Washington, D.C.

January 13, 1944 54

Secretary Morgenthau:

Here in the rough are the  
figures you asked me to get this  
morning.

Oscar Lof

*Copy to Mr. White*

Argentine-U.K. and Argentine-U.S. trade in round figures.		U. S. dollars	
	1942	1st ten months of 1943	11/24/44
Total exports to U.K.*	Approx. \$150,000,000	Approx. \$130,000,000	
Meats* \$130,000,000 ('42)			
Cereals 9,000,000 ('42)			
'43 figures not available			
Total imports from U.K.*	Approx. \$ 58,000,000**	Approx. \$ 52,000,000**	
Total exports to U.S.	Approx. \$ 72,000,000	Approx. \$ 26,000,000	
	'42	'43	
Quebracho***	\$7,000,000	\$5,000,000	
Hides and Leather***	\$23,000,000	\$17,000,000	
Textiles	\$43,000,000	\$31,000,000	
Total imports from U.S.	Approx. \$150,000,000	Approx. \$ 99,000,000	
	'42	'43	
Wood and Paper****	\$9,000,000	\$2,000,000	
Metals and Mfrs.****	\$17,000,000	\$4,000,000	
Machinery & Vehicles****	\$12,000,000	\$3,000,000	
Chemicals	\$11,000,000	\$6,000,000	

\*Based on Argentine paper peso figures converted at 4 to 1.

\*\*"Effective value" which is arbitrary and represents attempt to arrive at real value from "tariff value." 1942 "tariff value" (approx. 50% of "effective value") of Textiles \$12,000,000; Chemicals \$7,000,000; Machinery \$1,000,000. 1943 figures not available for commodities.

\*\*\*Argentina principal foreign source of these commodities.

\*\*\*If Swedish blockade is opened Argentina will not be dependent on U.S. for these commodities.

56 ✓  
*Copy to Bell 1/15/44*



DEPARTMENT OF STATE  
WASHINGTON

In reply refer to  
FD

January 14, 1944.

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and encloses copies of a paraphrase of telegram No. 87, dated January 13, 1944, 2 p.m., from the American Embassy, Chungking, China, transmitting a message from Mr. Adler for the Secretary of the Treasury only, concerning information on the progress of bases in China.

Enclosure:

Telegram No. 87,  
(in paraphrase),  
January 13, 1944,  
From American Embassy,  
Chungking, China.



## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Chungking, China  
DATE: January 13, 1944, 2 p;m.  
NO.: 87

SECRET

FROM ADLER FOR THE SECRETARY OF THE TREASURY ONLY.

A most reliable source informs me of the following:  
(A.) Progress is being made in the work on only four of the seven bases which China promised to construct and for which payment is to be made by the United States. Work is not proceeding on the three bases which are much more urgently needed than the others; as a matter of fact, the war effort in this theatre will seriously be impeded by the delay in their construction. The United States Government has not committed itself to pay for these latter bases at the official exchange rate and China is, therefore, holding up the work on them.

(B.) In addition, China undertook the responsibility for constructing other bases and she is to pay for them. Work on these bases has not been started.

In view of the delicate character of this information it should not be communicated to other sources; however, it is my understanding that such information will be of interest to the White House.

GAUSS

NOT TO BE RE-TRANSMITTEDCOPY NO 12U.S. SECRET  
BRITISH MOST SECRETOP I No. 16

Information received up to 10 A.M. 14th January, 1944.

1. NAVAL

Levant 10th/11th. Coastal forces attacked and badly damaged a cargo ship and a tanker in LIVADIA BAY, PISCOPI ISLAND (N.E. RHODES). Later air reconnaissance showed 1 ship on fire and no trace of the other.

2. MILITARY

Italy U. S. Forces have captured CERVARO, on 12th French troops occupied important heights in area of CARDITO (9 miles N. of CERVARO) against extremely stubborn resistance.

3. AIR OPERATIONS

Western Front 13th. 3 enemy aircraft destroyed over N. FRANCE by 10 Typhoons, 1 missing. Escort vessel with small convoy damaged by Beauflighter off NORWAY. 13th/14th. 25 Mosquitoes (1 missing) bomber targets in N.E. GERMANY. 7 enemy aircraft flew over S.E. ENGLAND, 1 penetrating to the LONDON Area. 1 destroyed by A/A. Damage slight, no casualties.

Italy 12th. 90 Medium and Light bombers and 200 fighter bombers and fighters attacked enemy targets in ROMA, POLIGNO, PARCARE and battle areas.

Greece 11th/12th. 12 heavy and 31 medium bombers (1 missing) dropped bombs on PIRAEUS HARBOUR, considerable damage to buildings and small shipping.

January 15, 1944  
9:30 a.m.

JEWISH EVACUATION

Present: Mr. Gaston  
Mr. Paul  
Mr. White  
Mr. Pehle  
Mr. Luxford  
Mr. DuBois  
Mr. Cohen ✓  
Mr. Cox ✓  
Mrs. Klotz

H.M.JR: Your record is good on this.

MR. COX: Yes, it isn't bad.

H.M.JR: Is Paul in town?

MR. PEHLE: Yes, sir, he will be in in a very few minutes.

May I mention one new development that came up last night that will throw some light on this thing? Riegelman called and talked to Miss Hodel in my office and said he wanted to read a memorandum he had prepared on the refugee problem which is to be sent to Mr. Stettinius.

Now, this memorandum, he says, outlines all the various problems and aspects of this question and specifies the many divisions of State as well as the other Government agencies which are concerned with these problems. In order to expedite the matter, and in order that all interested parties be consulted and heard, the memorandum could be included with the recommendation that a committee be set up composed of high-level representatives of State, FEA, and Treasury under Mr. Travers, Chief of the Visa Division of State, to handle all refugee problems. Riegelman says that the foregoing is the unanimous

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recommendation of the interested divisions of State who met yesterday, January 14, to discuss the problem, and that they didn't want this taken up with you, and that if Mr. Stettinius approves, it is planned he will write Crowley and the Secretary, meaning you, asking you to appoint representatives on this committee, to be pointed up under Travers.

MR. COX: Who is Riegelman?

MR. PEHLE: That is Mr. Riegelman who is distantly related to the Secretary. He is in the State Department in a division called EH.

H.M.JR: He is Charley Riegelman's son.

MR. COX: Oh, Bill Riegelman. I know him.

MR. PEHLE: In other words, they want to set up a committee under Travers to settle it.

(Mr. Paul entered the conference.)

H.M.JR: This man who wanted to set it up is the man-- Crowley didn't know who he was.

MR. COX: It looks like some of the heat is beginning to work a little bit.

H.M.JR: Well, there is plenty of heat.

MR. GASTON: Have different grades of highness, high, higher, and highest.

H.M.JR: Paul, would you like to start this discussion, or who would you like to have start it?

MR. PAUL: I don't know.

H.M.JR: The only thing I have been given is the memorandum, which I have read, from you to me.

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MR. LUXFORD: I think we ought to start with the report to the President.

MR. PAUL: That is sort of a summary of the thing.

H.M.JR: Why don't you read it? You have a nice voice.

MR. LUXFORD: I don't know what I have this morning.

H.M.JR: I don't think the movie was too much for you and your wife.

MR. LUXFORD: (Reading from memorandum entitled "Personal Report to the President," copy attached.) "One of the greatest crimes in history, the slaughter of the Jewish people in Europe, is continuing unabated."

(Mr. Cohen entered the conference.)

H.M.JR: Just take a minute to bring him up to date. I can tell it to him. There was<sup>2</sup> suggestion made yesterday within the State Department, that just came to us this morning, that a committee should be set up in the State Department, with representatives from Treasury and Crowley's organization, with a Mr. Travers of the Visa Department to head it up, that is, not getting as high up as Stettinius. But that is an answer for the heat which has been on them for the past month.

MR. PEHLE: The significant point that I get out of it in addition to the fact that these little things that they want to do is supposed to be the cure, that is, unless we get action there may be some letters coming around to you and Mr. Crowley setting up such a committee and State will say, "Well, we have taken this action on the many phases to meet the need of getting to the point fast."

H.M.JR: If he (Luxford) has a sore throat, why don't you take it (Pehle).

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MR. LUXFORD: We might hand each person a copy and let them read it right along with us.

H.M.JR: All right.

MR. LUXFORD: There will be changes from page five on.

MR. WHITE: Why don't you give the Secretary the original and read from the carbon?

H.M.JR: This is good enough.

(Copies of "Personal Report to the President" distributed.)

MR. PEHLE: (Reading) "One of the greatest crimes in history, the slaughter of the Jewish people in Europe, is continuing unabated.

"This Government has for a long time maintained that its policy is to work out programs to save those Jews of Europe who could be saved.

"You are probably not as familiar as I with the utter failure of certain officials in our State Department, who are charged with actually carrying out this policy, to take any effective action to prevent the extermination of the Jews in German-controlled Europe.

"The public record, let alone the facts which have not yet been made public, reveals the gross procrastination of these officials. It is well known that since the time when it became clear that Hitler was determined to carry out a policy of exterminating the Jews in Europe, the State Department officials have failed to take any positive steps reasonably calculated to save any of these people. Although they have used devices such as setting up inter-governmental organizations to survey the whole refugee problem, and calling conferences such as the Bermuda Conference to explore the whole refugee problem, making it appear that positive action could be expected, in fact nothing has been accomplished.

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"The best summary of the whole situation is contained in one sentence of a report submitted on December 20, 1943, by the Committee on Foreign Relations of the Senate, recommending the passage of a Resolution (S.R. 203), favoring the appointment of a commission to formulate plans to save the Jews of Europe from extinction by Nazi Germany. The Resolution had been introduced by Senator Guy M. Gillette in behalf of himself and eleven colleagues, Senators Taft, Thomas, Radcliffe, Murray, Johnson, Guffey, Ferguson, Clark, Van Nuys, Downey and Ellender. The Committee stated:

'We have talked; we have sympathized; we have expressed our horror; the time to act is long past due.'

"Whether one views this failure as being deliberate on the part of those officials handling the matter, or merely due to their incompetence, is not too important from my point of view. However, there is a growing number of responsible people and organizations today who have ceased to view our failure as the product of simple incompetence on the part of those officials in the State Department charged with handling this problem. They see plain Anti-Semitism motivating the actions of these State Department officials and, rightly or wrongly, it will require little more in the way of proof for this suspicion to explode into a nasty scandal.

"In this perspective, I ask you to weigh the implications of the following two cases which have recently come to my attention and which have not as yet become known to the public.

"On March 13, 1943, a cable was received from the World Jewish Congress representative in London stating that information reaching London indicated the possibility of rescuing Jews provided funds were put at the disposal of the World Jewish Congress representation in Switzerland.

"On April 10, 1943, Sumner Welles cabled our Legation in Bern and requested them to get in touch with the World Jewish Congress representative in Switzerland, who Welles had been informed was in possession of important information regarding the situation of the Jews.

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"On April 20, 1943, a cable was received from Bern relating to the proposed financial arrangements in connection with the evacuation of the Jews from Rumania and France.

"On May 25, 1943, State Department cabled for a clarification of these proposed financial arrangements. This matter was not called to the attention of the Treasury Department at this time although the Treasury has the responsibility for licensing all such financial transactions.

"This whole question of financing the evacuation of the Jews from Rumania and France was first called to the attention of the Treasury Department on June 25, 1943.

"A conference was held with the State Department relating to this matter on July 15, 1943.

"One day after this conference, on July 16, 1943, the Treasury Department advised the State Department that it was prepared to issue a license in this matter.

"It was not until December 18, 1943, after having interposed objections for five months, that the State Department, precipitously and under circumstances revealing the fictitious character of their objections, instructed Harrison to issue the necessary license."

H.M.JR: Let's say "...instructed Harrison in Switzerland."

MR. PEHLE: "During this five months period between the time that the Treasury stated that it was prepared to issue a license and the time when the license was actually issued delays and objections of all sorts were forthcoming from officials in the State Department, our Legation in Bern, and finally the British. The real significance of these delays and objections was brought home to the State Department in letters which I sent to Secretary Hull on November 23, 1943, and December 17, 1943, which completely devastated the excuses which State Department officials had been advancing.

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"On December 18 I made an appointment to discuss the matter with Secretary Hull on December 20. And then an amazing but understandable thing happened. On the very day I made my appointment the State Department issued a license notwithstanding the fact that the objections of our Legation in Bern were still outstanding and that the British had indicated their disapproval for political reasons.

"State Department officials were in such a hurry to issue this license that they not only did not ask the Treasury to draft the license (which would have been the normal procedure) but they drafted the license themselves and issued it without even consulting the Treasury as to its terms. Informal discussions with certain State Department officials have confirmed what is obvious from the above-mentioned facts.

"This wasn't all that my letter and appointment precipitated. I had told Secretary Hull that I wished to discuss the British objections--in simple terms, the British were apparently prepared to accept the probable death of thousands of Jews in enemy territory because of 'the difficulties of disposing of any considerable number of Jews should they be rescued.' Accordingly, on that day of 'action' for our State Department, December 18, they sent a telegram to the British Foreign Office expressing astonishment at the British point of view and stating that the Department was unable to agree with that point of view.

"Breckinridge Long knew that his position was so indefensible that he was unwilling even to try to defend it at my pending conference with Secretary Hull on December 20. Accordingly, he took such action as he felt was necessary to cover up his previous position in this matter. It is, of course, clear that if we had not made the record against the State Department followed by my request to see Secretary Hull, the action which the State Department officials took on December 18 would either never have been taken at all or would have been delayed so long that any benefits which it might have had would have been lost."

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H.M.JR: Do these gentlemen who are here want to ask any questions before we go into the next one?

MR. PAUL: I think we ought to go through the whole thing.

H.M.JR: All right.

MR. COHEN: What sort of objections were made?

MR. PEHLE: One of the objections they made is that it would aid the enemy by giving him foreign exchange, an objection which was apparently false on its face. It was advanced by political officers of the State Department who are concerned with the question of whether a foreign exchange operation would or would not aid the enemy. It is the type of objection that they would override if it were something they would want to do.

MR. LUXFORD: In all of our dealings with State on trading with the enemy and economics, it has always been these political boys who said, "Forget about the economic side; forget about the foreign exchange."

Now, along comes the problem where we are willing to say, "Well, if there is any such consideration, let's forget about it," and they are the ones who immediately flag that one and say, "No, no, we are going to let some exchange be made available to the enemy."

MR. PEHLE: In other words, the safeguards, as set up, were so good that no foreign exchange would be available.

MR. LUXFORD: Notwithstanding that, they wrote a memorandum to Hull.

MR. PAUL: Those objections were devastated just before all this happened, when the Secretary sent letters to Mr. Hull. It was evident then that they couldn't get away with it on that line of attack.

MR. LUXFORD: Another tactic they employed was, they proposed for months to discuss this problem with us for

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working out a program of exchanging cables with Harrison. During that whole period, there was only one early reference that had to be taken up with the British at that time, but they waited until they had exhausted every other excuse, and then Harrison came back four or five months later and said, "Now, I have to take this up with the British."

Notwithstanding the fact that we forced State into a position to say, "No, go ahead," he took it up with the British anyway, and began to use the British as a device for delay.

MR. COHEN: But in your dealings with the State Department--is there anyone over there whose job it is to see what can be done for refugees? Naturally, the different departments, if something comes through, pass upon whether it can be done or can't be done, but is there anyone actively charged to see that what can be done is done?

MR. PEHLE: Breckinridge Long is charged with that.

MR. COHEN: No, as I understand it, Mr. Long is one of the principal Assistant Secretaries whose job it is to consider the policy problems brought to him. Certainly I don't think that it is Mr. Long's job to follow through and develop actively what can be done.

MR. PEHLE: Well, it is his job as much as it is anybody's.

MR. COHEN: You might say it is the job of the Department, but is there any individual--

MR. COX: Long has his own staff of three people who are presumably charged with doing the kind of job that you indicate.

MR. COHEN: But nobody has the job to see what merit there is in the various matters that come from different sections when things are proposed, or is it their job to see what can be done?

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MR. COX: It is their job to see that it can be done.

MR. COHEN: Have they been designated to assignments as Assistants?

MR. PEHLE: They have Mr. Reams; they have this Mr. Travers in the Visa Division; and Mr. Brandt is probably the closest to it. He is a very sympathetic person who is not anxious to see anything done. I don't know of anybody who is specifically tagged with getting the work done outside of Mr. Long. And Mr. Long is the person who went before the House Committee. He takes the position that they are doing a lot.

MR. COHEN: I would like to have a copy of his testimony.

MR. COX: His whole testimony, which was in terms of verbal presentation, was that he has jurisdiction within the State Department to see that things are done and that they have done everything that is humanly possible. I guess that there probably are internal orders in the State Department that charge Breckinridge Long and his staff with this work. Purportedly in doing the thing--you say now in discussing it you get something quite different.

MR. LUXFORD: Applying the hierarchy of State to this particular case, Ben, it was probably just by certain accident that Sumner Welles referred one of these cables to Herbert rather than through the routine State Department channels on refugees that we ever got word about the Rumanian situation.

MR. DuBOIS: Feis and Meltzer, we know, are the only two men in the State Department who have been doing anything on this, and they were opposed by Breckinridge Long and that whole crowd.

MR. LUXFORD: That is true. They got the cable out, that inquiry which was the proposal in terms of this, and there was a bitter fight in State because they even got an inquiry out.

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H.M.JR: There is one thing which I think should be stronger, and that is the exchange of cables between the British Foreign Office and State to show that the British Foreign Office's position--maybe that is in the next paragraph.

MR. PAUL: It is quoted there.

H.M.JR: I think it should be expanded.

MR. PAUL: There are reasons for not doing it.

H.M.JR: I would like the President to get the impression that it is not only his whole State Department we had to deal with, but the British Foreign Office as well.

MR. WHITE: I think that is true, because it is an indication that the State Department was easily convinced by the British objections, and they made no attempt to--

MR. PAUL: They didn't have to be convinced by them.

H.M.JR: May I give my reason for that? You people may vary. In talking with Governor Lehman the other night, I asked him what he was doing--you people may know it, but we are trying to get all the pieces together--and that is, the information which he had, which I hadn't had before, was that at some recent time the President and Churchill had talked over this refugee problem, as a result of which he agreed to put up a million dollars to set up a camp at Casablanca, and out of the President's fund five hundred thousand dollars was set up. Lehman didn't know whether the English had put up any or not.

And when you asked the State Department the other day, we couldn't get it. But when this thing finally gets down to the President, he has to do this thing vis-a-vis Churchill, and, therefore, I think the President ought to know it up to the minute what action the Foreign Office has taken.

MR. LUXFORD: There is only one question on that, Mr. Secretary. We have a big enough battle in taking on State at the moment without taking on the British Government, too.

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H.M.JR: I am just raising the point. If this is done advisedly, all the--

MR. PEHLE: The points are in here to show that something must be done within this Government, and it doesn't develop the other objection, which is the British.

H.M.JR: You don't think I should? Wait until you hear Mr. Stettinius' broadcast tonight on the reorganization of the State Department.

MR. PEHLE: He is also going to modernize.

MRS. KLOTZ: What?

MR. PEHLE: Haven't you seen the entrance? When you come in everything is sort of plush. They have removed the counters.

MR. LUXFORD: They are changing the paint over there.

H.M.JR: All right, go ahead. We will make Oscar squirm out of former loyalty.

MR. PEHLE: "Suppression of Facts Regarding Hitler's Extermination of Jews In Europe."

"Sumner Welles as Acting Secretary of State requests confirmation of Hitler's plan to exterminate the Jews. Having already received various reports on the plight of the Jews, on October 5, 1942 Sumner Welles as Acting Secretary of State sent a cable (2314) for the personal attention of Minister Harrison in Bern stating that leaders of the Jewish Congress had received reports from their representatives in Geneva and London to the effect that many thousands of Jews in Eastern Europe were being slaughtered pursuant to a policy embarked upon by the German Government for the complete extermination of the Jews in Europe. Welles added that he was trying to obtain further information from the Vatican but that other than this he was unable to secure confirmation of these stories. He stated that Rabbi Wise believed that information was available to his representatives in Switzerland but that

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they were in all likelihood fearful of dispatching any such reports through open cables or mail. He then stated that World Jewish Congress officials in Switzerland, Riegner and Lichtheim, were being requested by Wise to call upon Minister Harrison; and Welles requested Minister Harrison to advise him by telegram of all the evidence and facts which he might secure as a result of conferences with Riegner and Lichtheim.

"State Department receives confirmation that the extermination was rapidly carried out. Pursuant to Welles' cable of October 5 Minister Harrison forwarded documents from Riegner confirming the fact of extermination of the Jews (in November 1942), and in a cable of January 21, 1943 (482) relayed a message from Riegner and Lichtheim which Harrison stated was for the information of the Under Secretary of State (and was to be transmitted to Rabbi Stephen Wise if the Under Secretary should so determine). This message described a horrible situation concerning the plight of Jews in Europe. It reported mass executions of Jews in Poland; the Jews were required before execution to strip themselves of all their clothing which was then sent to Germany; the remaining Jews in Poland were confined to ghettos, etc., in Germany; deportations were continuing; many Jews were being deprived of rationed foodstuffs; no Jews would be left in Prague or Berlin by the end of March, etc.; and in Rumania 130,000 Jews were deported to Transnistria; about 60,000 had already died and the remaining 70,000 were starving; living conditions were indescribable; Jews were deprived of all their money, foodstuffs and possessions; they were housed in deserted cellars, and occasionally twenty to thirty people slept on the floor of one unheated room; disease was prevalent, particularly fever; urgent assistance was needed."

You can't follow it from here on, because there has been a rewrite, but I can read it.

"Sumner Welles furnishes this information to the Jewish organizations. Sumner Welles furnished the documents received in November to the Jewish organizations in the United States and authorized them to make the facts public.

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On February 9, 1943 Welles forwarded the message contained in cable 482 of January 21 to Rabbi Stephen Wise. In his letter of February 9 Welles stated that he was pleased to be of assistance in this matter.

"Immediately upon the receipt of this message, the Jewish organizations arranged for a public mass meeting in Madison Square Garden in a further effort to obtain effective action.

"On February 10, the day after Welles forwarded the message contained in cable 482 of January 21 to Rabbi Wise, and in direct response to this cable, a most highly significant cable was dispatched. This cable, 354 of February 10, read as follows:

"Your 482, January 21--"

MR. COX: This was to Mr. Harrison.

MR. PEHLE: "In the future we would suggest that you do not accept reports submitted to you to be transmitted to private persons in the United States unless such action is advisable because of extraordinary circumstances. Such private messages circumvent neutral countries' censorship and it is felt that by sending them we risk the possibility that steps would necessarily be taken by the neutral countries to curtail or forbid our means of communication for confidential official matter.

"The cable was signed for Hull by 'SW' (Sumner Welles). But it is significant that there is not a word in it that would even suggest to the person signing that it was designed to countermand the Department's specific requests for information on Hitler's plans to exterminate the Jews. The cable has the appearance of being a normal routine message which a busy official would sign without question.

"On its face it is most innocent and innocuous, yet when read together with the previous cables it can be interpreted as nothing less than an attempted suppression of information requested by this Government concerning the murder of Jews by Hitler.

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"Thereafter on April 10, 1943, Sumner Welles again requested our Legation for information (cable 877). Apparently he did not realize that in cable 354 (to which he did not refer) Harrison had been instructed to cease forwarding reports of this character. Harrison replied on April 20 (cable 2460) and indicated that he was in a most confused state of mind as a result of the conflicting instructions he had received. Among other things he stated? 'May I suggest that messages of this character should not (repeat not) be subjected to the restriction imposed by your 354, February 10, and that I be permitted to transmit messages from R more particularly in view of the helpful information which they may frequently contain.'

"The fact that cable 354 is not the innocent and routine cable that it appears to be on its face is further highlighted by the efforts of State Department officials to prevent this Department from obtaining the cable and learning its true significance.

"The facts relating to this attempted concealment are as follows:

"Several men in our Department had requested State Department officials for a copy of the cable of February 10 (354). We had been advised that it was a Department communication; a strictly political communication, which had nothing to do with economic matters; that it had only had a very limited distribution within the Department, the only ones having anything to do with it being the European Division, the Political Adviser and Sumner Welles; and that a copy could not be furnished to the Treasury.

"At the conference in Secretary Hull's office on December 20 in the presence of Breckinridge Long I asked Secretary Hull for a copy of cable 354, which I was told would be furnished to me.

"By note to me of December 20, Breckinridge Long enclosed a paraphrase of cable 354. This paraphrase of cable 354 specifically omitted any reference to cable 482 of January 21--thus destroying the only tangible clue to the true meaning of the message.

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"I would never have learned the true meaning of cable 354 had it not been for chance. I had asked one of the men in my Department to obtain all the facts on this matter. He had previously called one of the men in another Division of the State Department and requested permission to see the relevant cables. In view of the Treasury interest in this matter, this State Department representative obtained cable 354 and the cable of January 21 to which it referred and showed these cables to my representative.

"The facts I have detailed in this report, Mr. President, came to the Treasury's attention as a part of our routine investigation of the licensing of the financial phases of the proposal of the World Jewish Congress for the evacuation of Jews from France and Rumania. The facts may thus be said to have come to light through accident. How many others of the same character are buried in State Department files is a matter I would have no way of knowing. Judging from the almost complete failure of the State Department to achieve any results, the strong suspicion must be that they are not few.

"This much is certain, however. The matter of rescuing the Jews from extermination is a trust too great to remain in the hands of men who are indifferent, callous, and perhaps even hostile. The task is filled with difficulties. Only a fervent will to accomplish, backed by persistent and untiring effort can succeed where time is so precious."

MR. COX: May I raise one minor question? Why did they change the number order of the cables by using 354 when applied to 482?

MR. PEHLE: It may have been a different series.

MR. COX: I think the fact that they put it in a different series may be significant.

MR. PEHLE: There is a different series.

MR. DuBOIS: 482 is from Harrison.

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MR. LUXFORD: There is a three-months lag between those cables.

H.M.JR: The only thing they are doing over there is throwing their weight in favor of Sumner Welles. He did all this in innocence. We are giving him the benefit of the doubt.

MR. LUXFORD: It isn't in the record here, but the parties who initialed that 354 were Atherton, Dunn, Hickerson, and DuBrow.

H.M.JR: Is this new to you?

MR. COX: No, your fellows told me about it.

H.M.JR: Did you know about it?

MR. COHEN: No.

MR. COX: Did Long initial 354?

MR. PEHLE: We have every reason to believe he paraphrased it himself.

H.M.JR: What made me think about this was, in front of Mr. Hull I asked for this thing and Hull said, "Just give it to him." But Long did his own paraphrasing. We know this to be a fact. We have an eye witness to that. We can name the person who knows that he personally paraphrased and left that reference out.

MR. COHEN: Which particular one?

MR. COX: In answer to 482.

MR. COHEN: Is it right, as indicated here, that 482 was sent to the State Department and expressly said that this message was to be transmitted to these private parties only if the Under Secretary so desired?

MR. PEHLE: Exactly, and Under Secretary--

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MR. COHEN: So the cable to which this referred was not the cable that had the warning, but the cable itself had a warning.

MR. GASTON: Right.

MR. COHEN: And I also wonder, assuming that there is something in the reasons they give for the general rule, why that shouldn't be a rule for the government of the Department after the information reached Washington. That is, I can see that there would be problems if things had gone through without the usual censorship as to whether the Department here should release or not release, but why the Department should want to debar itself from getting--

MR. GASTON: Why, specifically, it seems to say there are people in this Department we don't trust so don't let this stuff come in here.

MR. PEHLE: They were trying to stop us from giving it to Sumner Welles, because he was giving it to the Jewish organization, who was building up some pressure for action.

H.M.JR: Ben makes an excellent point.

MR. COHEN: Did we ask the undercover agents to get things surreptitiously and not to give them out, that they shouldn't send them over here?

H.M.JR: That is the same as Military Intelligence saying, "Don't send us anything from the Argentine thing because maybe they don't want things to come out."

MR. PEHLE: That is a little different, because Riegner was sending things through addressed to Wise."

MR. WHITE: This Department here has the final decision as to whether the final leg of this journey should or should not take place, so there is their point.

MR. PEHLE: Which Department?

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MR. WHITE: The State Department.

H.M.JR: When you review this thing and live with it, there is every evidence that people in State did everything possible to suppress information and assistance.

As I told Breckinridge Long when he took me aside the other day and asked me to come to his defense--I said, "What was this country founded for if it wasn't founded for political refugees and religious refugees?" But instead of the State Department taking the initiative and saying, "What can we do to help these people?" everything is done to block them. There is a concerted effort there to block them.

MR. WHITE: We don't know what discussions went on between Long and Halifax in these matters. It is impossible, even if you saw reports of the conference, even if there was a stenotype copy of it.

MR. GASTON: We don't know how far we created the British objections.

MR. PEHLE: Remember what happened in the last war with the men we had in Britain helping to draft the British reply to the notes of protest. That is an old diplomatic fashion.

MR. LUXFORD: They are again using the legitimate measure. That is, we have been after State consistently to stop communicating or passing commercial messages from banks, Standard Oil, and I. T. & T., and others from occupied territories. They turn around though, and instead of stopping those messages, they apply it in these cases.

MR. PEHLE: To indicate how right these things are--

H.M.JR: You may have a hard time to convince Ben on this. (Laughter)

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MR. PEHLE: Before we asked State for an official copy of that cable, which had already been sent, and which we knew contained a reference to the previous cable, Joe, here, particularly said, "When we get the cable there won't be any reference to it."

MR. COHEN: How do you know the reference was in?

MR. PEHLE: We had seen the cable.

MR. WHITE: We have information termites over there.

MR. PAUL: He sent over a copy, Ben, without that reference, and we knew it was wrong. I called up Long and said, "This cable isn't clear to us the way it is paraphrased. I would like to send a man over to see the document." He couldn't refuse that. That is the way we actually got to see it.

MR. PEHLE: That is the way we officially got to see it.

MR. PAUL: We knew it was there through our termites over there.

MR. WHITE: The fact that an Assistant Secretary paraphrased a cable, which is ordinarily done way down the line, is in itself suggestive.

MR. PEHLE: Well, the fact that they wouldn't give it to us--

MR. COHEN: There may be a very good reason.

MR. WHITE: There is no code in the State Department that is known only by the Secretary and the Assistant Secretaries.

MR. PEHLE: It had already been decoded. This was just a paraphrase job.

MR. COHEN: That was just an objection.

H.M.JR: I just want to explain that Judge Rosenman was quite late in getting to the President.

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MR. COX: One point about it is, I think these fellows have put in the proper emphasis, because a lot of this stuff, I would guess, is playing on the British by reason of the kind of presentation Harry has indicated was made to them. Now, if you say to them in a tone and in context that you don't want them to do much, then, that is one thing. But, if you take the strong affirmative position that you want it done, you get another action.

MR. PEHLE: Well, the British have a lot of tricky people like those in our State Department.

H.M.JR: Let me get this thing. Maybe Mr. Cohen and Mr. Cox want to ask some questions. Let's say for argument's sake that I am not yet convinced that I should take this to the President. I want to explore it a little further. Maybe I should take it to Mr. Hull. But, let's just follow this to an end.

I will take this to the President--something of this nature--and then he will say, "What do you suggest?"

MR. PEHLE: We have the document.

H.M.JR: Let's have that. Then I would like to have somebody, if he would, take the position and argue that this should first be taken to Mr. Hull.

MR. LUXFORD: We usually have a case, too.

H.M.JR: What?

MR. LUXFORD: We usually have a case.

MR. WHITE: Since when does a lawyer have to have a case?

MR. COHEN: You don't need a lawyer if you have a case.  
(Laughter)

MR. WHITE: Before you read this, I would like to say that this represents some very intensive work and

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settling of difference and coming to an agreement on the part of the boys here, and Ben and Oscar and Handler. There was a lot of hard intensive work done over the last few days which is not represented by mere feeling.

H.M.JR: Sometime bring Handler in and introduce him. I don't want to be like Mr. Hull; I want to know who my people are.

MR. COX: All right.

H.M.JR: Will somebody give Mrs. Klotz a true copy of what we are reading here? (Page 8 handed to Mrs. Klotz)

Now, will somebody proceed who is familiar with the Executive Order?

MR. LUXFORD: Would you like to have it read out loud? I think it might be worth while.

H.M.JR: Yes.

MR. LUXFORD: (Reading from "Executive Order," copy attached.) "Executive Order Establishing a War Refugee Board. Whereas it is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war.

"Now, therefore, by virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and as Commander in Chief of the Army and Navy, and in order to effectuate with all possible speed the rescue and relief of such victims of enemy oppression, it is hereby ordered as follows:"

H.M.JR: Just a minute. All right, go ahead.

MR. LUXFORD: "1. There is established in the Executive Office of the President a War Refugee Board (hereinafter referred to as the Board). The Board shall consist of the

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Secretary of State, the Secretary of the Treasury, and the Foreign Economic Administrator. The Board may request the heads of other agencies or departments to participate in its deliberations whenever matters specially affecting such agencies or departments are under consideration. It shall be the duty of the heads of the agencies and departments to supply or obtain for the Board such information and to extend to the Board such assistance and facilities as the Board may require in carrying out the provisions of this Order."

H.M.JR: Just a moment, please. All right.

MR. LUXFORD: "2. The Board shall be charged with the responsibility for seeing that the policy of the Government, as stated in the Preamble, is carried out. The functions of the Board shall include without limitation the development of plans and programs and the inauguration of effective measures for (a) the rescue, transportation, maintenance and relief of the victims of enemy oppression, and (b) the establishment of havens of refuge, and the resettlement of such victims. To this end the Board, through appropriate channels, shall take the necessary steps to enlist the cooperation of foreign governments and obtain their participation in the execution of such plans and programs. It shall be the duty of the State and Treasury Departments and the Foreign Economic Administration, within their respective spheres, to execute at the request of the Board, the plans and programs so developed and the measures so inaugurated. The State Department shall appoint special attaches with diplomatic status, selected by the Board, to be stationed abroad in places where it is likely that assistance can be rendered to war refugees, the duties and responsibilities of such attaches to be defined by the Board in consultation with the State Department.

"3. The Board and the State and Treasury Departments and the Foreign Economic Administration are authorized to accept the services or contributions of any private persons, private organizations, State agencies, Federal agencies or departments, or agencies of foreign governments in carrying out the purpose of this Order. The Board shall cooperate

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with all existing and future international organizations concerned with the problems of refugee rescue, maintenance, transportation, relief, rehabilitation, and resettlement.

"4. To the extent possible the Board shall utilize the personnel, supplies, facilities and services of the State Department, Treasury Department and Foreign Economic Administration, as well as such other personnel, supplies, facilities, and services as may be made available by other departments and agencies of the Government. In addition, the Board, within the limits of funds which may be made available, may employ necessary personnel and make provisions for supplies, facilities and services necessary to discharge its responsibilities. The Board shall appoint an Executive Director who shall serve as its principal executive officer. It shall be the duty of the Executive Director to arrange for the prompt execution of the plans and programs developed and the measures inaugurated by the Board, to supervise the activities of the special attaches and to submit frequent reports to the Board on the steps taken for the rescue and relief of war refugees.

"5. The Board shall be directly responsible to the President in carrying out the policy of this Government, as stated in the Preamble, and the Board shall report to him at frequent intervals concerning the steps taken for the rescue and relief of war refugees and shall make such recommendations as they deem appropriate for further action to overcome any difficulties encountered in the rescue and relief of war refugees."

H.M.JR: That is a wonderful article.

MR. PAUL: Now we have another memorandum to the Director of the Budget, summarizing--

H.M.JR: All right, do you want to read it?

(Mr. Paul read "Memorandum for the Director of the Budget," copy attached.)

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H.M.JR: All right, do you want to read it?

(Mr. Paul read "Memorandum for the Director of the Budget," copy attached.)

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H.M.JR: Ben, this is the first time I have heard it and the first time you have heard it.

MR. COX: No, Ben is one of the authors. We can speak to him and say he has done a good job.

MR. PAUL: We thought we had better clear all the techniques.

MR. WHITE: There was substantial difference of opinion on the approach, but this has all been cleared and agreed upon. Ben took on the job of reconciliation.

H.M.JR: This is a beautiful job. Everybody has seen it but Judge Rosenman?

MR. COX: He saw the earlier draft.

H.M.JR: He did?

MR. COX: Yes.

MR. PEHLE: How long ago?

MR. COX: I sent it to him about ten days ago for his information.

H.M.JR: But you haven't talked to him?

MR. COX: No, I just sent it to him.

H.M.JR: But he is not familiar with this information we have here?

MR. COX: No.

MR. LUXFORD: Now, Mr. Secretary, there is a transmittal letter from the President to Hull, rather a letter advising him of what is happening, which Mr. Cohen and Oscar drafted, that I think we should read to you.

(Reading from "Proposed Draft of Letter from the President to Hull," copy attached.) "Dear Cordell: We have all been concerned for a long time with the cowardly

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persecution of minorities by the Nazis. I fear that as the war approaches the end, Hitler will take further vengeance on the helpless minorities and Allied sympathizers in the lands which he controls. It is imperative, therefore, that vigorous action be taken by us to forestall the Nazi plot to exterminate these helpless peoples. I think it also important that we let our own people know that we are redoubling our efforts to save the victims of enemy oppression."

H.M.JR: I want to interrupt you. Where you said "forestall," I think something should be said there that we can still do something. The point is, I would like to say, "A lot of water has gone over the dam, but let's make the best of what is left."

MR. LUXFORD: Yes.

H.M.JR: See what I mean? The way it is now, it might have been written three years ago.

MR. LUXFORD: There was considerable discussion as to whether you would want to send a letter from the President to Hull.

H.M.JR: The point is, in writing it he is saying to Hull, "Everything is lovely."

MR. LUXFORD: That is what we--

MR. WHITE: There is a difference of opinion as to whether or not the letter should be sent.

H.M.JR: I would definitely lay down the thing that some of these people have died because of inaction. Now let's do what we can with the little time left.

MR. LUXFORD: All right, we can put that in.

"I have asked the Director of the Budget to prepare for my signature an Executive Order carrying out the proposed course of action outlined in a memorandum which

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I am enclosing. In order to save time, I would appreciate it if you would take up with me directly any questions which you may have concerning this program. Harold Smith can take care of the details of the Order and can move forward in the meantime with the task of clearing it with the other interested departments and agencies. Sincerely yours."

MR. PEHLE: I think we feel we would rather not tell the President how he can sell this thing to Cordell.

H.M.JR: It won't do any harm to have it.

MR. COHEN: The only thing is, if it isn't arranged just by detail he may do nothing, and then the Secretary of State will say, "This important matter has been carried through without even consulting me, and it is not the correct information." I think there should be some way of indicating that the President has informed Cordell and has asked him not to have these fights with Harold Smith's boys, but to take up the major matters with him.

H.M.JR: On the assumption that we are going to do this, I think it would be definitely worth while to have that letter available.

MR. PAUL: Some words can be slipped in there.

MR. COHEN: And I think the less provocative that letter is to Hull, the better.

H.M.JR: Granted. In other words, you don't want the President to write a letter to Hull saying, "Everything you have done in the last three years is lovely."

MR. WHITE: I think we could write a letter such as you suggested that would remove many of the objections the Treasury had to sending a letter.

H.M.JR: Furthermore, if the President writes it, it puts him in the same boat with Hull.

MR. WHITE: That is right.

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H.M.JR: I think when the facts are known--and I know that Mrs. Roosevelt brought it to the President's attention very, very forcibly, this question of bringing in children--everything the President tried to do was turned down. I know that the man did everything possible that he could up to the point of, maybe--I don't know what, but I suggest--

MR. PAUL: That sounds kind of funny. The President was turned down?

MR. LUXFORD: Mr. Secretary, that is exactly what happened in the Tunisian program.

H.M.JR: That isn't an isolated case.

MR. COX: Do you want me to be the devil's advocate on the hard case?

H.M.JR: Yes, but just give me one moment please.

MR. WHITE: I am a little troubled about sending the Executive Order. It seems to run right across UNRRA when you take care of assistance and relief.

MR. COHEN: This relates only to what this Government does. I mean UNRRA is an agency that this Government might work through. There is too much belief that UNRRA is an agency of the American Government. It is not; it is an international institution.

MR. COX: Not only that, but under the resolutions all that they expect to do is handle the migration and the incidental relief of displaced persons, but there is a specific division in here--

MR. COHEN: Not only as far as UNRRA is going to do anything, that is, to have people over here that are eager to cooperate with what they want to do--

MR. COX: The committee should confer with all future and existing international organizations, so if it is in that field, they ought to do it.

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H.M.JR: Just one second. All right, Mr. Devil!

MR. COX: O.K. Personally let me state--

MR. WHITE: That sounded like Mr. Biddle.

MR. COX: Personally let me state a few assumptions. One is that I don't think that Hull knows in detail most of the things that have been happening in this situation, and particularly in the two cases that you give.

Second, in terms of political significance, generally, and in terms of specific relationship to the President, I think you can go to him and say, "I am not going to do anything behind your back."

H.M.JR: To whom?

MR. COX: To Hull. "I feel strongly that this ought to be done, and I am just telling you what ought to be done in going to the President. I am going to go to him with a draft of an Executive Order and with a recommendation that action be taken on it as quickly as possible. Now, either you can come with me if you want, or you can join in the memorandum with me so we can expedite it, or you can object. That is your problem."

Now, my hunch is that you have a better chance with Hull himself under the present circumstances and with that kind of an approach to get him to agree and go along with the Executive Order. If he does that, that makes the task for the President particularly easy in terms of saying to Smith, "I want this. It already has the approval of the Secretary of State and the Secretary of the Treasury and our Foreign Economic Administrator."

If he opposes it, the only chance I can see that you take is that he may go over alone and argue the case before you get a chance to present it, and then what I would do would be to add a note to the memorandum saying that the substance of this idea has been called to the attention of the Secretary of State and he has objected,

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which is stating that under the circumstances there is every need and every reason to get the job done, and we, therefore, want to send the following letter to Mr. Hull as well as the memorandum that goes to the Director of the Budget.

Otherwise, the President may feel in any event he has to talk to Hull about it. That is the decision he will have to make.

H.M.JR: Oscar, for me, as well as for everybody here, give us the status of this resolution on the Hill. Where would that fit into the picture?

MR. COX: It would fit in this way: The Senate Foreign Relations Committee, with ten members present, voted unanimously to report the resolution out, so the only problem now is the debate on the Floor. Most of the people who know about the resolution feel that when it gets to the Floor two things will probably happen. One element thinks the resolution will be passed; the other that in the course of debate State Department's position will be ripped open in that Breckinridge Long's testimony will be attacked in the specific content that his figures were wrong, in that his facts were wrong, and it was an attempt to sugar-coat an action when action should have been taken.

On the House side the Committee has had a terrific internal fight between--lead in the main on one side by Will Rogers, who is one of the introducers of the resolution, and Gillette, and on the other side by Sol Bloom, who feels that a large part of this is direct personal criticism of him and what he did as the American delegate to the Bermuda Conference.

Now, Bloom, himself, although he takes a personal emotional interest in the thing, feels it would be a problem to have the full debate both on the Floors of the Senate and the House, because he doesn't think he could hold the resolution in the House Committee, and it would also be a direct attack on the Administration, including the President, for having failed to act in this kind of an

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important situation, so Bloom, himself, is championing to go to Hull and say, for practical reasons--and we might also call them political reasons involving the State Department, the President, and the House Foreign Affairs Committee--"I think you ought to take some bold, imaginative action such as appointing a high-level Government committee to take hold of this thing and do something about it."

H.M.JR: Well, I would like to sit in the capacity of a judge. Does anybody want to answer Cox?

MR. WHITE: I would like to say something that is probably more on his side.

What bothers me about the sending of that document to the President--and I am speaking now of the memorandum, not the Executive Order, which I think is excellent--is that the President may want to send it to the State Department, or you, yourself, may send a copy to Secretary Hull. In either case, they will at once sit down and explain away every single item that is there; and with ample time they can do a job which might not satisfy you, but which would so confuse the President after he saw it so as to do away with some of the effectiveness of the presentation. In the light of that it may be possible to go over that memorandum to modify some of the statements so as to give you a little more defense of that.

In other words, that means going back again, and they may show conferences they had over a period of months. They may say they had a conference at such a time, and such a time, and such a time, and that action didn't take place only on the 18th, that they might have had a whole series of conferences. One doesn't know what they have. We only know that if they have time to build up a case, they certainly will build one, and they will confuse the issue enough so as to put you a little on the defensive on some of these matters, where you shouldn't be.

I wonder if it might not be better to have a little less detail and depend a little more on your general

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evaluation of the case, and depend on the fact that there are no results that have been obtained. I am not sure how far one can go in that direction.

MR. PAUL: If you leave out the details you are just dealing in general allegations.

MR. COHEN: I don't think you have to have the details, but I think it may not satisfy our feelings quite so much. But I think it may be much more effective if on the basis of the thing--on the ground that here is the most difficult and tragic problem that confronts--it undoubtedly is part of our basic policy to do what we can, but although that is our policy today, no one regards himself--no group in the State Department regards itself as charged with the responsibility of actually doing what can be done to save these people, though the regular officials of the State Department consider these matters when they come up along with other things.

The difficulty of viewing things without changing these established rules that have been devised for other purposes always looms large when any proposed action is circulated among the various officials who are concerned with many things. Because they are not things which occur often brings us to the charge that they have neglected them. Then cite these things that occur, because when something comes up in the State Department it may in many cases be innocent. I mean, we get so furious we can't believe it, and even if it isn't innocent, you won't be able to convince Hull that his most-trusted Assistant Secretary simply doesn't care what happens. But I think you can make progress in convincing him that the Department is in an exposed position and the Administration is in an exposed position.

MR. LUXFORD: Mr. Secretary, if that discussion that has just been made had been made a year ago, we would all have agreed one hundred percent with it, but the time is rapidly running out. A year has gone by.

MR. COHEN: That depends on whether the more effective thing you can do now is to change the minds of Long and

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Hull or whether the most effective thing you can do now is to get someone of outstanding rank put under this committee in the State Department who can't be pushed aside.

MR. PEHLE: I just don't think there is a chance there.

H.M.JR: One at a time.

MR. LUXFORD: I will give you an example of one of these outstanding men, and I don't think any of us will challenge it. I will name Governor Lehman. When he was in the State Department, he was pushed around, that man, strong as he is. I have seen him fight meeting after meeting, and he couldn't even get men on his staff. They kicked his personnel around month after month.

MR. COHEN: Part of that is due to an impossible situation. He was to be the head of an international organization. He was put in the State Department, and he started to organize a section in the State Department.

MR. LUXFORD: The impossible situation was putting him in the State Department.

MR. COHEN: I mean, that is a problem that is very confusing, and I don't think it provides a helpful analogy, because if we get started debating that--

MR. WHITE: Let's bet on your basis when we have a weak offense.

MR. DuBOIS: What troubles me is, you don't attempt to face the issue on its merits.

MR. COHEN: I am, but I am not willing to write a memorandum that is more for the sake of making a record than for getting what you want.

MR. GASTON: Let's declare what we are debating in the field of action. Are we debating whether we can

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modify a memorandum to go to the President, or are we debating a question of whether the Secretary should go first to Hull before going to the President? Should the Secretary have a personal solitary talk with Hull, just Secretary Morgenthau and Secretary Hull, to ask him to join him in recommending this Executive Order to the President? Should he do that before going to the President?

MR. WHITE: One of the difficulties about doing that is, by so doing you are practically condoning much of what the State Department has done, in the sense that you are not indicting them.

One of the things Hull will say is, "Yes, I think you are right, Henry, and the man who is going to represent me is Long." Then where are you? In other words, Ben, I think, doesn't place sufficient stress on State Department by virtue of being in a key position in the situation where they can sabotage surreptitiously and through a hundred different ways any effort which has taken place. And if you don't sock them now and scare them to death, they will sabotage it in so many ways that you will get very little. The Secretary can't keep pounding away at this level. The Secretary expects to do a job on this, and from then let it carry on its own momentum, being in on it every once in a while. But when you are up against an organization whose technique has been perfected over years, with whom everyone cooperates, and their job is to see that little is done, I don't think you will get very much done unless you scare them in the first place.

H.M.JR: Wait a minute; Cox is next. May I have a little more rebuttal from the devil's advocate?

MR. COX: I would like to state one additional fact, and then go on. As I understand it, Stettinius talked to the President about this same central idea. During the time that Secretary Hull was at the Moscow Conference, Stettinius talked to the President about it. The President thought it was fine, and suggested that he talk to Hull.

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H.M.JR: Which order?

MR. COX: It was not an order, just the idea of setting up a three-man committee.

Stettinius did talk to Hull, and Long was brought in, and the argument that was given to him was that it would cut across the other international committee and upset the report of the Bermuda Conference, and so forth, and Stettinius didn't know enough about the technical stuff to say that it wasn't true at all.

The second point I want to raise is really one of psychology with the President. If you put yourself in the President's position, particularly with Stettinius, in the light of whatever Long's relationship may be to the President, my hunch is, he may say to you, "Henry, why don't you talk to Hull about it and see if you two fellows can't come to an agreement." Because, otherwise he has to give a direct order to Hull no matter what his position is, clearing whether he will do it merely by a written document.

The power, it seems to me, you have over Hull, quite aside from letting it get entrenched in the same groups that it is in the State Department, is that you are going to them on a pretty tough basis.

H.M.JR: Who is going to whom on a tough basis?

MR. COX: The alternate is, you ought to go to Hull first. I think if you do go to Hull, the only basis on which to go is to say clearly and forthrightly, "I am going to the President. I am going to take the position that this ought to be done, that it ought to be taken out of the State Department, and that Long and his fellows have not done this job, either on the merits or public acceptance of what they have done, and you need a new deal on this thing."

MR. GASTON: "And I want to invite you to join me in recommending this new setup."

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MR. COX: "And if you don't, I am going anyway."

MR. LUXFORD: What do you achieve by that?

MR. GASTON: It will take a great load off the President.

MR. LUXFORD: You are assuming that he will sign it.

MR. GASTON: Don't you go to the President to exhaust the opportunity for agreement?

MR. COX: The President has two Cabinet Officers he has to decide between. If they are in agreement, it relieves the problem for the President. If Hull doesn't agree, then the President has the other alternative, which is, "Despite Hull's disagreement," he says, "I will do it anyway."

MR. PEHLE: He calls Hull in and says, "Cordell, this is--"

H.M.JR: You don't know the President.

MR. PEHLE: That may very well be.

H.M.JR: I think this is a very weak and compromising way to do it. If I go to Hull in the first instance--which I admit is a difficult thing to do--let's say I decide that is what we are going to do. Then he has a chance to get his case to the President before I do.

MR. PEHLE: That is the point.

H.M.JR: Wait a minute; I have an answer. Therefore, my thought is to ask to see the President tomorrow and say, "Look, Mr. President, here is the situation: I would like to discuss this and get your advice." Then I have given him all the dirt.

Chances are nine out of ten he will say, "Make this easy for me. See Cordell."

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"I will be glad to, Mr. President."

He will say, "Will you see Cordell?"

Then I will say, "Of course, Mr. President." I will go see Cordell, and then I go back, but I have gotten there first. I will give the President all the dirt, and with me I will take Paul, and most likely Gaston.

MR. WHITE: You will give him the substance of this order?

H.M.JR: No, I will let him read it.

MR. COHEN: It might be that the President will be willing to ask Hull to come over to talk it over with him and with you.

H.M.JR: I don't know, but I know the President well enough to go to him and say, "I want to see you on a matter that is very, very close to my heart. I want your advice. How would you handle this situation?"

MRS. KLOTZ: That is wonderful.

MR. WHITE: That is all right.

MRS. KLOTZ: That would be an off-the-record meeting.

H.M.JR: I think he will read it; he likes to read things.

MR. LUXFORD: I wouldn't spare any punches though.

H.M.JR: I am not asking for the documents to be modified.

MR. PEHLE: It isn't the documents; it is the way you present it. And it has to be done then, and not later. Once Hull has talked to him, you confuse the issue. That is the one opportunity to put the thing over.

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H.M.JR: I mean, I have got to see him first.

It is just like the Argentine thing where, in the room here, I used General Strong. The President called General Strong and Hull there, and General Strong presented the case of why we should do something about the Argentine. But I got to the President first, and, of course, Hull suspected it.

MR. COX: I think everybody agrees with your decision, but John wants to make sure that in arguing the case there are no holds barred.

H.M.JR: What do you think about doing it that way? I have every right to do it with him first.

MR. LUXFORD: That sounds good, but there is one thing that worries me, and that is, if this comes down to a question of negotiating an order with Hull you are going to end up with something so weak--

H.M.JR: Look, let me tell you a little story. It is a German story, and I can't tell it in German, but it is about a woman who is sitting there knitting and she is worried.

They say, "What are you worrying about, grandma?"

She says, "I am worrying because my grand-daughter who is going to get married. She will have a child, and some day she will walk out in the woods and fall down the well and get drowned."

They say, "Grandmother, you should wait until the grand-daughter gets married."

That is your job. You can worry, but first I have to see how the President feels. I mean, after all, we can go back in history. I had an order drawn which would have stopped the sale of high-test gasoline and scrap iron to Japan and he signed it. And three days after it was signed, he rescinded. Now, you just don't know.

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MR. PEHLE: That is right.

H.M.JR: You just don't know what the rule is. I personally hate to say this thing, but our strongest out is the imminence of Congress doing something. That is our strongest out. Really, when you get down to the point, this is a boiling pot on the Hill. You can't hold it; it is going to pop, and you have either got to move very fast, or the Congress of the United States will do it for you.

MR. WHITE: I would hate to see that argument used by you, because you are putting it on, it seems to me, the extremity of your position of getting something done. Let the President think of that himself.

MRS. KLOTZ: No, Harry, Mr. Morgenthau is right.

MR. COHEN: It is the best argument the President can use to get things started with Hull. I think he can be convinced, and I don't think there will be much difficulty in convincing him that there has been some skulduggery in this thing, and that he can't take on himself the problem of convincing Hull that it is true. But Hull can't admit that it has been true, I mean, even to himself, if he wants to. But I mean, after laying the basis on which we don't disagree, there is not only the danger that the thing will get out of hand in Congress, but there has been the fact that, I think, Long admits it, that he made a very unfortunate statement before the Congressional Committee. The story I hear is that it was prepared for him and he didn't realize that it wasn't accurate. But all that indicates that something has to be done to give the thing a fresh start, and there is also a factor which you don't want to put in the memorandum which will influence the President and influence Hull. We all know that during this political year minorities are being exploited. It is not that the minorities are trying to exploit politics. There may be some of that, but all the politicians are trying to exploit the value of minority groups, and the situation has gotten to the point where something has to be done.

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MR. PEHLE: Mr. Secretary, there is one danger in using too much of that political thing, and that is that what is done here must be more than a symbol to satisfy and stop Congressional action. It would be so easy for Hull to say, "Well, we will take this away from Long; we will set up a new committee."

H.M.JR: Look, if you don't mind, I think I know him well enough to present a case to the President, and I can't get into all this legal thing, but I do think I know what will have weight with him. And to preface those remarks, I hate to say that I have to use this at all. The arguments ought to be settled on the merits of the case we are talking about here in the Treasury family, and we are calling a spade a spade.

MR. COHEN: I am not adverse to using arguments that are persuasive, even though we are using them.

MR. WHITE: That isn't the--

~~MR. WHITE:~~ H.M.JR: What I want to do is accomplish results.

MR. WHITE: There is no difference there. We don't want to jeopardize the result by the use of arguments which are easy.

MR. COX: It can be argued on its merits. Look how much easier it is for the President to say to Hull--here is a particular phase of factual importance that supports Ben's point--"Look at the guys who introduced this resolution in the Senate." Gillette, Taft, Ferguson, and those fellows aren't on the President's team.

MR. WHITE: You know, I think it would take very little changing in some of the paragraphs here.

MR. LUXFORD: Harry--

MR. WHITE: Let me tell you--you will appreciate it even better than I. In some of these paragraphs, some of these sentences as they are written now, there is a

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definite direct charge which, if it gets into the hands of Hull, he would want you to change, I would say.

MR. COHEN: These charges will be made, and it is difficult to disprove them to the satisfaction of people who don't--

MR. WHITE: It seems to me you can make the charge to the President.

MR. LUXFORD: No, sir, you cannot, without putting yourself in the position where Hull will come back and say, "You prove this." If this thing ever gets into the question of arguing proof or no proof, you are through. You are either going to swing this--

MR. COHEN: The only thing is, the President puts it to Hull on the ground that he takes this action because Mr. X and Mr. Y in Hull's Department, who are the closest friends of Hull, are indifferent and callous.

MR. PEHLE: Nobody would recommend that the President put Hull in that position.

MR. WHITE: You don't know what he will do with this document. You can always bet nine out of ten that he will take this document and send it to Hull. Then Hull will take it and they will put their lies together and begin to sizzle. Now, it wouldn't take many changes here, but I think we can take up the two or three places in which there are direct charges which in rewording it you can--

MR. PAUL: Harry, I can't get over it.

MR. WHITE: I say I don't want to jeopardize the result.

MR. PEHLE: I agree that the argument should be made.

MR. WHITE: But if you put it all on that basis, you are left high and dry if the outcome doesn't achieve your result.

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(The conference was adjourned for a short recess, during which time the Secretary made an appointment to see the President on the 16th.)

H.M.JR: Would you people listen please? I would like some names for the director of the executive committee.

MR. COHEN: I thought that Clarence Pickett--he is represented as being interested in refugee work. He is one of the leaders of the Friends. There isn't any question as to his sympathy. I know also that he is fairly persistent as a lobbyist, which is not a bad quality.

MR. LUXFORD: Does he have Government experience?

MR. COHEN: I don't think directly, but he has had long relationships with the Government in the Friends relief work, and I think he has also shown great realism, as contrasted with many of the other Friends people in understanding the Nazi problem as different from the ordinary, more conflicting problem.

MR. WHITE: I know little about him, but I think he might be a little overwhelmed with the prestige and the status and importance of the State Department.

MR. LUXFORD: That is the point.

MR. PEHLE: Mr. Secretary, he has led me to believe that he would not be willing to fight.

MR. GASTON: You say he would not?

MR. PEHLE: No.

MR. COX: I think the fellow who would turn the Secretary's hair whiter is Milo Perkins.

H.M.JR: I have another suggestion, and don't all jump on me at once. Why not let's be out in the open? Who is this man who is working for JDC?

MR. PEHLE: Leavitt.

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MR. COX: There is a fellow who is even more competent in this, Abramson, who is the director of all the Jewish organizations. He was Professor of Economics at Bowdoin, which is a rare thing. He was put in by the Administration to run WPA when it was on the rocks, and he lifted it out with the support of the rock-bound Republicans up there.

MR. WHITE: I haven't seen him for over seven or eight years.

MR. PENLE: Is he above the controversies between the Jewish organizations? That is one thing about Leavitt, he is on one side of the fight.

MR. COX: He was picked by all the different conflicting groups to be the director, and he did good work. He has a nose for Government, and he has as good a mind as I have seen.

H.M.JR: I have a suggestion here from Judge Lehman, Doctor Frank Aydelotte.

MR. WHITE: I know him. He is a very able fellow, and he is a very nice fellow, but he is a fellow who wouldn't question a State Department decision.

MR. LUXFORD: This isn't a kid glove job.

MR. WHITE: He is a very nice chap.

H.M.JR: But he is not tough?

MR. WHITE: No. He is the kind that if Long, say, would tell him such and such a thing he would say it was so. Moreover, when he deals with the British, he would be like Dean Acheson.

H.M.JR: I think that is an awful thing to say, Harry.

Paul, would you write down Abramson's name?

MR. LUXFORD: Let's get some names.

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MR. COHEN: I just wonder, John, if a Jew wouldn't be more effective. I definitely think so.

H.M.JR: I said you would all jump on me.

I have Frank Graham.

MR. PEHLE: He is too old.

MR. WHITE: You mean of North Carolina?

MR. COHEN: He hasn't been so good.

MR. WHITE: But he would have the qualities of many of the others. Frank Graham would be the best to take the job.

H.M.JR: My first choice is a Jew.

MR. LUXFORD: That is my choice, too.

H.M.JR: I said you would all jump on me, but if the President is going to meet this thing--

MR. PEHLE: Of course, it should be a Jew.

MR. COHEN: There is no reason why it shouldn't be. The only question is, will he be most effective, and will-- I know there will be things that won't be said to him, but others will talk together. I mean, it is just one of those situations where we can understand--

MR. WHITE: So what? He is training to--

MR. COHEN: But I am saying, will he be most effective? Will he have the feeling that someone in the State Department is talking a little more freely than someone else and is sugar-coating or camouflaging it?

MR. WHITE: I am sure all that will be true; and yet if he is competent enough he has to push right through all that and he gains in the drive. I think you would find that in Graham and in Edwin Smith, or I could name a few others, but Edwin Smith would be the best man if his record is good.

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MR. COX: Ninety-five percent of this problem is a Jewish problem. The people who have been the most articulate in these things in terms of public controversies have suggested in the resolution that the resolution deal only with the Jewish people, because that is the main problem.

The second thing is, that it is really after you get over the first crux it is going to come down to the merits as to what kind of drive the guy has. Has he got the brains and drive, and will he do the thing? Take a man like Abramson. He is the only Jew who was made a full professor in Bowdoin.

MR. WHITE: Where is Bowdoin?

MR. GASTON: Maine.

MR. WHITE: Maybe that isn't the reason.

MR. COHEN: It may be. Maine isn't part of the Union.

MR. WHITE: Is Bowdoin your alma mater?

MR. COX: No, no.

MR. LUXFORD: I want to make a different kind of suggestion. I am not sure that getting a big name or something like that is what we need here. I suggest Pehle. He knows what we are doing; he knows what we are going to be up against in day-to-day operations; and he knows what this game is.

H.M.JR: Well, I am going to pull a Roosevelt on you; I dreamed of that, too. I have been thinking of nothing else, but the question is whether I want to give him up.

MR. LUXFORD: You won't have to give him up.

MR. COX: This is a full-time job.

H.M.JR: I think it is a good suggestion.

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MR. LUXFORD: I would like to see somebody in here who isn't going to be the least bit awe-stricken by State and knows their tricks. He can deal with the important people, and he can get some of these other fellows on his staff. That is the point I mean.

MR. WHITE: I think Foreign Funds, Mr. Secretary, has reached the state where--

MR. GASTON: Don't tell John to fire all his men.

MR. WHITE: ...they can carry on efficiently when John is out of town.

MR. LUXFORD: I would like to have you tell John to do this job.

H.M.JR: Well, I don't have to do that.

MR. LUXFORD: I know, he would understand that.

H.M.JR: I mean, it is a very good suggestion, but I won't have to. I thought of it, like Roosevelt.

MRS. KLOTZ: No, like Morgenthau.

MR. WHITE: It would be necessary for him to be supplemented by fellows like Abramson and others who know how to talk with many of the organizations left to do the work, and who have been immersed in this field and who know all the circumstances.

MR. LUXFORD: Look--

H.M.JR: He does.

MR. COX: As a team, Pehle and Abramson--

MR. LUXFORD: Pehle has the Foreign Funds Control. These people are in there, the Swiss, and the Swedes; they are all in there all the time asking for privileges and favors. He knows how to deal with them.

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MR. WHITE: He knows how to turn them down.

MR. LUXFORD: He has turned them down. It won't be a new phase to him.

H.M.JR: I like it.

MR. WHITE: You will have a little budget so you can get such people as you need.

MR. LUXFORD: I think it should be twenty-five million.

MR. COX: I wouldn't worry about the financial part of it.

H.M.JR: I think I ought to take Paul and Pehle when I go to see the President.

MR. GASTON: Yes, indeed.

MR. LUXFORD: Oscar, is there any question about tapping the President's fund for this?

MR. DuBOIS: There is some provision in that.

MR. COX: They just tapped the President's fund for a camp location.

MR. DuBOIS: For how much?

MR. COX: For five hundred thousand. I wouldn't worry about the funds, because you can get the funds out of voluntary contributions. I checked with both organizations and individuals, and you won't have any question.

MR. LUXFORD: You can get an appropriation like that. If you need it, you can get some funds to start with.

MR. COX: There isn't any question about financing it; that is an easy one.

(The Secretary held a telephone conversation with General Arnold.)

January 15, 1944  
11:21 a.m.

HMJr: Hello.

Operator: General Arnold. Go ahead.

HMJr: Hello.

General  
Arnold: How do you do, Mr. Secretary?

HMJr: How are you?

A: Fine, sir.

HMJr: Is this your call?

A: No, you called me and then I'm....

HMJr: Right.

A: ....returning it.

HMJr: Good. Are you -- I -- well, I wondered if  
you're going to be in town next week, whether  
you'd care to have lunch with me?

A: Be delighted, sir.

HMJr: How about Wednesday?

A: Wednesday suits me to a "T".

HMJr: Around one o'clock?

A: One o'clock. Fine.

HMJr: I'll look forward to seeing you.

A: I'll look forward to it, Mr. Secretary.

HMJr: Thank you.

A: Bye.

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MR. PAUL: I thought you were going to be in Cincinnati.

H.M.JR: I postponed it a day.

MR. COX: But you wouldn't have any trouble financing it; I wouldn't worry about that.

MR. DuBOIS: On the broader question of tactics this may not be fair, but I am still considerably concerned about the question as to whether or not this may be presented to the President in such a way that you will find yourself in the lap of Cordell Hull; and if that is the case, I am agreed that it is not going to be successful.

H.M.JR: Look, Joe, I have been in this thing so long. I had to wait once when Cordell Hull was half way between New York and Lima, Peru--just as soon as he was half way down, the President moved. I don't remember what it was.

MR. WHITE: It was on some freezing.

H.M.JR: Let's wait and get him half way down on the boat.

MR. COX: Was it on Japan?

MR. LUXFORD: No, no, he was here.

H.M.JR: You can sit around and worry, but you just don't know until you face the President what mood he is in. He may say, "I will relieve you of this, Henry." He may say, "You have got to relieve me. You do it." You just don't know. The only way to find out is for me to go over and see him and ask his advice.

"There are the facts, Mr. President, the most shocking thing I have found since I have been in Washington. Here we find ourselves aiding and abetting Hitler. How can we at this very late date try to make up for lost time?"

Now, you just don't know. I have seen him some times be most considerate and say, "I will take this off your hands; I don't want you to get involved."

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On the other hand, he might say, "You have to take this off my hands."

MR. DuBOIS: As long as it is presented to him, he may say, "I will take it on myself." That is my point.

H.M.JR: It isn't a question of the force with which you present it; it is a question of giving him the facts and his own chemical reaction. You just don't know what his own chemical reaction will be. I have been up against him on so many tough propositions, and I never know how he is going to react. Some times he has been very gentle and very considerate, and other times he just veers away. I mean, the first time I was down here I went through the most embarrassing thing of my life. He wanted to fire Miller from the Federal Reserve Board. He invited Miller in. There were four couples that had dinner together while I was Assistant Secretary once a week, Roosevelt, Miller, and I don't remember who the others were. I had to sit there for one hour while he tried to fire Miller. He kept saying, "Isn't that so, Henry? Isn't that so, Henry?"

He finally fired him from the Federal Reserve.

MR. DuBOIS: Was that the first one?

H.M.JR: I mean, you just don't know. It may have been easier in this situation to use Sam. I am sorry he isn't here. Sam is really new on the scene, but Sam doesn't want to be used.

MR. WHITE: Which is the best reason why he shouldn't be.

H.M.JR: If Sam were here, I would say it to his face. You could find time. After all, you are working for Mr. Byrnes. Sam knows what this is about.

MR. COHEN: There is a difference there. There would be an advantage, because he couldn't think then some other department is trying--and they have had other grievances, and all that.

H.M.JR: I am being facetious.

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Well, I think we are all right now. I have asked for an appointment for tomorrow afternoon. I will take Paul and Pehle with me. Thank you all for your time and consideration. You people just keep in touch with it.

MR. PEHLE: I take it we are going to re-do the memorandum to be sure it is right.

MR. LUXFORD: Leave it strong.

MR. PAUL: Listen, we argued all those points before.

H.M.JR: Listen, I don't care how strong it is as long as it is factual, but I do think that the involvement of all those cable numbers is very complicated. I personally think if you had the three cables involved, plus his paraphrase just laid on the President's table he would get it quicker than he would trying to follow it this way.

MRS. KLOTZ: That is right, because you really have to live with it.

H.M.JR: Say, "Here is number one; here is number two," and then stop. "Here are the true copies, and here is the paraphrase." You just lay those three things in front of the President. He will look at them and he will get it much quicker. Incidentally, by doing it that way you don't make a written record.

MR. COX: You are right.

H.M.JR: Just lay the three cables before him. "Now, Mr. President, if they will do that kind of thing with millions of lives at stake, instead of staying up nights to find out how they can help--" my strongest argument in all of this is that there isn't one person in the State Department who is taking the initiative on this thing.

MR. COHEN: That is in some respects the chief point. If there were somebody in authority who could take the initiative and whose job it was to take the initiative, but no one wants to take the initiative.

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MR. PAUL: They will say, "We will make somebody in the State Department responsible."

MR. COHEN: There is no argument for the order, but we want a new deal. I mean, the important reason for using the order is that you have to have a genuine advocate on these things or you can't do them. They don't spring out of being merely as part of some established routine. It requires someone who knows how to drag through the routine to get things done.

H.M.JR: I think we have covered it all, and DuBois will have the last worry that I am not going to be tough.

MR. PAUL: I told him to keep his mouth shut. (Laughter)

SECRET

PERSONAL REPORT TO THE PRESIDENT

One of the greatest crimes in history, the slaughter of the Jewish people in Europe, is continuing unabated.

This Government has for a long time maintained that its policy is to work our programs to save those Jews of Europe who could be saved.

You are probably not as familiar as I with the utter failure of certain officials in our State Department, who are charged with actually carrying out this policy, to take any effective action to prevent the extermination of the Jews in German-controlled Europe.

The public record, let alone the facts which have not yet been made public, reveals the gross procrastination of these officials. It is well known that since the time when it became clear that Hitler was determined to carry out a policy of exterminating the Jews in Europe, the State Department officials have failed to take any positive steps reasonably calculated to save any of these people. Although they have used devices such as setting up intergovernmental organizations to survey the whole refugee problem, and calling conferences such as the Bermuda Conference to explore the whole refugee problem, making it appear that positive action could be expected, in fact nothing has been accomplished.

The best summary of the whole situation is contained in one sentence of a report submitted on December 20, 1943, by the Committee on Foreign Relations of the Senate, recommending the passage of a Resolution (S.R. 203), favoring the appointment of a commission to formulate plans to save the Jews of Europe from extinction by Nazi Germany. The Resolution had been introduced by Senator Guy M. Gillette in behalf of himself and eleven colleagues, Senators Taft, Thomas, Radcliffe, Murray, Johnson, Guffey, Ferguson, Clark, Van Nuys, Downey and Ellender. The Committee stated:

"We have talked; we have sympathized; we have expressed our horror; the time to act is long past due."

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Whether one views this failure as being deliberate on the part of those officials handling the matter, or merely due to their incompetence, is not too important from my point of view. However, there is a growing number of responsible people and organizations today who have ceased to view our failure as the product of simple incompetence on the part of those officials in the State Department charged with handling this problem. They see plain Anti-Semitism motivating the actions of these State Department officials and, rightly or wrongly, it will require little more in the way of proof for this suspicion to explode into a nasty scandal.

In this perspective, I ask you to weigh the implications of the following two cases which have recently come to my attention and which have not as yet become known to the public.

## I

WORLD JEWISH CONGRESS PROPOSAL TO EVACUATE THOUSANDS OF JEWS  
FROM RUMANIA AND FRANCE

On March 13, 1943, a cable was received from the World Jewish Congress representative in London stating that information reaching London indicated the possibility of rescuing Jews provided funds were put at the disposal of the World Jewish Congress representation in Switzerland.

On April 10, 1943, Sumner Welles cabled our Legation in Bern and requested them to get in touch with the World Jewish Congress representative in Switzerland, who Welles had been informed was in possession of important information regarding the situation of the Jews.

On April 20, 1943, a cable was received from Bern relating to the proposed financial arrangements in connection with the evacuation of the Jews from Rumania and France.

On May 25, 1943, State Department cabled for a clarification of these proposed financial arrangements. This matter was not called to the attention of the Treasury Department at this time although the Treasury has the responsibility for licensing all such financial transactions..

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This whole question of financing the evacuation of the Jews from Rumania and France was first called to the attention of the Treasury Department on June 25, 1943.

A conference was held with the State Department relating to this matter on July 15, 1943.

One day after this conference, on July 16, 1943, the Treasury Department advised the State Department that it was prepared to issue a license in this matter.

It was not until December 18, 1943, after having interposed objections for five months, that the State Department, precipitously and under circumstances revealing the fictitious character of their objections, instructed Harrison to issue the necessary license.

During this five months period between the time that the Treasury stated that it was prepared to issue a license and the time when the license was actually issued delays and objections of all sorts were forthcoming from officials in the State Department, our Legation in Bern, and finally the British. The real significance of these delays and objections was brought home to the State Department in letters which I sent to Secretary Hull on November 23, 1943, and December 17, 1943, which completely devastated the excuses which State Department officials had been advancing.

On December 18 I made an appointment to discuss the matter with Secretary Hull on December 20. And then an amazing but understandable thing happened. On the very day I made my appointment the State Department issued a license notwithstanding the fact that the objections of our Legation in Bern were still outstanding and that the British had indicated their disapproval for political reasons.

State Department officials were in such a hurry to issue this license that they not only did not ask the Treasury to draft the license (which would have been the normal procedure) but they drafted the license themselves and issued it without even consulting the Treasury as to its terms. Informal discussions with certain State Department officials have confirmed what is obvious from the above-mentioned facts.

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This wasn't all that my letter and appointment precipitated. I had told Secretary Hull that I wished to discuss the British objections -- in simple terms, the British were apparently prepared to accept the probable death of thousands of Jews in enemy territory because of "the difficulties of disposing of any considerable number of Jews should they be rescued". Accordingly, on that day of "action" for our State Department, December 18, they sent a telegram to the British Foreign Office expressing astonishment at the British point of view and stating that the Department was unable to agree with that point of view.

Breckinridge Long knew that his position was so indefensible that he was unwilling even to try to defend it at my pending conference with Secretary Hull on December 20. Accordingly, he took such action as he felt was necessary to cover up his previous position in this matter. It is, of course, clear that if we had not made the record against the State Department followed by my request to see Secretary Hull, the action which the State Department officials took on December 18 would either never have been taken at all or would have been delayed so long that any benefits which it might have had would have been lost.

## II

SUPPRESSION OF FACTS REGARDING HITLER'S EXTERMINATION  
OF JEWS IN EUROPE

The facts are as follows:

Sumner Welles as Acting Secretary of State requests confirmation of Hitler's plan to exterminate the Jews. Having already received various reports on the plight of the Jews, on October 5, 1942 Sumner Welles as Acting Secretary of State sent a cable (2314) for the personal attention of Minister Harrison in Bern stating that leaders of the Jewish Congress had received reports from their representatives in Geneva and London to the effect that many thousands of Jews in Eastern Europe were being slaughtered pursuant to a policy embarked upon by the German Government for the complete extermination of the Jews in Europe. Welles added that he was trying to obtain further information from the Vatican

but that other than this he was unable to secure confirmation of these stories. He stated that Rabbi Wise believed that information was available to his representatives in Switzerland but that they were in all likelihood fearful of dispatching any such reports through open cables or mail. He then stated that World Jewish Congress officials in Switzerland, Riegner and Lichtheim, were being requested by Wise to call upon Minister Harrison; and Welles requested Minister Harrison to advise him by telegram of all the evidence and facts which he might secure as a result of conferences with Riegner and Lichtheim.

State Department receives confirmation that the extermination was being rapidly carried out. Pursuant to Welles' cable of October 5 Minister Harrison forwarded documents from Riegner confirming the fact of extermination of the Jews (in November 1942), and in a cable of January 21, 1943 (482) relayed a message from Riegner and Lichtheim which Harrison stated was for the information of the Under Secretary of State (and was to be transmitted to Rabbi Stephen Wise if the Under Secretary should so determine). This message described a horrible situation concerning the plight of Jews in Europe. It reported mass executions of Jews in Poland; the Jews were required before execution to strip themselves of all their clothing which was then sent to Germany; the remaining Jews in Poland were confined to ghettos, etc., in Germany deportations were continuing; many Jews were being deprived of rationed foodstuffs; no Jews would be left in Prague or Berlin by the end of March, etc.; and in Rumania 130,000 Jews were deported to Transnistria; about 60,000 had already died and the remaining 70,000 were starving; living conditions were indescribable; Jews were deprived of all their money, foodstuffs and possessions; they were housed in deserted cellars, and occasionally twenty to thirty people slept on the floor of one unheated room; disease was prevalent, particularly fever; urgent assistance was needed.

Sumner Welles furnishes this information to the Jewish organizations. Sumner Welles furnished the documents received in November to the Jewish organizations in the United States and authorized them to make the facts public. On February 9, 1943 Welles forwarded the message contained in cable

Sumner Welles furnishes this information to the Jewish organizations. Sumner Welles furnished the documents received in no order to the Jewish organizations in the United States and authorized them to make the facts public. On February 9, 1943 Welles forwarded the message contained in cable 452 of January 31 to Rabbi Stephen Wise. In his letter of February 9 Welles stated that he was pleased to be of assistance in this matter.

Immediately upon the receipt of this message, the Jewish organizations arranged for a public mass meeting in Madison Square Garden for further effort to obtain effective action.

On February 10, the day after Welles forwarded the message contained in cable 452 of January 31 to Rabbi Wise, and in direct response to this cable, a most highly significant cable was dispatched. This cable, No. of February 10, read as follows:

Your 452, January 31

"In the future we would suggest that you do not accept reports submitted to you to be transmitted to private persons in the United States unless such action is advisable because of extraordinary circumstances. Such private messages circumvent neutral countries' censorship and it is felt that by sending them we risk the possibility that steps would necessarily be taken by the neutral countries to curtail or forbid our means of communication for confidential official matter.

The cable was signed for null by "SW" (Sumner Welles). but it is significant that there is not a word in it that would even suggest to the person signing that it was designed to countermand the Department's specific requests for information on Hitler's plans to exterminate the Jews. The cable has the appearance of being a normal routine message which a duty official would sign without question.

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On its face it is most innocent and innocuous, yet when read together with the previous cables it can be interpreted as nothing less than an attempted suppression of information requested by this Government concerning the murder of Jews by Hitler.

Thereafter on April 19, 1943, Sumner Welles again requested our Legation for information (cable 377). Apparently he did not realize that in cable 354 (to which he did not refer) Harrison had been instructed to cease forwarding reports of this character. Harrison replied on April 20 (cable 2480) and indicated that he was in a most confused state of mind as a result of the conflicting instructions he had received. Among other things he stated: "May I suggest that messages of this character should not (repeat not) be subjected to the restriction imposed by your 354, February 10, and that I be permitted to transmit messages from Moscow particularly in view of the helpful information which they may frequently contain?"

The fact that cable 354 is not the innocent and routine cable that it appears to be on its face is further highlighted by the efforts of State Department officials to prevent this Department from obtaining the cable and learning its true significance.

The facts relating to this attempted concealment are as follows:

(1) Several men in our Department had requested State Department officials for a copy of the cable of February 10 (354). We had been advised that it was a Department communication; a strictly political communication, which had nothing to do with economic matters; that it had only had a very limited distribution within the Department, the only ones having anything to do with it being the European Division, the Political Adviser and Sumner Welles; and that a copy could not be furnished to the Treasury.

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(ii) At the conference in Secretary Hull's office on December 20 in the presence of Breckinridge Long I asked Secretary Hull for a copy of cable 354, which I was told would be furnished to me.

(iii) By note to me of December 20, Breckinridge Long enclosed a paraphrase of cable 354. This paraphrase of cable 354 specifically omitted any reference to cable 482 of January 21--thus destroying the only tangible clue to the true meaning of the message.

(iv) I would never have learned the true meaning of cable 354 had it not been for chance. I had asked one of the men in my Department to obtain all the facts on this matter. He had previously called one of the men in another Division of the State Department and requested permission to see the relevant cables. In view of the Treasury interest in this matter, this State Department representative obtained cable 354 and the cable of January 21 to which it referred and showed these cables to my representative.

The facts I have detailed in this report, Mr. President, came to the Treasury's attention as part of our routine investigation of the licensing of the financial phases of the proposal of the World Jewish Congress for the evacuation of Jews from France and Rumania. The facts may thus be said to have come to light through accident. How many others of the same character are buried in State Department files is a matter I would have no way of knowing. Judging from the almost complete failure of the State Department to achieve any results, the strong suspicion must be that they are not few.

This much is certain, however. The matter of rescuing the Jews from extermination is a trust too great to remain in the hands of men who are indifferent, callous, and perhaps even hostile. The task is filled with difficulties. Only a fervent will to accomplish, backed by persistent and untiring effort can succeed where time is so precious.

EXECUTIVE ORDER

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ESTABLISHING A WAR REFUGEE BOARD

WHEREAS it is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war,

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and as Commander in Chief of the Army and Navy, and in order to effectuate with all possible speed the rescue and relief of such victims of enemy oppression, it is hereby ordered as follows:

1. There is established in the Executive Office of the President a War Refugee Board (hereinafter referred to as the Board). The Board shall consist of the Secretary of State, the Secretary of the Treasury and the Foreign Economic Administrator. The Board may request the heads of other agencies or departments to participate in its deliberations whenever matters specially affecting such agencies or departments are under consideration. It shall be the duty of the heads of the agencies and departments to supply or obtain for the Board such information and to extend to the Board such assistance and facilities as the Board may require in carrying out the provisions of this Order.

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2. The Board shall be charged with the responsibility for seeing that the policy of the Government, as stated in the Preamble, is carried out. The functions of the Board shall include without limitation the development of plans and programs and the inauguration of effective measures for (a) the rescue, transportation, maintenance and relief of the victims of enemy oppression, and (b) the establishment of havens of refuge, and the resettlement of such victims. To this end the Board, through appropriate channels, shall take the necessary steps to enlist the cooperation of foreign governments and obtain their participation in the execution of such plans and programs. It shall be the duty of the State and Treasury Departments and the Foreign Economic Administration, within their respective spheres, to execute at the request of the Board, the plans and programs so developed and the measures so inaugurated. The State Department shall appoint special attaches with diplomatic status, selected by the Board, to be stationed abroad in places where it is likely that assistance can be rendered to war refugees, the duties and responsibilities of such attaches to be defined by the Board in consultation with the State Department.

3. The Board and the State and Treasury Departments and the Foreign Economic Administration are authorized to accept the services or contributions of any private persons, private organizations, State agencies, Federal agencies or

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departments, or agencies of foreign governments in carrying out the purposes of this Order. The Board shall cooperate with all existing and future international organizations concerned with the problems of refugee rescue, maintenance, transportation, relief, rehabilitation, and resettlement.

4. To the extent possible the Board shall utilize the personnel, supplies, facilities and services of the State Department, Treasury Department and Foreign Economic Administration, as well as such other personnel, supplies, facilities, and services as may be made available by other departments and agencies of the Government. In addition the Board, within the limits of funds which may be made available, may employ necessary personnel and make provisions for supplies, facilities and services necessary to discharge its responsibilities. The Board shall appoint an Executive Director who shall serve as its principal executive officer. It shall be the duty of the Executive Director to arrange for the prompt execution of the plans and programs developed and the measures inaugurated by the Board, to supervise the activities of the special attaches and to submit frequent reports to the Board on the steps taken for the rescue and relief of war refugees.

5. The Board shall be directly responsible to the President in carrying out the policy of this Government, as stated in the Preamble, and the Board shall report to him at frequent intervals concerning the steps taken for the rescue

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and relief of war refugees and shall make such recommendations as they deem appropriate for further action to overcome any difficulties encountered in the rescue and relief of war refugees.

THE WHITE HOUSE,

## PROPOSED DRAFT OF LETTER FROM THE PRESIDENT TO HULL

Honorable Cordell Hull  
The Secretary of State  
Washington, D. C.

Dear Cordell:

We have all been concerned for a long time with the cowardly persecution of minorities by the Nazis. I fear that as the war approaches the end, Hitler will take further vengeance on the helpless minorities and Allied sympathizers in the lands which he controls. It is imperative, therefore, that vigorous action be taken by us to forestall the Nazi plot to exterminate these helpless peoples. I think it also important that we let our own people know that we are redoubling our efforts to save the victims of enemy oppression.

I have asked the Director of the Budget to prepare for my signature an Executive Order carrying out the proposed course of action outlined in a memorandum which I am enclosing. In order to save time, I would appreciate it if you would take up with me directly any questions which you may have concerning this program. Harold Smith can take care of the details of the Order and can move forward in the meantime with the task of clearing it with the other interested departments and agencies.

Sincerely yours,

## MEMORANDUM FOR THE DIRECTOR OF THE BUDGET:

I have decided to take the following steps at once:

1. Publicly declare that it is the policy of this Government to take all measures within its power to rescue those victims of enemy oppression who are in imminent danger of death and to afford such victims all possible aid and assistance consistent with the successful prosecution of the war.

2. Establish a War Refugee Board consisting of the Secretary of State, the Secretary of the Treasury, and the Foreign Economic Administrator. This Board shall be charged with full responsibility for seeing that this announced policy is carried out with the utmost vigor and directness.

3. Have the Board designate a full-time executive director of capacity, energy, and resourcefulness, known to be sympathetic to war refugees and deeply interested in their rescue and relief.

4. Arrange for the State Department to appoint special attaches with diplomatic status to be selected by the Board and to be stationed at points where they can render the most effective aid to war refugees.

5. Arrange to make available to the Board out of the President's Emergency Fund                      million dollars.

I want an Executive Order accomplishing these purposes ready for my signature as soon as possible. I attach a draft Order which will give you the general ideas I have in mind.

FOREIGN ECONOMIC ADMINISTRATION  
WASHINGTON 25, D. C.

~~NA~~  
January 15, 1944.

Dear Mr. Secretary:

You did more than a fine job this morning.

I am looking forward with interest to finding out how you make out on Monday.

I expect to be up in New York on Monday and until Tuesday evening about 9:00 o'clock p.m. If I may, I would like to call you when I get back on Tuesday evening -- unless one of your fellows wants to call me up at New York. My telephone number where I can be reached is Butterfield 8-7486.

Sincerely yours,

*Oscar Fox*

The Honorable Henry Morgenthau, Jr.

WM 7M 11 WM 8 30

Secretary of the Treasury.

RECEIVED DEPARTMENT OF THE TREASURY  
OFFICE

126  
January 15, 1944  
11:32 a.m.

HMJr: Hello.

Miss  
Gilligan: Hello.

HMJr: Hello. You just tell -- this is Mr. Morgenthau.

Miss  
Gilligan: Yes, Mr. Secretary.

HMJr: Who is this?

G: Miss Gilligan.

HMJr: Miss Gilligan, tell the Judge that the meeting  
at the Treasury is over.

G: Oh, it is?

HMJr: Yes.

G: Because I just heard that he had just left the  
President's bedroom.

HMJr: Well, you....

G: I'll catch him over there so he won't go over.

HMJr: Well, you tell him the meeting's over.

G: All right. Fine, Mr. Secretary. Thank you.

January 15, 1944  
11:29 am

Judge  
Rosenman: I am terribly sorry about this morning. We didn't  
get in until a quarter of eleven. He slept late.

HM Jr: Yeah.

R: And he doesn't feel well at all.

HM Jr: Oh!

R: And there are a couple of things I had to see him  
about.

HM Jr: Yeah.

R: And then they told me the meeting was over.

HM Jr: Yeah, I just sent word it was over.

R: Now is there - is there anything you want to tell me?  
Should I come over or I can get it from Ben? Is  
there anything you want me to do? Did you reach  
any conclusions?

HM Jr: Yes, we've reached a conclusion. I think that the  
easiest way would be for you to get it from Ben.

R: Yeah. Well, I'll get ahold of him.

HM Jr: What?

R: I'll get ahold of him.

HM Jr: He has just left here.

R: Uh-huh.

HM Jr: You can get it either from Ben or Oscar Cox.

R: Well, I'll go over to see Ben.

HM Jr: What?

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R: I'll go over to see Ben.

HM Jr: Yeah, and if you have any ideas I would be glad to hear from you.

R: Okay.

HM Jr: I'm sorry you weren't here.

R: Well, I - I just couldn't help it. There were a couple of things I had to see him about and we didn't get in, see?

HM Jr: Well, Ben has all the facts.

R: Yeah, he - I'm worried about the boss really because he - I think - I don't know whether the grippe leaves you as weak as he sounds, or whether - I know he is postponing doing a lot of things because he doesn't feel up to it.

HM Jr: Yeah.

R: And I don't like it. He is not seriously sick, but it leaves you damn weak.

HM Jr: Yeah.

R: And there are a lot of things have have to be done.

HM Jr: Yeah - well, that's too bad.

All right then.

R: I'll call you after I talk with Ben.

HM Jr: Right. Thank you.

R: All right.

January 15, 1944  
12:05 p.m.

DEFERMENTS

Present: Mr. Gaston  
Mr. Thompson  
Mr. Wilson

MR. THOMPSON: I have a schedule where one signature will cover the forty cases. (Hands the Secretary group deferment application, attached marked A)

MR. GASTON: Those are plate printers (indicating).

MR. THOMPSON: Here is a very interesting thing, Mr. Secretary. We have lost seventy-seven hundred of our people to the armed services. We have some eleven thousand in the eighteen to thirty-eight age group. They are the 3-A and 3-B people that they have thrown into 1-A, and that is responsible for the large number of deferment cases now coming in, since we now must request deferments for our technical and key men. So I think we have a very good picture even with this great number.

H.M.JR: There are two hundred eighty-four women in the military services?

MR. THOMPSON: Yes.

MR. GASTON: I think the rate has been higher than that in the investigator service.

MR. THOMPSON: Yes.

H.M.JR: Never give me page two; I will do it this way. Lawrence Lesser, an attorney.

MR. THOMPSON: He is the man you told Paul you would ask for.

H.M.JR: What about Moskovitz?

- 2 -

MR. THOMPSON: He is one of John Pehle's boys. John feels that he is most important.

H.M.JR: John B. O'Neill.

MR. WILSON: He is in Personnel, a grade eleven, thirty-eight hundred dollar man. The Chief of the Section is applying for a commission in the Coast Guard, and this is the only man we will have left who can take care of classification for the division, that is, allocation of positions and salary grades. Mr. Ferguson, the Chief, has applied for a commission in the Coast Guard. He is only thirty-three and has two children. There is nothing against him, because he is young. I don't hold anything against him.

(The Secretary signs group deferment application, copy marked A attached.)

H.M.JR: When we ask for these, how long do we ask for?

MR. THOMPSON: We ask for them for sixty days up to today, and then Monday we go to the review committee. If they confirm our sixty-day deferments, they get six months.

H.M.JR: Have we lost any?

MR. WILSON: One case, Frese, the local board turned down.

MR. THOMPSON: Frese is Dan Bell's man. He was out in Honolulu and is going out to Chicago now. The local board turned that down.

H.M.JR: After it is reviewed, isn't it in?

MR. WILSON: We go to the Appeal Board; and if they turn it down, we go to the Presidential Appeal Board.

MR. THOMPSON: Here are three more schedules. (Hands the Secretary three group deferment applications, copies marked B, C, and D attached.) There is one in there that is twenty-three. He is a plate printer, and can't be replaced.

- 3 -

H.M.JR: How do I do that?

MR. THOMPSON: If you approve these lists--

H.M.JR: I think that is really too young, twenty-three. What is his name?

MR. THOMPSON: Arthur Mims.

(The Secretary signs the three deferment applications.)

MR. THOMPSON: This ought to be the end of the mopping up.

MR. WILSON: There are a lot of these others, but the rest of the incumbents are over thirty-eight in many of these positions like these machinists; fifty-five of them are over thirty-eight.

H.M.JR: O.K.

DEFERMENTSJanuary 15, 1944, <sup>A</sup>  
132

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>No. of children</u>
<u>OFFICE OF THE GENERAL COUNSEL</u>			
Lesser, Lawrence S.	Spl. Asst. to the Gen. Counsel	36	1
Moskovitz, Irving	Pr. Atty.	31	2
<u>PERSONNEL DIVISION</u>			
O'Neill, John B.	Classification Investigator	33	2
<u>PROCUREMENT DIVISION</u>			
Turner, John G.	Chief, Adm. & Finance Div.	37	1
Dunkle, Lloyd L. Jr.	Asst. Chief, Property Utilization Div.	30	1
Fox, John D.	Chief of Property Utilization Div.	33	3
Salomone, Giulio C.	Purchasing Officer	33	2
Holmead, John H. Jr.	Purchasing Officer	32	2
<u>MINT BUREAU</u>			
Hull, Ernest D.	Pr. Assayer's Asst.	34	2
Lovisek, John H.	Pr. Assayer's Asst.	33	2
Schuster, Charles	Die Setter	36	2
McHenry, Paul S.	Skilled Workman	31	1
Gaworski, Joseph J.	Skilled Workman	34	1
DeFrates, Elias J.	Die Setter	29	2
Wilson, Robert A.	Die Setter	34	1
Clifton, Benjamin N.	Machinist	32	1
Hicks, Clifford R.	Pressman	35	3
Lavers, Earl S.	Machinist	33	3
Dwyer, Donald J.	Pr. Assayer's Asst.	33	3

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>No. of Children</u>
<u>MI BUREAU Cont.</u>			
Marshall, John B.	Asst. Supt. of Machinery	36	2
Rouch, Ross F.	Foreman Ingot Melting Room	34	2
Heyfron, Joseph A.	Foreman of the Make-up Room	37	2
Ludovico, Charles	Assistant Foreman Press Room	37	2
Ligi, Egesto A.	Die Sinker	30	1
<u>ENGRAVING AND PRINTING</u>			
Hayman, Lenwood T.	Machinist	35	5
Olson, Walter A.	Technical Aide	33	1
Fenton, Mathew D.	Picture Engraver	37	2
Grove, Edward R.	Picture Engraver	31	2
Neumann, Loren B.	Wet Plate Photographer	36	1
James, Milton L.	Electrolytic Plate Maker	32	2
Arzune, Bernard	" " "	36	2
Burnell, William R.	Pantograph Operator	29	1
Gilbert, Franklin R.	Offset Pressman	31	2
McCloskey, Victor S. Jr.	Designer	35	1
Borko, Herman N.	Compositor and Proof Reader	30	1
Admire, Roscoe	Bookbinder	31	1
Barrick, Reuben K.	Letter Engraver	27	2
Shelton, Walter H.	Bookbinder	29	2
<u>INTERNAL REVENUE</u>			
Loyd, Hugh S.	Special Agent	37	2
Turner, James R.	Technical Asst.	28	1

Deferments for the above 40 cases are recommended by the Agency Committee.

Approved: January 15, 1944

*Wm. Smith*  
Secretary of the Treasury.

*Wm. H. ...*  
*J. F. Wilcox*

January 13, 1944

The Committee on Deferments gives approval to requests for the deferments of Plate Printers in the Bureau of Engraving and Printing as shown on the attached list.

Plate Printers are engaged in printing war bonds, stamps and other revenue raising instruments from engraved steel plates. At the present time it is impossible to recruit plate printers as there is none available. The Bureau has lost 31 plate printers and 35 apprentices to the military service, and it is not feasible to train replacements since a four-year apprenticeship is required and apprentices if employed would be subject to induction.

(Signed) Herbert E. Gaston  
Chairman

(Signed) W. N. Thompson

(Signed) T. F. Wilson

Approved: JAN 15 1944  
*except Arthur Mims*

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

PLATE PRINTERS WHO ARE PRE-PEARL HARBOR FATHERS

135

<u>Name</u>	<u>Age</u>	<u>Date of</u> <u>App't.</u>	<u>Draft Status</u>	<u>No of</u> <u>Children</u>	<u>Age</u>
Hovey P. Owin, Jr.	27	4/23/40	3-A (6/10/41)	1	2 years
Arthur W. Lookmy	37	6/10/42	3-A ( 1941 )	3	3 " 6 " 16 "
John J. McCabe	35	3/27/41	3-A (7/12/43)	3	10 " 3 " 10 days
Arthur L. Mims	23	1/2/42	3-A (6/22/42)	2	3 years 1 year
Samuel Rauch	33	5/1/41	3-A (3/5/41)	3	7 years 4 " 1 year
Theodore H. Rants	31	6/15/42	3-A (5/3/43)	2	7 years 6 months

January 13, 1944

The Committee on Deferments gives approval to requests for the deferments of Bookbinders, Bureau of Engraving and Printing as shown on the attached list.

Bookbinders are engaged in binding books of various classes and quality, gold leaf stamping, operating paper cutting machines, collating machines, stitching machines, banding machines, etc., in connection with the production of United States securities. This work is directly related to the war effort since it is concerned with the production of war bonds, stamps and other revenue-raising instruments of the United States Government. Qualified bookbinders are not available and it is not feasible to appoint apprentices because of the long period of training involved (four years) and the fact that such appointees would also be subject to military induction.

(Signed) Herbert E. Gaston

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Chairman

(Signed) W. N. THOMPSON

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(Signed) T. F. Wilson

Approved: JAN 15 1944

(Signed) H. Morgenthau, Jr.

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Secretary of the Treasury

BOOKBINDERS WHO ARE PRE-PEARL HARBOR FATHERS

<u>Name</u>	<u>Age</u>	<u>Date of App't.</u>	<u>Draft Status</u>	<u>No. of Children</u>	<u>Age</u>
Christian Boetker	37	5/6/41	3-A (8/10/43)	2	17 years 13 "
Arthur R. Mathews	33	12/8/41	3-A (11/14/41)	2	6 " 9 months
John J. Reinhardt	34	4/20/34	3-A (6/28/41)	2	3 years 6 months
Edgar Martin	33	2/3/36	3-A (1/28/42)	3	15 years 12 " 1 year
Heinz H. Wienecke	33	1/9/42	3-A (6/12/41)	1	8 years

January 13, 1944

The Committee on Deferments gives approval to requests for the deferments of Pressmen (Flatbed-Cylinder) in the Bureau of Engraving and Printing as shown on the attached list.

Pressmen (Flatbed-Cylinder) are engaged in the printing, numbering and sealing of United States securities through the operation of flatbed typographic printing presses and rotary numbering and sealing presses. This position is directly related to the war effort, inasmuch as the incumbent is engaged in the production of war bonds, stamps, and other revenue-raising instruments of the United States Government. The loss of the services of these men would seriously handicap the Bureau's production. Experienced journeymen pressmen are not available, and apprentices must serve a four-year apprenticeship.

(Signed) Herbert E. Gustaf

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(Chairman)

(Signed) W. N. THOMPSON

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(Signed) T. F. Wilson

Approved: JAN 15 1944

(Signed) H. Morgenthau, Jr.

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Secretary of the Treasury

FIRESMEN (FLATBED-CYLINDER) WHO ARE PRE-PEARL HARBOR FATHERS

<u>Name</u>	<u>Age</u>	<u>Date of App't.</u>	<u>Draft Status</u>	<u>No. of Children</u>	<u>Age</u>
Charner M. Betenbaugh	36	11/15/43	3-A (6/26/41)	1	3 years
Gregory M. Hardesty	36	9/23/41	3 (7/16/41)	6	10 " 9 " 7 " 5 " 3 " 6 months
Harry Kairys	37	6/7/43	3 (3/19/41)	2	10 years 8 "
Mario Lamberti	30	6/28/43	3-A (6/9/41)	2	4 " 2 "
Richard M. Morgan	36	5/18/42	3-A (1/13/42)	1	14 "
Frank B. Seal	34	6/21/43	3 (4/21/41)	1	6 "
Frank T. Thuman, Jr.	32	11/9/43	3-A (1/21/42)	3	8 " 6 " 3 "
Cleveland T. Topley	34	12/26/41	3-A (3/19/41)	1	7 "
Edward J. Castaldi	37	11/10/37	3-A (4/4/41)	2	5 " 16 months
Lewis W. Dickson	31	10/19/42	3-A (3/21/42)	1	1½ years

✓  
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As of 11-15-43	Under 18	156
Male employees	18 to 38	10,798
	38 to 44	7,432
	45 and over	22,021
Female employees		<u>44,497</u>
		84,904
Male employees in Military Service		7,456
Female " " " "		<u>284</u>
		7,740

1-15-44

January 15, 1944  
12:25 p.m.

HM Jr: Hello.

Operator: General Somervell.

HM Jr: Hello.

Operator: Go ahead.

HM Jr: General?

General Somervell: Yes, Mr. Secretary.

HM Jr: Can I talk fairly freely on this wire?

S: Yes, sir. It might be better if you would call me on the White House wire.

HM Jr: Well ....

S: I'll call you on that.

HM Jr: Well, my wire is all right. Hello?

S: This one goes through the War Department switchboard - that's all, but I think it is all right.

HM Jr: Okay. Well, it's a paraphrase. I think it is all right.

S: I see.

HM Jr: Now I don't know whether this has been brought to your attention, but it's a cable from our man Adler which reads, "For the Secretary of the Treasury only".

S: Yes.

HM Jr: But it was also - the President has read it and he says that any answer that goes he wants to pass on himself. Now it says, "From a most reliable source, I have gotten the following information."

Now if you know about this, would you stop me?

- 2 -

S: I do not know about it.

HM Jr: "A. Progress is being made in the work on only four of the seven bases which China promised to construct and for which payment is to be made by the United States. Work is not proceeding on the three bases which are much more urgently needed than the others. As a matter of fact, the war effort in this theater will seriously be impeded by delay in their construction. The United States Government has not committed itself to pay for these latter bases at the official exchange rate, and China is therefore holding up the work on them. In addition, China undertook the responsibility for constructing other bases, and she is to pay for them. Work on these bases has not been started. In view of the delicate character of this information, it should not be communicated to other sources. However, it is my understanding that such information will be of interest to the White House."

Now we have drafted a cable, and I thought that inasmuch as this is really your responsibility I would like very much to have you see the cable before I send it over to the White House.

S: I would like to see it very much.

HM Jr: Now would you care to send Clay over here?

S: All right. I'll send him right over.

HM Jr: Would he go to Mr. Bell's office?

S: Yes, sir.

HM Jr: And any suggestions - now what we are saying - boiling it down - is to say "For God's sakes, build the bases and forget about the exchange rate."

S: Yes.

HM Jr: That's the gist of the cable.

Draft

To: Secretary Hull  
From: Secretary Morgenthau

Please transmit the following cable to the American Embassy,  
Chungking, China.

FOR ADLER FROM THE SECRETARY OF THE TREASURY

Reference your cable of January 13, 1944, No. 87.

Please transmit the following message to Dr. Kung.

1. It has been brought to my attention that progress is being made in the work on only four of the seven bases which China promised to construct and for which payment is to be made by the United States and that our common war effort will be seriously impeded if work does not proceed on the other three bases. Furthermore, I understand that construction has not begun on those bases which China undertook to build at her own expense.

2. In view of the long history of close collaboration between your Ministry and my Department, I am taking the liberty of expressing my personal views to you on this matter. I feel that nothing could be more conducive to lowering the prestige of China in the United States and the loss of the good will of the American people than the knowledge that China was not cooperating fully with the United States

- 2 -

in the building of these air bases. It is needless for me to say that the assistance which has been given in the past to the Chinese people and their Government by the United States was only possible because of the good will which the American people have felt for China. I firmly believe that I speak in the best interests of China when I recommend that immediate action be taken for the construction of the other three bases for which payment is to be made by the United States and for those bases which China has agreed to build and pay for itself.

3. I fully appreciate the economic difficulties which the Chinese Government now faces but I am sure that you fully appreciate that the question of the amount of United States currency which the Chinese Government is to obtain for the building of these airports for which payment is to be made by the United States bears no relation whatever to the economic effect of the expenditures in Chinese national currency which are made for the building of these airports. If there is any question as to the amount of United States currency which is to be paid for such local currency, there would not seem to be any reason why immediate allocation of the necessary local currency should not be made and work proceed on these bases, leaving for future determination the question of the United States currency equivalent.

PARAPHRASE OF TELEGRAM RECEIVED  
FROM: American Embassy, Chungking, China  
DATE: January 13, 1944, 2 p.m.  
NO.: 87

S E C R E T

FROM ADLER FOR THE SECRETARY OF THE TREASURY ONLY.

A most reliable source informs me of the following:

(A.) Progress is being made in the work on only four of the seven bases which China promised to construct and for which payment is to be made by the United States. Work is not proceeding on the three bases which are much more urgently needed than the others; as a matter of fact, the war effort in this theatre will seriously be impeded by the delay in their construction. The United States Government has not committed itself to pay for these latter bases at the official exchange rate and China is, therefore, holding up the work on them.

(B.) In addition, China undertook the responsibility for constructing other bases and she is to pay for them. Work on these bases has not been started.

In view of the delicate character of this information, it should not be communicated to other sources; however, it is my understanding that such information will be of interest to the White House.

GAUSS

## PARAPHRASE OF TELEGRAM SENT

TO: American Embassy, Chungking, China  
 DATE: January 15, 1944, 8 p.m.  
 NO.: 75

Reference your cable of January 13, 1944, No. 87/  
 FOR ADLER FROM THE SECRETARY OF THE TREASURY.

Please transmit the following message to Dr. Kung.

1. It has been brought to my attention that progress is being made in the work on only a portion of the bases which China and the United States agreed to construct and that our common war effort will be seriously impeded if work does not proceed on these bases. Furthermore, I understand that construction has not begun at all on some bases.

2. In view of the long history of close collaboration between your Ministry and my Department, I am taking the liberty of expressing my personal views to you on this matter. I feel that nothing could be more conducive to lowering the prestige of China in the United States and the loss of the good will of the American people than the knowledge that China was not cooperating fully with the United States in the building of these air bases. It is needless for me to say that the assistance which has been given in the past to the Chinese people and their Government by the United States was only possible because of the good will which the American people have felt for China, due in part to China's great contribution to our common effort. I firmly believe that I speak in the best interests of China when I recommend that immediate action be taken for the construction of the remaining bases.

3. I fully appreciate the economic difficulties which the Chinese Government now faces but I am sure that you fully appreciate that the question of the amount of United States currency which the Chinese Government is to obtain for the building of these airports for which payments are to be made by the United States bears no relation whatever to the economic effect of the expenditures in Chinese national currency which are made for the building of these airports. If there is any question as to the amount of United States currency which is to be paid for such local currency, there would not seem to be any reason why immediate allocation of the necessary local currency should not be made and work proceed on these bases, under an interim procedure being proposed by the State and War Department representation, leaving for future determination the final question of the United States currency equivalent.

You are instructed to show copy of this cable to the  
 Commanding General.

HULL

January 15, 1944  
12:49 p.m.

HM Jr: Hello?

Operator: Judge Rosenman.

HM Jr: Yes.

Operator: Go ahead.

Judge  
Rosenman: Hello?

HM Jr: Yes, Sam.

R: Henry, I've read all those documents at Ben's and talked to him, and I think they are fine.

HM Jr: Really.

R: I - I would have one suggestion only - and I'm not 100 per cent sure of it.

HM Jr: Yeah.

R: In that document called, "A Personal Report to the President" ....

HM Jr: Yes.

R: .... I would prefix a paragraph making it clear so that he understands it - that this proposed Order applies to Poles and Greeks as well, and to all who are willing to get out.

HM Jr: I see.

R: And the order is very clear on it that it applies to all, and so is the proposed letter from the President to Smith.

HM Jr: Yes.

R: But your Personal Report to the President is liable to give him the impression that this is purely Jewish. Of course, the Jewish problem is 99% of it.

HM Jr: That's right.

- 2 -

R: But from the public point of view, he might want to make clear that it is presented as a general issue.

HM Jr: Well, that would be easy to take care of.

R: I think one paragraph would do it.

HM Jr: I see.

R: But outside of that I think it's fine.

Now do you want me to do anything before you see him, or only after you see him?

HM Jr: No, I think if you don't mind I would just let it rest.

R: I'll keep my mouth shut.

HM Jr: Could be.

R: (Laughs)

HM Jr: Well, don't you think so?

R: Yes.

HM Jr: What.

R: Yes.

HM Jr: Well, I - I think that it has gotten so now that I'd better go and see him.

R: Yeah, I think so, and I think those documents are very good.

HM Jr: So I think if you would just rest on your oars and let me see what luck I have.

R: Okay.

HM Jr: And other than that one suggestion, you have no other ones?

- 3 -

R: Other than that, I think it is perfect and I think those two examples of what happened over across the street are damn good.

HM Jr: Isn't that the most outrageous thing?

R: Yeah, especially the second one about the cables.

HM Jr: Yeah.

R: That's the God Damnedest thing.

HM Jr: That's what I meant when I said to you that I didn't think you would know about these or could know about them.

R: Yes. Now I sent over to you what I understand is a copy of what was sent to me ....

HM Jr: Yes.

R: .... which clears the atmosphere a lot about that so-called bribe which I know the President had very clearly in his head. He talked to me about it.

HM Jr: Since he's back?

R: Yes. He says, "Well, I know he wasn't," but he thinks he was.

HM Jr: Well, now, what are you going to do about that?

R: Well, this gives me the complete story.

HM Jr: Are you going to give it to the President?

R: Well, I'm not going to give him this document, but I'm going to tell him what is in it.

HM Jr: You will tell him?

R: Theoretically, Welles was supposed to give him the document. You know it was sent to Welles?

HM Jr: No, I didn't know.

- 4 -

R: What you have there, if you read it carefully, is a copy of the letter from that man to Welles.

HM Jr: I see.

R: From Weizmann to Welles, and it says there that - that that was intended for the President.

HM Jr: Well, I mean who ....

R: Of course, it is not a very pleasant episode.

HM Jr: No, but who is going to get it to the President?

R: Well, I'll do what you say about it.

HM Jr: Well, I think if you would handle that, that would be fine.

R: All right.

HM Jr: I think that would be fine.

R: Yeah. All right.

HM Jr: Okay. Hope to see you soon.

R: All right, Henry.

HM Jr: Thank you.

R: All right.

JAN 16 1944

Dear Colonel Halsey:

I have received your letter of January 12, enclosing a page from the Congressional Record of January 11, quoting my letter to you and also a statement by Senator George calling attention to the sale of bonds in the Fourth War Loan Drive.

The Treasury greatly appreciates your interest and cooperation in helping to make the Fourth War Loan a success.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury

Colonel Edwin A. Halsey  
Secretary of the Senate  
Washington, D. C.

EBWhite 1/14/44

United States Senate

OFFICE OF THE SECRETARY

January 13, 1944

My dear Mr. Secretary:

You will see from the enclosed page of the Congressional Record that we have incorporated your letter to me and that Senator George also made a statement calling attention to the sale of bonds in the Fourth War Loan Drive.

I do hope that this complies with your wishes in the matter.

Sincerely yours,



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

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President of the United States, which was read by the legislative clerk and ordered to lie on the table.  
(For President's message, see pp. 55-57 of House proceedings for today.)

**FOURTH WAR LOAN DRIVE**

Mr. GEORGE, Mr. President, at the request of the Secretary of the Treasury in a letter addressed to the Secretary of the Senate, representatives of the Treasury Department will be stationed in the office of the financial clerk of the Senate during the next War Loan drive. I ask unanimous consent to have printed in the Record a letter from the Secretary of the Treasury addressed to the Secretary of the Senate, together with a statement from the Secretary of the Senate and the Sergeant at Arms. There being no objection, the letter and statements were ordered to be printed in the Record, as follows:

JANUARY 11, 1944.

To Members of the Senate and Their Staffs, Officers of the Senate and Employees:  
On January 15 there will be stationed in the office of the financial clerk of the Senate representatives of the Treasury Department from whom War bonds may be purchased. This is done upon the request of the Secretary of the Treasury, who, in a letter to the Secretary of the Senate, reminds us of the War Loan drive. The letter from the Secretary of the Treasury, for your information, is quoted in full:

"JANUARY 9, 1944.

Col. EDWIN A. HALSEY,  
Secretary of the Senate.

"Washington, D. C.

"Dear Colonel Halsey: In the Fourth War Loan drive, commencing January 15, the Treasury will undertake to raise \$14,000,000,000 for continued prosecution of the war. Of this amount we hope to get about five hundred-and-thirty billions from individuals, which is \$200,000,000 more than the goal set for individuals in the Third War Loan drive.

"On December 7, 1941, a date which will live in infamy, as the President has said, this country was brutally attacked by the Japanese at Pearl Harbor. We all know that the act was one of our making. We are determined to fight this war to a finish—unconditional surrender. And it must be paid for.

"My purpose in writing you now is to enlist your aid during the Fourth War Loan, with the full in view that appropriate facilities may be provided for the sale of War bonds in the 35 members of the Senate, its officers and employees.

"This Government will be glad to assist in any way it can to make these bonds conveniently available to the Members of the Senate and employees.

"Sincerely yours,  
"H. MORGENTHAU, Jr.,  
"Secretary of the Treasury."

The Fourth Nation-wide War Bond drive will be officially inaugurated on January 15, but you are respectfully urged to start buying War Bonds on the 15th, so that the Senate may make a showing in the sale of bonds commensurate with its staff.  
Let's lend to our share.

EDWIN A. HALSEY,  
Secretary, United States Senate,  
WALL DOVER,  
Sergeant at Arms of the Senate.

**MAJ. ALBERT WHITFIELD HAWKES**

Mr. REVERCOMB. Mr. President, it is with profound sorrow that I announce to my colleagues of the Senate the death of a very brave soldier who died in line

of duty on December 17, 1943, in the southwest Pacific—Maj. Albert Whitfield Hawkes, the distinguished son of a distinguished Member of this body.

Major Hawkes was a member of the Medical Corps. Although a young man, he had gained distinction and a high position in his profession before entering the Army. His work gave promise of fine success and greatness for him in this life.

He was a graduate of Princeton College and of the College of Physicians and Surgeons of Columbia University. He served for 1 year at Queen's Hospital in London. Later he was a member of the staffs of several hospitals in New York.

At the outbreak of war he volunteered in the Army of his country. He was promoted to major, and, as I have said, while serving with the troops in the South Pacific last month he died in line of duty.

He left surviving him his distinguished and respected father the senior Senator from New Jersey, his revered and lovely mother, his sister, his widow, and his two children, Holly and Stephen, to whom I express now the heartfelt sympathy of us all.

The loss of such a man is the severest sacrifice exacted by war and the greatest loss that can come to a nation.

Mr. President, I pay this tribute to a brave soldier, an unselfish and gifted man, who gave his life for his country.

**EXECUTIVE COMMUNICATIONS, ETC.**

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

**REPORT OF NATIONAL FOREST RESERVATION COMMISSION (S. Doc. No. 145)**

A letter from the Secretary of War, president of the National Forest Reservation Commission, transmitting, pursuant to law, the annual report of the Commission for the fiscal year ended June 30, 1943 (with an accompanying report); to the Committee on Agriculture and Forestry and ordered to be printed with an illustration.

**REWARDS TO POSTAL EMPLOYEES FOR INVENTIONS**

A letter from the Postmaster General, transmitting a draft of proposed legislation to authorize payments of rewards to postal employees for inventions (with an accompanying paper); to the Committee on Post Offices and Post Roads.

**RELIEF OF DESTITUTION OF ALASKAN NATIVES**

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report covering expenditures made from the appropriation "Education of natives of Alaska, 1943-44," for the relief of destitution of natives of Alaska during the fiscal year 1943 (with an accompanying report); to the Committee on Appropriations.

**REPORT OF THE NATIONAL PARK TRUST FUNDS BOARD**

A letter from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the National Park Trust Fund Board for the fiscal year ended June 30, 1943, together with a statement showing the status of the national park trust fund as of June 30, 1943 (with an accompanying paper); to the Committee on Public Lands and Surveys.

**EXPENDITURES FROM COLORADO RIVER DAM FUND**

A letter from the Secretary of the Interior, transmitting, pursuant to law, his report on expenditures from the Colorado River Dam fund incurred in the construction, opera-

tion, and maintenance of Boulder City, together with his recommendations for allocations of such expenditures in the construction, operation, and maintenance of the Boulder Canyon project and other Federal activities in Boulder City (with the accompanying papers); to the Committee on Irrigation and Reclamation.

**SPECIAL HELIUM-PRODUCTION FUND**

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the annual report showing credits, disbursements, and the balance on hand in the special helium-production fund for the fiscal year ended June 30, 1943; to the Committee on Military Affairs.

**LAWS PASSED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.**

A letter from the Director of the Division of Territories and Insular Possessions, Department of the Interior, transmitting, pursuant to law, a bound copy of laws passed by the Legislature of the Territory of Hawaii, regular session of 1943 (with an accompanying document); to the Committee on Territories and Insular Affairs.

**LAWS PASSED BY LEGISLATURE OF HAWAII**

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**EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE**

A letter from the Acting Administrator of the War Food Administration, transmitting, pursuant to law, a report of receipts, expenditures, and results of cooperative agricultural extension work for the fiscal year ended June 30, 1943, and a statistical summary of Negro extension work for the calendar year 1942 (with accompanying papers); to the Committee on Agriculture and Forestry.

**DELINQUENT ACCOUNTS OF FEDERAL OFFICERS**

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report showing officers and administrative offices of the Government delinquent in rendering or transmitting their accounts to the proper office in Washington during the fiscal year ended June 30, 1943, and whether the delinquency was waived, together with a list of officers whom upon final settlement of their accounts, were found to be indebted to the Government and had failed to pay the amount or amounts due into the Treasury of the United States (with an accompanying report); to the Committee on Claims.

**JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. Doc. No. 144)**

A letter from the Acting Chief Clerk of the Court of Claims, transmitting, pursuant to law, a statement of judgments rendered by the Court of Claims for the year ended December 4, 1943, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims (with an accompanying statement); to the Committee on Appropriations and ordered to be printed.

President of the United States, which was read by the legislative clerk and escorted to be on the table.

(For President's message, see pp. 55-57 of House proceedings for today.)

#### FOURTH WAR LOAN DRIVE

Mr. GEORGE. Mr. President, at the request of the Secretary of the Treasury in a letter addressed to the Secretary of the Senate, representatives of the Treasury Department will be stationed in the office of the financial clerk of the Senate during the next War Loan drive. I ask unanimous consent to have printed in the RECORD a letter from the Secretary of the Treasury addressed to the Secretary of the Senate, together with a statement from the Secretary of the Senate and the Sergeant at Arms.

There being no objection, the letter and statements were ordered to be printed in the RECORD, as follows:

JANUARY 11, 1944.

To Members of the Senate and Their Staffs,  
Officers of the Senate and Employees:

On January 15 there will be stationed in the office of the financial clerk of the Senate representatives of the Treasury Department from whom War bonds may be purchased. This is done upon the request of the Secretary of the Treasury, who, in a letter to the Secretary of the Senate, reminds us of the War Loan drive. The letter from the Secretary of the Treasury, for your information is reported in full:

JANUARY 8, 1944.

MR. EDWIN A. HALSEY,

Secretary of the Senate,

Washington, D. C.

DEAR COLLEAGUE, HALSEY: In the Fourth War Loan drive commencing January 15, the Treasury will undertake to raise \$14,000,000,000 in continued prosecution of the war. Of this amount we hope to get about five and one-half billions from individuals, which is \$300,000,000 more than the goal set for individuals in the Third War Loan drive.

On December 7, 1941, a date which will live in history, as the President has said, this country was savagely attacked by the Japanese at Pearl Harbor. We all know that the war was not of our making. We are determined to fight this war to a finish—unconditional surrender. And it must be paid for.

My purpose in writing you now is to enlist your aid during the Fourth War Loan, with the end in view that appropriate facilities may be provided for the sale of War bonds to the Members of the Senate, its officers and employees.

This Department will be glad to assist in any way it can to make these bonds conveniently available to the Members of the Senate and employees.

Sincerely yours,

H. MONTGOMERY, JR.,

Secretary of the Treasury.

The Fourth Nation-wide War Bond drive will be officially inaugurated on January 15, but you are respectfully urged to start buying your bonds on the 10th, so that the Senate may make a showing in the sale of bonds commensurate with its staff.

Let us all do our share.

EDWIN A. HALSEY,  
Secretary, United States Senate,  
WALL DOKEY,  
Sergeant at Arms of the Senate.

MAJ. ALBERT WHITFIELD HAWKES

MR. REVERCOMB. Mr. President, it is with profound sorrow that I announce to my colleagues of the Senate the death of a truly brave soldier who died in line

of duty on December 17, 1943, in the southwest Pacific—Maj. Albert Whitfield Hawkes, the distinguished son of a distinguished Member of this body.

Major Hawkes was a member of the Medical Corps. Although a young man, he had gained distinction and a high position in his profession before entering the Army. His work gave promise of fine success and greatness for him in this life.

He was a graduate of Princeton College and of the College of Physicians and Surgeons of Columbia University. He served for 1 year at Queen's Hospital in London. Later he was a member of the staffs of several hospitals in New York.

At the outbreak of war he volunteered in the Army of his country. He was promoted to major, and, as I have said, while serving with the troops in the South Pacific last month he died in line of duty.

He left surviving him his distinguished and respected father the senior Senator from New Jersey, his revered and lovely mother, his sister, his widow, and his two children, Holly and Stephen, to whom I express now the heartfelt sympathy of us all.

The loss of such a man is the severest sacrifice exacted by war and the greatest loss that can come to a nation.

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Interviews were with wounded service men from Walter Reed Hospital who listened to a transcription of the proposed broadcast to be given Monday 1/17/44, "Let's All Back the Attack".

January 15, 1944

A total of 14 interviews ... made yesterday after the recording was heard.

LIKES

7 ... said they liked the sound effects.

Specific comments were: "The bullets ricocheting were real ... they sure make me go in a hole pretty fast."

"The sounds were very good, especially the big shells bustin' and the bullets ricocheting."

4 ... Eisenhower.

3 ... The soldier's feelings and thinking about home.

One specific remark was: "The soldier thinking about home ... that's a man's thoughts. What are we fighting for? What are we going to get out of it? Will we get our jobs back? Will there be no job and no place to go?"

2 ... Army supporting the Navy and vice versa.

1 - Phrase ... "We have a job to do ..." and then the soldier's stopping short.

\*1 ... The soldier thinking about what he's fighting for and the need for more equipment.

\*1 ... About missing comrades and ruined machinery and tanks.

NOTE: \*These two boys were in the Air Corps and said they really knew nothing about fighting under the conditions portrayed in this sketch.

\* \* \* \*

DISLIKES

\*6 ... said that trying to sleep in a foxhole was not realistic.

5 ... mentioned strikes and objected to the ammunition plant and aircraft factory scene on this score.

\*4 ... A discussion of this sort with Morgenthau seems far-fetched.

\*4 ... The rocket plane discussion is hokey and just a rumor.

\*3 ... The reference to "Old Glory".

- 2 ... We do not have better equipment than the enemy and we need more equipment on the fighting fronts.
- 2 ... Jimmy Jones ... too much of him.
- 1 ... A little too dramatic.
- 1 ... Church scene melodramatic.

NOTE: The figures before the starred (\*) items under DISLIKE should not be taken too literally. Unfortunately, Miss Foor instead of interviewing her men separately sat in on a "bull session" and undoubtedly an opinion voiced by one man may have influenced the others or sounded to her like an opinion of all four men. Both Miss Mulcare and myself interviewed men individually and since these particular comments did not show up (except for "sleeping in a fox-hole") in our interviews, it seems to me that these objections should not bear as much weight as the figures 3 and 4 out of 14 indicate.

\* \* \* \* \*

SUGGESTIONS MADE BY THE RESPONDENTS

- 3 ... Strikes should be mentioned.
- 3 ... Boys who have been overseas should be on the show.
- 2 ... Where there's not enough equipment, let the boys know we're trying here to get it for them.
- 1 ... Stress how much equipment is needed.
- 1 ... Jimmy Jones should tell about boys killed and particulars of injuries.
- 1 ... European theatre of war should be stressed.

NOTE: Two of the men said they didn't think that this program should be broadcast to the men in the fighting areas. They said, however, that they thought it was good for the people in the United States.

\* \* \* \* \*

The actual interviews (or quotes from the respondents) as covered by Miss Mulcare and myself and Miss Foor's condensation of her conversation with four of the men are attached.

Henrietta Smith

INTERVIEWER ... Henrietta Smith

(Each number represents a respondent)

1. The program wasn't so bad. We had better equipment than the enemy isn't true. The German equipment is just as good. We need lots more equipment.

I liked the soldier thinking about home. That's a man's thoughts. What are we fighting for? What are we going to get out of it? Will we get our jobs back? Will there be no job and no place to go?

Let the boys know that we know here that they don't have enough equipment and what we're doing about it. The boys wonder what they're doing here. They've been out of things for so long that they wonder.

The sounds are very good. The bullets ricocheting and the big shells busting.

I don't think that the boys on the battle fronts will like the program. They won't believe all of it, especially about the equipment. It's probably all right for the people here though.

2. I certainly wouldn't let the boys overseas hear it. The papers that they get over there are usually full of strikes. They get a feeling that they're being kicked out. It's good for the people in the United States but as far as overseas ... not believable.

The soldier's feelings are expressed well.

I didn't like the part about the ammunition plant and the aircraft factory. They're going on strike. So ... this wouldn't be believable.

A phrase I particularly liked was in the beginning where the soldier said "We have a job to do" ... and then stopped short. That was realistic.

The machine guns sounded natural. The bullets ricocheting were real ... they sure make me go in a hole pretty fast. They sounded like German machine guns. The German machine guns are much faster than ours.

3. It was all right. I don't really know what the situation is on the ground. I'm in the air all the time. But it sounded okay to me.

I liked where the soldier is wondering if he's the only one. What he was fighting for. Talking about equipment coming over.

Can't always get on the radio the way things should be said.

Smith (cont'd)

This was okay ... we'd say some things a little different, but we'd probably cuss along with it and you can't do that on the radio.

4. It was quite good. It would be hard to make it any more real than it was. I've never done any of that kind of fighting ... I'm in the air.

I liked where he was telling about the 19 comrades being missing. Where he said people were giving their lives over there and where he saw the ruined machinery and tanks.

It was all expressed a little bit too tamely. The part where he talks about losing his comrades was good but a few cuss words in there would be good. All the "slang phrases" that would be used that I know are too rough for radio.

I liked it but I don't know how the boys in the fox holes would feel about it. I've never been in there. So can't say. But I imagine it would be all right.

## INTERVIEWER ... Virginia Mulcare

(Each number represents a respondent)

1. I think it was swell.

I liked the part about the Army supporting the Navy and the Navy supporting the Army. I think it will be a great morale booster. I also liked the idea of Eisenhower speaking - the boys will really go for that.

I didn't care so much for Jimmy Jones - besides he wouldn't be able to sleep with all that bombing going around.

I think the strikes should be mentioned and that Jimmy Jones should tell the people how badly they need anti-aircraft guns and bigger guns.

2. I think there was a little too much of Jimmy Jones.

I think the boys that have been over should be in the play because the boys would really go for that.

3. It was okay except I think Jimmy Jones ought to tell the people and give full particulars on how the boys were injured (no mention was made about the boys that were killed).

I liked the part where Eisenhower is mentioned and the speech he will make.

4. I liked it.

I think they ought to have the boys who were overseas in it because the boys overseas will enjoy it more ... know that those boys had actually seen battle and that it just wasn't acting.

I think the striked should be mentioned and that we need more guns. I liked the part about the Army and the Navy.

3. I liked it but I think the European theatre should be stressed more.

I like the idea of Eisenhower speaking, because the boys really like him.

6. It was all right but I think our own boys should have the parts because they have been over there and they know more about it.

It was a little too dramatic. I think the best part will be where Eisenhower speaks.

I didn't like the part where the soldier was trying to sleep in a trench because they just don't sleep where there is bombing going on. I think the strikes should be stressed because the boys are plenty mad about them.

INTERVIEWER ... Mary Lee Foor

I partially interviewed four men: the following subjects were listed as objections:

3 objected strenuously to the reference to "Old Glory" saying that it was trite, and baby stuff. Said the boys wanted to hear the things they were fighting for told "straight off the cuff".

All objected to unrealistic fact of soldier sleeping in fox hole. Said the bullets flying all around he shouldn't be sleeping anyhow.

All realized though this was merely a dramatic picturization, said no boy would be discussing these things with Morgenthau (rather far-fetched).

All thought sound effects very good.

One objected to the Church scene - said it was too melodramatic.

When asked if there were listening to the program and just heard it come on, would they leave it on or turn it off; one said he always liked Crosby and Garland; two said they would listen to get an idea of home-front news; one said he thought he'd listen only to the first part of it.

All ~~thxxt~~ thought that the part of describing the new rocket plane was a bunch of hokey to be added to the many rumors that they've heard about for at least two months. Said they weren't much impressed by that but that the average radio audience might be.

Two said they could think of at least five other questions they would have asked; but when definitely pinned down only said vague things about what the political situation was, asked about strikes and strike control.

One suggested that a remarkable wind-up would be to especially emphasize the fact that the Government had taken over control of the railroads and that they were now operating smoothly. Said all the boys over there would truly appreciate that.



TREASURY DEPARTMENT

WASHINGTON 25

*Tell Harold Graves and Sullivan and F. Smith*

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*Gastin*

OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE  
ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REFER TO

*and E. Dreyer I want*

*to them about this. H.M.P.*

JAN 15 1944

Memorandum for the Secretary:

In accordance with your request, the following additional facts are submitted relative to the black market situation in Georgia:

Investigations of wholesale liquor dealers engaged in black market transactions in the State of Georgia are being vigorously pursued, and evidence upon which suspension proceedings will be instituted, as well as for criminal prosecution, is being assembled as rapidly as possible. Approximately fifty Investigators have now been assigned for this purpose in that area. On January 1, 1944, two attorneys from the Bureau were detailed to the Atlanta district to assist in assembling the available evidence and preparing citations with the view of suspension of permits involved. This work is being expedited.

Permit suspension proceedings have already been instituted against the following six distributors in the State of Georgia:

- R. H. Hogg and Company,  
Atlanta, Georgia.
- United Distributing Company,  
Augusta, Georgia.
- Dixie Bottle and Beverage Company,  
Atlanta, Georgia.



Memorandum for the Secretary.

Page two.

Dixie Distributors,  
Macon, Georgia.

Richmond Wholesale Liquors,  
1130 Fenwick Street,  
Augusta, Georgia.

Liberty Distributing Company,  
513 West Hull Street,  
Savannah, Georgia.

Black market investigations, as previously stated, are proceeding simultaneously in all sections of the country on an extensive scale and are being pressed with the utmost vigor. The additional regulatory measures now in effect, as well as the Bureau-sponsored self-policing program of the industry now in operation, should have a substantial deterrent effect on the black market traffic. These measures, together with the suspension of permits and the institution of prompt and vigorous criminal prosecution, will, it is believed, go a long way in bringing the black market situation under control. Every effort is being directed to that end.

As was indicated in my memorandum of January 12, 1944, nine wholesalers have been under investigation in the State of Florida, which cases have progressed to the point where permit suspension proceedings can be instituted in the very near future. Black market investigations in the State of Florida are being intensified, with particular attention being given to conditions existing in Miami, Palm Beach, and Key West, in accordance with your request.

*Robert H. Stannegan*  
Commissioner.

MEMORANDUM

January 15, 1944.

TO: The Secretary  
FROM: Mr. Sullivan

J K S

I am forwarding herewith a copy of Mr. Mack's report on the disposition of surplus property from July 1st to December 31st. The form of the report leaves much to be desired and I have arranged with him for a new form which will enable you to tell how much of each commodity we have on hand and whether or not we are keeping ahead of the job of disposing of it. It will show in each category how much has been transferred to other government agencies and how much has been sold to the public.



# TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



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OF THE DIRECTOR

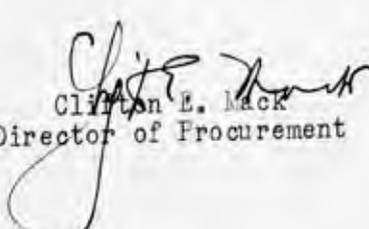
January 14, 1944

## MEMORANDUM TO THE SECRETARY:

There is attached hereto a report of all dispositions of surplus and "excess" property by transfer or sale for the month of December, 1943.

We have made a distinction between surplus and "excess" property in line with the present War Department practice. Transactions classed as surplus property are those for which the declaring agency has no further need and the proceeds, with but a few statutory exceptions, are credited to miscellaneous receipts. "Excess" property is that for which the owning agency does not have an immediate need but is willing to release the property to be applied to an existing requirement for other purposes. The proceeds in such instances are credited to the original appropriation of the declaring agency.

Transfers are dispositions to Federal agencies and sales are transactions with other than Federal agencies. In either case, however, whether disposition is by transfer or sale, the acquiring agency or the one to whom sale is made if other than a Federal agency is charged the appraised value of the surplus or "excess" property.

  
Clayton E. Mack  
Director of Procurement

REPORT OF TRANSFERS AND SALES OF  
SURPLUS AND EXCESS PROPERTY  
FOR THE MONTH OF DECEMBER, 1943  
ALSO CUMULATIVE SUMMARIES FOR JULY 1 TO NOV. 30, 1943  
AND JULY 1 TO DECEMBER 31, 1943

	<u>TRANSFERS</u>	<u>SALES</u>	<u>TOTAL</u>
SURPLUS PROPERTY 7/1-11/30/43	\$10,856,898.47	\$10,412,223.18	\$21,269,121.65
"EXCESS" PROPERTY 7/1-11/30/43	"	13,193,992.42	<u>13,193,992.42</u>
TOTAL TRANSFERS AND SALES OF SURPLUS AND EXCESS PROPERTY			\$34,463,114.07

RECEIPTS

	<u>SURPLUS</u>	<u>EXCESS</u>	<u>TOTAL</u>
LIVE ANIMALS	\$62,225.85		\$62,225.85
CRUDE ANIMAL PRODUCTS, EDIBLE	304.07		304.07
CRUDE ANIMAL PRODUCTS, INEDIBLE, EXCEPT FIBERS	90.52		90.52
CRUDE VEGETABLE PRODUCTS, EDIBLE	3,508.19		3,508.19
CRUDE VEGETABLE PRODUCTS, INEDIBLE, EXCEPT FIBERS	11.33		11.33
FIBERS, VEGETABLE AND ANIMAL, UNMANUFACTURED	6,487.17		6,487.17
COAL, CRUDE PETROLEUM, AND RELATED CRUDE HYDROCARBONS	1,112.73		1,112.73
METALLIC ORES, CONCENTRATES AND THEIR UNREFINED METALLIC PRODUCTS	17.41		17.41
CRUDE NONMETALLIC MINERALS, EXCEPT COAL AND PETROLEUM	93.40		93.40
	13,423.76		13,423.76

<u>COMMODITIES</u>	<u>SURPLUS</u>	<u>EXCESS</u>	<u>TOTAL</u>
BOOT AND SHOE CUT STOCK AND SHOE FINDINGS	\$ 5,544.11		\$ 5,544.11
WOOD BASIC MATERIALS, EXCEPT PULPWOOD	35,254.63		35,254.63
PULP, PAPER, AND PAPERBOARD	29,028.33		29,028.33
TEXTILE BASIC MANUFACTURES	193,031.24	29,046.68	222,077.92
FOOD AND BEVERAGE BASIC MATERIALS	8,453.61		8,453.61
OILS, FATS, WAXES, AND DERIVATIVES, - ANIMAL AND VEGETABLE	31,799.65		31,799.65
PETROLEUM AND COAL PRODUCTS, EXCEPT RAW MATERIALS FOR CHEMICAL INDUSTRIES	2,246.74		2,246.74
CHEMICALS	18,919.50	353,806.82	372,726.32
IRON AND IRON AND STEEL SCRAP	12,062.73	348.00	12,410.73
STEEL	34,931.52	670,411.62	705,343.14
FERRO AND NONFERROUS ADDITIVE ALLOYS	24.75		24.75
NONFERROUS METALS	16,328.80	2,549.25	18,878.05
FABRICATED METAL BASIC PRODUCTS	396,601.38	170.26	396,771.64
NONMETALLIC MINERAL BASIC PRODUCTS-- CHIEFLY STRUCTURAL	9,156.12		9,156.12
NONMETALLIC MINERAL BASIC PRODUCTS-- CHIEFLY NONSTRUCTURAL	4,348.36	51.27	4,399.63

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COMMODITIES	<u>SURPLUS</u>	<u>EXCESS</u>	<u>TOTAL</u>
MISCELLANEOUS BASIC MATERIALS	\$ 8,767.25		\$ 8,767.25
GENERAL PURPOSE INDUSTRIAL MACHINERY AND EQUIPMENT	71,907.68		71,907.68
ELECTRICAL MACHINERY AND APPARATUS	73,272.87	85.00	73,357.87
SPECIAL INDUSTRY MACHINERY (MACHINERY FOR SELECTED INDUSTRIES REQUIRING SPECIALIZED MACHINES)	287,896.48	19,044.49	306,940.97
METALWORKING MACHINERY	703,271.00		703,271.00
AGRICULTURAL MACHINERY AND IMPLEMENTS, EXCEPT TRACTORS	4,449.81		4,449.81
CONSTRUCTION, MINING, EXCAVATING AND RELATED MACHINERY	54,165.44		54,165.44
TRACTORS	10,740.15		10,740.15
OFFICE MACHINES	67,397.06		67,397.06
MISCELLANEOUS MACHINERY	93,906.42		93,906.42
COMMUNICATION EQUIPMENT AND ELECTRONIC DEVICES	30,703.35		30,703.35
AIRCRAFT	196.67		196.67
SHIPS, SMALL WATERCRAFT, AND MARINE PROPULSION MACHINERY	55.50		55.50
RAILROAD TRANSPORTATION EQUIPMENT	11,086.86		11,086.86

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<u>COMMODITIES</u>	<u>SURPLUS</u>	<u>EXCESS</u>	<u>TOTAL</u>
MOTOR VEHICLES	\$188,787.22		\$188,787.22
MISCELLANEOUS TRANSPORTATION EQUIPMENT	7,897.03		7,897.03
PLUMBING AND HEATING EQUIPMENT	26,293.90		26,293.90
AIR-CONDITIONING AND REFRIGERATION EQUIPMENT	29,895.41		29,895.41
LIGHTING FIXTURES	106,157.28		106,157.28
FURNITURE AND FIXTURES	179,204.47		179,204.47
PHOTOGRAPHIC GOODS AND PROCESSED MOTION PICTURES	11,186.15		11,186.15
OPTICAL INSTRUMENTS AND APPARATUS	4,001.13		4,001.13
INDICATING, RECORDING, AND CONTROLLING INSTRUMENTS AND ACCESSORIES, EXCEPT WATCHES AND CLOCKS	1,647.47		1,647.47
PROFESSIONAL AND SCIENTIFIC INSTRUMENTS AND APPARATUS, EXCEPT INDICATING, RECORDING, AND CONTROLLING	21,995.65		21,995.65
MISCELLANEOUS EQUIPMENT	37,833.77		37,833.77
FOOD, MANUFACTURED	12,613.59		12,613.59
DRUGS AND MEDICINES	708.49	159.40	867.89
TOILETRIES, COSMETICS, SOAP, AND HOUSEHOLD CHEMICAL PREPARATIONS	2,139.72		2,139.72

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<u>COMMODITIES</u>	<u>SURPLUS</u>	<u>EXCESS</u>	<u>TOTAL</u>
APPAREL, EXCEPT FOOTWEAR	\$399,452.48		\$399,452.48
FOOTWEAR	24,708.89		24,708.89
FABRICATED TEXTILE PRODUCTS, EXCEPT APPAREL	53,040.42		53,040.42
END PRODUCTS OF LEATHER, EXCEPT APPAREL, FOOTWEAR AND LUGGAGE	3,173.13		3,173.13
CONVERTED PAPER PRODUCTS AND PULP GOODS	6,602.68		6,602.68
PRODUCTS OF PRINTING AND PUBLISHING INDUSTRIES	6,188.71		6,188.71
RUBBER AND PRODUCTS, NATURAL AND SYNTHETIC, EXCEPT FOOTWEAR AND CLOTHING	26,248.26		26,248.26
END PRODUCTS OF METAL INDUSTRIES, EXCEPT MACHINERY AND EQUIPMENT	478,741.31		478,741.31
FINISHED WOOD PRODUCTS, EXCEPT FURNITURE AND MILLWORK	16,220.04		16,220.04
END PRODUCTS OF GLASS, CLAY AND STONE	22,595.85		22,595.85
MISCELLANEOUS END PRODUCTS OF MANUFACTURING INDUSTRIES AND BUILDINGS	<u>148,199.39</u>	<u>672.50</u>	<u>148,871.89</u>
TOTAL--MONTH OF DECEMBER, 1943	\$4,119,354.88	\$1,076,345.29	\$5,195,700.17

SUMMARY: (7/1-12/31/43)

	<u>TRANSFERS</u>	<u>SALES</u>	<u>TOTAL</u>
SURPLUS PROPERTY	\$13,738,121.65	\$11,650,354.88	\$25,388,476.53
EXCESS PROPERTY		14,270,337.71	<u>14,270,337.71</u>
TOTAL TRANSFERS AND SALES OF SURPLUS AND EXCESS PROPERTY			\$39,658,814.24

January 15, 1944.

MEMORANDUM

*W.S.G.*

TO: Secretary Morgenthau  
FROM: Mr. Gaston

I attach memoranda on the four collectors whom you will see on Tuesday. They are Lynn R. Brodrick, John L. Fahs, Joseph D. Nunan, Jr., and Dan M. Nee. It will be noted that the first three are rated "excellent" while Nee is rated "good." Nee is definitely not regarded as the equal of the other three as a collector. He is a man of fine character, diligent and able. Nee has political ambitions. It is his hope to be nominated on the Democratic ticket for Governor of Missouri. Guy Helvering tells me that he hasn't a chance of election.

I had a chat with Helvering about all four. As might be expected he adheres to his belief that Brodrick would make the best Commissioner. He also believes that the selection of Brodrick would be more wise politically for the same reason that I stated, namely, that he is a small town westerner and the appointment would commend itself as less "political" than that of a New Yorker for instance.

Fahs is the youngest of the group and would, I feel sure, make a highly capable Commissioner. His youth would be an asset. Against this is the political disadvantage of his coming from a southern state. I have no doubt that Senator Pepper would be greatly pleased if he were selected.

I went over the whole list of collectors with Judge Helvering, with the result that we discussed four others whose names would be worth considering. They are:

- 2 -

(1) William P. Bowers of Columbia, South Carolina. I mentioned Bowers in a previous memorandum. If we were to make a selection purely on the basis of ability and efficiency, Bowers would be pretty close to the top. He is a former committee clerk on the Hill and a friend of Jimmy Byrnes.

(2) Giles Kavanagh of Detroit. Kavanagh is a former newspaper editor and editorial writer, but his age and possibly his health might be against him. He has, however, done a bang-up job as collector in Michigan.

(3) Ralph Nicholas of Denver. Nicholas has been ten years as collector and is very able. He is a college graduate and has high standing and influence in Colorado. He had some differences with Senator Johnson, who tried to get him to dispose of good men to make room for Johnson appointees, which Nicholas would not do. He is a loyal Administration man.

(4) Henry C. Jones of Oklahoma. Jones is also a man of ability, power and influence, as well as a good collector. My impression of him from personal meetings is that he is somewhat too contentious and domineering to make a good Commissioner.

OFFICE OF  
CHIEF COORDINATORTREASURY DEPARTMENT  
TREASURY ENFORCEMENT AGENCIES  
WASHINGTON

January 15, 1944

LYNN R. BRODRICK  
Collector of Internal  
Revenue, Wichita, Kansas

Mr. Brodrick is 51 years of age, is married and has no children. He received his education in schools in Kansas and since his graduation from high school in 1909 was in the printing and publishing business in that state as business manager and co-publisher of the Marysville Advocate-Democrat, a high ranking weekly newspaper. He had continuous service as secretary or chairman of the Marshall County Democratic Central Committee from 1916 to the date of his appointment as Collector of Internal Revenue, and from 1934 to 1942 served as Democratic National Committeeman for Kansas. He is a World War veteran, and served as Commissioner of Highways for the First Kansas Highway District in 1933 and 1934. Examination of his income tax returns showed them to have been properly prepared and filed.

Since his appointment as Collector of Internal Revenue at Wichita in July, 1942, Mr. Brodrick has conducted an excellent office and is highly regarded by the various officers of the Bureau of Internal Revenue who know of his services.

OFFICE OF  
CHIEF COORDINATORTREASURY DEPARTMENT  
TREASURY ENFORCEMENT AGENCIES  
WASHINGTON

January 15, 1944

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OFFICE OF  
CHIEF COORDINATORTREASURY DEPARTMENT  
TREASURY ENFORCEMENT AGENCIES  
WASHINGTON

January 15, 1944

JOHN L. FAHS  
Collector of Internal  
Revenue, Jacksonville,  
Florida

Mr. Fahs is 40 years of age, has a wife and one child. He was educated in the schools of Florida and attended the University of Florida for three years, two years of which were devoted to the study of arts and sciences and one to the study of law. He did not graduate. After completing his education, he was employed by the former Leesburg State Bank and Trust Company as a book-keeper and during that period purchased considerable stock of the bank and was promoted to the position of Vice President and Trust Officer. He served in the latter capacity until March, 1933, when the bank holiday was declared. The bank did not reopen and its assets were taken over by the First National Bank of Leesburg, Florida. Mr. Fahs was made Vice President of that bank and was serving in that position at the time of his appointment as Collector of Internal Revenue. Investigation indicated that no blame was attributable to him in connection with the failure of the former bank to reopen after the bank holiday.

Mr. Fahs served in the Florida State Legislature for two years, as Commissioner of the City of Leesburg for three years and as Mayor of the City of Leesburg for one year. At the time of his appointment he was estimated to be worth \$35,000 to \$40,000. Examination of his income tax returns indicated that they had been properly prepared.

Mr. Fahs was appointed Collector of Internal Revenue in September, 1939, and has made an excellent record in that position. Numerous officers of the Bureau of Internal Revenue who are in a position to know of his work as Collector make this statement.

OFFICE OF  
CHIEF COORDINATORTREASURY DEPARTMENT  
TREASURY ENFORCEMENT AGENCIES  
WASHINGTON

January 15, 1944

JOSEPH D. NUNAN, JR.  
Collector of Internal  
Revenue, Brooklyn, N.Y.

Mr. Nunan is 46 years of age, and at the time of his appointment as Collector of Internal Revenue three years ago he was the father of four children. He was educated in the public schools of Brooklyn; is a graduate of Fordham University and received his law degree in 1922. Since that time he practiced law in the State of New York and served in the New York State Assembly in 1929 and the New York State Senate from 1930 to 1940, when he was appointed Collector. He is a veteran of World War I. His income tax returns show income from profession during the period from 1931 to 1939 of \$15,000 to \$26,000 per annum.

Mr. Nunan is highly regarded by officials of the Bureau of Internal Revenue who know of his services and who state that he has an excellent office.

BROOKLYN - EAGLE - JAN. 14 - 44

# BISHOP ASKS WAR AGAINST INTOLERANCE

## Molloy Hits Racial And Religious Bigotry— Dinner Honors Nunan

Bishop Thomas E. Molloy of the Roman Catholic Diocese of Brooklyn, apparently referring to recently disclosed anti-Semitic acts in Brooklyn and elsewhere in the city, last night urged that "we devote all our talents and energies to remove this evil entirely from our midst."

Addressing 1,700 community leaders at a Cathedral Club dinner in honor of Joseph D. Nunan Jr., Collector of Internal Revenue, at the Hotel St. George, Bishop Molloy called on "the home, the school and the church" to "work diligently to remove the disposition to discriminate against any other member of the human family under God." Mere expression of moral indignation, he said, is not enough.

"Sympathy, understanding and generous goodwill are indispensable requisites for any happy, peaceful and harmonious relationship either within the family, the nation or the world," the Bishop said.

"When these attributes are missing," he declared, "intolerance, unfriendliness, harsh attitudes and even offensive conduct prevail. Recently a prominent Protestant clergyman discussed with me those harsh members of our population who are bitterly hostile and offensive to other members of our population. We both agreed that this attitude must be eliminated as absolutely opposed to the law of God, which insists upon the love of our neighbor for the love of God.

"It is particularly unfair and inconsiderate at this moment when our youths are fighting and dying on far-flung battlefronts of the world to relieve other peoples of the burden of intolerance and racial and religious bigotry.

"Surely they will be disillusioned to learn that back home the morale

Continued on Page 3

# Flatbush Temple Wins Citation

## KITS READY FOR DRIVE ON TUESDAY

Temple Beth Emeth of Flatbush, Church Ave. and Marlborough Road, tonight will receive a citation from the Treasury Department in recognition of its effective bond-selling projects.

To date the congregation has purchased sufficient war bonds to provide 11 ambulances and one Firing Fortress. Lawrence A. Engel, representing the Kings County War Finance Committee, will present the citation to State Senator Samuel I. Greenberg, president of the temple.

Two naval men will tell of experiences with air evacuation in line with the temple's plan of supplying air ambulances to the armed forces with bonds purchased. They are Fireman's Mate Marvin Cohen, who was wounded and taken from the combat area by plane, and Lt. Guy Williams, medical officer.

### Kits Ready to Distribute

Meanwhile, it was announced at Kings County War Finance headquarters, dealers' kits for retail merchants and sales kits for jobbing salesmen are ready for distribution. The kits contain all material and information needed to sell war bonds in the Fourth War Loan drive, which opens Tuesday.

This move is in accordance with the Dorr plan to sell the bonds through wholesalers and retailers. Jobbers and wholesalers who have men in the field, in addition to dealers who have not yet been contacted, are urged to write headquarters at 32 Court St., or telephone.

### Scout Ceremony Tomorrow

Boy Scout participation in the bond drive will be launched at a ceremony marking the birthday of Benjamin Franklin tomorrow morning at the statue of "Father of Thrift," Printing House Square and Park Row, Manhattan. Following the rite Brooklyn Scouts will start on the distribution of 13,500 war bond posters in the borough.

Another youth group joining the campaign will be the 4-H Club of Suffolk County, which has set out to sell enough bonds for 50 parrot planes. Plans include personal visits, letters to farmers and sales booths.

A 58-year-old mother with 12 children in the armed forces signed up as a war bond salesman yesterday, and wrote President Roosevelt that her "source of supply is exhausted and the Selective Service System will have to look elsewhere." She is Mrs. Emma Van Couteren of 143 E. 39th St., Manhattan.

### Ickes Breaks Collar Bone;

### Jesse Jones Has Broken Leg

Washington, Jan. 14 (AP)—Secretary of Interior Harold L. Ickes broke his collar bone in a fall at his Maryland farm Wednesday night and is working with his arm in a sling.

Houston, Texas, Jan. 14 (AP)—Secretary of Commerce Jesse Jones was struck by an automobile Dec. 23 and has been confined since to his hotel apartment with a broken leg and influenza, his Houston office disclosed today.

BUY an extra WAR BOND!

Rogers Peet's fine all-wool Quality remains unchanged.



CHIEF SPEAKER AND HONORED GUEST—Bishop Thomas E. Molloy and Joseph D. Nunon Jr., at dinner honoring Internal Revenue Collector.

## Bishop Asks War On Intolerance

Continued from Page 1

of our people is being impaired by the very evils that they are seeking to destroy."

### Farley Lauds Numan

James A. Farley, chairman of the Democratic State Committee, after lauding the sort of home front leadership exemplified in Mr. Numan, praised American industry for its efficient handling of the country's wartime needs and lauded the fighting qualities of our service men.

"They have been referred to as a generation of 'play boys,'" the former Postmaster General said, "but they soon showed themselves to be rather a generation of fighters when their country was attacked. There is too much intelligence, ability and courage in them for this country to fall in the postwar world."

Lieutenant Governor Joe R. Hanley paid tribute to Mr. Numan as "an outstanding Catholic and worthy public official."

Mr. Numan, a native Brooklynite, is a graduate of Brooklyn Preparatory School, Fordham University and Fordham Law School, and served in the State Assembly, later becoming State Senator. He was appointed to his present post Feb. 1, 1941, having under his jurisdiction Kings, Queens, Nassau, Suffolk and Richmond.

Other prominent personalities honoring Mr. Numan included Monsignor Edward P. Hoar, vicar general of the Brooklyn diocese; Monsignor J. Jerome Reddy, director of Brooklyn Catholic charities; the Rev. John A. Bohag, Secretary of State Thomas J. Curran, United States Attorney Harold M. Kennedy, Branch Hickey, president of the Brooklyn Dodgers; Postmaster Frank J. Quavie Jr. and the Rev. William Farrell, head of the Seaman's Institute.

### Leaders Present

Also present were Supreme Court Justice Algeon I. Nova, Peter P. Smith, Charles E. Cadden, Michael P. Walsh, Philip M. Kleinfield, Henry L. Ughetta, Charles C. Lockwood and Peter M. Daly; Representative Eugene J. Keogh, president of the Emerald Association; District Attorney Charles P. Sullivan of Queens, U. S. Attorney James B. McNally and Associate Division Justice Frank P. Adel, Harry E. Lewis, William F. Hagarty and John E. Johnston.



LT. GOV. JOE R. HANLEY (left) and James A. Farley.



MONSIGNOR EDWARD P. HOAR and James S. Brown Jr., former president of the Catholic Lawyers Guild, toast Numan driver.

## Poles Facing Rift On Reply to Reds

London, Jan. 14 (AP)—To exile government's attitude frame a suitable reply to Stalin offer to compromise dispute was reported reached the crisis stage.

The Polish reply has been scheduled for today, but members still were conferred with Secretary Anthony the wording to statement.

Some quarters cabinet about release of the said that was an attempt in such a to deal with ment.

It gets final final in London. Men



OFFICE OF  
CHIEF COORDINATOR

TREASURY DEPARTMENT  
TREASURY ENFORCEMENT AGENCIES  
WASHINGTON

January 15, 1944

DAN M. NEE  
Collector of Internal  
Revenue, Kansas City, Mo.

Mr. Nee is 56 years of age, is married and has one child. He is a lawyer, and at the time of his appointment as Collector was serving as Prosecuting Attorney for Greene County, Missouri, with offices at Springfield. He is a veteran of World War I.

Mr. Nee was not investigated prior to his appointment as Collector in September, 1933. During the ten years of his service as Collector he has conducted a good office and has the respect and endorsement of officials of the Bureau of Internal Revenue who know of his abilities.

WAR DEPARTMENT  
WASHINGTON

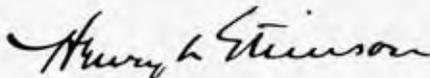
January 15, 1944.

My dear Henry:

It was very considerate of you to write me of your appreciation ~~as to~~<sup>of</sup> General Strong. I have the same high confidence in him and personal regard for him. I feel confident that the Staff plans for him have the objective of new and important usefulness.

As always

Very sincerely yours,



Secretary of War.

Hon. Henry Morgenthau, Jr.,  
The Secretary of the Treasury,  
Washington, 25, D. C.

JAN 15 1944  
RECEIVED  
CLERK

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*file*

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE JAN 15 1944

TO Secretary Morgenthau  
FROM Randolph Paul

FOR YOUR INFORMATION

I thought you might be interested in the following information relating to Charles E. Bedaux, who has just been brought back to the United States from North Africa under military escort and is now being held in detention quarters in Miami, Florida. Bedaux is a naturalized citizen of French origin and is well known as an "industrial efficiency engineer" and a friend of the Duke of Windsor.

In view of the circumstances surrounding his return to the United States, as well as the other information indicated herein, we have removed Bedaux from the privileges of General License No. 28, thus retaining control over his business enterprises and his funds within the United States until his position is clarified.

Bedaux's Companies

In connection with his work as an industrial efficiency engineer, he has formed a number of corporations in the United States and one in Canada, the stock of which is substantially owned by a Delaware holding company known as the International Bedaux Company, Incorporated, all the stock of which is owned by Bedaux and his wife. It is reported that Bedaux has formed industrial engineering companies in Greece, South Africa, France, Switzerland, and Germany, which he controls through a Dutch holding company.

Bedaux's Activities in Europe and Africa

From the time that the Germans first invaded France, Bedaux is alleged to have been active in assisting them and the French collaborationists in an endeavor to

- 2 -

increase production in various mining properties in North Africa and also in occupied Europe. In the fall of 1940 he is reported to have gone to North Africa to help increase production of low-grade coal. We are also advised that he entertained many leading German officials at dinners and parties; among those entertained were Von Steulpnagel, the German Military Commander, and Von Ribbentrop.

It is understood that Bedaux submitted to the German authorities a scheme to build a pipe line to transport vegetable oils from the Niger River north to a rail-head in North Africa, this oil to be used by the Germans in replenishing their depleted supplies. In September 1942 Bedaux went to North Africa, where he made preparations for the pipe line survey, and at this time he is said to have discussed the proposed plan with Robert Murphy and Mr. Cole. The Americans landed in North Africa early in November, and at that time Bedaux began to play along with Murphy and Darlan in the hopes of being able to sell them this idea of building a pipe line.

In November 1941 he was advised by the American Vice Consul at Lisbon to leave France. In response, Bedaux informed the American Vice Consul in a letter dated December 7, 1941, that he wanted to remain in France to get back his property, that he was willing to do this even at the risk of losing his United States citizenship. In June 1942 he was again offered an opportunity, through the Swiss, to return to the United States, and again he refused.

On December 5, 1942, the French, at the request of the American military authorities, arrested the subject. He was delivered into the custody of the American authorities on January 24, 1943. We are informed that there was a difference of opinion between the War Department and the Department of Justice as to whether the subject should be tried by the military authorities or by the latter. At the present time we have been advised that the Department of Justice is planning to charge Bedaux with treason.



## PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy- Chungking  
TO: Secretary of State - Washington  
DATED: January 15, 1944  
NO.: 99

## CONFIDENTIAL

I have been confidentially informed by a representative of the Chase Bank that according to reliably informed Chinese source, the following is outline of proposed legislation recommended to Legislative Yuan to govern foreign banks in China: registration under Chinese law; Government of China to specifically designate place of establishment; Ministry of Finance and Economics to exercise control and supervision. They may undertake following business: international exchange only with country of origin; discount bills and make loans; receive deposits only from persons of own nationality; sell Chinese corporate and Chinese Government bonds. They may not: undertake international exchange except amongst persons of own nationality; issue savings bonds, notes, et cetera; provide for deposit facilities except for foreigners; engage in storage or wharfage; buy or sell gold or silver; engage in trust or realty business; purchase or sell corporate shares except for foreigners; collect or pay money for customers except foreigners.

A bank representative commented that under such restrictions American banks would not find it desirable to open branches in China.

The above indicates present trend in Chinese thought concerning future foreign activities in China.

It is my firm opinion that China is not in a position to undertake a closed or heavily restricted economy at this stage of her development. Her best future lies in a liberal attitude toward foreign interest. It is my opinion that we should put China on notice as to our desires concerning future commercial relations by presenting draft commercial treaty drawn of liberal lines; and also that we should propose consular convention insuring the most liberal consular treatment possible. I am confident that the presentation of sound and liberal provisions of American drafts would have a beneficial effect in restraining and diverting Chinese from formulating unfavorable legislation, even if China should delay too long in accepting them.

GAUSS

eh:copy  
1-20-44

TELEGRAM SENT

January 15, 1944

184 ✓

9 p.m.

This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (BR)

Treasury Department  
(H. D. White)

AMBASSY,

LONDON.

391.

FROM SECRETARY OF THE TREASURY FOR AMBASSADOR WINANT.  
FOR YOUR CONFIDENTIAL INFORMATION.

Before his return to London, Sir David Maley informed us that British Treasury is planning to offer Portugal the right to convert into gold some of her 54 million pounds of sterling balances. The British say that by agreement with Portugal all of these balances have to be repaid in gold within five years after end of war. The reason they give for this proposed step is that since Britain has just decided to sell gold to Switzerland for shipment to Portugal, the Portuguese might otherwise feel that they were being less favorably treated than the Swiss.

We asked State Department whether it had any political reasons and asked Joint Chiefs of Staff whether they had any military reasons for opposing this contemplated gold transfer. In both cases no objections were voiced to the proposed transfer.

We have informed the British that we have no objection to the proposed transfer of the gold to which they refer.

FD:FL:GEP 1/15/44

HULL  
(FL)

NOT TO BE RE-TRANSMITTEDU.S. SECRET  
BRITISH MOST SECRETCOPY NO. 17OPTEL NO. 17

Information received up to 10 A.M. 15th January, 1944.

1. NAVAL.

A Polish Submarine sank a 6,000 ton ship in the Aegean on the 7th, a schooner on the 8th and a caique on the 9th.

A U.S. escort carrier has picked up 43 survivors of a U-boat sunk on 13th/14th by an unidentified aircraft about 450 miles North North East of Azores.

2. MILITARY.Italy to Noon 14th.

5th Army. French troops repulsed a small counter attack on San Pietro and have captured Acquafondata.

Burma.

After hard fighting in bad weather and heavy rain our troops have reoccupied Maungdaw against stubborn resistance. Japanese believed to have suffered heavy losses. Ours estimated about 100.

3. AIR OPERATIONS.Western Front 14th.

509 escorted heavy bombers bombed military constructions in Northern France dropping 1371 tons with mainly good results. Enemy casualties reported: by bomber 9:1:1 by fighters 14:1:10. 3 bombers missing. In addition 409 medium, light and fighter bombers effectively attacked similar objectives. Enemy casualties reported 5:3:10 ours 5 aircraft missing. 32 Beaufighters attacked convoys off Norway hitting a 4,000 ton ship with torpedo and rocket projectiles and probably hitting another 5,000 ton ship with torpedo, several escort vessels and 1 enemy aircraft damaged. 3 Beaufighters missing.

14/15th. Aircraft despatched:- Brunswick 498 (38 missing) Berlin 6 Mosquitoes, Magdeburg 11 Mosquitoes, Military constructions Northern France 82, Wesel 2, Sea-mining 29, Leaflets 40, Intruders 2 Mosquitos.

4. Home Security. 14/15th. Croydon. 2 bombs were dropped: a theatre was damaged with 5 fatal casualties so far reported.

January 17, 1944  
9:42 a.m.

John  
Pehle: We've seen the Judge and we have left with him  
the papers, all of which he liked.

HMJr: Good.

P: And he's going to see the President shortly.

HMJr: Good.

P: And then he's going to Mr. Hull directly.

HMJr: Good.

P: So everything is buttoned up.

HMJr: Fine. During the morning will you get in touch  
with Mrs. Klotz and I'd like you to tell her what  
happened yesterday.

P: I will do that.

HMJr: And I -- when I get to New York, I'll be in  
touch with Mrs. Klotz and if you have any message  
or hear anything, let her know and then I can  
talk to you.

P: I will do that.

HMJr: Have you taken any more drinks?

P: No, I'm in good shape this morning.

HMJr: You're in good shape?

P: We did the papers over last night. Luxford and  
DuBois came out to my house.

HMJr: Oh, good. Well, I....

P: We had great difficulty getting in this morning,  
Mr. Secretary.

HMJr: You did?

P: Well, both -- there was a Treasury car supposed  
to pick me up and one supposed to pick Mr. Paul  
up and neither of them showed up and only because  
I was able to get hold of a car and get down here  
that we made this appointment.

- 2 -

HMJr: Well, will you please....

P: I don't like to mention it but it would have been very bad if we hadn't been there.

HMJr: Very sad.

P: Because he would have missed the appointment with the President and it might have thrown this whole thing off.

HMJr: Well, I'm going -- you had a car coming to you?

P: Yes, sir. It was supposed to be there at eight this morning and I had checked on it at eleven o'clock last night and they called me at about two minutes of eight -- as a matter of fact I called them at two minutes of eight and they said they were trying to get me -- I don't know whether they were. They said they just didn't have any car and there I was.

HMJr: Well, I -- I'm going to personally talk to Thompson. It's outrageous. Thank you.

P: Right.

January 17, 1944  
9:45 a.m.

Norman  
Thompson: Yes, sir.

HMJr: I was just talking with John Pehle and he was to go to the White House this morning for me.

T: I see.

HMJr: He ordered a car at eight o'clock.

T: Yes.

HMJr: And at two minutes of eight they called him up -- they were trying to find a car and he ordered it last night. When I get in tomorrow morning I want a written report where every car is and I'm not going to take any God-damn excuse either.

T: Yeah.

HMJr: Or any lies from these people. Now, this was a very, very important thing.

T: Well, it should have been taken care of.

HMJr: Well, I know, but I'm not going to be given the run around down the line, they didn't understand or somebody this or that....

T: Yes.

HMJr: ....the way I always get it.

T: Yeah.

HMJr: Now, I want a written report and I want to know where every car was, every chauffeur was, and who they looked after from seven to nine this morning.

T: I see. I'll have that for you.

HMJr: And it's -- I've taken a lot of this and I'm not going to take any more.

T: One difficulty is the shortage of cars, of course.

HMJr: Well, I want to....

T: That wouldn't explain this morning though.

HMJr: No, I -- but I want to know where the cars were....

T: Yeah.

HMJr: ....where the chauffeurs were and what they were doing.

T: That's right.

HMJr: And I want a written report.

T: All right. I'll have it for you.

HMJr: Thank you.

T: Thank you, sir.

January 16, 1944

EXCERPTS FOR THE SECRETARY'S FILES:

There was a meeting at the White House today at 12:45 attended by the President, Secretary Morgenthau, Mr. Paul, and Mr. Pehle. Secretary Morgenthau had requested the appointment to discuss the problem of saving the remaining Jews in Europe.

The conference lasted about twenty minutes. Secretary Morgenthau advised the President that he was deeply disturbed about the failure of the State Department to take any effective action to save the remaining Jews in Europe. He explained that the Treasury Department, in connection with the operation of the Foreign Funds Control, had uncovered evidence indicating that not only were the people in the State Department inefficient in dealing with this problem, but that they were actually taking action to prevent the rescue of the Jews. The Secretary then asked John Pehle to explain to the President the facts which the Treasury had uncovered. The President listened attentively and seemed to grasp the significance of the various points. He also glanced at the proposed Executive Order and suggested that perhaps the Secretary of War should be on the Board. The President inquired as to why Mr. Crowley was put on the Board and did not seem satisfied that there was any reason to put Mr. Crowley on the Board. The President asked whether Mr. Stettinius had been consulted and referred to the fact that Stettinius had recently reorganized the State Department and that nowhere in the organization chart was there any indication that any particular division was charged with this problem. The Secretary indicated that we had been dealing with Mr. Hull on the general matter and had hesitated to put Stettinius instead of Hull on the Board. Nevertheless, the President indicated that he would like to have the matter taken up with Mr. Stettinius and indicated that he thought Stettinius would be sympathetic. He said he would also like to have Judge Rosenman brought into the picture. The Secretary said he had already talked to Judge Rosenman about the matter.

During the conference the following points were brought out:

- (1) The Secretary said he was convinced that effective action could be taken and referred to the results that his father, Henry Morgenthau, Sr., had obtained when he was Ambassador to Turkey in getting the Armenians out of Turkey and saving their lives. The President said he agreed that some effective action could be taken and referred particularly to the movement of Jews through Rumania into Bulgaria.

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and out through Turkey. He said he thought such channels were wide open at the present time, but that they would not be open if Turkey entered the war.

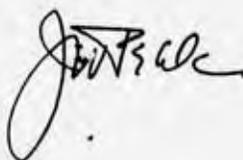
- (2) The President referred to the possibility of getting people over the Spanish and Swiss borders.
- (3) The President seemed disinclined to believe that Long wanted to stop effective action from being taken, but said that Long had been somewhat soured on the problem when Rabbi Wise got Long to approve a long list of people being brought into this country many of whom turned out to be bad people. Secretary Morgenthau reminded the President that at a Cabinet meeting Biddle had indicated that only three Jews of those entering the United States during the war had turned out to be undesirable. The President said that he had been advised that the figure was considerably larger. In any event he felt that Long was inclined to be soured on the situation.

Following the meeting with the President and while still at the White House, Secretary Morgenthau called Mr. Stettinius and Judge Rosenman and arranged a meeting at the Secretary's home at 5:30.

The 5:30 meeting was attended by the Secretary, Mr. Stettinius, Judge Rosenman, Mr. Paul, and Mr. Pehle. The Secretary told Mr. Stettinius in plain words that he was convinced that people in the State Department, particularly Breckinridge Long, were deliberately obstructing the execution of any plan to save the Jews and that forthright immediate action was necessary if this Government was not going to be placed in the same position as Hitler and share the responsibility for exterminating all the Jews of Europe. At the Secretary's request Pehle then explained in detail the facts that had been uncovered by the Treasury. Stettinius seemed shocked by these facts although he said he was not surprised about Breckinridge Long since Long had fallen down just as badly and in an equally shocking way in the handling of the exchange of prisoners. Stettinius was very frank in his views on Long's failures and pointed out that in the reorganization of the State Department

which he had worked out the only remaining function assigned to Breckinridge Long is "Congressional relations". Stettinius said that in the new reorganization Berle's responsibilities had been very much limited, but included in the area of operations under Berle's control was the Special War Problems Division, which handles the problem of the rescue of the Jews, and the Visa Division. Stettinius said he recognized that this problem could not be handled effectively by Berle and that there were grounds for believing that Berle might be even worse than Long. At this point the proposed Executive Order was discussed. Stettinius read it over and when asked for his views said: "I think it's wonderful." He then said that the Secretary of War should be on the Committee instead of Mr. Crowley who was already having considerable difficulty running FEA. This was agreed to particularly in light of the President's similar reaction. It was decided that the Executive Order should be amended accordingly, as should the memorandum to Harold Smith and the memorandum to Cordell Hull and the amended documents delivered to Judge Rosenman by 9:15 the following morning.

The Secretary suggested that the Executive Director of the Board should be John Pehle and Judge Rosenman and Mr. Stettinius indicated agreement.



January 20, 1944

Memorandum for the Files:

The attached memorandum was signed by the Secretary and taken by him to the President for possible use in the Sunday conference.

The President preferred that the facts be summarized to him orally, which was done, and the President handed the memo back to the Secretary. The President did not read through the memorandum.



11/10/44 -

SECRETPERSONAL REPORT TO THE PRESIDENT

One of the greatest crimes in history, the slaughter of the Jewish people in Europe, is continuing unabated.

This Government has for a long time maintained that its policy is to work out programs to save those Jews and other persecuted minorities of Europe who could be saved.

You are probably not as familiar as I with the utter failure of certain officials in our State Department, who are charged with actually carrying out this policy, to take any effective action to prevent the extermination of the Jews in German-controlled Europe.

The public record, let alone the facts which have not yet been made public, reveals the gross procrastination of these officials. It is well known that since the time when it became clear that Hitler was determined to carry out a policy of exterminating the Jews in Europe, the State Department officials have failed to take any positive steps reasonably calculated to save any of these people. Although they have used devices such as setting up intergovernmental organizations to survey the whole refugee problem, and calling conferences such as the Bermuda Conference to explore the whole refugee problem, making it appear that positive action could be expected, in fact nothing has been accomplished.

The best summary of the whole situation is contained in one sentence of a report submitted on December 20, 1943, by the Committee on Foreign Relations of the Senate, recommending the passage of a Resolution (S.R. 203), favoring the appointment of a commission to formulate plans to save the Jews of Europe from extinction by Nazi Germany. The Resolution had been introduced by Senator Guy M. Gillette in behalf of himself and eleven colleagues, Senators Taft, Thomas, Radcliffe, Murray, Johnson, Guffey, Ferguson, Clark, Van Nuys, Downey and Ellender. The Committee stated:

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"We have talked; we have sympathized; we have expressed our horror; the time to act is long past due."

Whether one views this failure as being deliberate on the part of those officials handling the matter, or merely due to their incompetence, is not too important from my point of view. However, there is a growing number of responsible people and organizations today who have ceased to view our failure as the product of simple incompetence on the part of those officials in the State Department charged with handling this problem. They see plain Anti-Semitism motivating the actions of these State Department officials and, rightly or wrongly, it will require little more in the way of proof for this suspicion to explode into a nasty scandal.

In this perspective, I ask you to weigh the implications of the following two cases which have recently come to my attention and which have not as yet become known to the public.

## I.

WORLD JEWISH CONGRESS PROPOSAL TO EVACUATE THOUSANDS OF  
JEWS FROM RUMANIA AND FRANCE

On March 13, 1943, the World Jewish Congress representative in London sent a cable to their offices here. This cable stated that information reaching London indicated it was possible to rescue Jews provided funds were put at the disposal of the World Jewish Congress representation in Switzerland.

On April 10, 1943, Sumner Welles cabled our Legation in Bern and requested them to get in touch with the World Jewish Congress representative in Switzerland, who Welles had been informed was in possession of important information regarding the situation of the Jews.

On April 20, 1943, the State Department received a cable from Bern relating to the proposed financial arrangements in connection with the evacuation of the Jews from Rumania and France.

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On May 25, 1943, State Department cabled for a clarification of these proposed financial arrangements. This matter was not called to the attention of the Treasury Department at this time although the Treasury has the responsibility for licensing all such financial transactions.

This whole question of financing the evacuation of the Jews from Rumania and France was first called to the attention of the Treasury Department on June 25, 1943.

A conference was held with the State Department relating to this matter on July 15, 1943.

One day after this conference, on July 16, 1943, the Treasury Department advised the State Department that it was prepared to issue a license in this matter.

It was not until December 18, 1943, after having interposed objections for five months, that the State Department, precipitously and under circumstances revealing the fictitious character of their objections, instructed Harrison to issue the necessary license.

During this five months period between the time that the Treasury stated that it was prepared to issue a license and the time when the license was actually issued delays and objections of all sorts were forthcoming from officials in the State Department, our Legation in Bern, and finally the British. The real significance of these delays and objections was brought home to the State Department in letters which I sent to Secretary Hull on November 23, 1943, and December 17, 1943, which completely devastated the excuses which State Department officials had been advancing.

On December 18 I made an appointment to discuss the matter with Secretary Hull on December 20. And then an amazing but understandable thing happened. On the very day I made my appointment the State Department issued a license notwithstanding the fact that the objections of our Legation in Bern were still outstanding and that the British had indicated their disapproval for political reasons.

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State Department officials were in such a hurry to issue this license that they not only did not ask the Treasury to draft the license (which would have been the normal procedure) but they drafted the license themselves and issued it without even consulting the Treasury as to its terms. Informal discussions with certain State Department officials have confirmed what is obvious from the above-mentioned facts.

This wasn't all that my letter and appointment precipitated. I had told Secretary Hull that I wished to discuss the British objections -- in simple terms, the British were apparently prepared to accept the probable death of thousands of Jews in enemy territory because of "the difficulties of disposing of any considerable number of Jews should they be rescued". Accordingly, on that day of "action" for our State Department, December 18, they sent a telegram to the British Foreign Office expressing astonishment at the British point of view and stating that the Department was unable to agree with that point of view.

Breckinridge Long, who is in charge of such matters in the State Department, knew that his position was so indefensible that he was unwilling even to try to defend it at my pending conference with Secretary Hull on December 20. Accordingly, he took such action as he felt was necessary to cover up his previous position in this matter. It is, of course, clear that if we had not made the record against the State Department followed by my request to see Secretary Hull, the action which the State Department officials took on December 18 would either never have been taken at all or would have been delayed so long that any benefits which it might have had would have been lost.

## II

SUPPRESSION OF FACTS REGARDING HITLER'S  
EXTERMINATION OF JEWS IN EUROPE

The facts are as follows:

Sumner Welles as Acting Secretary of State requests confirmation of Hitler's plan to exterminate the Jews.  
Having already received various reports on the plight of the

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Jews, on October 5, 1942 Sumner Welles as Acting Secretary of State sent a cable (2314) for the personal attention of Minister Harrison in Bern stating that leaders of the Jewish Congress had received reports from their representatives in Geneva and London to the effect that many thousands of Jews in Eastern Europe were being slaughtered pursuant to a policy embarked upon by the German Government for the complete extermination of the Jews in Europe. Welles added that he was trying to obtain further information from the Vatican but that other than this he was unable to secure confirmation of these stories. He stated that Rabbi Wise believed that information was available to his representatives in Switzerland but that they were in all likelihood fearful of dispatching any such reports through open cables or mail. He then stated that World Jewish Congress officials in Switzerland, Riegner and Lichtheim, were being requested by Wise to call upon Minister Harrison; and Welles requested Minister Harrison to advise him by telegram of all the evidence and facts which he might secure as a result of conferences with Riegner and Lichtheim.

State Department receives confirmation that the extermination was being rapidly carried out. Pursuant to Welles' cable of October 5, Minister Harrison forwarded documents from Riegner confirming the fact of extermination of the Jews (in November 1942), and in a cable of January 21, 1943 (482) relayed a message from Riegner and Lichtheim which Harrison stated was for the information of the Under Secretary of State (and was to be transmitted to Rabbi Stephen Wise if the Under Secretary should so determine). This message described a horrible situation concerning the plight of Jews in Europe. It reported mass executions of Jews in Poland; the Jews were required before execution to strip themselves of all their clothing which was then sent to Germany; in Germany deportations were continuing; many Jews were being deprived of rationed foodstuffs; no Jews would be left in Prague or Berlin by the end of March, etc.; and in Rumania 130,000 Jews were deported to Transnistria; about 60,000 had already died and the remaining 70,000 were starving; living conditions were indescribable; Jews were deprived of all their money, foodstuffs and possessions; they were housed in deserted cellars, and occasionally twenty to

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thirty people slept on the floor of one unheated room; disease was prevalent, particularly fever; urgent assistance was needed.

Summer Welles furnishes this information to the Jewish organizations. Summer Welles furnished the documents received in November to the Jewish organizations in the United States and authorized them to make the facts public. On February 9, 1943 Welles forwarded the messages contained in cable 482 of January 21 to Rabbi Stephen Wise.

The receipt of this message intensified the pressure on the State Department to take some action.

Certain State Department officials attempt to stop this Government from obtaining further information from the very source from which the above evidence was received. On February 10, the day after Welles forwarded the message contained in cable 482 of January 21 to Rabbi Wise, and in direct response to this cable, a most highly significant cable was dispatched to Minister Harrison. This cable, 354 of February 10, read as follows:

"Your 482, January 21

"In the future we would suggest that you do not accept reports submitted to you to be transmitted to private persons in the United States unless such action is advisable because of extraordinary circumstances. Such private messages circumvent neutral countries' censorship and it is felt that by sending them we risk the possibility that steps would necessarily be taken by the neutral countries to curtail or forbid our means of communication for confidential official matter.

Hull (SW)"

The cable was signed for Hull by "SW" (Summer Welles). But it is significant that there is not a word in it that

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would even suggest to the person signing that it was designed to countermand the Department's specific requests for information on Hitler's plans to exterminate the Jews. The cable has the appearance of being a normal routine message which a busy official would sign without question. On its face it is most innocent and innocuous, yet when read together with the previous cables is it anything less than an attempted suppression of information requested by this Government concerning the murder of Jews by Hitler?

It is also significant that the message which provoked the ban on further communications of this character was not addressed to private persons at all but was addressed to Under Secretary Welles at his own request and the information contained therein was only to be transmitted to the World Jewish Congress if Welles deemed it advisable.

Thereafter on April 10, 1943, Sumner Welles again requested our Legation for information (cable 877). Apparently he did not realize that in cable 354 (to which he did not refer) Harrison had been instructed to cease forwarding reports of this character. Harrison replied on April 20 (cable 2460) and indicated that he was in a most confused state of mind as a result of the conflicting instructions he had received. Among other things he stated:

"May I suggest that messages of this character should not (repeat not) be subjected to the restriction imposed by your 354, February 10, and that I be permitted to transmit messages from R more particularly in view of the helpful information which they may frequently contain?"

The fact that cable 354 is not the innocent and routine cable that it appears to be on its face is further highlighted by the efforts of State Department officials to prevent this Department from obtaining the cable and learning its true significance.

The facts relating to this attempted concealment are as follows:

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(i) Several men in our Department had requested State Department officials for a copy of the cable of February 10 (354). We had been advised that it was a Department communication; a strictly political communication, which had nothing to do with economic matters; that it had only had a very limited distribution within the Department, the only ones having anything to do with it being the European Division, the Political Adviser and Sumner Welles; and that a copy could not be furnished to the Treasury.

(ii) At the conference in Secretary Hull's office on December 20 in the presence of Breckinridge Long I asked Secretary Hull for a copy of cable 354, which I was told would be furnished to me.

(iii) By note to me of December 20, Breckinridge Long enclosed a paraphrase of cable 354. This paraphrase of cable 354 specifically omitted any reference to cable 482 of January 21 -- thus destroying the only tangible clue to the true meaning of the message.

(iv) I would never have learned the true meaning of cable 354 had it not been for chance. I had asked one of the men in my Department to obtain all the facts on this matter. He had previously called one of the men in another Division of the State Department and requested permission to see the relevant cables. In view of the Treasury interest in this matter, this State Department representative obtained cable 354 and the cable of January 21 to which it referred and showed these cables to my representative.

The facts I have detailed in this report, Mr. President, came to the Treasury's attention as a part of our routine investigation of the licensing of the financial phases of the proposal of the World Jewish Congress for the evacuation of Jews from France and Rumania. The facts may thus be said to have come to light through accident. How many others of the same character are buried in State Department files is a matter I would have no way of knowing. Judging from the almost complete failure of the State Department to achieve any results, the strong suspicion must be that they are not

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few.

This much is certain, however. The matter of rescuing the Jews from extermination is a trust too great to remain in the hands of men who are indifferent, callous, and perhaps even hostile. The task is filled with difficulties. Only a fervent will to accomplish, backed by persistent and untiring effort can succeed where time is so precious.

*Henry M. W. H. H.*

*Jan. 16. 1944.*

1/17/44.

MEMORANDUM TO THE SECRETARY OF STATE

I have been deeply concerned for a long time with the cowardly persecution of the Jews by the Nazis. I fear that as the war approaches the end Hitler will redouble his efforts to exterminate the remaining Jews in Europe. It is imperative, therefore, that we take vigorous action at once. In view of the growing criticism of our efforts to date, I think it is also important that we let our own people know of our determination to do all that is within our power to save these people.

I have asked that there be prepared for my signature an Executive Order carrying out the proposed course of action outlined in a memorandum which I am enclosing. In order to save time, I have asked Judge Rosenman to clear it with you.

1/17/44

Mr. Pehle gave these two documents to  
Judge Rosenman this morning.

## THE WHITE HOUSE

WASHINGTON

FOR IMMEDIATE RELEASE

---

President Roosevelt announced today that he had requested Cordell Hull, Secretary of State; Henry Morgenthau, Jr., Secretary of the Treasury; and Henry L. Stimson, Secretary of War, to take action for the immediate rescue and relief of the Jews of Europe and other victims of enemy persecution.

The President issued an Executive Order declaring "it is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war." The Order establishes special Government machinery for executing this policy. It creates a War Refugee Board consisting of the Secretary of State, the Secretary of the Treasury, and the Secretary of War. The President indicated that Secretary Hull had named Under Secretary of State Stettinius to represent him on this Board.

The Board is charged with direct responsibility to the President in seeing that the announced policy is carried out. The President indicated that while he would look directly to the Board

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for the successful execution of this policy, the Board, of course, would cooperate fully with the Intergovernmental Committee, the United Nations Relief and Rehabilitation Administration, and other interested international organizations.

The President stated that he expected the cooperation of all members of the United Nations and other foreign governments in carrying out this difficult but important task. He stated that the existing facilities of the State, Treasury and War Departments would be employed to furnish aid to Axis victims to the fullest extent possible. He stressed that it was urgent that action be taken to forestall the plot of the Nazis to exterminate the Jews and other persecuted minorities in Europe.

Simultaneously, the White House announced that the Board was appointing John W. Pehle, Assistant to the Secretary of the Treasury, as its Executive Director. It will be the duty of the Executive Director to arrange for the prompt execution of the plans and programs developed and the measures inaugurated by the Board.

MEMORANDUM FOR THE DIRECTOR OF THE BUDGET:

I have decided to take the following steps at once:

1. Publicly declare that it is the policy of this Government to take all measures within its power to rescue those victims of enemy oppression who are in imminent danger of death and to afford such victims all possible aid and assistance consistent with the successful prosecution of the war.

2. Establish a War Refugee Board consisting of the Secretary of State, the Secretary of the Treasury and the Secretary of War. This Board shall be charged with full responsibility for seeing that this announced policy is carried out with the utmost vigor and directness.

3. Have the Board designate an executive director of capacity, energy, and resourcefulness, known to be sympathetic to war refugees and deeply interested in their rescue and relief.

4. Arrange for the State Department to appoint special attaches with diplomatic status to be selected by the Board and to be stationed at points where they can render the most effective aid to war refugees.

5. Arrange to make available to the Board immediately out of the President's Emergency Fund one million dollars for initial administrative expenses and such further sums out of the President's Emergency Fund and other available appropriations, including Lend Lease, as the Board may from time to time certify as necessary for its operations.

I want an Executive Order accomplishing these purposes ready for my signature as soon as possible. Judge Rosenman is familiar with what I have in mind. I have asked him to expedite the matter for me.

## EXECUTIVE ORDER

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## ESTABLISHING A WAR REFUGEE BOARD

WHEREAS it is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war;

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and as Commander in Chief of the Army and Navy, and in order to effectuate with all possible speed the rescue and relief of such victims of enemy oppression, it is hereby ordered as follows:

1. There is established in the Executive Office of the President a War Refugee Board (hereinafter referred to as the Board). The Board shall consist of the Secretary of State, the Secretary of the Treasury and the Secretary of War. The Board may request the heads of other agencies or departments to participate in its deliberations whenever matters specially affecting such agencies or departments are under consideration.
2. The Board shall be charged with the responsibility for seeing that the policy of the Government, as stated in the Preamble, is carried out. The functions of the Board

- 2 -

shall include without limitation the development of plans and programs and the inauguration of effective measures for (a) the rescue, transportation, maintenance and relief of the victims of enemy oppression, and (b) the establishment of havens of temporary refuge for such victims. To this end the Board, through appropriate channels, shall take the necessary steps to enlist the cooperation of foreign governments and obtain their participation in the execution of such plans and programs.

3. It shall be the duty of the State, Treasury and War Departments, within their respective spheres, to execute at the request of the Board, the plans and programs so developed and the measures so inaugurated. It shall be the duty of the heads of all agencies and departments to supply or obtain for the Board such information and to extend to the Board such supplies, shipping and other specified assistance and facilities as the Board may require in carrying out the provisions of this Order. The State Department shall appoint special attaches with diplomatic status, selected by the Board, to be stationed abroad in places where it is likely that assistance can be rendered to war refugees, the duties and responsibilities of such attaches to be defined by the Board in consultation with the State Department.

4. The Board and the State, Treasury and War Departments are authorized to accept the services or contributions of any private persons, private organizations,

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State agencies, or agencies of foreign governments in carrying out the purposes of this Order. The Board shall cooperate with all existing and future international organizations concerned with the problems of refugee rescue, maintenance, transportation, relief, rehabilitation, and resettlement.

5. To the extent possible the Board shall utilize the personnel, supplies, facilities and services of the State, Treasury and War Departments. In addition the Board, within the limits of funds which may be made available, may employ necessary personnel without regard for the Civil Service laws and regulations and the Classification Act of 1923, as amended, and make provisions for supplies, facilities and services necessary to discharge its responsibilities. The Board shall appoint an Executive Director who shall serve as its principal executive officer. It shall be the duty of the Executive Director to arrange for the prompt execution of the plans and programs developed and the measures inaugurated by the Board, to supervise the activities of the special attaches and to submit frequent reports to the Board on the steps taken for the rescue and relief of war refugees.

6. The Board shall be directly responsible to the President in carrying out the policy of this Government,

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as stated in the Preamble, and the Board shall report to him at frequent intervals concerning the steps taken for the rescue and relief of war refugees and shall make such recommendations as the Board may deem appropriate for further action to overcome any difficulties encountered in the rescue and relief of war refugees.

THE WHITE HOUSE,

Fifty-one East Seventy-second Street

January 17, 1944

Dear Secretary Morgenthau:

Thousands upon thousands will have the cruel hand of suffering and death lifted from them by what you have done. To ~~feel~~ feel with and as humans whom you haven't seen in the lands of persecution is one of the marks of your human depth and greatness. Deep in my heart I am warmed: Rare individuals like you are what give me, at least, the driving hope to carry on with the war and what comes after.

Oscar Lot

"LET'S ALL BACK THE ATTACK"

presented by

THE UNITED STATES TREASURY DEPARTMENT

NAGEL: Tomorrow, January 18, marks the start of the Fourth War Loan Drive. During the next three weeks, the people of the United States will be called upon to match financial strength with fighting strength.

Tonight, by radio, we sound the keynote ..

"Let's all back the attack." You will hear

Henry Morgenthau, Jr., Secretary of the United States Treasury - General Dwight D. Eisenhower -

Admiral Chester W. Nimitz - Ronald Reagan -

Bing Crosby - Ginny Simms - John Charles

Thomas - Captain Glenn Miller and the Band

of the Army Air Forces Training Command - and

music of America, by David Broekman and the

Treasury orchestra and chorus.

(Five Second Pause)  
(More)

(Water lapping)

(Battle sounds - Faraway - Establish)  
(Maintain)

Music: Softly - Easily identifiable thematic  
strain .. B.G.

---

NAGEL: (Softly, seriously)  
Somewhere - on an embattled island - the  
night is interrupted by a thousand dawns -  
the lights of war - lights from mortars,  
grenades, it's lonely here. Lonely in  
the moonlight -- (Sound of body turning  
in mud) (Deep Breathing) in a muddy  
trench, a foxhole, an American soldier  
fights fatigue. (Sound up - Down) Three  
days - no rest - he's in a spin - his  
nerves are shot - his heart keeps asking  
(fade) question - questions - questions.

- 3 -

(Music slight impulse..then down  
very softly) (Slight filter)

CAPT. REAGAN:

(ON CUE) No rest - no rest -

Ahhh, what I'd give for the peace of  
sleep. (sigh) Can this be me out here ...  
What am I doin' here?

Yeh, I know. There's a job to do -

A job to do on those dirty - ah well.

But, I'd like to know are we doin' it?

Here I am, all alone .. How can I know?

Three days now, since sleep.

"Protected" by the rise of a hill -

Some limbless trees - and tangled

brush - my "Lullaby," the ricochets

of - bullets searching for my life.

- 4 -

CAPT. REAGAN: Can this be "me" in the midst of this?

Jim Jones, U.S.A.

The landin' barges did their stuff

to put us here - to help us win

but they're gone now -

All shot up at the bottom of the ocean.

And lookit the junk that's all around -

It wasn't junk three days ago -

It was guns and tanks and - everything -

But it's all been spent .. We gotta have

more .....

No rest ... No sleep ... No Nuthin!

- 5 -

CAPT. REAGAN: Where's it comin' from - all the help  
we need. All the guns and all the planes  
and all the tanks. There's enough "me's"  
to go 'round, yeh ..

But, here I am all alone, Jimmy Jones.

How do I know ... How can I tell ...

C'mon, sleep, come get me, come take me  
home ...

(FILTER OUT)

MUSIC .. SLIGHT IMPULSE .. DOWN FOR:

SEC. MORGENTHAU: (ON CUE)

(SOFTLY) Jones, my name's Morgenthau,  
Henry Morgenthau, Jr., and my job is  
being Secretary of the United States  
Treasury.

→ (over)

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SEC.MORGENTHAU: If you don't mind the interruption, maybe I can help answer some of your questions .. Do you mind if I try?

CAPT. REAGAN: Mind, Mr. Secretary, Gosh no!

SEC.MORGENTHAU: Well, Jim, you and all the millions of other boys just like you have a right to know just what is going on back here at home. How much strength there is behind you - how much you are being backed in your gallant attack. So suppose you let me try to show you a few scenes of America - the Home Front and the Fighting Front - at war by your side ...

MUSIC OUT  
(More)

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(CUT IN STUDIO 3-B N.B.C.)

CAPT. MILLER: Mr. Secretary, this is Captain Glenn Miller, reporting. And, if there's going to be an American parade, Private Jones, -- Let's start it off right - with Old Glory.

MUSIC: "OLD GLORY"

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NOTE: This selection is based on the Pledge of Allegiance .. contains dialogue, choral effects.

(SWITCH BACK TO HDQ. STUDIO)

- 8 -

MUSIC: MAIN THEMATIC STRAIN .. ESTABLISH .. FADE FOR:

CAPT. REAGAN: (ON CUE) "Old Glory" - that means plenty, all right, but there's more to it than that, Secretary Morgenthau. It's - well, maybe it's a fancy word for me to go 'round using .. but we need "inspiration."

It keeps us in there pitchin'.

SEC. MORGENTHAU: You deserve inspiration - we know you should have it - but we also know that we can't inspire you with "talk" - the only thing that can inspire you is the people back here - fighting by your side with every ounce of strength at our command.

ACT. REAGAN: Something else that can  
be mighty inspiring, sir..  
our leaders.

MUSIC OUT

(MORE)

E. MORGENTHAU: Yes, Jim .. and it's an  
American policy that,  
within the limits of  
security, <sup>it's</sup> it's your  
right to know what your  
leaders have in mind.  
The newspapers and radio  
announced yesterday that one  
of those leaders has arrived

(MORE)

-9A-

in London, to assume the  
supreme command of the  
greatest combined  
forces ever assembled,  
for the coming invasion.

Suppose we listen to the  
Commander-in-Chief of the  
Allied Forces in the  
European theater of  
operations... General  
Dwight D. Eisenhower,

(BRING IN OVERSEAS PICKUP - GEN.  
EISENHOWER)

· (MORE)

- 10 -

(GENERAL EISENHOWER SPEAKS .. THREE MINUTES)

NOTE: THIS SPOT SHOULD CONTAIN WAR INFORMATION  
COMMUNIQUE. STRAIGHT WAR REPORTING.

(RETURN TO HDQ. STUDIO)

- 11 -

MUSIC: MAIN THEMATIC STRAIN .. ESTABLISH .. FADE FOR:

CAPT. REAGAN: (ON CUE) Here I am just a guy ..  
Private Jim Jones .. Gettin' a look  
and a listen at this whole darn U.S.A.,  
but why go to all this trouble for a guy  
like me .. all alone .. in a hole-full  
of mud and a long, long way from home?

SEC. MORGENTHAU: Well, it's this way, Jim .. you're just  
one of millions of boys ~~like yourself~~,  
tackling one of the toughest jobs in  
history. There isn't an American man  
or woman or boy or girl who doesn't owe  
you all-out support .. in every way.  
You might have to die. The least ~~we~~  
can do for you is work and sacrifice  
and hope and pray.

- 12 -

CAPT. REAGAN:

We pray too, sir. In a foxhole everybody prays. Not that I didn't before - y'see, back home, up there by the lake in Wisconsin there was a little white church. 'Long about this time o'year, with all the snow, it looks like it's floatin' in a bowl o'milk. And when you step inside out of the cold, and hear the organ playin' .. you never felt warmer in your life .... y'feel warm outside and feel even warmer inside .. near your heart ....

MUSIC OUT

- 13 -

(SWITCH TO WILLIAMS BAY)

(MORE)

- 14 -

(FADE IN ON)

ORGAN &  
CONGREGATION: "HOLY, HOLY, HOLY"

---

TO FINI OF FIRST VERSE

NOTE: PICK UP SLIGHTLY OFF..CHAPEL EFFECT

PASTOR: Holy Father...We gather here to lift  
our voices in prayer. To give thanks for  
thy blessings and ask, that in your holy  
wisdom you protect our sons away from  
home. We beseech thee, dear Lord, that  
you shelter them and guide them with the  
holy light of right .. and give them  
strength and courage with which to carry  
on their crusade against sin and  
oppression on this earth.

- 15 -

And may those who feel the  
tearing wounds of war feel also the  
warmth and comfort of thy healing hand  
within their faith. And may each  
spark of mortal life which leaves this  
earth find resting place in thy crown ..  
as an emblem of sacrifice in the name  
of righteousness and peace. We pray,  
dear Lord, that not a life be wasted ..  
that the journey home for each brave  
son be hastened by the victory for  
which they fight.  
May we all unite in the Lord's Prayer ..

- 16 -

CONGREGATION:

Our Father, who art in Heaven,

Hallowed be thy name,

Thy Kingdom come, thy will be done,

On earth as it is in Heaven.

Give us this day our daily bread

(N.Y. Orchestra in .. Religious Theme ..

Slow Crescendo B.G.)

And forgive us our debts as we forgive

our debtors

Lead us not into temptation and

Deliver us from evil

For thine is the Kingdom and the Power

and the Glory forever .. Amen.

(SWITCH TO N.Y.)

MUSIC: FULL FINISH .. BACK TO THEMATIC STRAIN .. B.C.

(MORE)

-17-

CAPT REAGAN:

(ON CUE) Gosh, Mr Secretary!  
I got quite a bump outa that!  
D'y'know where that was? All  
the way up in Williams Bay,  
Wisconsin. And hearin' those  
voices .. my family .. and all  
our old friends, prayin' for  
me, well .. well ..

SEC MORGENTHAU: That's the voice of America.

The heart of your nation  
expressing its concern for you.  
Americans of all creeds, each  
in his own way, pray for you.

(MORE) 

-17a-

SEC MORGENTHAU: Prayer is more important than  
(CONT'D)

sleep these nights .. working  
for you and for the war is  
more important than anything  
else these days...

~~\_\_\_\_\_~~ \_\_\_\_\_ well, have I an tonight,  
~~\_\_\_\_\_~~ \_\_\_\_\_ wake in forty  
~~\_\_\_\_\_~~ \_\_\_\_\_ to that you  
~~\_\_\_\_\_~~ \_\_\_\_\_ along  
~~\_\_\_\_\_~~ \_\_\_\_\_ for all the  
~~\_\_\_\_\_~~ \_\_\_\_\_ the love ...  
~~\_\_\_\_\_~~ \_\_\_\_\_ we don't get  
~~\_\_\_\_\_~~ \_\_\_\_\_ a lot of times  
~~\_\_\_\_\_~~ \_\_\_\_\_ a little hard to  
~~\_\_\_\_\_~~ \_\_\_\_\_

~~\_\_\_\_\_~~ \_\_\_\_\_ you mean, Jim.

~~\_\_\_\_\_~~ \_\_\_\_\_ we're here making  
~~\_\_\_\_\_~~ \_\_\_\_\_ - that we don't mind - but it  
~~\_\_\_\_\_~~ \_\_\_\_\_ when the [unclear] [unclear]

- 18 -

CAPT. REAGAN: Yes, sir, but ... Well, here I am tonight, tryin' to catch forty winks in forty inches of mud .. (And it isn't even American mud)! I'm out here .. alone .. fightin' my heart out for all the things I respect and want and love ... But, well, Mr. Secretary, we don't get much news out here, but a lot of times the news we do get is a little hard to swallow.

SEC. MORGENTHAU: I think I know what you mean, Jim.

CAPT. REAGAN: The "Gimme Boys!" We're here taking orders - that we don't mind - but it is a fine thing when the German radio

- 19 -

CAPT. REAGAN: can tell pretty near the truth about some of the things goin' on back home and make us so mad -- Well, how would you feel about it?

SEC. MORGENTHAU: Well, I think most Americans everywhere feel the same way. There'll always be "Gimme Boys", Jim. Lord knows we've got 'em .. the folks who prefer to think the war's all over. They have an anthem all their own .. "My country 'tis of me"! ... But, never fear, the right-thinking people of your nation are going to work on those "Gimme Boys".

- 20 -

CAPT. REAGAN: Well, they'd better get on with it, sir.  
 Every minute lost is lives lost - let  
 'em remember that!

VERSE CHOIR: OFFMIKE ...CHANT ... "LET'S ALL BACK THE  
 ATTACK".

---

SEC. MORGENTHAU: (ON CUE)-  
 You hear that, Jimmy? That's the  
 majority voice of America, today! ...  
 Do you hear what it's saying?

CHANT...FULL, STRONG..ESTABLISH FIRMLY ..  
 CUT:

---

SEC. MORGENTHAU: "Let's all back the attack":  
 Most Americans feel that way about it  
 now - But let's do some remembering ..

MUSIC INTRODUCES WITH THEME

- 21 -

NARRATOR: In 1941 the President said,  
"We must become the arsenal of Democracy".  
That was a call to arms.

CHORUS: The worker in the factory  
The farmer in the field  
Must give the strength that God gave them  
To forge the nation's shield.

MUSIC: Up and segue into warm American theme.  
Drop under.

NARRATOR: Once we had a nation, you and I,  
A wide and lovely place between two oceans,  
Lifted skyward by the wooded foreheads  
of the mountains,  
Silvered by a myriad of lakes,  
And peopled by a kind of citizen  
That wanted peace, believed in peace.

- 22 -

MUSIC: Music up, changes to an ominous motif.

NARRATOR: Unto these peaceful shores there came the  
sounds of war:  
The sights of nations bleeding:  
The sounds of nations wailing:  
Reports of vile and brutal slaughtering  
as Fascist-Fashioned Armies marched in  
total conquest.

MUSIC: In and change to sorrow music. ~~in~~

NARRATOR: Upon our hearts of peace there fell a  
lasting sorrow.  
But sorrow is a thin and flimsy armor,  
And the ocean that divided us from  
these events  
Was space on which a battle fleet could  
float:

- 23 -

NARRATOR:

Those marching armies, with their tanks

and bombing planes

Could smash a city in a day!

Erase a nation in a week! And in a month

Destroy five hundred years of human history

Between our nation and all that:

There lay the sky -- the oceans -----

And that's all.

MUSIC:

Accent

NARRATOR:

Oh, there were men to tell you about peace.

And you listened too! ... And so did I.

A hundred thousand words a day

Were poured into a hundred million ears.

I'm sure you still remember: -

MUSIC: Transition into:  
Voice 1 Let's not play Santa Claus again!  
Voice 2 Invasion is a myth. We've got enough to  
do at home!  
Voice 3 We can't afford a war.  
Voice 4 It's Unamerican to fight!  
Voice 1 Let's not forget ...  
Voice 2 That once before ...  
Voice 3 We had to pull ...  
Voice 4 The chestnuts out of the fire!  
MUSIC: ACCENT.  
NARRATOR: Those were the pearls of wisdom before  
Pearl Harbor. And you in your own  
home listened:-  
MUSIC: Cascades down to a softer level.  
Father: There's a lot of talk about war, mother.  
Mother: There won't be a war. I know there won't.  
Father: I hope not.  
Mother: Just keep a strong thought. We won't  
have a war.  
Father: Well, maybe you're right. Any way, we're  
smarter now.

- 25 -

Music: Cascades up again.

Voice 1 You bet we're smarter!

Voice 2 England expects every American to do  
his duty.

Voice 3 Lafayette we won't be there.

Voice 4 America first ... last and all the time.

MUSIC: A convincing finish to punctuate

NARRATOR: And do you know what we said to all of  
that? We said "Hurray".

MUSIC: Hurray musically done.

NARRATOR: Do you know what they said to that?  
Those supermen across the ocean to the east  
They said:

German: Ja wohl. Hurra. (ON FILTER).

- 26 -

NARRATOR: And those across the ocean to the West?

JAP: Banzai. Banzai. (ON FILTER)

NARRATOR: So there we were - without an Army -  
A nation without factories prepared for  
war, and with an idea that war was  
something other people fought.  
But there were some amongst us who could  
read disaster in the story of event.  
They stood against the storm of men  
whose heads were buried in the sand.  
They said "We shall - we must defend  
out Nation!"

MUSIC: In Here

Voice 1: Don't listen to the warmongers. They're  
all Jongoists. As a nation we are  
invulnerable!

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Citizens: Hurray.

German: Ja wohl. Hurra (FILTER)

Jap: Banzai. Banzai. (FILTER)

Voice 1 It's better to negotiate than fight.

Citizens: Hurray.

German: Hurra. (FILTER)

Jap: Banzai. (FILTER)

Voice 1 The surest way to get a war is to  
prepare for it.

German: Hurra. (FILTER)

Jap: Banzai. (FILTER)

MUSIC: ACCENT

---

- 28 -

NARRATOR:

But there were more and more of us  
Who saw that there was danger in the air,  
That liberty and freedom and those things  
Which we had thought were here for good  
and all

Were things we had to fight to keep  
And so we slowly came around.

Began to build:

A factory here, - a machine tool there -

An extra acre put in food.

A larger Army - a place for women -

A new design for ships ...

- 29 -

ORATOR: All this has got to stop. I say we have no enemy.

Germany is satisfied with what she has taken now.

And we can wipe out the Jap Navy in a week.

NARRATOR: Ten factories here - machine tools there -  
Some tanks where automobiles were made.  
More food to ship - More ships to send -  
And better, faster planes.

ORATOR: This is insanity. I tell you that all we need to do is to extend the hand of friendship to the Axis nation.

- 30 -

NARRATOR: A hundred factories that once were  
geared for peace reset themselves for war.  
The mines were working double shifts and  
digging deeper night and day.

Ten thousands citizens turned laborers.  
The night was filled with sparks,  
The day with finished ships and tanks -  
The air was bright with planes.

ORATOR: There is no Army in the world that can  
approach these shores. Why fool ourselves?  
Why spend these millions all for nothing?  
No nation would dare attack us.

NARRATOR: Be quiet man, a fleet is moving somewhere ..

ORATOR: All this is an attempt by the International

- 31 -

NARRATOR: Be quiet! Somewhere on the ocean there's  
a fleet.

But you'll hear them if you listen.

MUSIC: Theme all of this.

NARRATOR: They come from the West -  
From tiny islands -  
From quaint and charming cities of Japan  
They come with plans of death and conquest,  
They come with hatreds which they learned  
in quaint and charming cities of Japan.  
They come with many bombs and bombers,  
Fighting planes they made in secret  
In those quaint and charming cities of  
Japan.

- 32 -

NARRATOR: And while they move, their countryman  
in Washington talks on - of peace,  
of friendship and of charming cities in  
Japan.

MUSIC: Increase tension

NARRATOR: A storm mass gathers on the ocean -  
It creeps with cracks of thunder toward  
Hawaii.

Within that shielding, moving mass of  
storm

That fleet lies hidden.

MUSIC: The beat of suspense.

NARRATOR: Very careful - slowly moving  
Ready for planned and plotted moment.  
'No lights. No sound of planes.  
No smoke.

- 33 -

NARRATOR:

No sign to tell that in that storm  
There hides there agents of destruction.  
No lights. No sound of planes.  
No smoke.  
No speed except a slow and silent sneak  
Across the miles between Hawaii  
And those cities of Japan.  
And then, one night, the motors stop.  
Hawaii lies within the arc of planes.  
They stop and wait.  
No lights. No sound of planes.  
No smoke.

MUSIC:

BRIDGE.

NARRATOR:

In Washington, their countryman, Kurusu  
speaks of peace.

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JAP: I wish to tell the American people through their newspapers that Japan has no intention to break its long friendship.

EFFECT: HUM OF PLANES BEGINS HERE

Jap: There is no difference between us that cannot be settled in a friendly manner.

EFFECT: PLANES MOVE IN CLOSER

Jap: We are surprised at America's concern - at the factories working - at the manufacture of planes and boats. We do not understand

EFFECT: FIRST EXPLOSION. NOT TOO CLOSE

Jap: The United States has nothing to fear from Japan.

EFFECT: NEXT EXPLOSIONS, MUCH NEARER

Jap: Japan will never dishonor the friendship between itself and its good neighbor the United States.

- 35 -

EFFECT: VIOLENCE BREAKS LOOSE

MUSIC: CAPS THE CLIMAX

NARRATOR: Well, there it was.

That was Pearl Harbor.

You and I turned to Joe and Jim and said,

"Of all the low and sneaky things."

But all we said was not enough.

We were a shattered nation

Too late with too little of what it takes

To wage a war. So what were we to do?

You and I and Joe and Jim had this to do:

MUSIC: IN WITH RHYTHM

- 36 -

NARRATOR:

Step production up.

Step production up.

Forget the shiny automobiles,

The hats and shoes with fancy heels,

We need tanks and jeeps and peeps.

Forget the yachts and brand new houses

We need ships and landing barges!

Step production up and up.

Step production up.

We need workers.

That means you

Housewife, school boy, glamor girl,

cowboy, Chinese, Indian, richman,

farmer, negro, whiteman, immigrant,

mainliner -

Millions of jobs are waiting for you

Millions and millions of things to do.

- 37 -

CHORUS: Riveting, seaming, blasting, steaming,  
Sorting, welding, testing, smelting,  
Fitting, sounding, grading, pounding.

NARRATOR: Tiny little necessary things to do  
Every little thing makes the big thing true

CHORUS: Step production up. Step production up.

Laugh and kid and have a good time.

Or beef and crab and grouse if you must

But keep on going, keep on working -

Night shift, day shift,

Graveyard, swing shift -

We need tanks for fighting Yanks

We need planes and railroad trains,

We need overcoats, fur gloves, snow-shoes

We need military high shoes - low shoes.

So keep production up -

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CHORUS:

Up and up and up and up.

NARRATOR:

This is where we are today -

And don't let's kid ourselves.

We've still got a lot of war to win

Before you'll see that day of peace.

But let's take count of what we have.

Voice:

We Americans have built the mightiest  
assembly of factories in world history.  
We have produced materiel in sufficient  
quantity to keep our own Army supplied  
and contribute on a tremendous scale  
to the other great nations fighting  
with us in the titanic struggle.  
I think a few figures might give you  
a picture of America today.

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Voice:

More than 12 billion dollars worth of new factories have been erected since Pearl Harbor. We are now producing more steel than all the rest of the world put together. Our railroad trains are covering more than 600 million miles of traffic every year. That is more than three roundtrips from the earth to the sun. We are launching an average of 5 big ocean-going vessels every day - that does not count the smaller ships, submarines or landing barges. We're making submarines in the dairy regions of Wisconsin. In 1937 we built exactly five large ocean-going vessels in the entire year.

- 40 -

Voice:

And at one factory I visited I watched airplanes taking off during flyaway hour marked for delivery to China, Russia, parts of the United States, England - at the rate of one every two seconds. Just figure that out. Look at your clock for a moment and count the planes flying off to war.

MUSIC:

Comes in with the rhythm of the seconds.

NARRATOR:

In 1944 the people say

"We have become the arsenal of Democracy. We have not failed that call to arms. We have not failed that battle cry for peace."

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CHORUS:           The worker in the factory  
                  The farmer in the field  
                  Must give the strength that God gave them  
                  To forge the nation's shield.

MUSIC:           FINALE.

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MUSIC: THEMATIC STRAIN .. ESTABLISH .. FADE TO B.G.

SEC. MORGENTHAU: (ON CUE) How about that, Jim Jones?

That's Democracy!

Two sides to a story -- but the side  
which fights for right comes through  
every time --

You see, there happen to be more  
right-thinking Americans than any other kind.

CAPT. REAGAN: Guess you're right, Mr. Secretary of the  
Treasury, and speakin' of "thinkin'" -  
We do plenty of that!  
Get kinda tired .. and see all the  
wreckage of war piling up around our  
ears - equipment shot to pieces .. and ..  
well, it seems almost impossible that we  
should be able to get replacements ..

CAPT. REAGAN: Enough of 'em .. to keep on doin' a job.  
Don't get me wrong - it's a matter of  
enough, not "good enough," our stuff is  
good stuff!

SECY. MORGENTHAU: That's part of "The American Way," Jimmy.  
There are thousands of men sitting up  
nights for weeks on end, working on just  
one problem: Planning, perfecting better  
weapons - for you.

CAPT. REAGAN: We can use 'em, sir!

SEC MORGENTHAU: Last August at Buffalo, I talked to Larry Bell who builds the famous fighter ship, The P-39. With the Army's permission, they swore me to secrecy and told me of plans to produce a fantastic new weapon <sup>of</sup> war. And just nine days ago, the news of its successful ~~primary~~ tests was announced to the American people.

(SWITCH TO TEST LOCATION)

(LEAD FOR LT. COL. SLATER)

COL. SLATER: PRIVATE Jim Jones, this is is Colonel Bill Slater, speaking  
(more)

SLATER:  
(CONT)

from a restricted area. Right here, before me stands something which you thought was only a rumor -- But, we're going to show you it's really a fact.

NOTE: (BILL SLATER)

\*\*\*\*\*

(INSERT .. THREE-AND-ONE-HALF MINUTE SPOT ..  
TEST FLIGHT OF BELL JET-PROPULSION PLANE.  
NETWORK ANNOUNCER ON GROUND .. CONVERSING  
WITH PILOT OF PLANE ... RUNNING DESCRIPTION).

(SWITCH TO NEW YORK)

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MUSIC: THEMATIC STRAIN .. ESTABLISH .. TO B.G. FOR:

CAPT. REAGAN: This is a big night for Private Jim Jones, Secretary Morgenthau. Here I am, in a trench full of mud, a million miles from nowhere -- finding things out about the United States I never knew before ...

SEC. MORGENTHAU: Another thing, Jim, your future - your Government is concentrating on that. The other day, your President spoke these words - your new bill of rights.

Voice: "We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence.

- 47 -

Voice:

"Necessitous men are not free men."

People who are hungry and out of a job are the stuff of which dictatorships are made.

In our day these economic truths have become accepted as self-evident. We have accepted, so to speak, a second bill of rights under which a new basis of security and prosperity can be established for all -- regardless of station, race or creed.

Amongst these are:

The right to a useful and remunerative job in the industries, or shops or farms or mines of the nation;

- 48 -

Voice:

The right to earn enough to provide  
adequate food and clothing and recreation;

The right of every farmer to raise and  
sell his products at a return which will give  
him and his family a decent living;

The right of every business man, large  
and small, to trade in an atmosphere of freedom  
from unfair competition and domination by  
monopolies at home or abroad;

The right of every family to a decent home;

The right to adequate medical care and  
the opportunity to achieve and enjoy good health;

The right to adequate protection from the  
economic fears of old age, sickness, accident  
and unemployment;

- 49 -

Voice:

The right to a good education;

All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.

MUSIC OUT

CAPT. REAGAN:

It sure does make you feel like y'could lick the world, when you hear that kind of stuff, take it from a soldier! That's the kind of world we're riskin' death to live in! (Brightens) Say, how about this? Who'd have thought I'd ever wind up in the Heavy Thinkin' Department?

- 50 -

CAPT. REAGAN: I'm the kid who thought at first he was  
fightin' for - er, baseball and - hot  
dogs - n' records in a juke box and things  
like that --

SEC. MORGENTHAU: You still are, Jimmy.  
"The Good American" is fighting to preserve  
"The Good America." That includes  
baseball and hot dogs and the music you  
like.

(SWITCH TO HOLLYWOOD)

BING: This is Bing, buttin' in for a minute,  
Jimmy, and just to make sure you get the  
kind of music you like, we've rounded up  
three different kinds of singin' - I'm  
in the startin gate already -

- 51 -

BING:                   So here goes with -

MUSIC:                   CROSBY SONG -- INTERPOLATION

SIMMS AND BING:       (SHORT DIALOGUE TO "JIMMY" - INTO)

MUSIC:                   SIMMS SONG - INTERPOLATION

BING AND J.C.T.       (SHORT DIALOGUE TO "JIMMY" - INTO)

                          THOMAS SONG -- TO FINI

(SWITCH TO N.Y.)

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MUSIC:                    THEMATIC STRAIN ... TO B.G. FOR:

CAPT. REAGAN:            Gosh, that was wonderful, Mr. Secretary!  
  
                              Seems like I've got half of America in  
  
                              this fox-hole with me .. and the more of  
  
                              it that comes in, the less crowded it  
  
                              feels ...

SEC. MORGENTHAU:    Well, you just keep your ears open,  
  
                              Jimmy, and the more you listen, the  
  
                              more you'll know about what the people  
  
                              in America are doing .. and must keep on  
  
                              doing .. to back your attack.

(MUSIC OUT)



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C. MORGENTHAU: One thing you already know.. that you men of the Army are fighting side by side with the greatest Navy in the world. For the American Army and Navy make a great fighting team... Backing each other's attacks. A report now from our Naval leader, in the Pacific, Admiral Nimitz.

(SWITCH OVERSEAS)

" ADM. NIMITZ

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ADMIRAL NIMITZ:

NOTE: THREE MINUTE SPOT ...

(WAR COMMUNIQUE)

(SWITCH TO N.Y.)

MUSIC:

CURTAIN

OUT

- 55 -

MUSIC: THEMATIC STRAIN .. ESTABLISH.FADE FOR

CAPT. REAGAN: Mr. Morgenthau .. we sure have covered a lot of territory .. hearing from General Eisenhower and just now Admiral Nimitz. We've heard from a lot of America and a lot of Americans .. But, well ...

SEC. MORGENTHAU: What is it, Jim Jones .. What's on your mind? The people back here should know exactly what is bothering you .. now's a good time to get it off your chest. What are the questions you want your nation to answer?

CAPTAIN REAGAN: You mean the sixty-four dollar questions?

SEC. MORGENTHAU: Anything.

CAPT. REAGAN: Well, sir, what's this all about: Is this a war leading to another war .. or is this one for keeps? What are we fighting for?

SEC. MORGENTHAU: Jim, we're fighting to hang on to what we've been a hundred and sixty-eight years building.

CAPT. REAGAN: Yes, ~~sir~~ sir....

SEC. MORGENTHAU: ..fighting a gang and a system that would turn you and me and all of us into animals - an inhuman system of masters and slaves. We're fighting a  
(MORE) → (over)

ORGENTHAU:  
CONT)

system where a man who speaks  
out of turn gets pulled out of  
bed in the middle of the  
night and gets shot in the  
back.



(over)

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SEC. MORGENTHAU: We're part of the team that's going to bust up that play. They're simply not going to get away with it.

It's a big job. We've got to destroy an octopus that has spread its tentacles over three quarters of the face of the earth. We've got to destroy those tentacles first of all .. and then, and only then, can we destroy the heart.

CAPT. REAGAN: Right, sir .. But what about afterwards ..  
What's it going to be like?

ORCEN THAU:

I have a lot of confidence in the future - in your future, Jim.

You men at the fighting fronts know that the quickest way to reach that future is to concentrate now on getting the job over.

REP. REAGAN:

We know that. We got a slogan out here..."Let's get on with it."

ORCEN THAU:

And, while you're "getting on with it," soldier, your government and industry must

(more)

MORGENTHAU:  
(CONT)

work together to see that there's a job waiting for you when you get back. It is my opinion that this must be the first order of business.

SEN. REAGAN:

That's a good thing to know when you're fightin'...

SEC. MORGENTHAU: Yes, and there's another thing:

Your Government is determined that final  
surrender will be complete and unconditional.

We're going to be sure this time that the  
enemy lays down its ideas as well as its  
arms.

CAPT. REAGAN: That brings up a point, sir, what's going  
to happen to the apes that started this  
thing .. the Nazis and the Fascists and  
those little ... ~~yellow~~ ...

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SEC. MORGENTHAU: (INTERRUPTING) ... Jim, you'll find your answer in Russia. You probably haven't read about it where you are .. But the Russians are removing some of the worst stains from the face of this earth ... by stringing up the proven ringleaders of hate and letting them hang there until they are dead. That is the final assurance of the future of free men.

CAPT. REAGAN: Yes, sir, but how many people feel that way back home?

MORGENTHAU:

A great many.. more and more every day...And when everybody feels that way and thinks about the war every minute of every day and makes winning the war the most important single thing in their lives (as it is to the Russians, the English, the Yugoslav partisans and the Chinese -- all of whom have had to dig their wives and babies out of the ruins of their homes). then, and only then, the war will be all over but the shooting.

CAPT. REAGAN: We'll do a good job on the  
shootin', sir.

(MUSIC: . . . . TRIUMPHANT THEME STARTS SOFTLY.  
B.G.)

MORGENTHAU:

Jim Jones, U.S.A. ... soldier,  
sailor, marine, coastguardsman..

he'll do a good job of the  
shooting..

You can take my word for that..

I saw him up to his ankles in  
mud in the mountains of Italy .

I saw him moving up to the  
battle in Africa..saw him  
holding the cities and towns  
he had wrenched from the grasp  
of oppression.

He'll do a good job of the  
shooting..

(more)

→over

MORGENTHAU:  
(CONT)

We can count on him.

He can count on us.

Because it's up to us to let  
each and every Jim Jones,

U. S. A. -

know that behind him, stands

a united nation - stands

"THAT FOR WHICH HE FIGHTS"

- 64 -

NAGEL: A call to the North!

(SWITCH TO OLYMPIA, WASH.)

GOV. SCHNELL: This is \_\_\_\_\_ Governor of the State  
of \_\_\_\_\_, speaking from the Capitol  
at \_\_\_\_\_! Every man and woman in  
the north is determined to see to it that  
we send Uncle Sam plenty of fighting  
strength..plenty of all the things we  
grow, dig out of the ground and manufacture.  
and plenty of support for the Fourth War  
Loan Drive!

(SWITCH TO N.Y.)

- 65 -

NAGEL: A call to the South!

(SWITCH TO ATLANTA, GEORGIA)

GOV. ARNALL: This is Ellis Arnall, Governor of Georgia,  
speaking from Atlanta. We've sent our  
sons and daughters to fight for our  
nation. We shall continue to send our  
every home-front resource to back them  
up!

(SWITCH TO N.Y.)

- 66 -

NAGEL: A call to the West!

(BRING IN AUSTIN, TEXAS)

GOV. STEVENSON: This is Coke R. Stevenson, Governor of the State of Texas..speaking from the State Capitol at Austin. American determination won the West..a lack of determination is not going to lose an inch of ground for an American fighting man. The West is determined to go over the top in the Fourth War Loan Drive!

(BACK TO N.Y.)

- 67 -

NAGEL: A call to the East.

(SWITCH TO BOSTON, MASS.)

GOV.SALTONSTALL: This is Everett Saltonstall speaking from the State Capitol of Massachusetts, at Boston. For the state of which I am Governor, and for all the Eastern states and all our nation there can be but one thing to say: We shall do our best 'over here' - to back up those gallant Americans 'over there'.

(Switch to N.Y.)

MUSIC: FULL TO FINI

- 68 -

SEC.MORGENTHAU:

This is Henry Morgenthau, Jr.,

Secretary of the United States Treasury.

Our victory and our American future

depends on how successful we are in

letting every one of our boys in uniform

know that solidly behind him, in every

way, stands ..

"That For Which He Fights"!

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MUSIC: THEMATIC STRAIN..ESTABLISH..FADE OUT:

(BATTLE NOISES...FARAWAY...BODY TURNING  
IN MUD)

(FILTER)

CAPT. REAGAN: (ON CUE)

Here, I lie, Private Jimmy Jones ..

The sleep of faith and courage

Gives me strength

To meet the dawn ...

In this shallow, muddy trench

I feel the heart-beat of my nation

As it works, prays, by my side.

That, for which we fight,

Fights for us ...

That's what I need to know.

- 70 -

CAPT. REAGAN: No enemy can stop me now or ever,  
Private Jimmy Jones, U.S.A. -  
That's me, brother, -- that's me!

Music to high inspiring crescendo..  
Fades for:

4

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SEGUE"CLOSING THEME"...FORTE...FADES ON CUE FOR:

NAGEL:

(ON CUE) The United States Treasury Department in cooperation with the four major networks, has presented "Let's all back the attack".. a radio program marking the start of the Fourth War Loan Drive. You have heard Secretary of the United States Treasury Henry Morgenthau, Jr., General Dwight D. Eisenhower - Admiral Chester W. Nimitz - Ronald Reagan - Bing Crosby - Ginny Simms - John Charles Thomas - Captain Glenn Miller and the band of the Army Air Forces Training Command and music of America by David Broekman and his Treasury orchestra and chorus.

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NAGEL:                   This is                   saying goodnight.

And "Let's all back the attack".

MUSIC - FEED NETS ONE MINUTE

January 17, 1944

To Treasury Officers and Employees,  
Main Treasury Building.

I am happy to be able to welcome the members of the Treasury family to their new cafeteria and to invite them to make the best use of it. This eating place for Treasury employees in their own building is something I have been trying to arrange for a long time, but it was only recently that we have been able to make the necessary shifts to bring it into being. I know how hard all of you have been working and it was with the purpose of making it a little easier for you that this lunchroom has been provided. I hope you will get as much satisfaction out of using it as I have out of establishing it.

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

HEG:aja

cc-Dan Bell  
Harry White

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January 17, 1944.

General Somervell called at 6:00 o'clock Saturday evening, January 15, and said he had been to see the President and that the President okayed a telegram to go to China. He, the President, told General Somervell that he had made a suggestion to Chiang Kai-Shek how to buy currency in the black market, but on further thought the President didn't think so well of it. So I then told Somervell that I had "unsold" the President on that scheme of his, but that I had found when I was talking to Ambassador Wei the other night the President also had been trying to sell his, the President's scheme, on how to handle the black market, to Wei.

I also told General Somervell I was glad that he had seen the President to get it cleared because this sort of gives me a little backing for having given him the okay the other day to go ahead with this arrangement on foreign exchange and lend-lease in reverse without waiting to hear from Chiang Kai-Shek, and that when I had given him that okay I had not cleared it with the President. I had just done it on my own. Somervell was very appreciative of what I had done and I told him that my only complaint was that he didn't ask me to help him. He said, "Well, that can be corrected." General Somervell said that General Clay would take the message to the State Department and get it off that night, Saturday, and that he, General Somervell, was also sending a message of his own, and I gather that he will send us a copy of his message. I'm not sure of that.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

January 17, 1944

TO Secretary Morgenthau

FROM Randolph Paul

With respect to a discussion we had at one of your staff meetings, I am quoting below a statement made by Senators Barkley and Danaher on the floor of the Senate, January 15, 1944:

"Mr. BARKLEY. Of course, in that connection I think it ought to be said that any member of the committee, while a bill is under consideration in the committee, or any Member of the Senate who has an idea about an amendment and calls upon the Treasury to frame it in language appropriate to his idea, will receive such help as the Treasury can give him without any commital on the part of the Treasury.

"Mr. DANAHER. Yes. Of course I want to make it clear that there is no Treasury action on it at all.

"Mr. BARKLEY. And the same thing is true of the staff of the joint committee."



~~AM~~MEMORANDUM

January 17, 1944.

TO: The Secretary

FROM: Mr. Sullivan

JS

This morning I had a report over the telephone from Stewart Berkshire who is in Miami personally directing the drive against the liquor black market.

He advised me that there are twenty-four Alcohol Tax men on the job in Miami. He states that they have already made nine good cases in which he expects indictments to be procured. He says there will be many more indictments and widespread suspension of wholesalers.

He has agreed to keep in touch with me from time to time over the phone.

## TREASURY DEPARTMENT

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INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE Jan. 17, 1944

TO Secretary Morgenthau

FROM Mr. Haas *HA*Subject: The Business Situation,  
Week ending January 15, 1944.Summary

Employment situation: Reflecting less than anticipated manpower requirements for munitions production, the WMC has reduced estimated manpower needs for mid-1944 by 600,000, according to press reports. Total nonagricultural employment increased slightly in December, but factory employment declined 0.6 percent below the previous month. Factory employment in New York State in December showed the largest decline in 18 months, although many plants reported that the drop in employment was due to the illness of workers.

Commodity prices: Commodity prices declined slightly last week from the peak levels of the previous week, with the BLS index of 28 basic commodities off 0.1 percent. In the week ended January 8 the BLS all-commodity index was fractionally lower at 102.9 percent of the 1926 average, which is 37.2 percent above the pre-war level of August 1939.

Crop outlook: The outlook for a continued heavy volume of crop production in 1944 is not as favorable as it was at the beginning of 1942 and 1943. Precipitation during the past four months has been 21 percent below normal, and particular concern is indicated regarding the winter wheat crop in the Great Plains states. Many other conditions, however, are favorable for a large agricultural output this year.

Steel production: Steel output in 1943 rose more than 3 percent to a new record high of 88.9 million net tons. However, lower operations for the industry are being predicted for 1944, with numerous indications of an easier steel supply situation already evident. Cutbacks are being made in uncompleted steel expansion projects.

Retail trade: Department store sales rose less than seasonally in December, and the FRB adjusted index of sales dropped to 129 from 158 in November. Nevertheless, sales for the year as a whole rose 11 percent above 1942 and 55 percent above 1939.

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- 2 -

Manpower shortage less acute

Cut-backs in war contracts, and improved supply situations in numerous raw materials, following earlier declines in the construction and machine tool industries, have aroused concern over the possibility of substantial unemployment in various localities in the face of our huge over-all manpower requirements. The Secretary of Labor last week expressed the opinion that war-time employment has already reached its peak.

Indicative of the improvement in the manpower situation, the WMC during the past week, according to press reports, cut its previous estimate of expected manpower needs as of July 1, 1944 by 600,000. As compared with a total labor force (including military and naval personnel) of 64.8 millions last July, the total had been expected to reach 66.3 millions by July 1, 1944. This estimate has now been cut to 65.7 millions, due largely to lowered estimates of employment needs for munitions industries.

Further evidence of slightly easier conditions in the manpower situation is seen in the WMC report for January 1, which lists 67 acute labor shortage areas as compared with 69 a month earlier. Although 5 new areas were added, the following 7 areas were dropped from the acute shortage group: Bridgeport, Connecticut; Elizabeth City and Newbern, North Carolina; Evansville, Indiana; Oklahoma City, Oklahoma; Spokane, Washington; and Provo, Utah.

An outstanding factor in current employment dislocations is the closing of various Army ordnance plants. Among others, the large Weldon Spring Ordnance Works at St. Louis, Missouri has just been closed, with a resulting discharge of 2,500 employees. Major General Clay of the U. S. Army recently stated that small arms ammunition output in 1944 will be approximately 36 percent below the 1943 total, while output of ground force equipment is expected to fall 7 or 8 percent below the output rate of the last quarter of 1943.

The president of General Electric last week revealed that cancellation of orders in 1943 amounted to \$450 millions, and new orders received in the last quarter of 1943 were 76 percent below year-earlier levels. Nevertheless, unfilled orders on hand and business pending at the close of 1943 were sufficient to assure a year's production at the current rate of output.

Factory employment declined slightly in December

Although total nonagricultural employment in December increased slightly, with retail trade seasonally higher, factory employment declined 0.6 percent to the lowest level since last July. Despite this decrease, however, factory

- 3 -

employment was still 3.2 percent above the previous year's level. Factory employment in New York State in December showed the largest decline in 18 months and was 1.2 percent less than in the previous month. This was the first time in 8 years that factory employment in the state decreased in December. Since many plants reported that lower employment figures were due to the illness of workers, the significance of the employment decline cannot be measured with assurance at this time.

Factory payrolls in New York decreased 2.5 percent in December but nation-wide figures for the month are not yet available. Reference to Chart 1 will disclose that on the basis of BLS figures just released for November, factory payrolls during that month showed a further rise of more than 1 percent, and estimated average weekly earnings of factory workers advanced to a new high 14 percent above last year's level. Since January 1941, the base month for the "Little Steel" formula, average weekly earnings of factory workers have risen 70 percent, as compared with a 23 percent rise in living costs during the same period.

#### Commodity prices slightly lower

Commodity prices last week declined slightly from the peak levels of the previous week, and the BLS index of 28 basic commodities was 0.1 percent lower at 79 percent above the August 1939 average. (See Chart 2.) Steer and wool top prices showed noticeable declines. Cotton prices were off slightly, following a rise for five consecutive weeks. Grain prices eased with the disclosure that the WPA had arranged to import by railroad 40 million bushels of Canadian grain before April 30. At the request of the Office of Defense Transportation, the Association of American Railroads has arranged to send 200 grain cars daily into Canada to bring in the grain.

Hog prices for weights not covered by the Government support program moved lower last week as marketings continued extremely heavy. In the Chicago stockyards one of the worst jams in history developed last Monday, and the Livestock Exchange requested hog producers on Tuesday not to ship any more hogs to that market for the remainder of the week.

The difficulties resulting from the extremely heavy hog marketings have led to agitation for a temporary suspension of meat rationing. A resolution was introduced in Congress last week which would suspend the rationing of all meats until the "supplies which are retarding the normal flow of meat have been distributed and....adequate facilities are available for the storage of new supplies." The OPA has voiced strong opposition to such action on the ground that it would result in severe

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shortages of butter, beef, lamb, and other basic foods in the East, Far West, and Gulf Coast areas. Moreover, an OPA official predicted last week that the regular point values of all types of meat except pork would probably be raised next month.

The present backing up of hogs at terminal markets is due mainly to limited slaughterhouse facilities and manpower shortages. The chairman of the board of the American Meat Institute stated last week that the suspension of rationing would not enable an increase of pork production of even 1 percent. Livestock slaughter under Federal inspection set an all-time record last month.

#### All-commodity index shows slight decline

The BLS all-commodity index declined 0.1 percent during the first week of 1944, following a rise of the same amount in the preceding week. The index now stands at 102.9 percent of the 1926 average. Lower prices for eggs, citrus fruits, and onions were largely responsible for the decline.

Wholesale egg prices in the New York area dropped a cent or more per dozen in the first week in January, despite the support program of the regional office of the Food Distribution Administration. It is of interest that the OPA last week removed eggs from the retail community ceiling lists in the New York area, again placing egg pricing under a percent mark-up basis. This action is expected to result in lower retail prices for eggs.

After rising to a peak at the end of May, 1943, the all-commodity index has since leveled out and now stands slightly below the peak level. The index has risen only 1.5 percent in the past year and only 8.3 percent in the past two years. This is in decided contrast to the sharp rise of the index during the first World War, although there is considerable doubt about the reliability of the index in measuring actual price trends. (See Chart 3, upper section.) Wholesale food prices also have shown a more moderate rise during the past two years than during the comparable period of World War I. (See Chart 3, lower section.)

#### Stock prices slightly higher

Featured by strength in railroad stocks and numerous specialties, stock prices on the whole rose slightly last week, although the rise in the Dow-Jones average of 65 stocks was less than 1 percent. Since our entry into the war, railroad stocks

have persistently sold at an usually low price-earnings ratio, and some observers believe that a more optimistic evaluation of railroad prospects is necessary to a further general advance in stock prices. Whether such a development is in the making remains to be seen, but it is of interest that at the close on Saturday railroad stock prices stood at the highest level since last July.

Despite the moderate improvement recently, stock prices on the whole are still only 4 percent higher than in the pre-war month of August 1939. At the end of last year, stock prices stood in about the same relative position to pre-war levels as at the comparable date in World War I. (See Chart 4.) However, it will be noted that during the course of World War I, stock prices averaged higher, and scored greater maximum gains from the pre-war period, than during the present war. The enactment of excess profits taxes, price controls, deterioration of the railroad situation and other factors caused a sharp slump in stock prices after our entry into the war in 1917. The decline was finally halted near the end of that year, when a sharp rally occurred in railroad issues as a result of indications that Government control of the railroads would be accompanied by guarantees of net income. After the initial sharp rebound, stock prices showed a gradually rising trend until the fall of 1918, when prospects of an armistice caused a sharp advance, which was followed by a moderate reaction at the end of the year.

#### 1944 crop outlook less favorable

The outlook for a continued heavy volume of crop production in 1944 is not as favorable at this time as it was at the beginning of 1942 and 1943, according to the January 1 crop report of the Department of Agriculture. While the goals of the 1944 food production program call for a 4 percent increase in the acreage planted, the prospects for better than average yields are not as bright. Precipitation during the past four months has been the lightest since 1939 and about 21 percent below normal. This deficiency is of serious concern in the Great Plain states where fall precipitation has an important bearing on crop yields, particularly winter wheat, and where a large part of the proposed expansion in acreage is expected.

Many other conditions, however, are favorable for a large agricultural output this year. With record numbers of live-stock now on farms, meat production may exceed the record production of 1943 by as much as 10 percent. Feed supplies in the aggregate are sufficient, although factors affecting the movement of feedstuffs are tending to cause a tight feed situation in some sections of the country. Large supplies of

- 6 -

fertilizer are available for 1944, and more materials have been allocated for farm machinery and repair parts. Moreover, supplies of most field seeds are adequate.

In conjunction with the less favorable crop forecast, food requirements are expected to increase this year. Not only will the armed forces need more food, but lend-lease and foreign relief requirements are expected to rise. Lend-lease shipments of food and other agricultural products, it is estimated, will be 9 percent larger in fiscal 1945 than during the present fiscal year.

#### Cuban invert molasses purchased

For use in industrial alcohol production, the Defense Supplies Corporation has contracted to take 800,000 short tons of our raw sugar purchases from the 1944 Cuban sugar crop in the form of invert molasses, the State Department announced recently. The price was set at 2½ cents per pound of sugar content, which is the same price as in 1942.

Requirements for industrial alcohol this year are estimated by the WPB at 625 million gallons, which compares with production of about 470 million gallons in 1943. About 300 million gallons of this will be required for the synthetic rubber program. The invert molasses contracted for should be sufficient to produce more than 100 million gallons of alcohol, or approximately one-sixth of the total needs.

This importation will tend to relieve the tight feed situation by reducing the amount of grain needed for alcohol production, since the molasses will produce as much alcohol as about 43 million bushels of wheat. In the first six months of 1943 approximately two-thirds of the alcohol produced was obtained from grain.

Although the use of invert molasses involves the reduction of available sugar supplies, Cuba may be able to supply this country with more sugar than was received in 1943, by raising production goals. The Cuban sugar crop has been fixed at 4,827,000 short tons, which is 1.6 million tons larger than the 1943 crop. Besides the invert molasses, this country will take all the sugar Cuba produces except 200,000 tons needed for home consumption.

#### Food subsidy compromise sought

Attempts are being made in Congress to reach a compromise on the food subsidy program in line with the new "cost of food

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law" proposed by the President last week. A compromise allowing limited subsidies, and providing a food stamp plan for lower income groups, was viewed as a possibility by some Congressmen. In connection with the food stamp plan, Senator Aiken indicated that the plan he proposed would cost \$420 millions, would cover people with incomes averaging \$1,100 a year or less, and would aid 16 million people. The estimated cost of this plan is considerably less than the \$3 billion the WFA forecast recently, but the WFA figure was based on full participation by all families earning less than \$2,500 per year.

Another Congressional development was the disclosure that the Truman Committee is studying Army purchases and stockpiles of foodstuffs, WFA allocations of foods, and the CPA's rationing program. The investigation may not be completed for another month to six weeks it was indicated.

Regarding charges of Army food hoarding, officers testified last spring before the Truman Committee that a 272-day supply of canned goods backs up every soldier overseas. The large increase in the number of troops to be shipped overseas this year has forced the Army to enlarge its food stocks considerably. Some sections of the food industry are reported to disagree with charges that the Army has purchased excessive quantities of food.

#### Steel expansion program curtailed

Steel ingot production last year rose to nearly 58.9 million net tons, thus exceeding the previous record high attained in 1942 by about 3 percent. Although demand for plates and sheets for war requirements continues extremely heavy, evidence of an easier supply situation in the steel industry as a whole has prompted forecasts of lower steel operations during the current year.

In this connection it is of interest that the WPB recently recommended the cancellation of 4 steel expansion projects of the Carnegie-Illinois Steel Corporation, while further cuts in Government-financed steel expansion projects are expected. Other indications of the improved operating status of the steel industry are seen in reports that the supply situation in merchant pig iron has eased considerably, while 480 beehive coke ovens were blown out due to a falling off in demand in recent weeks.

- 3 -

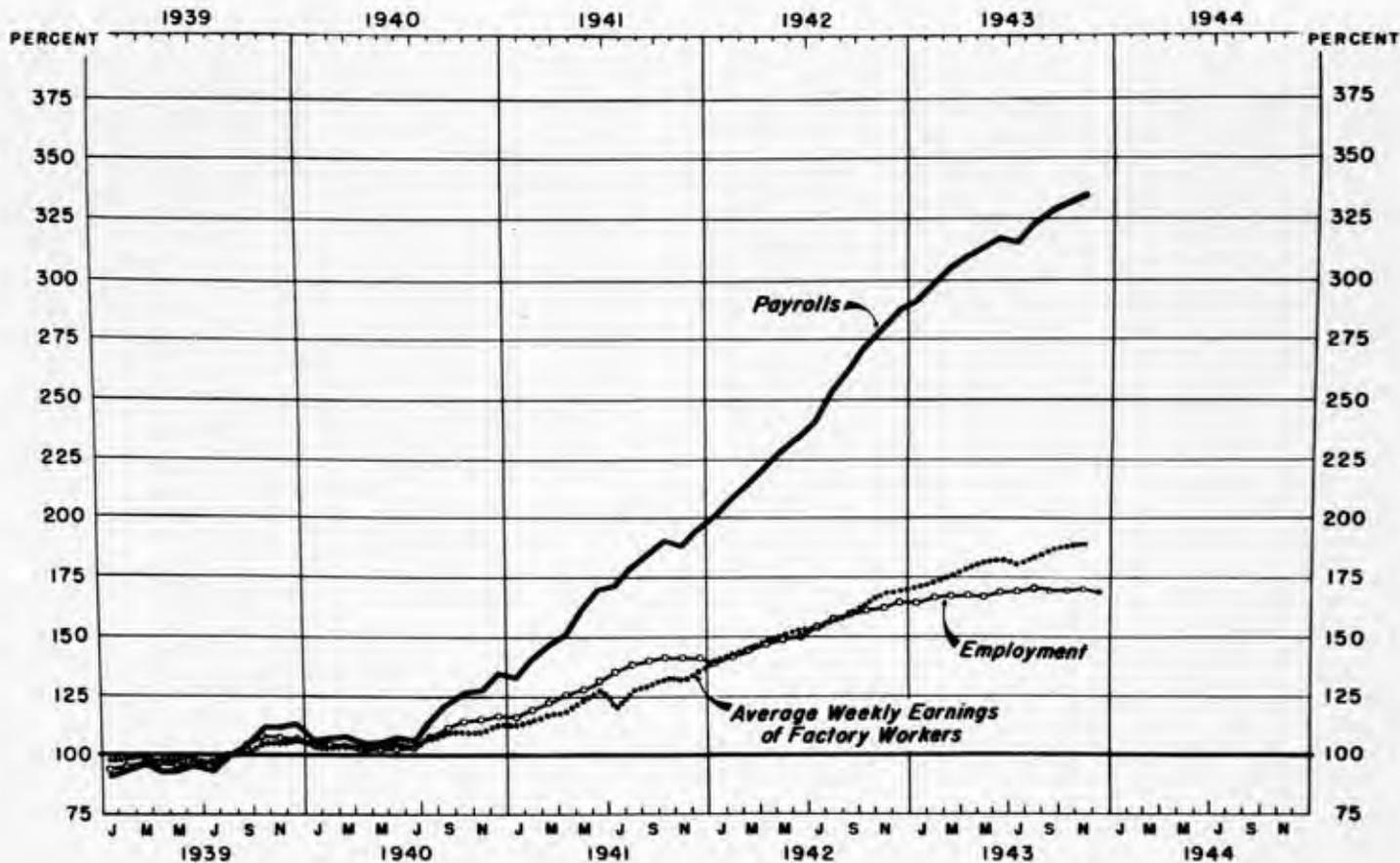
December department store sales less than seasonal

Following the sharp rise in November, department store sales last month showed less than the usual seasonal rise and the FRB adjusted index of sales dropped to 129 from 158 in November. (See Chart 5.) Nevertheless, for the year as a whole department store sales reached a new record high 11 percent above 1942 and 55 percent above 1939. Last year's gains by districts ranged from only 4 percent in the Philadelphia district to a maximum gain of 37 percent in the Dallas district. Department store sales in the first week in 1944 declined 3 percent below year-earlier levels.

Figures on department store stocks in December are not yet available, but at the end of November the FRB adjusted index of stocks declined 7 points to 97, thus touching the lowest level since the end of May. (Refer to Chart 5.) While stocks at the end of November were 7 percent under the previous year's level, they were nearly 3 percent above the level prevailing just before our entry into the war.

# FACTORY EMPLOYMENT, PAYROLLS AND WAGES

1939=100, Unadjusted



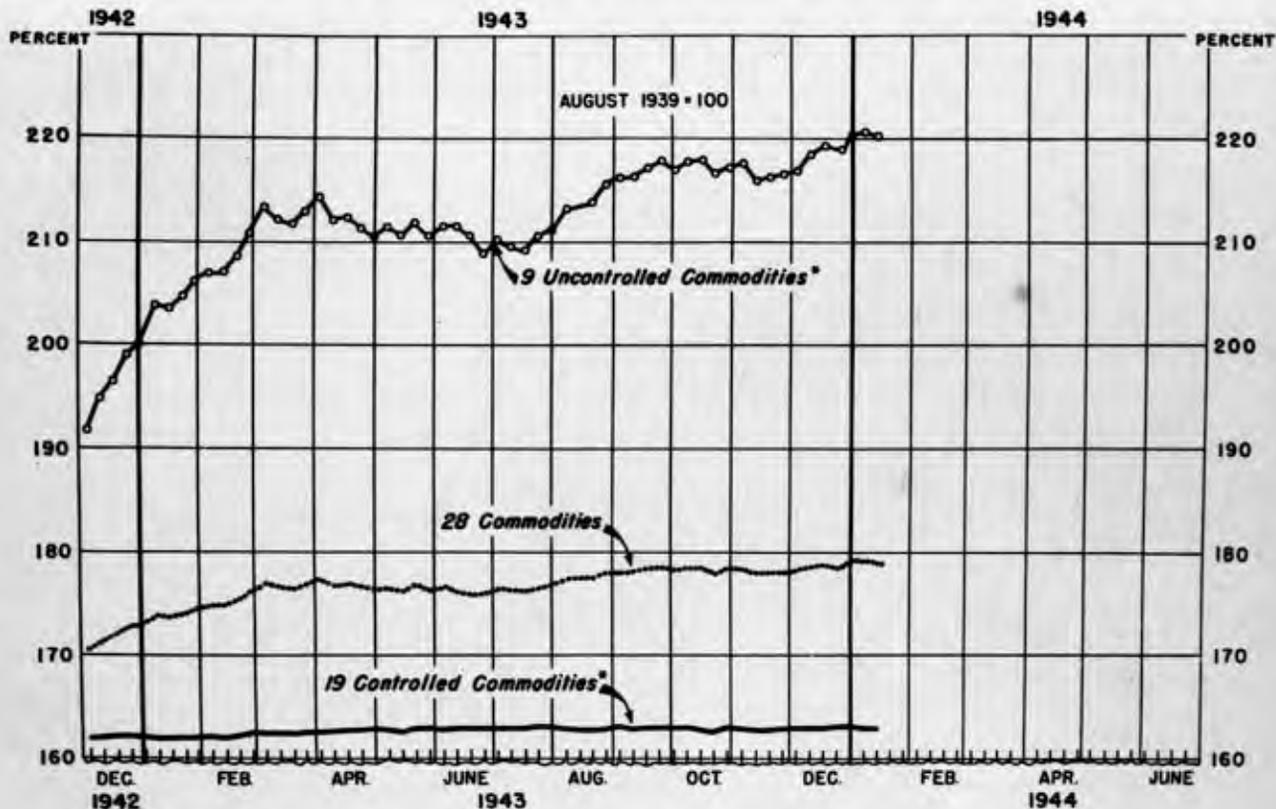
Office of the Secretary of the Treasury  
Division of Research and Statistics

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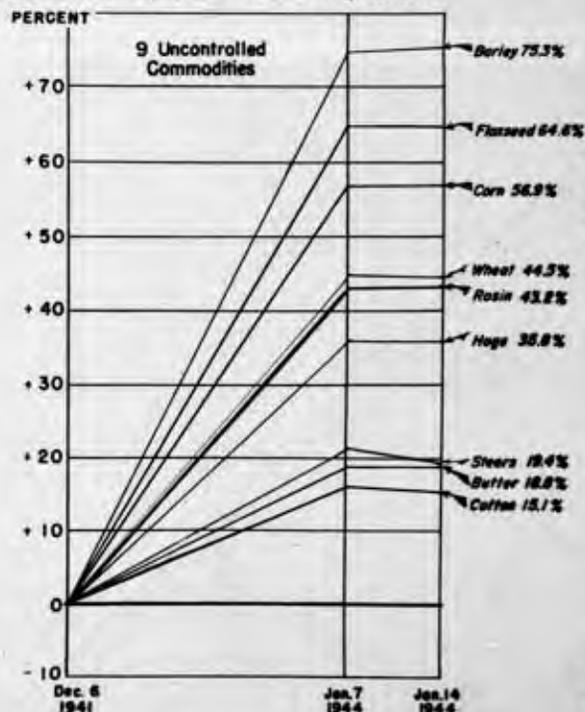
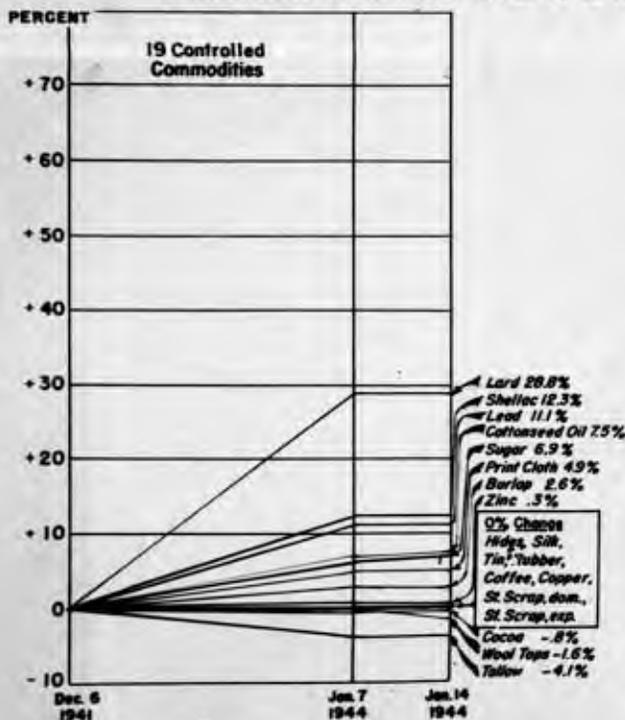
Chart 1  
303

Regraded Unclassified

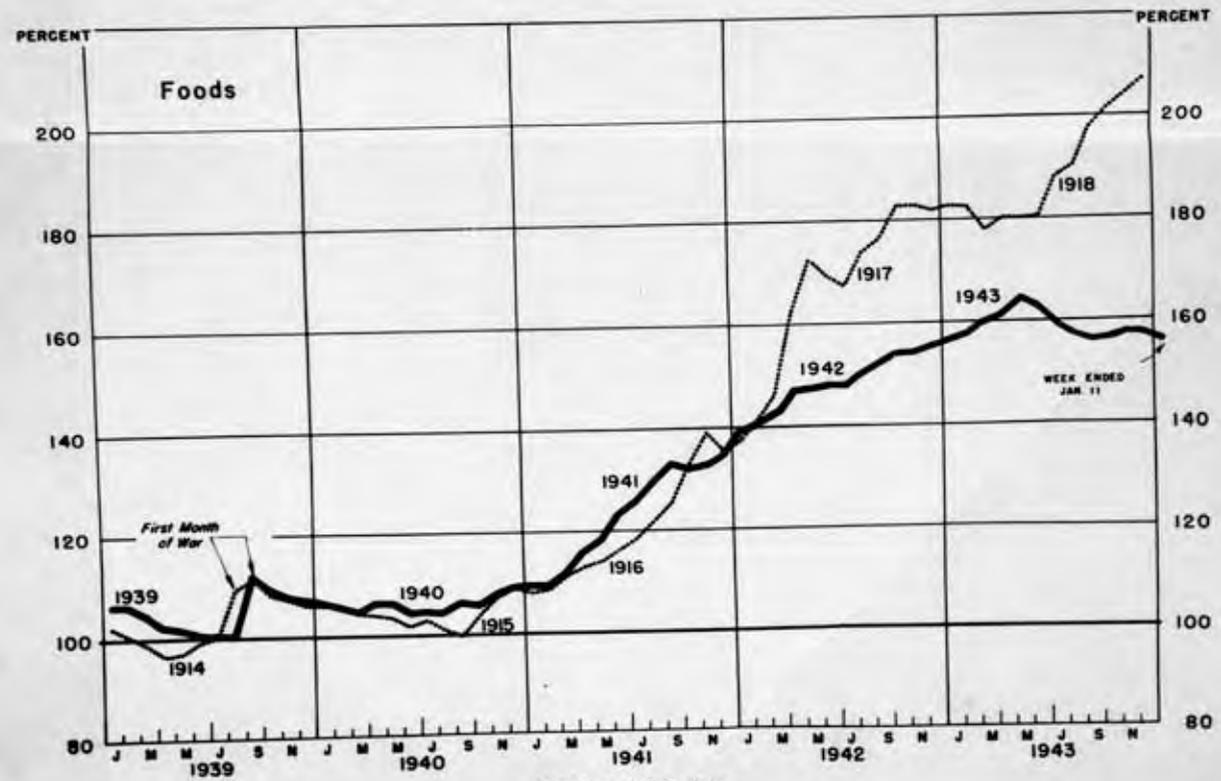
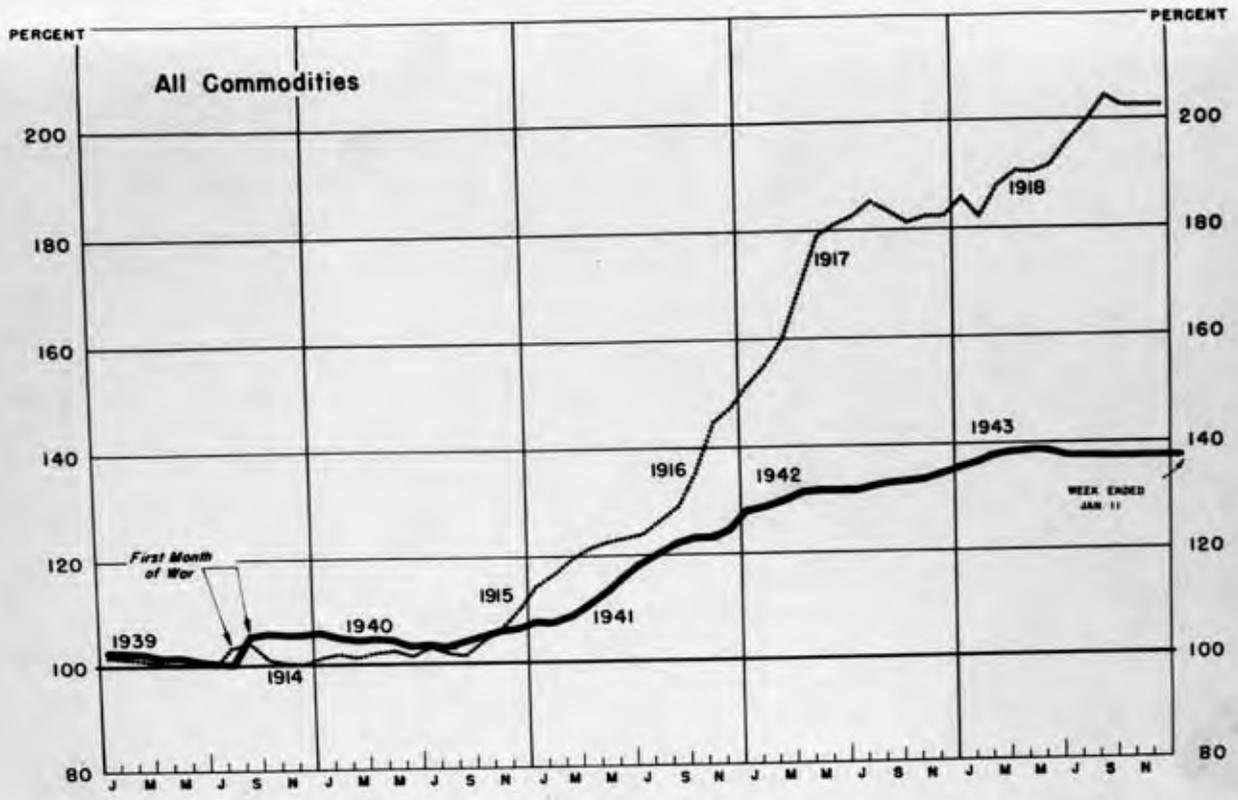
# MOVEMENT OF BASIC COMMODITY PRICES



## PERCENTAGE CHANGE DEC. 6, 1942 TO JAN. 7, AND JAN. 14, 1944



\*20 Controlled & Uncontrolled previous to June 26, 1942.

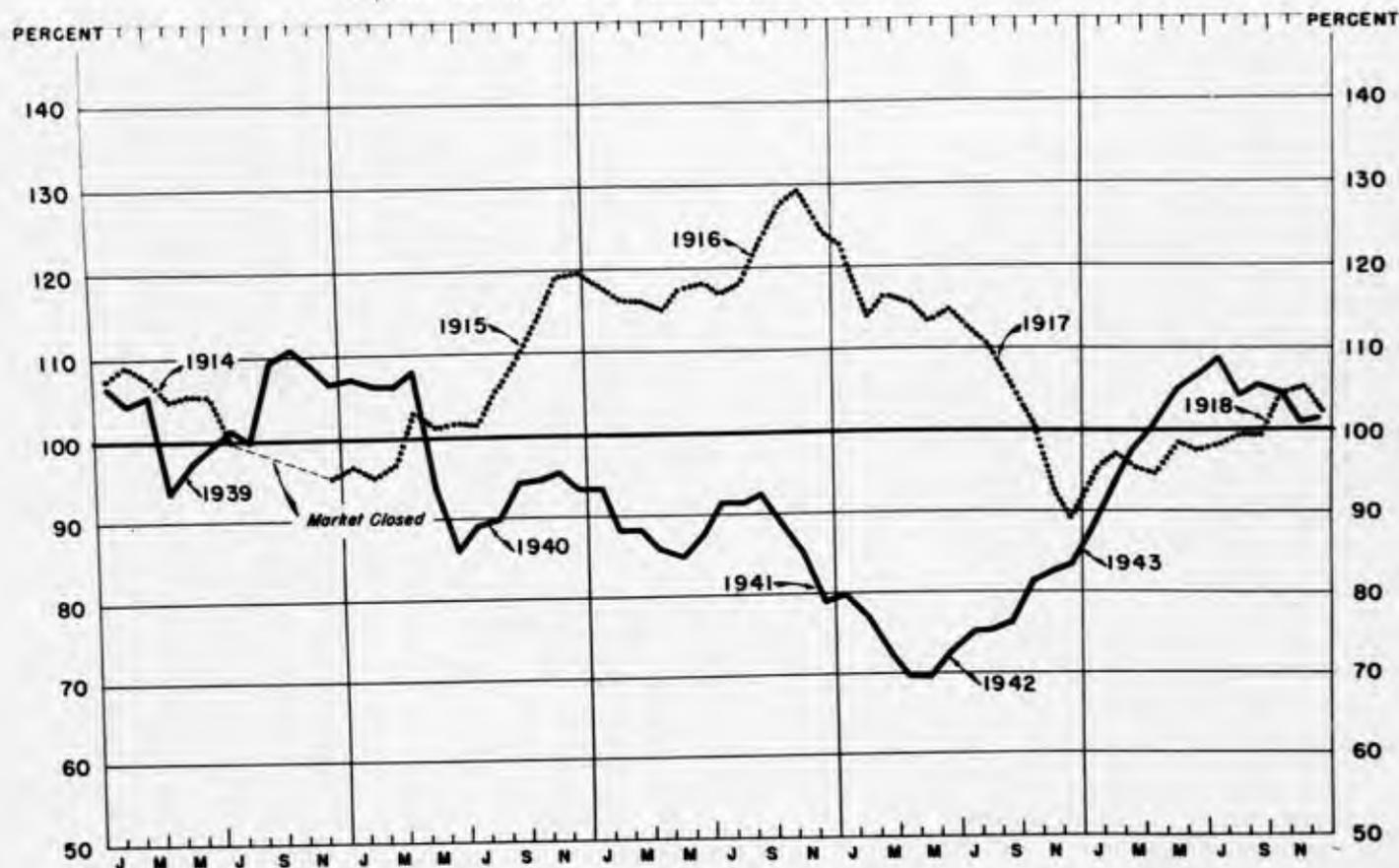


Based on B.L.S. data

305

# STOCK PRICES: 1939 TO DATE COMPARED WITH 1914 TO 1918

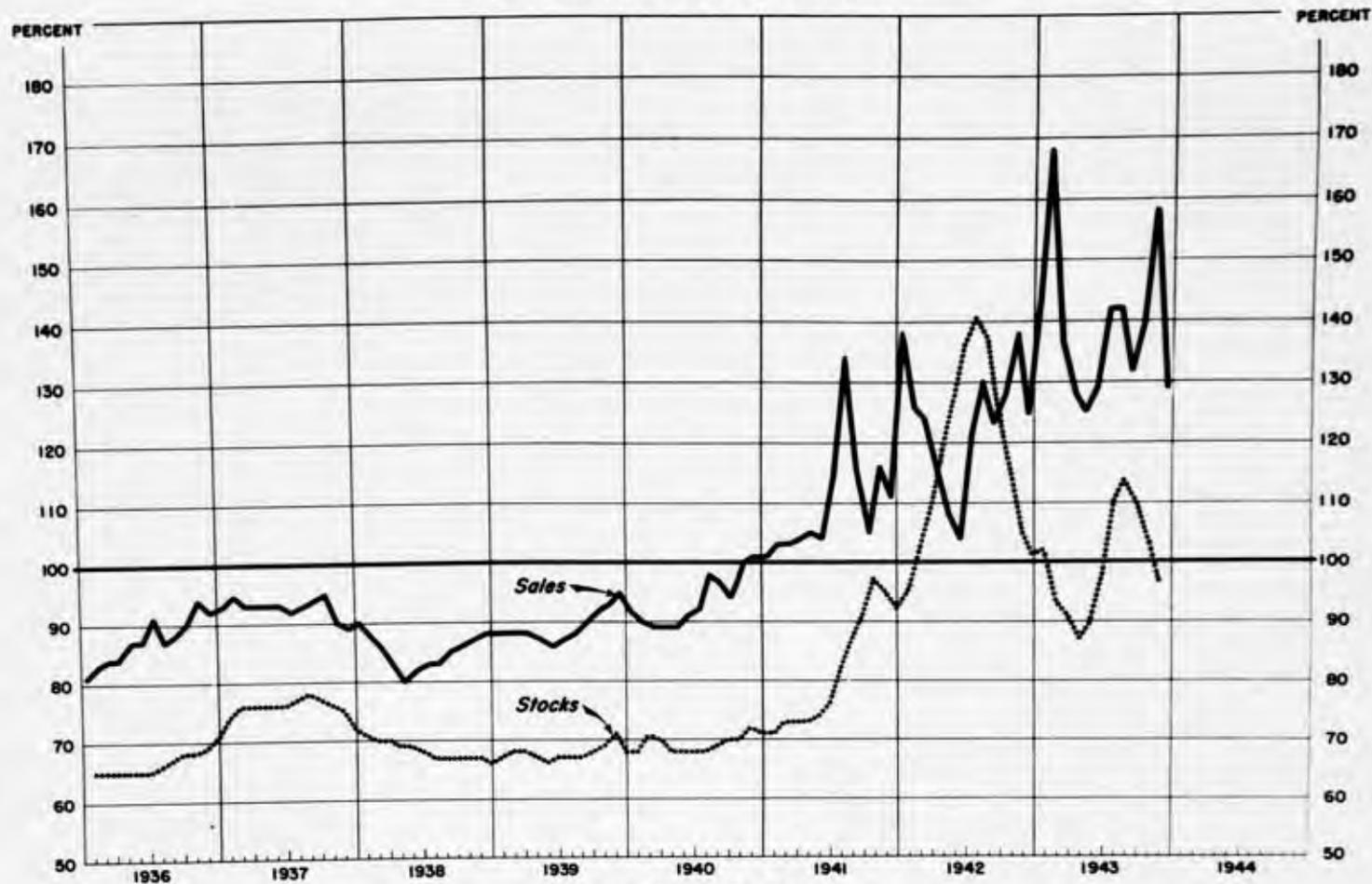
July 1914=100 World War Period; Aug. 1939=100 Present Period



\*402 Common Stocks in Present Period  
90 Common Stocks in 1914-18 Period

# DEPARTMENT STORE SALES AND STOCKS

Dollar Values, 1923-'25=100. Adjusted



Source: Federal Reserve Board

**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 Statements Nos. 119 and 120 -- Air-  
craft Despatched -- for the weeks ended January  
4th and January 11th respectively.

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

January 17, 1944.

MOST SECRET

STATEMENT NO. 119

309

Aircraft Despatched from the United States  
Week Ended January 4th, 1944

<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>						
Liberator B VI	M.E.	M.E.		1		
Liberator B VI	India	India		2		
Liberator GR WH	India	India		2		
<u>GLENN MARTIN</u>						
Marauder II	M.E.	M.E.		1		
Baltimore V	M.E.	M.E.		11		
<u>VEGA</u>						
Ventura GR V	M.E.	M.E.		7		
Ventura GR V	U.K.	U.K.		1		
<u>DOUGLAS</u>						
Dakota III	S. Africa	S. Africa		5		
<u>BOEING</u>						
Catalina IV	U.K.	U.K.		6		
<u>FAIRCHILD</u>						
Cornell I	Canada	Canada			19	
<u>BEECH</u>						
Beech C45B	Canada	Canada			2	
<u>HOORDUYN</u>						
Harvard	U.K.	U.K.	30			
<u>VULTEE</u>						
Vengeance	U.K.	U.K.		6		
Vengeance	Australia	Sydney		10		
Vengeance	India	Karachi		3		
<u>NORTH AMERICAN</u>						
Mustang	U.K.	U.K.		8		
Harvard	M.E.	M.E.		5		
Harvard	S. Africa	Capetown		1		
Mitchell II	U.K.	U.K.			9	
<u>GRUDMAN</u>						
Warpon	S. Africa	Capetown		7		
Warpon	U.K.	U.K.		2		
			<u>Totals:</u>	<u>72</u>	<u>45</u>	<u>21</u>

Movements Division  
British Air Commission

January 8th, 1944

mmh

MOST SECRET

STATEMENT NO. 120

310  
MOST SECRET

Aircraft Despatched from the United States  
Week Ended January 11th, 1944

<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>					
Liberator B VI	India	India		2	
Liberator GR VI *	India	India		6	
Liberator GR VI	W. Africa	W. Africa		4	
<u>GLENN MARTIN</u>					
Marauder II	M.E.	M.E.		6	
Baltimore V	M.E.	M.E.		8	
<u>NORTH AMERICAN</u>					
Mitchell II	U.K.	U.K.		34	
Harvard	S. Rhodesia	Capetown	13		
<u>VEGA</u>					
Ventura	Canada	Canada			1
Ventura GR V	U.K.	U.K.		1	
Ventura GR V	M.E.	M.E.		14	
Ventura GR V	S. Africa	S. Africa		2	
<u>DUGLAS</u>					
Dakota III	U.K.	U.K.		30	
Dakota III	M.E.	M.E.		1	
Dakota III	India	India		7	
Dakota III	S. Africa	S. Africa		1	
Dakota III	Canada	Canada			7
<u>FAIRCHILD</u>					
Cornell I	Canada	Canada			9
Cornell PT-26	S. Rhodesia	Capetown	19		
Argus	M.E.	Suez	7		
<u>GRUMMAN</u>					
Harpon	S. Africa	Capetown		4	
<u>GENERAL MOTORS</u>					
Harpon	S. Africa	Capetown		3	
<u>MACO</u>					
Blider	India	Karachi		20	
<u>BOORDUYN</u>					
Harvard	India	Karachi		1	
<u>VENGEANCE</u>					
Fultee	India	Karachi		2	
			Total: 69	116	17

\* Please note that 2 Liberator GR VI reported exported to India in Statement No. 119 should read 1 Liberator GR VI.

Movements Division  
British Air Commission

January 17th, 1944  
mmh  
File V-17



**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 Monthly Report No. 4 covering  
Aircraft Flight Delivery as at December 31, 1943.

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

January 17, 1944.

REF. NO. D-55  
MONTHLY REPORT NO. 4

LOCATIONS OF OCEANIC FLIGHT DELIVERY AIRCRAFT  
(Covering Movements through December 31, 1943)

BRITISH

MOST SECRET

January 12, 1944

	(1) PORT. (BAC-L/L)	(2) LIB. (BAC)	(3) HUD. (BAC-L/L)	(4) VENT. (BAC)	(5) FL. BOAT (BAC-L/L)	(6) VENT. (L/L)	(7) BOST. (L/L)	(8) BALT. (L/L)	(9) B24 (L/L)	(10) B25 (L/L)	(11) B26 (L/L)	(12) TRANSP. (L/L)	TOTAL
UNITED KINGDOM	84	96	807	141	386	32	181	1	245	232	6	74	2,285
MIDDLE EAST		5	95						19		48	32	199
WEST AFRICA									18			2	20
AUSTRALIA					27								27
SINGAPORE					9								9
INDIA									85			2	87
OPUS IN CANADA			210	68		63						8	349
RCAF					28	1	1		15**				45
NASSAU									29	64			93
45 GROUP RAFTC		11	42	10	5				8				76
Accra, Tekoradi, Rabat, or Freetown			91	134		178		807			67	221	1,498
En route Overseas						13		33	11			6	63
Gander, Goose, etc.				1					2		8	12	23
Nassau or Bermuda (on route)				1	11	7		11	1			1	33
Special duty in Canada			1	1				5					7
Montreal				2	1	5	1		18	27	1	14	69
CRASHED AFTER EXPORT			52	19	10	3	16	28	2	7	11	1	149
En route Export						5		2	5	12	4	24	52
At modification center					88	38		64	84	72	26	82	390
En route modification center						40			17				57
Special duty in U. S.		2			1			3	1				7
At starting point (Long Beach, etc)								8	6				14
CRASHED IN U. S.		1	28	5		1	1	14	4	2	7		63
DIVERTED TO U. S.		50	22	281*									353
<b>TOTAL</b>	<b>84</b>	<b>165</b>	<b>1348</b>	<b>663</b>	<b>566</b>	<b>386</b>	<b>200</b>	<b>912</b>	<b>570</b>	<b>424</b>	<b>171</b>	<b>479</b>	<b>5,968</b>

\* Including 15 returned under Req. BSC 41018 after use by U.S.A.A.F. for training with 45 off DA-152 also under 41018 after A.A.F. training use. All 60 are included in Column 6.

\*\* Later re-allocated to Canada by M.A.C. (AIR), under Req. CA-00076

PLANNING AND AIRFRAME SUPPLY  
BRITISH AIR COMMISSION  
WASHINGTON, D. C.

Regraded Unclassified

NOT TO BE RE-TRANSMITTEDU.S. SECRET  
BRITISH MOST SECRETCOPY NO 12OPTEL No. 18

Information received up to 10 A.M. 16th January, 1944.

1. NAVAL

Aegean One of H.M. Submarines sank a schooner and Caique by gun fire off MYYLENE on 9th. Motor torpedo boats sank a schooner off PISKOPI on 12th/13th. Gun landing craft with motor torpedo boats in support shelled SPLIT during night 12th/13th.

2. MILITARY

Italy To noon 15th. 8th Army. Active patrolling and a few prisoners taken in encounters with German outposts.

5th Army. French troops have made progress, have captured CARDITO and have cleared some hill features in a rapid advance. British sector quiet.

3. AIR OPERATIONS

Western Front 14th/15th. BRUNSWICK, 1016 tons H.E. and 939 tons incendiaries dropped including 420 4,000 pound bombs. Clear en route but cloud over BRUNSWICK, most crews bombed on sky markers. Results difficult to assess and no satisfactory concentration seems to have been achieved, ground defences moderate, many fighters active over BRUNSWICK and also especially in HANOVER Area. 4 enemy aircraft claimed destroyed.

15th/16th. 8 enemy aircraft operated over S.E. ENGLAND and EAST ANGLIA, 5 of which penetrated the greater LONDON area. 1 F.W. 190 was destroyed by a Mosquito. Only slight damage and no casualties reported.

Yugoslavia On 13th and 14th escorted fighter bombers attacked shipping at SIBENIK, 3 ships, one of them 5,000 tons and a large barge were set on fire and 2 other ships and a launch were damaged.

14th. 208 escorted heavy bombers made 2 attacks on the town and airfield of OSTRAVA. Enemy casualties 3:0:1. Ours 1 bomber, 2 fighters missing.

OFFICE  
SECRETARY OF TREASURY

1944 JAN 17 PM 2 33

TREASURY DEPARTMENT

NOT TO BE RE-TRANSMITTED

U.S. SECRET  
BRITISH MOST SECRET

COPY NO. 12OPTEL No. 19

Information received up to 10 A.M. 17th January, 1944.

1. NAVAL

One of our Tank Landing Craft blew up yesterday while at anchor off SKOGNASS. 3 survivors, 9 crew missing.

On 13th/14th Motor Torpedo Boats torpedoed a small ship inside SUMARTIN HARBOUR, BRAC ISLAND off YUGOSLAVIA and engaged a Siebel Ferry. Our forces sustained some damage but no casualties. On 14th/15th Destroyers shelled ROVIGNO, North of POLA.

2. MILITARY

Italy To noon 16th. 5th Army. French troops made further advances capturing the hills overlooking SANTA ELIA. U.S. Troops occupied SAN ANGELO.

Adriatic Islands The Germans have occupied SOGGA off SPLIT and are operating against BRAC and HVAR.

3. AIR OPERATIONS

Italy 15th. 138 escorted heavy bombers bombed Railway Centres. 160 medium bombers attacked Railway Centre at FOLIGNO dropping 99 tons with good results. 252 fighters operated over the battle area. One fighter missing.

Yugoslavia 15th. Fighters attacked shipping at SIBENIK claiming four hits on a 300 foot ship which was left burning.

Burma 15th. Beaufighters attacked River Craft at YEIANGYAT and in the PHONG area setting on fire an oil tanker and two oil barges. Spitfires in the ARYAB area intercepted Japanese fighters: enemy casualties 15:5:11, Ours. one Spitfire missing, one crashed.

TREASURY DEPARTMENT

1944 JAN 18 PM 2 54

OFFICE  
SECRETARY OF TREASURY