

Diary

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June 6, 1944
9:15 a.m.

GROUP

Present: Mr. D.W. Bell
Mr. White
Mr. Sullivan
Mr. McConnell
Mr. O'Connell
Mr. Haas
Mr. Smith
Mr. Pehle
Mrs. Klotz
Mr. Blough

H.M.JR: I got the word at twelve-thirty when the Germans first announced it over Trans-Ocean.

MR. BLOUGH: My notifier was asleep and didn't notify me.

H.M.JR: Well, I knew - that was my trouble yesterday.... You see, Admiral Leahy told me it would come between Monday and Tuesday. And then these fellows in here yesterday with the pre-invasion stuff - you kept saying, "When do you want to see them?"

Well, I didn't want to see them until after it started, so they could rewrite those. It originally was started for May 28, then it was postponed.

MR. HAAS: I thought maybe they timed it with Rome.

H.M.JR: No, I don't think so.

MR. PEHLE: Can you shift one of those things at the last minute?

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H.M.JR: They did. They said Eisenhower said he wasn't ready. The thing which I don't think anybody realized was they needed a full moon on account of the paratroopers.

(Mr. White enters the conference)

H.M.JR: Hi, did you sleep last night?

MR. WHITE: Not only that, but I got up early this morning and didn't turn on the radio until about eight-thirty.

H.M.JR: I just said that anybody who slept should leave the room.

MR. WHITE: I thought you were fiddling around with that radio yesterday. I should have known.

MR. PEHLE: How does this make that telegraph operator's mistake look?

MR. BELL: Pretty good, I think.

MR. WHITE: I don't know whether you have been listening the last half hour. They have had people reporting right from the various planes, covering right over the area.

H.M.JR: Well, anyway, at least as far as my own work is concerned - now we can talk a little bit freer.

I got your notice, George, which I read. I gave you Wednesday noon. If I get it by Thursday noon - you can tell anybody else - but that will still be good.

MR. HAAS: All right. It is going to be difficult, but I told them they could guess.

H.M.JR: Everything is difficult. And, look, you tell General Clark this - I asked in the evening -

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General Clark's Advanced Headquarters, with no staticians - how much it cost to cross the Volturno River. He told us, down to the last cartridge, by the next morning! Now, if they can do that overnight--

MR. HAAS: I am glad to have that incident.

H.M.JR: He told us. I asked at night. The next morning he said so-many guns, so-many this, so-much that, and it cost so-much money - overnight. The trouble with these people here, they have got fast.

MR. HAAS: The trouble is there is such a big organization here.

H.M.JR: But you tell them that overnight General Clark told me to the last cartridge how many shots were fired across the Volturno.

MR. HAAS: The Navy fellows told me Admiral King was the only one who could tell me, and he probably wouldn't sit down and figure it out.

H.M.JR: Oh, that is damned nonsense.

Now, did you get my memo?

MR. WHITE: Yes, I did.

H.M.JR: It looks very ominous, doesn't it?

MR. WHITE: Can't imagine what it is.

H.M.JR: Halifax phoned me last night that they had a very disturbing cable from Anderson and if we were going to announce anything today, please postpone it until he saw us. He said he would send down the stuff by noon. So I thought we would see.

MR. WHITE: I don't think we ought to have Brown present.

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H.M.JR: You don't think so? I don't know where McConnell is.

Now, looking around at the odds and ends that I have here, where did this story come from? (Refers to clipping concerning Dr. White from the May 24, 1944, New Orleans Times Picayune.)

MR. WHITE: There are only three people who know that; the barmaid, Smith and myself. I think the barmaid died.

MR. SMITH: Just a talkative barmaid, Harry - I told you.

H.M.JR: You have seen about this? You have a Groucho Marx mustache - this is White, not the barmaid.

MRS. KLOTZ: You are in good form today.

H.M.JR: Well, anyway--

MR. WHITE: It is a great day, anyway.

H.M.JR: You have seen this?

MR. WHITE: I saw something like it somewhere else. My pal is building me up. (Laughter)

H.M.JR: Now, this is on the sorry side; it is the Aide Memoire from the English on this offer to get these million Jews out of Hungary. Have you had a chance to talk to Joe about it? (Secretary hands Mr. Pehle Aide Memoire of June 5, from the British Embassy)

MR. PEHLE: Yes, I have, sir.

This goes back to you. (Returns extraneous material to the Secretary)

H.M.JR: Here, this is the one you should have. (Hands Mr.Pehle copy of telegram from High Commissioner, Jerusalem)

MR. PEHLE: This is the same thing as we received and I showed to you the other day. It is an offer which comes from the leader of the Jewish community in Budapest, who has come out to Turkey and from there to Palestine. Apparently he came to Turkey with a Gestapo man.

He sent back, first through Steinhardt and now through the Jewish leaders in Palestine, an offer in rather tangible terms, whereby a limited number of Jews would be released through Palestine, and practically unlimited numbers through Spain. The offer was - the principal item was ten thousand trucks; and then there were tons of coffee and soap and cocoa, and tea and that sort of thing - but the principal item was ten thousand trucks.

H.M.JR: I have known about it. Don't bother to explain it to these people - don't bother to take their time.

MR. PEHLE: Well, I think we would like to talk to you about it. My own feeling is the best we can do is keep it going, but in talking in terms of ten thousand--

H.M.JR: We talked about it two or three days ago, that we would try to keep it going.

MR. PEHLE: That is right, we did; then Stettinius got this new--

H.M.JR: Would you do this for me? I think that you and some of your boys should go over and see Stettinius, because he is very much excited about it.

MR. PEHLE: All right.

H.M.JR: Now, don't let him say we held up on it.

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MR. PEHLE: No, I just wanted to be sure you are in agreement. The best thing to do is to keep it alive.

H.M.JR: That is right. Now, this is a little difficult to do in front of everybody, but I have to. The Swiss Minister and his wife were at the house the other night for supper. She is Henry Wallace's sister. If Henry Wallace had her aggressiveness, it would be an addition to his makeup.

MR. WHITE: She is very able.

H.M.JR: A very able woman and not objectionable. She told me this story - I was thinking first him and then her for what they had done in taking all these refugees into Switzerland - then I started to tell her - she said, "Well, I had fifteen minutes with Mr. Ira Hirschmann at a meeting at Senator Gillette's. He, unfortunately, was an hour late. We were there waiting one hour for him because he was held up by Justice Frankfurter, so I didn't have a chance to talk to him."

So I said, "I will be glad to arrange to have him come out and see you and your husband any time."

She said, "Well, we will be glad to have him for lunch if he is here."

So I said, "Well, that is fine. Would you mind if I also asked Mr. Pehle?"

She got scarlet and hemmed and hawed - she said, "I have asked Mr. Pehle three times, and I don't know whether I want to ask him again. When we asked him he was in Foreign Funds; now the shoe is on the other foot."

I said, "Well, I don't know about the luncheons, but if you are implying that Mr. Pehle is tough, he is simply reflecting me," I said, "and whatever his attitude toward Switzerland was, that represents me."

"Oh," she said. I said, "Yes, definitely, he represents me. If you think we are too tough, I would much rather have you tell me that than have you tell me we were too easy."

And she said to her husband, "That is all right, Charlie; don't worry, Charlie."

It got a little serious, so I said, "Well, Madame Bruggmann, it just happens that you are sitting between the two toughest men in Washington, Bob Patterson and myself."

She said, "Well, Mr. Eugene Meyer says I am the toughest woman in Washington."

"Well," I said, "then it makes three of a kind."

So what I would do is, if you would let me know the next day or two when Ira Hirschmann is in town, I will call her up and say so. I will say nothing, but if she invites you with Ira Hirschmann, I would go.

Then she said, "Can Charlie come down and see you?"

I said, "Yes, but I want to tell you, Madame Bruggmann, that some of your Swiss Banks haven't been all that they should be, and if he wants to hear it, I will be very glad to tell it to him straight." She said, "That is the way we like to have it because we can't find out anything from the State Department."

MR. PEHLE: They don't want to know. You have given it to them before.

MR. WHITE: So have I, and so has John.

MRS. KLOTZ: They are tough babies, the boys!

H.M.JR: I told her they simply reflect me. I don't do what the AP does and simply fire the poor girl because she did something that somebody told her to do.

(Mr. McConnell enters the conference)

H.M.JR: Good morning. Were you up all night?

MR. McCONNELL: No, sir.

H.M.JR: All right.

Now, well, let's leave it this way, when you know, I would like to call her up. Remember, I hope to leave here Thursday night for the West Coast. See?

MR. PEHLE: Yes, sir.

H.M.JR: So I said to her, "Where does Mr. Somary--" "Oh, he is the bete noire of our legation. We only have him once a year and then nobody else present, so he cannot say he represents the Swiss Legation".

Anyway, if Charlie wants it, Charlie will get it, and we will have lunch with him and let him dish it out.

MR. WHITE: Yes, he is a very emotional man. You had better not tell him yourself.

MR. PEHLE: Sure, he cries. Berle's memoranda always have one paragraph in them, saying, "The Swiss Minister wept" period.

MR. WHITE: He gets very emotional.

H.M.JR: Okay, so what.

MR. WHITE: I mean save yourself the headache.

MR. PEHLE: That has been very effective weeping for Switzerland, too. It scares a lot of people.

H.M.JR: I always remember the story, if you people haven't read the story, in the Reader's Digest in May on Mr. Schacht. But the President always takes this thing over. Schacht came over herein 1933, in front of the President, "Oh, my poor country, what is going to happen to my poor country?"--and wept there, and Mrs. Morgenthau reminded me, I kept the President from inviting Schacht to come back the second time. I have no part of him.

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MR. WHITE: He must have been thinking of 1944.

MRS. KLOTZ: When he said "My poor country"!

H.M.JR: Anyway, if Charlie wants it, Charlie will get it. He can weep and we will have a nurse stand by with a little sedative on the side.

Mr. McConnell, you can have Mr. Bates.

MR. McCONNELL: Thank you, sir.

H.M.JR: You're welcome.

MR. McCONNELL: Would you like to meet him, sir?

H.M.JR: Yes, sir.

MR. McCONNELL: He has done a lot of good work for the Treasury.

H.M.JR: Yes. Who has got anything? I am having an eleven o'clock meeting to button all this stuff up with Ted Gamble and OWI. They are all coming in at eleven o'clock. And now, if you will tell me when I am going to get my Chicago script, I could make my plans after Los Angeles.

MR. SMITH: Well, we are in a mess right now because they think they are going to write it and we don't dare take the time unless they will give it to us clear. We are going to find it out today. I am just going to put it up to them.

H.M.JR: I will give anybody five dollars if they get an answer out of Mr. Smith. My question was, when do I get my script?

MR. WHITE: I didn't hear you, Smith.

MR. SMITH: Somebody told them they could write a script and you could go on the Carnation Show. You won't do that.

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H.M.JR: My question, Mr. Smith, was when do I get it?

MR. SMITH: Oh--

MR. WHITE: Later than that!

MR. SMITH: Early next week.

H.M.JR: Between now and eleven o'clock. Figure it out yourself. I've got to know, because I have to make my plans. In case you don't know, I get through Los Angeles on Wednesday night at eight-thirty or nine. Then, I have to be in Chicago on the following Monday.

MR. SMITH: That's right. But you have from Wednesday until Monday on that script.

H.M.JR: Well, I want to know where I am going to be. I want to know how much time do I have to allow. Put the heat on, will you, so you can tell me?

MR. SMITH: Yes.

H.M.JR: I mean, I have to figure a little bit ahead. Today is a good day. Get tough with people.

MR. SMITH: It isn't a question of getting tough with them. I expect to get tough with Carnation and either get them in or out. Then when that is set I thought we wouldn't have that script until, say, Thursday before the Monday, because it is going to be awful topical. It should be. You don't know what is going to happen. We are going to have to freeze the Texarkana script and the Hollywood script, so we ought to leave the other one open as long as we can to keep it alive.

H.M.JR: But this thing about who is going to be top dog. I have been hearing that for a week. We might just as well settle it today.

MR. SMITH: I am getting the people here so I can settle it. The Chicago people are trying to get Gamble

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to let them do it. I have told Gamble we wouldn't do it that way, we can't.

MR. WHITE: We have the Chinese matter to settle now. If other departments are going to be in on the answer, I suggest that Bell call a meeting and let's clear it through all the others before it comes to you, the communication to Kung and the letter to the President. The letter to the President, is it your idea you would like the Army to pass on that, too?

H.M.JR: Yes.

MR. WHITE: Then, when we are agreed, we will bring it to you sometime today?

H.M.JR: When you are ready, I will try to be ready. I will be ready before you fellows are, today, because, don't forget, the Army is under the impression, correctly so, that China monetary foreign exchange is their responsibility, because only the other day, General Somervell says, "I hope the day isn't too far off that I can turn it back to you". I mean, after all, we have said, -who is the General in charge of the Chinese troops?

MR. WHITE: Stilwell.

H.M.JR: But they feel it is their responsibility, General Stilwell's.

MR. WHITE: Until they get the bases built, I think that is true.

H.M.JR: Anybody else have anything?

MR. HAAS: You said sometime ago you might want to call Sproul today, as a precautionary measure.

(Secretary places call for Mr. Sproul)

H.M.JR: While we are waiting, tell them about this committee, will you?

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MR. McCONNELL: Two men came from Mr. Clayton's office three or four days ago and asked what contact they should make with the Treasury here regarding payment of surplus.

(Mr. Sullivan enters the conference)

H.M.JR: For God's sake, look what the cat brought in!

MR. SULLIVAN: Very slow cat, I might add.

MR. McCONNELL: They are now selling surplus for dollars, that is the decision for the moment. They take no foreign exchanges. The committee that Mr. Clayton set up is composed of Mr. Crowley as Chairman.

H.M.JR: Crowley as Chairman?

MR. McCONNELL: Yes, sir. General Clay, Captain Strauss, Mr. Nelson. Yesterday, in talking to Clayton, he mentioned, or rather I asked him if he had thought about the possibility the Treasury might help them on the committee. He said, "No I haven't, but I think it will be a good idea and I will write the Secretary a letter."

H.M.JR: My hunch is, Bell and White, I think McConnell should be on that as the Treasury representative.

MR. BELL: I am very much interested in the money they get abroad. We are getting a lot of that foreign currency to dispose of. We just sold sixty-four million the other day to the Foreign Economic Administration-- which has been taken over.

MR. WHITE: We have been in the midst of it. Both McConnell and Bell should be. I mean, Dan Bell has been and should continue to be and this would be part of also the matters which he is now currently interested in, but we have been having extended negotiations with the FEA.

H.M.JR: But my question is a simple one. Do you think McConnell should represent the Treasury on this question?

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MR. WHITE: No, not on the foreign exchange. I think one of our men should go with him.

MR. BELL: It is disposal of surplus abroad.

MR. WHITE: I thought he said what to do with the foreign exchange we get.

H.M.JR: It is going to be dollars.

MR. WHITE: Oh, as far as it is dollars, we are not interested.

MR. O'CONNELL: But should it be dollars? There are a lot of problems.

MR. WHITE: If Mr. McConnell attends, one of our men should go with him.

H.M.JR: And if Mr. Bell has anyone who should go with him, he can take him, too.

MR. BELL: I have a meeting every so often, anyway, with Bob. He keeps me advised.

H.M.JR: Is it all right? McConnell goes and he keeps White and Bell posted and takes any expert from either one of these people.

MR. BELL: Whenever the question comes up we can go.

MR. McCONNELL: Probably the same way as handling the Joint Contract Termination Board.

H.M.JR: Yes.

MR. BELL: I have a question on the ten dollar G. I. Bond.

H.M.JR: Why didn't that story break?

MR. BELL: It did. It wasn't in my clippings. The

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papers didn't carry it very much. The Federal Reserve got it. They hit the ceiling.

MR. SMITH: The reason it wasn't carried is because one of the Army men got drunk in the bar over here and tipped it to the AP, so it was an old story. The story that everybody has seen is the AP story they got out of the bar and not the story that came out of here.

H.M.JR: Is that what you meant at press?

MR. SMITH: Yes.

MR. WHITE: If an Army man gets drunk and tells that, maybe they tell other things.

MR. SMITH: The story broke prematurely, just a very short story. That is enough to kill it for any other purpose.

H.M.JR: Do you know who it was?

MR. SMITH: Somebody in the Finance Office, that is all I know.

(Mr. White leaves conference to meet Dean Acheson)

MR. BELL: On security, I think we ought to keep the series "E" bond, because we have had all the publicity around series "E". Maybe it would be better to dub it a service bond, rather than a G. I., I mean on the bond, because after all, the Navy and the Marine Corps are not known as G. I. That is an Army term and it might not be so popular if we called the bond officially, G. I. That is on the bond itself. I think we can probably dub it publicly G. I., like we did the baby bond. Then, too, I would like to put the G. I. in the number. There is a number preceding--

H.M.JR: You would put G. I.?

MR. BELL: G preceding the number and I following the number on the security. Would you call it a Service bond? I think we might call it a Service Series "E",

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which I think would keep the public off of it a little. I think you will have some pressure for public buying.

H.M.JR: I don't like the word "Service."

MR. BELL: That describes all the services.

MR. HAAS: Armed forces.

MR. BELL: I called it in the regulations, "Uniform Services."

H.M.JR: I don't like the word "Uniform." Armed forces--I like that.

MR. BELL: We will have to designate it some way to bring in the Army Nurses, the WACS and the WAVES and the Maritime Service, which is not the Armed Forces. Uniform Services would cover everybody.

H.M.JR: I don't like "Uniform Services."

MR. SULLIVAN: It is "Uniformed Services," isn't it?

H.M.JR: Think about it, but may I just get into that? The thing that Charlie set up, that machinery, let's use that. I would like to say, "It was Morgenthau got the ten-dollar bond for the man in the Armed Forces." Will you make a note of that and put it through the works?

MR. SMITH: Yes.

(Secretary holds telephone conversation with Mr. Rouse)

H.M.JR: Do you agree with me on that?

MR. McCONNELL: Yes.

H.M.JR: It goes up one thirty-second, they sell ten million.

MR. BELL: I don't agree with that, that they sell when it goes up one thirty-second.



THE UNDER SECRETARY OF THE TREASURY
WASHINGTON

June 6, 1944

TO THE SECRETARY:

The stock market is a little higher and fairly active. The Government market is quiet, with slight activity by some banks selling securities for reserve purposes. This was to be expected and the Federal Reserve is taking care of these cases. There has been no change in the prices in the taxable securities. Tax exempts are off only 1/32.

DWV3



June 6, 1944
9:36 a.m.

HMJr: Hello.

Operator: Mr. Sproul is here in Washington.

HMJr: Where?

Operator: They -- he's registered at the Carlton. I'll have to try and reach him.

HMJr: All right. And if you can't, get me Rouse.

Operator: Right.

HMJr: But -- and then if I -- I'm going on the Hill at a quarter of and after that, if I'm not around, Mr. Bell would like to talk to him very much.

Operator: All right.

9:44 a.m.

HMJr: Hello.

Robert Rouse: Yeah.

HMJr: How are you all in New York?

R: Everything is fine here.

HMJr: Are you relaxed?

R: Yes, sir.

HMJr: How much sleep did you get?

R: I got a full night's sleep. I didn't know anything about it until a quarter of eight.

HMJr: Shame on you!

R: Well, I -- I can't listen later than eleven-thirty.

HMJr: Well, if you got a good night's sleep, you ought to be able to take whatever is coming after ten o'clock.

R: Oh, I think so. I'm not anticipating anything....

HMJr: You're not?

R:at the present time.

HMJr: I'm not either.

R: And it wouldn't surprise me at all if things just went along pretty much as a normal day.

HMJr: Well, now, look, if they go up a little bit today, don't let that worry you. Will you, please?

R: Oh, well, I won't do any selling to hold it down.

HMJr: Not today.

R: (Laughs)

HMJr: No, I'm serious.

R: All right.

HMJr: I mean, if there's a little buoyancy enthusiasm, let the boys have their head today.

R: All right. Good.

HMJr: Will you?

R: You bet.

HMJr: And then if tomorrow you want to dampen it, okay.

R: Right. Well, I think it's -- I think we're going to go ahead pretty well.

HMJr: And then if at the end of the day, whoever sees the New York financial writers and it does go up, try to let's get over a story that the financial Community likes it and this is a good indication how the people feel and it's a good barometer. See?

R: Yep.

HMJr: I mean, so let's give ourselves a little pat on the back without breaking our arm.

R: Well, we'll see what we can do.

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HMJr: Will you do that?
R: Yeah. You'll be there today?
HMJr: All day.
R: You'll be there all day?
HMJr: And night.
R: Fine.
HMJr: Right.
R: Thanks a lot.
HMJr: Bye.

Meeting in Senator Barkley's Office
June 6, 1944
10 a.m.

Secretary Morgenthau, Dean Acheson and H. D. White called on Senator Barkley at his office at 10 o'clock, June 6, 1944.

The Secretary told the Senator that he was there representing the President to get Senator Barkley's advice as to the selection of two Senators to be appointed by the President as delegates to the Conference, one Republican and one Democrat.

Senator Barkley said he had thought the Secretary had stated there was to be only one Democrat appointed. He (Barkley) had felt that would be a mistake and was glad to learn it was intended to appoint two Senators. He said in view of the subject matter the representatives should come from the Banking and Currency Committee. He said that Senator Wagner would, of course, be the logical person to be the Democrat selected but that he wasn't too well and might not wish to accept. Senator Barkley said that the Committee wasn't an awfully strong one, but it would be most unwise to pick another committee because the Banking and Currency Committee would feel slighted and we might have some difficulties with them later. Barkley thought that Mahoney would be very good but Mahoney was tied up with the oil investigation and wouldn't be able to attend. Secretary Morgenthau asked Barkley "Well how about yourself." But Barkley said he wouldn't be able to get away though he would like to very much. If Senator Wagner couldn't accept he thought Senator Radcliffe would be the next choice. Acheson said Radcliffe would be very good.

On the Republican side Barkley said that he would have to speak to the minority leader, Senator White. Barkley said that Senator Tobey would be an impossible choice. He asked how we felt about Taft. The Secretary and I both commented that Taft was very able but was likely to be too partisan in his attitude and activities on this question. Barkley agreed.

The Secretary in response to Barkley's question as to whom he would prefer said that he would prefer Vandenberg. Barkley said he wasn't on the committee and he thought it would be better to stick to the Committee. Barkley thought that possibly Danaher would be the best of those available.

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It was finally agreed that Danaher might be the best of the Republicans available. Barkley said that he would talk it over with Wagner and White today and let the Secretary know tomorrow morning.

The Secretary asked him whether the Senate was going to be in recess and Barkley replied that they would most likely be in recess throughout July, and probably Labor Day. The Republicans said they ought to be back in Washington after the Republican Convention to watch the President. He thought, however, that they would adjourn until August then have the leaders return to Washington to see whether there was need for Congress to resume.

H. D. White

June 6, 1944
10:55 a.m.

HMJr: All right.

Operator: Go ahead.

HMJr: Hello.

Ed
Gossett: Mr. Secretary.

HMJr: Speaking.

G: This is Representative Gossett of Texas
talking.

HMJr: How do you do?

G: Fine, sir. I wanted to run down to see you
but maybe I can tell you on the telephone what
I've got on my mind and save your time.

HMJr: Go ahead.

G: I just got back from my home town which is
Wichita Falls, Texas.

HMJr: Right.

G: And I met there with the folks who are going
to put over the Fifth War Loan.

HMJr: Yeah.

G: And they have a very active and aggressive
Junior Chamber of Commerce.

HMJr: Yeah.

G: Well, the boys there conceived the idea that
they would get hold of a jeep.

HMJr: Yes.

G: And use it to run over the county with and
each person who bought a bond -- of course,
that would be off-the-record, because it
might violate Postal regulations -- they'd
give them a ticket and then at a final big
rally, they'd draw names out of a hat and
just raffle off this jeep so-to-speak....

HMJr: Yeah.

G:as a manner of promoting bond sales, which I think was a pretty good idea.

HMJr: Yeah.

G: So they came to me and imposed on me the responsibility of getting the jeep.

HMJr: Yeah.

G: And I thought that if one could possibly be procured, you might be able to get it for me.

HMJr: Well....

G: They'd pay for it, of course.

HMJr: Well, I'll tell you, I don't know but we'll see what we can do and if you don't mind, I'll let Mr. Gamble give you the answer.

G: All right. Now, shall I talk with him?

HMJr: No, I -- he's in my outer office and I'll tell him what this is.

G: Now, Mr. Secretary, it would really be a big help to the whole thing there.

HMJr: Yeah.

G: And a big favor to me.

HMJr: Yeah.

G: And we can handle it with or without publicity and they don't -- of course, everybody in the country is after jeeps, but this is a special cause.

HMJr: Well, we -- we'll do the very best that we can.

G: I thought there might be some depot down in that country where we could just send a little order for them to sell to the Junior Chamber of Commerce one jeep.

HMJr: Well, if it can be done, I'll do it.

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G: Well, fine. Thank you very much.

HMJr: I'll let you -- I'll give you the answer within twenty-four hours.

G: Thank you very much.

HMJr: I thank you.

June 6, 1944
11:00 a.m.

SCHEDULE FOR FIFTH WAR LOAN DRIVE

Present: Mrs. Morgenthau
Mr. Stone
Mr. Robert Smith
Mr. Fred Smith
Mr. Delehanty
Mr. Gamble
Mr. Shaeffer
Mrs. Klotz

H.M.JR: What I wanted to ask you gentlemen was where we are as far as the Fifth War Loan program is concerned.

Do you want to start first?

MR. GAMBLE: Yes, Mr. Secretary. We have a report here for you showing where we stand on everything.

H.M.JR: Why don't you read it. I don't know how much OWI knows, but I take it they know at least as much as I do, which is too much.

MR. GAMBLE: Well, the newspaper situation, first of all; we have prepared a letter of our invasion advertising; the art work has been completed on it, and the Committee will be here on a plane at two-fourteen. There is a Committee of five, Stewart Peabody, Charlie Alexander, Bill Cobb, Mac Rainbolt, and Sinclair to finish the copy.

We purposely did not attempt to finish the copy because we didn't know what the reaction would be immediately, to the invasion, and we felt it was something that could only properly be written after the invasion actually took place.

- 2 -

But the adds are all ready, and they will be here at two-fourteen this afternoon. I think I might say here that it will probably be a much more productive meeting if, after our first two hours together this afternoon, we make an additional report to you later in the day.

H.M.JR: I would like to see you people again at five, if I could, because I am booked solid up until then.

MR. GAMBLE: Fine, we will be ready.

H.M.JR: If I am still alive!

MR. GAMBLE: Because there are several policy matters which we will touch on now, but I may want to think about it during the day and make a decision at five.

One, we have already had inquiries from States this morning - which we expected - saying that they would want to start their drive early, the minute the invasion took place.

H.M.JR: May I interrupt you a minute? There is a Congressman from Wichita Falls, Texas, who wants a jeep to go around his county. Now, the fellow who has the jeep is Olrich. If you would pick that up - Fitz can give you the name of the fellow - I told him I would give him an answer - the Junior Chamber of Commerce.

MR. GAMBLE: Fine.

H.M.JR: We will buy it - they will buy it.

MR. GAMBLE: Buy one from Olrich.

H.M.JR: And I said you would give them an answer in twenty-four hours.

MR. GAMBLE: Right. We will do that when we leave here.

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H.M.JR: Can I forget about it? I said twenty-four hours. Olrich has five thousand jeeps, and that might be an idea.

MR. GAMBLE: To sell them not only there, but elsewhere?

H.M.JR: Yes. He wants to ride around the county. He has a group to go around and sell bonds from the jeep. If Olrich hasn't sold them all, grab them. He has five thousand.

MR. GAMBLE: Fine. That solves a lot of transportation problems for us.

H.M.JR: It could do a lot for us.

MRS. MORGENTHAU: Yes, as long as they haven't been sold.

MR. GAMBLE: A wonderful idea.

Now, we are preparing six new adds and changing all of the other adds, Mr. Secretary - the newspaper adds - adjusting those already out in the field to fit the invasion copy. Our outdoor advertising we cannot change, but we can strip the big posters on the invasion. We have the new Eisenhower poster - we have made a change in it. I would like to show you the stripping on it. (Mr. Delehanty exhibits poster) We have brought that map up over the binoculars, if you will notice, in the corner.

MR. DELEHANTY: They brought it up to cover the binoculars.

H.M.JR: (To Mrs. Morgenthau) I want you to see. It is an excellent drawing, I think.

MR. GAMBLE: Do you have the head on it?

MR. DELEHANTY: Yes, we have two heads. I will put this one on first.

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H.M.JR: Why don't you stand against the fireplace and everybody can see it. After all, the idea is to get a view.

I don't like that.

MR. GAMBLE: I like the other one better, too. Show them the two, Jack.

MR. DELEHANTY: This is a little hard to hold in place. Bob, would you hold it in place?

H.M.JR: I don't like that "Back "Em Up."

You people decide.

MRS. MORGENTHAU: I like the coloring much better. Have the red at the top and black at the bottom.

H.M.JR: I don't want to bother with it. You have a Poster Committee. Aren't you having a meeting afterwards?

MRS. MORGENTHAU: I don't know.

MR. GAMBLE: Now, we wanted to--

H.M.JR: Are you going to have a poster meeting?

MR. GAMBLE: That is tomorrow, but we brought them over for you to see.

MR. DELEHANTY: Right after this I think we ought to meet.

MR. GAMBLE: We brought them with us, Mrs.Morgenthau - the other poster, too.

MRS. MORGENTHAU: All right.

MR. GAMBLE: We have some excellent statements which are perfect for release right now, to be timed.

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As we see this, we don't think we ought to try to do everything in twenty-four hours, but use this period between now and our official opening date to build up to our opening, using the invasion theme to build up.

H.M.JR: I would just as leave that War Bonds didn't do anything for a couple of days.

MR. GAMBLE: Yes, that fits our plans perfectly.

H.M.JR: I think it would be bad taste to do everything--

MR. GAMBLE: Yes, but we have this which can be done in excellent taste - I mean, the papers will be hungry for it, because up to now they have had about fifty words on the invasion, but we have some wonderful statements from General Eisenhower, from Admiral King, from Nimitz, and from Vandergrift, all on the Fifth War Loan Drive, which are tied into the fighting, and which will be perfect statements to build up to a statement to be released by yourself over the weekend, just ahead of the Drive.

H.M.JR: My own hunch is - we have a lot of experts here - I wouldn't begin on this stuff much before Friday or Saturday.

MR. GAMBLE: That is good enough.

H.M.JR: I don't know how OWI feels.

MR. STONE: Yes, absolutely. You have enough of a build-up as it is.

H.M.JR: We don't want people to feel that we are capitalizing on it.

MR. GAMBLE: I think there are some things we could do. For example, certainly you would have the papers crying for it now, these statements from military leaders. That is an excellent advance to our War Loan Drive.

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H.M.JR: But I still say, I think if you start Friday or Saturday it is plenty of time.

MR. GAMBLE: The drive opens Monday. What we would like to do is release five statements. Now, I am completely in your corner on not using any bad taste, and holding back, but I would like to do nothing in the next three days but release one of these statements a day, with a statement to come from yourself over the weekend.

H.M.JR: I again say, I don't think I would start before Friday or Saturday.

Have you an opinion, Elinor?

MRS. MORGENTHAU: My offhand opinion would be that you are right. It seems to me that you don't want to rush in with war bonds; people want just plain war news with no attachment.

MR. GAMBLE: Say you start with Thursday morning's paper.

H.M.JR: I would start Friday.

MR. GAMBLE: All right.

MRS. MORGENTHAU: I haven't seen the statements, but--

H.M.JR: It would annoy me today. If you had to listen to commercials before the news today, it would irritate me terribly.

MR. GAMBLE: Well, the commercials on the air this morning are to this effect: "Lansburgh's have given up their regular commercial at this particular hour."

H.M.JR: I know, that is all right. I am just going to give you my flash opinion. I think I wouldn't start this before Friday or Saturday. I think that is rushing it enough.

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MR. GAMBLE: Well, we will compromise on Friday.

H.M.JR: This thing coming this way, you have all the breaks. Now don't worry, and don't rush.

MR. GAMBLE: I wouldn't do a thing in the way of radio copy or advertising or poster material. I wouldn't want to use a thing of that kind.

H.M.JR: If I had to decide offhand, I wouldn't start before Saturday morning, if it was left to me. This isn't an order, it is just my own personal opinion.

MR. GAMBLE: I understand. We will be talking all day about it. If we have any stronger recommendations at five - but I think we ought to, before you get away, get Fred working on a statement from you. A statement has been issued this morning; for example, Barkley up here has issued a statement this morning.

H.M.JR: We were with them. They woke him up at three o'clock in the morning - "Can you hear the invasion?" He said, "My God, I can't. I am on the twenty-first floor; my radio won't work. I can't even hear my radio, let alone hear the guns. Nobody wants to hear from me."

MR. GAMBLE: Mr. Secretary, you have one of the biggest operations in the history of this country starting on Monday.

H.M.JR: All right, but the statement that Fred wrote for the Texarkana papers, as I remember, is the best thing that has come across my desk.

MR. GAMBLE: If you want to turn it in for the Fifth War Loan, it is all right.

H.M.JR: But again, if it is coming from me, I don't want to sort of climb on.

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MR. GAMBLE: The most effective thing on September 9 was a wire to the newspapers that they use your statement as a box on the front page. It was one of the most helpful things we did in the Fourth War Loan.

H.M.JR: Ted, I am always for pushing. Right now, I think we are so lucky the way this thing has happened, as far as the Fifth War Loan is concerned, that we can be a little patient.

MR. GAMBLE: Well, we will bring it up again at five o'clock. (Laughter)

H.M.JR: You know, I have crowded you to get ready for this date.

MR. GAMBLE: well, we are ready. We don't know - we have, for checking, the overseas pictures, and we will be on top of that - but that is an unknown quantity at the moment; we can't tell you about what is going to happen to that.

The radio - you want to say a word about it, Bob?

MR. ROBERT SMITH: One of the first things that should be done is to caution the stations not to use any light music in connection with the recordings that have already been issued. Mrs. Morgenthau and I discussed that some time ago and we are shooting wires right out on that. We don't want any false notes. In fact, it might even be advisable to eliminate that, if it is in bad taste.

We have a lot of other ideas that have been worked into the plan, based on the preliminary plan worked up several weeks ago. All the arrangements have been made except for final release.

In the report I submitted to Mr. Gamble you will note that there are several arrangements that were set for D-Day. I will read this - this is all pending this meeting and your decision:

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"The network radio section has set up a foreign service in the New York office, headed by Mr. Julian Street and Mr. Morton Milman. These gentlemen are responsible for providing creative material, that is, factual material, to advertising agencies and networks for tying in War Bonds with the invasion. Plans for this service were matured a week ago and they are already working directly with the largest advertising agencies."

MR. GAMBLE: Let me explain that, Bob. We have sent people to each one of the large commercial advertisers that are sponsoring a program to discuss in detail with them how they are going to turn that program to the Fifth War Loan, which will mean the Fifth War Loan now in invasion, with the idea we could be helpful to them with facts and special writing through the War Writers Board, if we could interest them in that. So we don't get a hitch-hiking job, or Fibber McGee and Milly, who have an entirely different idea about selling war bonds. And I think it is an especially good check on what we are going to get on the air.

MR. ROBERT SMITH: Incidentally, that has all been spoken in conjunction with OWI, so we will find out all the policy matters - "Working through the OWI we have already arranged to have War Bond announcements, using the theme 'Back the Attack, Buy More Than Before,' on all important news pickups and network shows, pending a decision of this meeting--"

MR. GAMBLE: As to when it will start, Friday or Saturday.

H.M. JR: Now, I would like - Mr. Stone, isn't it? Personally, the more I listen, I wouldn't start the Fifth War Loan stuff before Saturday. Now, I would like to know what he thinks.

MR. STONE: I feel that way, too. I think, Ted, that

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Friday or Saturday - this was based - of course, when this was written, we didn't know when the invasion was going to happen--

MR. GAMBLE: We thought it was going to be during the Drive. Our best guess was, when we wrote this, that the Drive would be on three or four days when it happened.

MR. STONE: But this ties right in with our regular allocation plan. They are simply feeding these people more material.

H.M.JR: What I want to say is this - I was up most of the night, and right now I don't want to hear anything but war news. Now, if you start Saturday, that is O.K., starting Saturday. Beginning with Monday the Fifth War Loan is going to start, but I don't think I want to hear it Friday.

MR. GAMBLE: I think we ought to settle that, then, Mr. Secretary, because that is so much in keeping with what we have thought. The suggestions I made were not important enough to interfere with that.

H.M.JR: I don't think I want to hear anything about it. I mean, it is a little bit the same as when they first used to have these shows - the War Department - and they would say, "This isn't sponsored by the War Department, this is Corn Products," or something else. They have changed it now, but you never quite knew whether the War Department was selling jello, or whether it wasn't, and it used to irritate me to hear about some hero coming back, and then be mixed up with jello or corn starch, or something else. And then at the end they would say, "Of course, the War Department isn't sponsoring this," but--

It irritated me, and I think everything from our standpoint is perfect. You men thought it was going to be in the middle. Now we have everything that we can ask for; provided the boys have the breaks at the front.

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I just don't want to break in on that thing, really, much before Saturday.

I would like Fred to say something.

MR. FRED SMITH: Well, I think it is not only a matter of taste, but I think it would be physically impossible to break into it until Saturday. You couldn't do anything. They wouldn't pick up anything in a newspaper; nobody would read it if it were there until the first of this is over. You would be wasting your time, anyhow. I wouldn't start it until Saturday, or even Sunday.

MR. GAMBLE: Well now, Fred, you talk about Sunday - you open this Drive on Monday, and don't forget that there have been hundreds of War Bond meetings planned Friday, Saturday, and Sunday because of the need to get ready for the Monday operation, and I don't want to commit ourselves here that we aren't going to do anything until Sunday.

H.M.JR: I will settle for Saturday.

MR. SMITH: I will, too.

MR. SHAEFFER: I agree with Fred; they won't read it until Friday or Saturday.

H.M.JR: You fellows talk about it during the day.

MR. GAMBLE: All right, sir.

H.M.JR: You know how I feel, anyway. I mean, I am emphatic here, but that doesn't mean with these boys that I am superimposing it. They come in and want to know how I feel. They come back tonight and may get me to change. I very often do. But at least on a day like this my feelings are fairly strong, as everybody else's are, and I just would hate to have the Fifth War Loan and the Government in any way - have some little snip-snap on some radio station do what they did to us about the Japanese atrocity thing.

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MR. GAMBLE: Of course, we have a double problem there. That is what Bob was touching on. He thought we should move immediately to counteract that. I agree with that. I think we should move at once.

H.M.JR: That it is killed?

MRS. MORGENTHAU: Yes, we talked that over last week.

MR. GAMBLE: That is as important as deciding when we are going to start our own material.

H.M.JR: All right.

MR. GAMBLE: We will be ready at five o'clock, Mr. Secretary. We are in a very good position, now, of talking what we should turn off and what on.

H.M.JR: It has cleared the atmosphere a little bit. Do you have anything else?

MR. GAMBLE: No.

H.M.JR: Mrs. Morgenthau wants to read one or two pages that she is bothered about, in this script. She would like a little advice.

MRS. MORGENTHAU: Well, now, I don't know - after reading a little to you, I would like to take it up with the group afterwards, because I can't give you a great deal of it.

As you know, we are having these four transcripts made, and they are so powerful and they are so good that I think, after your three or four meetings, they will most likely be the things that receive more attention than anything else during the War Bond Drive. And therefore I think we want to be sure that they express what you, personally, want to get over. Now, these two are based primarily on what you told Mr. Ogler and Mr. Robson you wanted.

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What you were so afraid of was that after the invasion started, if peace terms should be offered, that the American public should be conditioned to know that it isn't just Hitler, but that it is the German people and the German Army, as well as Hitler, that are responsible for what has happened.

And based on this, Ogler has done a play which was between two soldiers, which we have passed, and Robson has done a document which he calls "High Command," in which he stars Mr. Paul Lucas, Eric Von Stroheim, and others.

I have no question in my mind that the thing is well done. I will have to give you this little background before I read the thing.

The announcer says that this is a war, not only of men and machines, but of ideas; then there is a discussion between Hitler and the Generals, and Hitler abdicates. I mean, this is in the form of a play - which I won't read you.

Then the thing is taken up by Mr. and Mrs. Main Street in America, talking to Mr. and Mrs. Mannstrasse in Germany.

I think I will have to read you a little bit of it to get you in the mood. Mrs. Main Street says, "Well, that is the silliest thing I ever heard in my life. John, don't you think that was silly?"

He says, "Yes, those radio plays - propaganda. Another war in twenty-five years. Boy, when we get through with the Germans this time, there won't be enough of them left to make sausages for the starving Greeks," and so forth and so on.

Lucas, the German, says, "Is this 1944 or 1918? I remember these same grave American words in 1918, only it was the Kaiser you were going to hang, and I believe he was going to be suspended from a sour apple tree."

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H.M.JR: May I interrupt you? There is one thing I would like to ask. Does it mean make sausage meat of the Germans?

MRS. MORGENTHAU: Yes.

H.M.JR: That, I don't like.

MRS. MORGENTHAU: I thought I would like to give you the general idea. It is awfully hard to get it to you without reading the whole play. But if you liked the whole thing, I would like to talk it over again with others.

Then Lucas says, "Isn't this a typical American attitude - walk away from the unpleasant? We Germans are different. What we like least, we learn the most about so we can defeat and conquer it."

Then they go on - "Like what?"

"Like the United States of America, for instance. So long as you and your fellow citizens think and act as you did in 1918, we will win the war."

Then he goes on - and this is the part you ought to pass on - he says, "Hay, now wait a minute. Let me get this straight. You won the war in 1918?"

Lucas says, "Certainly."

"Brother, I have been reading the wrong history books."

Lucas says, "That is wholly possible. They concern themselves more with names and dates than with economics."

Then he goes on and he speaks about the various things that happened in the last Peace Conference and about the money end of it, and he says, "These men around the table are not sentimentalists; these are statesmen, law givers, sitting in judgment on a beaten enemy, and you can't get blood out of a turnip, can you?"

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The American says, "We will settle for fifteen billion," and the German says, "We can never pay."

Then he goes on about all the things that happened in the last war and says, "Mr. Main Street, you do us an injustice. We solved the reparations problems before the Fuehrer came into power; later we claimed reparations," and so forth and so on.

"People have short memories; they believe what they are told."

Main Street says, "That is propaganda."

Lucas: "Of course, funny how that word propaganda frightens you Americans, you are such masters at it."

Main Street: "What do you mean?"

Lucas: "Advertising. You sell toothpaste and soft drinks to the whole world by propaganda, but you are unwilling to use it to sell your democratic ideas. We Germans have no such scruples."

Main Street: "Yes, I can see that."

Lucas: "Oh, there is another thing about the reparations matter that might interest you. You see, your country did not claim any reparations, but you did invest heavily in German industry."

Then he gets in that whole thing about industry that you spoke of, you know, doing business with the Germans, which I think is very strong. Then he says, "Hitler is merely the contemporary expression of German supremacy. He has contributed many valuable techniques, but he has originated nothing. The plan existed long before Hitler. The Master Race will rule the world long after him," which is really the crux of this play.

Then Mrs. Main Street says, "I think you are as crazy as Hitler."

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Lucas: "Yes, I know, that makes it so much easier for us. You think we are mad. We frighten you a little but you really don't take us seriously. You win a military decision in a little war in France and you take it for granted that you have saved the world for democracy. We prefer it that way. It gives us an opportunity, each time, to prepare for a bigger war. In the end we will win, because we have only one goal, to rule the world."

Main Street: "Oh, nuts!"

Then Lucas makes a speech which I think should be changed. This is one thing that bothers me. I will read it just as it is written:

Lucas, the German: "You cannot dismiss us with an American vulgarity. You have your weak democratic creeds, these high-sounding phrases to which you pay passionate lip service, and by which you are unable to live - all men are created equal, regardless of race, creed, or color - your Four Freedoms - not one American in a million can remember what they are.

"You defile synagogues in New York, you lynch Negroes in the South, you starve and freeze a third of your population. You slobber over the Rights of Man, but you don't grant them, because you can't. But consider how different is the approach of the Master Race - realistic, practical. These are the ideas by which we will rule the world."

Now, I think that is - unfortunately, some of these things happen.

MR. FRED SMITH: That is too big a selling job.

MR. STONE: There is no rebuttal.

MR. GAMBLE: There might be, if he takes up each point; if Mr. Main Street answers. That is as much of the script as has been submitted, but if Main Street takes up those points, Mrs. Morgenthau, and discounts them--

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MRS. MORGENTHAU: It has to be awfully carefully handled. Then he says - here will follow the quotes of the "Blood and Iron" philosophies. Then a sequence touching on Nazi modus operendi in this war - Poland, Czechoslovakia, etc.

Then the pattern for the future, in which the High Command plans to go underground after a negotiated peace and plan the next war.

H.M. JR: I don't know who said it, but I think the Germans are doing a better job of selling than the American who is answering.

MR. FRED SMITH: Furthermore, he has brought up some things that you can't un-sell. You can't explain the fact that there are lynchings in the South. Most of the things he said, exist; the guy is right, unfortunately.

H.M. JR: You can't explain around Boston, where those school children went into some of the graveyards, and so forth.

MRS. MORGENTHAU: I think that is very bad. I, personally, don't like that whole paragraph. But I wanted the other people's opinion on it. How do the rest of you feel?

MR. FRED SMITH: I don't think it is any problem. I think it could be changed to get away from the philosophic dilemma.

H.M. JR: I don't know - the little I heard made me feel - well, it is the regular talk which Hitler grew on, that we were being too tough on reparations and caused the downfall of Germany.

MR. GAMBLE: That goes into detail, Mr. Secretary, and shows how the Germans actually made a profit of two billion dollars out of reparations with us. It goes into considerable detail.

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H.M.JR: But you are planting a lot of seeds and I am not sure you are going to wipe them out with the answers.

MR. GAMBLE: I think if you heard that whole story - up until this last paragraph it is a very convincing script and, I think, very well written.

H.M.JR: I personally, though, before okaying it, would like several people's opinion on it, because it is too strong to let it go. You have raised a lot of doubts, you see.

Can't some people sit down with you? How busy are you, Mr. Stone?

MR. STONE: I would like to. The end isn't on there, of course.

MRS. MORGENTHAU: No. But I don't know how you feel, Mr. Gamble. I think, personally, if we could decide what we don't like, it would be better to call him before he finished it, because I am afraid he is going to tie the end onto this last paragraph. If we ask him to change that considerably, I think he might want to change it now.

MR. GAMBLE: Certainly, that is true - unless it is enroute, now.

MRS. MORGENTHAU: It is a strong script, but I think--

MR. GAMBLE: I think it is a brilliant script up until the last paragraph. If that isn't qualified, it is very bad.

MRS. MORGENTHAU: Are you going to be very busy?

MR. FRED SMITH: I will be here. I will be busy for a few minutes to talk to the Carnation man. If I

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were you I would just call Robson and tell him, because he may not have thought of it in that light. The minute he does - I mean, he is writing it; he can do it. It is a valid objection. You are not picking at what he is doing.

MR. GAMBLE: No, he recognizes that, Fred.

MRS. MORGENTHAU: I wonder if it strikes you that way.

H.M.JR: Well, who can help?

MRS. MORGENTHAU: Yes, because I don't want the final responsibility.

MR. GAMBLE: I think, Mr. Secretary - this is my own suggestion - I think Mrs. Morgenthau knows more about it than any of the rest of us. I say that quite candidly. I think, after our discussion, it might be well for her to talk to Mr. Robson on the phone and discuss it with him.

MRS. MORGENTHAU: I really want somebody else to read it, besides, to see if any other parts should be changed.

MR. GAMBLE: I would suggest, Mrs. Morgenthau, if you would like, I can either come over here and you can call Mr. Robson when it is convenient to you--

MRS. MORGENTHAU: I would still like to have somebody else read this script. I would like to have the whole thing looked over.

MR. GAMBLE: I have read the script. I am free right now.

H.M.JR: Why don't they adjourn across to the Chart Room and settle the thing now - why not between now and lunch?

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MR. GAMBLE: Fine.

MR. FRED SMITH: Are you going to do anything about getting radio time for your speeches? Mr. Stone is here.

MR. STONE: Fred, we are bringing our people over at one o'clock.

H.M.JR: Are you coming back at five o'clock?

MR. STONE: Yes, sir.

H.M.JR: Will you give me my schedule on radio time at five o'clock - what I have or haven't got?

MR. STONE: I will try to do that.

H.M.JR: When is your Carnation man coming?

MR. FRED SMITH: He is here now. I have just told him that we can't tell him what is going to be on the show until probably after Hollywood. Then, you see, we will have all of our people - Welles and Stewart and everybody, in the plane coming back East. We can lay out the show. He will either get on or off with that, and then we are clear.

June 6, 1944
12:50 p.m.

Ted
Gamble: Yes, Mr. Secretary.

HMJr: Look, Ted, what are you doing to help get the time on this Texarkana show?

G: Well, Mr. Secretary, there hasn't anybody done anything but me on it and I've been on it for a solid week.

HMJr: Well, here it is. I mean, I'm supposed to go out there and I've got to worry about whether I get time or not.

G: No, you do not have to worry about it at all.

HMJr: Well, I don't know

G: Smith knows that. Smith knew that there was a meeting today on it.

HMJr: Yeah, he told me that.

G: That's right. And he knew that we were waiting for Mr. Ludlum to return from out of town to sit down today and go into all three programs.

HMJr: Yeah, but you -- you wait -- you're waiting awfully close.

G: Mr. Secretary, we had a meeting three weeks ago with the Networks and told them about this program. We've been in daily touch with them.

HMJr: But the net result is: here it is Tuesday and I don't know yet whether I have any time for Monday night.

G: Well, if you'll remember back, that's been our situation in every one of these and there's been two reasons for it. One, the uncertainty of the President -- I talked to Early's office from Smith's office this morning so he's abreast with that.

HMJr: Well, this isn't Smith. This is Morgenthau talking.

G: Well, I -- I'm -- he brought it up this morning, Mr. Secretary, and he has known all about it. He's known everything that's been going on about it. I've talked to him not less than three times a day about it.

HMJr: Yeah.

G: And then the other thing is the uncertainty of the script.

HMJr: Well

G: Because in each instance we've given the Network some idea what the program was about.

HMJr: Yeah.

G: Now, the time -- question of getting time, we have one Network and we've had one Network all the time on it.

HMJr: Which one is it?

G: The Blue Network. Now, we want all four networks and before we were placed in the position of being able to put some heat on these fellows to get the four networks, we wanted to be supported by -- if we were going to get a favorable nod from the President, we wanted that in our camp.

HMJr: Yeah.

G: Because it would save us a good deal of argument with the Networks. The other thing was, we wanted some -- a little more information on the show itself before we turned on the pressure for the other Networks, and in the meantime, we have had the Blue Network.

HMJr: Well, the record of the show has been here for four or five days.

G: Well, the record, Mr. Secretary, I don't think was a good thing to give them, because it didn't give them the information on it. I listened to the record. My reaction to the record was pretty much the same as yours.

HMJr: Yeah.

G: And I didn't think it was the sort of thing we wanted to use to sell the Networks, especially when we talked about the changes that were going to be made in it.

HMJr: Yeah. Well, I -- I -- I'm glad that Smith did bring it up because

G: Well, Smith could have added when he brought it up that he knew there was a meeting in an hour on it.

HMJr: Well, he's told me about the one o'clock meeting. Now, what is the one o'clock meeting?

G: The one o'clock meeting is with the Office of War Information who have to clear all of our radio time.

HMJr: Well, are they coming back at five o'clock?

G: One of them will be back at five o'clock. Yes.

HMJr: Well, I hope I get some kind of a report, because I have -- I give you, if I say so myself, I mean, whenever you want anything, you get it promptly.

G: Mr. Secretary, there hasn't been a minute lost on this.

HMJr: Yeah.

G: Not a minute lost on it.

HMJr: Well, it just adds to my tension.

G: Well, we've had this problem. I think you ought to know the problem we deal with... We have the problem of being unable at this moment to tell anyone anything that's going to be on the show a week away in Chicago. Now, that's -- it's easy to get some kind of time, but it's not easy to get the best time for you unless we have a little more information than that.

HMJr: Well, heretofore.....

G: I'm not making it as a complaint because I don't mind working at the eleventh hour on it.

HMJr: Yeah. Well, I -- I -- I -- I am complaining.

G: Yes.

HMJr: And I -- I -- notwithstanding what you say, I -- I still think that maybe I'm going on too much. Maybe, I shouldn't go to Chicago. I don't have to go to Chicago.

G: Oh, I think you should -- very definitely should do the things that you're planning to do.

HMJr: Well, I don't have to go.

G: But I do think this, Mr. Secretary, I think that we could have -- we could have our program in Chicago in a little better shape at this time.

HMJr: Yeah.

G: And I say that constructively and not critically.

HMJr: Yeah. Well, as I understood it, it was a question of whether Carnation was going to write this show or not.

G: No, it was -- the question was that we weren't able to tell Carnation anything that we were going to do on the show. Now, we couldn't even give them an okay on using three or four of their own musical numbers on the show. Now, that's not giving people very much information when we want to move in and take their time.

HMJr: Yeah.

G: And Fred wanted to hold them until the 15th day of June to tell them what was going to be on the program on the 19th.

HMJr: Well....

G: I think that's too late, very frankly.

HMJr: Well....

G: And as I say, I'm not saying that critically. I'm saying it constructively because I think that you, too, are entitled to know what's going to be on the show.

HMJr: I am because it's -- it's a great effort and if I say so myself, I put myself available twenty-four hours a day and I hate to be bothered with not knowing whether I -- if I go to a place, whether I'm going to be able to talk.

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G: Well, you shouldn't be and Fred knows all the problems that we've been dealing with on the time.

HMJr: Yeah.

G: And I don't want him slipping the shoes around on other feet on it.

HMJr: Yeah.

G: And I want you to know that it takes half of my time, Mr. Secretary, to pick up these things and carry them on.

HMJr: Yeah.

G: And -- but I'm doing it. I know my responsibilities to you.

HMJr: Yeah.

G: And I watch them all day long, every day.

HMJr: Well.

G: And between talent and radio time and shows

HMJr: Well, I hope you'll have

G: But it's a pleasure to do it.

HMJr: Yeah. Well

G: And we're in the same shape, Mr. Secretary, on this time that we always are at this time -- that much ahead of our program.

HMJr: Yeah.

G: Plus the fact that we have one Network in the bag on it.

HMJr: Yeah.

G: And we've had them for three weeks.

HMJr: Well, let's hope that you've got a good report for me at five o'clock.

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G: All right, sir.

HMJr: Thank you.

G: All right.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

June 6, 1944

TO Secretary Morgenthau

FROM Fred Smith

Schedule for Broadcasting Scripts

1. The Texarkana script is due to be wired in today. This, of course, will have to have substantial changes in wording as a result of the Invasion. We will work on that in Hot Springs Friday and Saturday. By Saturday the script should be complete.

Neither time nor multiple networks have been set on this show. We would prefer to have 9:00 to 10:00 e.w.t., which makes it 8:00 to 9:00 in Texarkana.

2. Preliminary Hollywood script has been cleared but the Invasion will make serious changes. Stewart and Lyon are working on the revision which will be ready except for your part by the time we leave for Hot Springs. You wanted them to hold up on your part until the trip so you could talk to them. This means the script can not be complete until Friday or Saturday.

No time has been set on this show. Hollywood prefers 8:30 to 9:00 their time, which is 11:30 to 12:00 e.w.t.

3. The Chicago show is a week away from the Hollywood show, and so much can happen during that week that I believe that we shouldn't do any serious worrying about this show until we finish in the Hollywood bowl. Welles, Stewart and Lyon will return east with us on Thursday morning. We can discuss the show and set its format on the plane, and the script can be written Friday and Saturday. We can check it finally with you on Sunday. This would appear to be a tight schedule except that we will have an opportunity to discuss it thoroughly on the plane, and will have had the experience of the other two broadcasts. This is the proposal I am going to put to the Carnation people. If they won't turn over their time with the

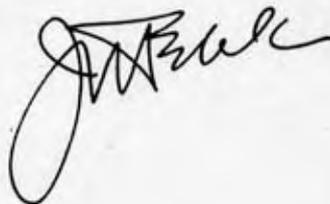
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simple announcement at the beginning that they are giving it to us, then we will take network time or get it from some other sponsor.

June 6, 1944

TO: Mrs. Klotz
FROM: J. W. Pehle

Please advise the Secretary
that Hirschmann will be here
Thursday morning. He may want
to advise Mrs. Bruggmann
accordingly.



1:15 - Thurs —

June 6, 1944
2:26 p.m.

HMJr: Hello.

Operator: Go ahead.

HMJr: Hello.

Madame Bruggmann: Good afternoon, Mr. Secretary.

HMJr: How are you?

B: Very well, thank you.

HMJr: Madame Bruggmann, I wanted to tell you that Mr. Ira Hirschmann will be in Washington Thursday.

B: On Thursday? Well, that's splendid.

HMJr: Yes.

B: Now, how can we get in touch with him?

HMJr: You just tell me and I'll give him the message.

B: Well, can we ask him and Mr. Pehle for luncheon then on Thursday?

HMJr: Do you want both?

B: Yes. My husband's delighted.

HMJr: He would be. Well, I'll extend to them an invitation, both of them, and I accept for both of them.

B: Well, that's very kind of you.

HMJr: Now, what time would you like them?

B: A quarter after one.

HMJr: A quarter after one.

B: Yes.

HMJr: They'll be there and I hope you all have a good time.

B: I know that we will, Mr. Secretary, and I think it's too kind of you to be interested in it all.

HMJr: Well, I am.

B: Well, it's very, very good of you.

HMJr: Thank you.

B: Thank you very much and thank you for the other evening.

HMJr: Well, we enjoyed having you.

B: Thank you.

HMJr: Good bye.

B: Good bye.

June 6, 1944
2:40 p.m.

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HMJr: Hello.

Operator: Miss Tully. Go ahead.

HMJr: Hello.

Grace
Tully: Hello, Mr. Secretary, how are you, sir?

HMJr: Oh, I feel wonderful as far as this invasion goes.

T: Yes. I think that was well timed with the news of yesterday, too.

HMJr: I'll say so.

T: Yeah.

HMJr: Everything seems to be going good. I knock wood.

T: Yes. Of course, we won't know much about this operation today for a little bit, I take it.

HMJr: That's right.

T: The success of it but let's just keep our fingers crossed and pray to God that it will work.

HMJr: That's right. Grace, I want a little help for the sake of the President as well as myself.

T: Yeah.

HMJr: On -- let me just see -- May 26th Cordell Hull wrote a letter to the President in regard to a proposed loan by Jesse Jones to the Netherlands Government.

T: Yes.

HMJr: Have you got that?

T: Yes.

HMJr: I get a letter today dated June 2nd in which Hull says, "This is to inform you that the President has indicated approval of a letter which I sent him on May 26th with regard to the proposed credit."

T: Uh huh.

HMJr: In the mean-- we've been opposed to it. We didn't think the Government should make any loans. You see?

T: Uh huh.

HMJr: In the meantime Winthrop Aldrich walks in here and tells us he is ready to lend them a hundred million dollars from private sources.

T: Yes.

HMJr: And if they go ahead and do this thing through Jones, it makes a perfect joke out of the Government

T: Uh huh.

HMJr:when they can borrow it privately.

T: A hundred

HMJr: It's a hundred million.

T: A hundred million. Uh huh.

HMJr: And Aldrich was over to see somebody at the State Department and they sent him on over here....

T: Uh huh.

HMJr: as the proper place to handle it.

T: Yes.

HMJr: In the meantime, Hull sort of goes behind my back to the President and I imagine -- I don't know what the President -- whether he wrote "O.K., F.D.R." or something.

T: Yeah, I can pick it up and find out, but I suppose that's what he did on the copy probably.

HMJr: Yes. And it gives Mr. Winthrop Aldrich, who is backing Mr. Dewey, a marvelous chance to say, "Here the Treasury told me on Monday that they were in sympathy with the banks to lend the money and in spite of that Mr. Jones goes ahead

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HMJr:
Cont'd. out of the other side and makes them a Government loan of three hundred million."

T: Yeah.

HMJr: It's just cock-eyed.

T: Yes. Well, now, it hasn't -- it actually hasn't been done yet, I suppose.

HMJr: I don't

T: It's just been

HMJr: I don't know. Jones acts awfully fast.

T: Yeah.

HMJr: And I've been trying to get hold of Stettinius and I can't.

T: Uh huh.

HMJr: But if you could have somebody dig this up.

T: Yes, I'll pick up the correspondence on it.

HMJr: And find out just what the President did.

T: Yes.

HMJr: He's usually so careful on these things.

T: Yes, usually says, "Ask the Secretary of the Treasury what he thinks."

HMJr: That's right. And I

T: But, of course, sometimes it can just be an okay and especially these days with all that he's....

HMJr: I know.

T: ...had on his mind. Probably, you know, not going into it as thoroughly as he would ordinarily.

HMJr: Well, let's see if between us we can't

T: All right. Fine. And let me dig it out and I could make him a little memo on this to say I've

T:
Cont'd. spoken with you about it and that Aldrich has offered to do it and that you have not been in sympathy with it and, yet, you understand that he approved it and does he want to do anything further on it.

HMJr: Well

T: I mean, he can pull back the approval if it hasn't been done.

HMJr: Sure. And I think that if the Chase Bank and other banks are willing to lend the money.

T: Yes.

HMJr: They should be given the first opportunity.

T: Yes.

HMJr: And if they can get it from private sources, the Government shouldn't do it.

T: Uh huh.

HMJr: See?

T: Yes. .

HMJr: And also, if you don't mind, either I am responsible on these questions or I am not.

T: Uh huh.

HMJr: And up to now he has told me I am and I think without being too conceited I can save him some headaches if he would leave it with me.

T: Yes. Well, you know every once in a while, as I just said, it's one of those slip-ups that should probably have gone to you to be checked first or for your opinion or what do you think, or something like that which didn't happen, but let me pick it up and see what did happen.

HMJr: He's always -- you take on the Chinese thing -- he doesn't make a move without referring it to me.

T: Uh huh.

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HMJr: And I'm glad to do it, but we're all human and I know he's under great pressure.

T: Yes.

HMJr: You call

T: Well, all right. Let me dig up and see what I can find out and then I could give him a little memo and I'll call you back.

HMJr: Thank you.

T: Fine, Mr. Secretary. Good bye.

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6/6/44

Copies to: Mr. D. Bell
Dr. White

Phoned Mr. Stettinius' Secretary that the President said Mr. Stettinius and HM, Jr should get together and let the President know, and that when Mr. Stettinius is ready to meet with the Secretary he will be glad to see him.

June 6, 1944

Miss Tully just called me and said she talked to the President about this matter of the loan to the Netherlands and that the President simply wrote "O.K." on the letter from Hull, but in view of what I said the President said that Stettinius and I should get together and let him know. So I said, "Well, in the meantime Jesse Jones might go ahead and lend the money. Can't you do something about it?" She said, "I will get authority from the President to put a stop order on it to Jesse Jones until Stettinius and you get together."

June 6, 1944
2:45 p.m.

LOAN TO THE NETHERLANDS

Present: Mr. White
Mr. McConnell
Mr. O'Connell
Mr. D.W. Bell

H.M.JR: I am mad! I get a letter from Hull written June 2 and mailed the night of June 5 - "This is to inform you that the President approved form of letter which I sent him on May 26."

(Mr. McConnell enters the conference)

H.M.JR: "This is to inform you that the President has indicated approval of letter which I sent him on May 26 with regard to proposed credit to the Netherlands Government, a copy of which I enclosed in my letter to you."

(Mr. Bell enters the conference)

H.M.JR: Hull writes me that the President approved Hull's memorandum to him for a Netherlands loan.

Now, I have read this thing, and I can't - have you read this letter of Hull's?

MR. WHITE: That he sent to you last week?

H.M.JR: Just read it once. Does he definitely approve the loan? At the end he says, "If they want to get private funds" - while he is reading it - I have called up Miss Tully and I said, "This makes a perfect joke out of the President. Here comes Winthrop Aldrich in here Monday and he wants to lend a hundred million dollars to

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the Netherlands Government - if you don't mind my being a little political, to make my point across the street - he will want to have his backers - and the next day Jesse Jones lends him three hundred million of Government funds. Now, I ask you!

I said, "The President should either look to me entirely, or he shouldn't. Up to now, he has."

So she said, "Well, you know the President is terribly busy. He should have sent it over to you, as he usually does. It most likely slipped by him."

MR. WHITE: This isn't approval. He is saying that it is desirable to explore it further. I will read the key sentence, if you like.

H.M.JR: Yes.

MR. WHITE: "Providing the measures mentioned above with respect to the gold of the Dutch Bank were taken, the possibility could be explored of an arrangement whereby some of this gold may be used as interim collateral, which could subsequently be released against dollar securities turned over by the Netherlands Government. The possibility could also be explored of private participation in the matter," and so forth and so on.

H.M.JR: Yes, but look what Hull says: "This is to inform you that the President indicated approval of the letter which I sent him on May 26 with regard to the proposed credit of the Netherlands Government."

MR. WHITE: The approval of this letter would be merely approval to explore the matter further. It would not be approval of granting the loan.

MR. O'CONNELL: Acheson and the other chap yesterday didn't seem to believe that any decision of that sort had been made. You recall, you mentioned it, and they mentioned the letter they had sent to the President.

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H.M.JR: Yes, but you read this letter; it is a tricky piece of business. If Jesse Jones gets that -- I know Jesse - on the strength of that, Jesse goes ahead and makes a loan.

MR. BELL: Has that gone to Jesse?

H.M.JR: Well, you can be sure. I asked, "What did the President say to Hull?" She will dig it up for me.

MR. WHITE: Again I say, approval of that letter is approval to explore the matter further, but not approval to make a loan.

H.M.JR: Yes, that is why I asked you to read it. Supposing you got that.

MR. WHITE: Then I would have to read that.

H.M.JR: You, knowing Mr. Jones--

MR. WHITE: Well, if I were Jones, on the strength of this I would call on the Dutch and begin to negotiate, but I don't think I would close.

H.M.JR: Listen, if I were Mr. Jones, and I had that, I would go ahead and negotiate.

MR. O'CONNELL: Jones has probably done everything but close, already.

H.M.JR: Well, that is the way you burn up yourself around town here. But the President has usually been very good. He will do something.

MR. WHITE: The President will reverse himself.

MR. BELL: No, I get a little different - it says in the second paragraph, "It is the view of the Department of State that the proposed credit would be desirable. If satisfactory arrangements can be made with regard to the collateral"--

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MR. O'CONNELL: Proposed credit by Jesse?

MR. BELL: He says the credit would be desirable. Now, he says, "Providing the measures mentioned above with respect to the gold of the Netherlands Bank are taken, the possibility could be explored." The possibility of what? The collateral?

MR. WHITE: The collateral, the credit, and the loan.

H.M.JR: Now, what is this license they say they will issue, the State Department?

MR. BELL: Under the Trading with the Enemy Act, where they can certify the Netherlands Government has the authority to draw against the Federal Reserve balance, and so forth.

(The Secretary holds a telephone conversation with Mr. Stettinius, as follows:)

June 6, 1944
2:53 p.m.

Operator: Go ahead.

HMJr: Hello.

Edward R. Stettinius: Hello, Henry.

HMJr: Ed.

S: Yes, sir.

HMJr: I just got a letter from Cordell Hull dated June 2nd, mailed on June 5th, which says this: "This is to inform you that the President has indicated approval of a letter which I sent him on May 26th in regard to proposed credit to the Netherlands Government, a copy of which I enclosed in my letter to you under the same date." Now, I don't know how much you know about this.

S: I don't know anything about it.

HMJr: Well, let me tell you. This has been going on. We have taken the position here that the Government shouldn't make any loan, Jesse wanting to do it because their credit was good enough....

S: Yeah.

HMJr:and that they could go and borrow from the banks.

S: Yeah.

HMJr: Mr. Winthrop Aldrich was in town yesterday. I understand he's been over to see the State Department -- let me ask Joe. (Aside: When was he over to see them?) Friday.

S: Yeah, he saw Hull here Friday.

HMJr: Well, he saw Hull as of Friday.

S: Yeah.

HMJr: And Hull sent him over here.

S: Yeah.

HMJr: We told him that we looked with sympathy and Winthrop Aldrich is ready to lend them a hundred million dollars, completely justifying the position that we have been taking for months that it wasn't necessary for the Government to go into this business.

S: Right.

HMJr: Hull goes ahead, writes this letter to the President, as we interpret here, recommending it and now I get a letter back from Hull saying the President has approved this thing. And supposing Jesse, today, makes the loan and Winthrop Aldrich was in town as of yesterday being told that we are sympathetic to doing it through private banks.

S: Well, I can't understand it, Henry.

HMJr: Well, neither can I. I'm awfully angry about it. I mean

S: Well....

HMJr: The people over there oughtn't to do those kind of things.

S: Let me look into it.

HMJr: I mean, after all, either the Treasury does or doesn't look after these things and the day isn't long enough always to pick up the pieces.

S: I know. Well, I'm just -- I'm just mystified.

HMJr: And I've just talked to Miss Tully and told her the same thing and I asked her just what did the President say to Hull.

S: Yeah.

HMJr: Because I'm confident that the President never read Hull's letter.

S: What did Grace say?

HMJr: Grace said she would look into it and call me back.

S: Uh huh.

HMJr: But you know how embarrassing it would be all around....

S: Yeah.

HMJr: if, let's say, today Jesse made them a loan.

S: I know. Well, let me -- let me look into the whole business and I'll get in touch with you.

HMJr: You see, I happen to believe in giving the private enterprise a chance.

S: Uh huh. Yes, sir.

HMJr: Yeah.

S: Okay, old fellow.

HMJr: And if the State Department doesn't, I think the public ought to know it.

S: (Laughs) Well, leave it in my hands for a while.

HMJr: All right, not too long.

S: Let me get to the bottom of it.

HMJr: Okay.

S: All right, old boy.

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H.M.JR: Boy! That gives me a good laugh!

MR. WHITE: It is good only because Ed Stettinius is on the other end.

H.M.JR: Well, after all, I was making my conversation. Isn't that worth the price of a front-row ticket?

MR. McCONNELL: Yes, sir.

H.M.JR: Oh, boy! That one does me good. I would like the State Department to know that the public will know, that the State Department is for the Government against private enterprise. At least Ed has a sense of humor.

MR. BELL: Isn't Hull still away?

H.M.JR: Oh, sure. I wrote Hull a letter Saturday a week ago: "The President of the United States has asked me to see you about the Argentine." I don't even get an answer. I wrote another letter yesterday - "My dear Cordell: The President of the United States has asked me to discuss the Argentine" - I can't get an answer. But they can do this kind of stuff.

MR. BELL: That must have been sent up to him. He is still in Pennsylvania.

H.M.JR: No, he was here. This was dated the second. There was all that publicity about seeing the Congressman, see?

I feel better now. Why the hell is it Hull's business?

MR. McCONNELL: Do you suppose they have a syndicate set up?

MR. BELL: No, as a matter of fact, I wasn't able to get Aldrich.

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MR. WHITE: It is one of the best loans - Holland is one of the few good credits, now.

MR. BELL: I don't think Aldrich will go ahead until he finds out whether there is a purchaser making contracts of the material as approved in Washington. He has to do that after he gets our sympathetic approval.

H.M.JR: I feel better now. I would love to call in the President and say, "But, of course, being here in the Treasury, we would like to give the business to the banks, but the State Department wants to use the taxpayers' money. And Mr. Stettinius, former Chairman of U.S. Steel, is Acting Secretary of State."

MR. WHITE: On the part of the American underwriters of his just business and American investors in his just interest!

H.M.JR: What do we charge Jones?

MR. BELL: One percent.

H.M.JR: He will loan it to them at four.

MR. BELL: We ought to go up on foreign business. I think there is a little more risk in that than in private.

H.M.JR: I feel all right, now.

Treasury Department
Division of Monetary Research

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Date June 7, 1944 19

To: Miss Chauncey

I spoke to the Secretary orally
about this and he agreed the matter
can be postponed.

H.D.W.

MR. WHITE
Branch 2058 - Room 214½

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE June 6, 1944

TO Secretary Morgenthau
FROM Mr. White

Subject: Request of the Netherlands Government for the Lend Leasing of Silver for Coinage.

1. Some time ago, the Netherlands Government requested the lend leasing of silver for coinage purposes, including slightly more than 17 million fine ounces of silver for the minting of 30 million 2-1/2 guilder coins. After conversations with the financial representatives of the Netherlands Government, it was agreed that the request for silver for the 2-1/2 guilder coins would be postponed in view of other urgent requirements for silver and because of the burden of orders already being carried by the Mint. However, more than 45 million fine ounces of silver were made available to the Netherlands Government for coinage in other denominations, as of April 1, 1944.

2. The Netherlands Government has now requested that the possibility of lend leasing silver for the minting of 30 million 2-1/2 guilder coins be reviewed by the Treasury, on the grounds that this coinage is essential to the effectuation of the currency replacement program which the Netherlands Government plans to initiate after the liberation of Holland.

3. There are now 175 million fine ounces of silver in the General Fund not leased for non-consumptive purposes, which are available for our own coinage, for sale to industry and for lend leasing to friendly countries. By a book-keeping entry transferring silver lend-leased for non-consumptive uses (the bus bar silver) from the General Fund Account to the Silver Certificate Account, it would be possible to increase our disposable silver to 1,075 million ounces. Such a transfer can be effected under the terms of the Green Act.

4. The Treasury has, of course, always encouraged the monetary use of silver. However, in view of the present tight position on silver, it would be better to postpone for a few months the lend-leasing of silver for the 2-1/2 guilder pieces.

June 6, 1944
3:10 p.m.

Operator: Go ahead.

HMJr: Hello.

Senator
Barkley: Henry.

HMJr: Talking.

B: Barkley.

HMJr: Good afternoon.

B: I talked with Wagner about this thing and, as I expected, he wants to be on the delegation.

HMJr: He does?

B: Yeah.

HMJr: Yes.

B: So there's nothing else you can do.

HMJr: I see.

B: He said that being Chairman, if he were omitted that it might create a false impression that he was either physically unable to serve or for some other reason was discarded, and he didn't want that to happen.

HMJr: I see.

B: I talked with Wallace White about the fellows on the other side and he agreed with me that Danaher was probably the best bet. I then went and talked to Danaher.

HMJr: Yes.

B: He said that he was interested in it but there was only one thing that was in the way. He said he was to be on the Resolutions Committee from Connecticut at the Republican National Convention....

HMJr: Yes.

B:from about the twenty-third of June up until around the twenty-eighth.

HMJr: Yes.

B: And he wondered whether that would interfere with any preliminary conferences.

HMJr: I don't think so.

B: Yeah.

HMJr: I don't....

B: Well, I told him I'd find out and let him know.

HMJr: I don't think so.

B: Well, I can ease his mind on that, then.

HMJr: Right.

B: Well, all right.

HMJr: Well, will I hear from you again?

B: Well, you'd better -- I'll let you know either late today or early tomorrow so that there won't be any further hitch.

HMJr: Right.

B: All right.

HMJr: Thank you so much.

June 6, 1944
3:20 p.m.

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HMJr: Hello.

Ted
Gamble: Hello, Mr. Secretary.

HMJr: How was your luncheon?

G: Very good, I think, sir. We've got a lot of problems to deal with but these boys are going right to work on them and they're fairly optimistic on a good time.

HMJr: Now, I just want to tell you this. Elmer Davis wants something from me very badly.

G: Yes.

HMJr: And I just wondered -- if it's his boys, if they don't cooperate, you might keep that in mind.

G: Yes. Well, I'll tell you one good thing about the people they have, Mr. Secretary, if they don't like what we're doing, they say it to us. But when they go out to represent us they do the best they can. I've seen evidences of that and I know that that's what they're going to do in this instance.

HMJr: What I was curious to know if you had one of your men look up, since we started with Elmer Davis, how many men have we had to deal with that he's had in charge with radio.

G: Yes.

HMJr: When you come over at five o'clock, do you think you could tell me that?

G: Yes, sir.

HMJr: I mean, so in case I got a call, I might say, "Well, this is the fourth or fifth or sixth man we've had to deal with."

G: Yes.

HMJr: See?

G: I can give you that.

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HMJr: Yeah. But you think it looks pretty good?

G: Yes, I do. And I think we'll end up with no less than two networks whichever way we go and we've got a good chance to get them all.

HMJr: Yeah. Well, I'll look forward to seeing you then.

G: All right, sir.

HMJr: Thank you.

G: Bye.

June 6, 1944
3:24 p.m.

HMJr: Hello.

Operator: There you are.

HMJr: Hello.

Brent
Spence: Hello, Mr. Secretary.

HMJr: Yeah.

S: This is Brent Spence.

HMJr: How do you do?

S: How are you?

HMJr: Fine.

S: I -- I -- I've heard the complaint that a good many of the men that work in defense plants and who have got plenty of money would like to buy bonds but those fellows haven't any place to keep them except around the house.

HMJr: Yeah.

S: I was wondering if some arrangement could be made whereby the banks would keep the bonds for them and give them a receipt for it.

HMJr: They do that now.

S: Do they do that?

HMJr: Yep.

S: Everywhere?

HMJr: Yep.

S: Well, now, a colleague of mine said he -- there's a great complaint that some of these men in defense plants is they had no place to keep their bonds.

HMJr: Well, I'll tell you what I'll do. I'll get up a little memorandum and tell you just what they do or don't do and I'll send it up to you.

S: All right. Will you do that?

HMJr: I think there must be some misunderstanding.

S: Well, he said -- well, here's -- here's Herbert Bonnar who wanted to talk to them tomorrow and he said he found that a general complaint. He -- he'll talk to you for a minute.

HMJr: Uh

Herbert
Bonnar: Mr. Secretary.

HMJr: Speaking.

B: I have made two or three talks around these Bond Drives, especially around defense plants. I had a fellow two weeks ago come up to me and he said, "I've got fifteen hundred dollars to buy bonds. It's in my belt -- the money." He said, "Where am I going to keep the bonds?"

HMJr: Yes.

B: Now, I couldn't answer him the question. I didn't know just what you told Mr. Spence about the banks keeping the bonds. What kind of a receipt do they give them?

HMJr: Well, they give them a receipt. They can put it up either in the bank or the Federal Reserve of the District will keep them. We have that -- I'll tell you what I'll do. I'll get up a little memorandum and I'll

B: Well, I'm -- no, I'm -- you'll hardly have time because I'm going to leave here at one o'clock tomorrow and fly down to the Consolidated Vultee Plant in North Carolina to speak to their people when they receive the T Award tomorrow.

HMJr: Yeah.

B: The flag. And I always stress the fact not only to buy bonds but to keep them and not cash them.

HMJr: Well, I can get it up to Mr. Spence still this afternoon.

B: I wish you would then. It will be nice for me to use tomorrow and this fellow tripped me on that after I finished speaking. I had ten or twelve people in a speech a week or so ago come up to me and say, "Well, where in the hell am I going to keep a bundle of bonds? They give me one every week."

HMJr: I will have one up before sunset to Mr. Spence.

B: Okay.

HMJr: How's that?

B: Okay.

HMJr: Is that -- is that all right?

B: Now, and you understand where I'm going to speak along that line -- I'm speaking down at this -- well, it's a defense plant, that's all.

HMJr: Well....

B: Working people.

HMJr: Sure.

B: Yeah.

HMJr: We'll have

B: There'll be about two thousand of them there.

HMJr: We'll get it up to Spence before sunset.

B: Okay.

HMJr: Thank you for calling.

B: Wait a minute. Wait a minute now. (Aside: Will there be somebody in your office? Answer: Yes. Yes, there'll be somebody. Tell him we'll be here. Bonnar: If there ain't, he can just)

Brent
Spence: Somebody will be in my office. Hello?

HMJr: Hello.

S: Somebody will be in my office if you send it up. I want to look over it and then I'm going to give it to Herbert.

- 4 -

HMJr: It will be up there before sunset.

S: All right.

HMJr: Thank you.

S: Thank you.

June 6, 1944

Harry White

Secretary Morgenthau

Lord Halifax called me at 7:15 Monday night at my house. He said he had a very troublesome cable from Sir John Anderson about the Monetary Conference. He asked could he and Bob Brand come and see me at 4:30 this afternoon and they would like you present. I said, "Yes", and I asked him to send down, in advance, something and he said they would send me the troublesome questions down in advance. Also, if we were thinking of getting anything out today in regard to the conference, could we please hold it up until we saw him. This sounds rather ominous and I said we weren't thinking of getting anything out today so there was nothing to hold up. Think over about having Edward Brown present at this meeting and let me know. Don't forget that you and I are to go on the Hill today and see Barkley at a quarter of ten. *Furnished -*

June 6, 1944
4:05 p.m.

Re: PRE-CONFERENCE PLANS

Present: Mr. White
Mr. Bernstein
Mrs. Klotz

H.M.JR: I am back on the Government loan to Holland, I am holding out for the Chase Bank, which I think, is one of the funniest things that has happened. I can't wait to tell Drew Pearson.

I will read this. I don't know whether this is funny.

(Refers to legal-sized attachment)

MR. WHITE: That gang gives me a pain-in-the-neck. Nothing is too small for them to fight over, nothing is too small for them to try to win a tactical battle, not to give an inch. They are without peers among the Nations.

H.M.JR: How are you and Mr. Brown getting along?

MR. BERNSTEIN: We have had long, very friendly sessions. I have brought in Luxford and the rest of our staff from time to time, to keep the relay going.

H.M.JR: It's very sweet of them. The Chancellor of course, could raise no objection to Dr. White having any discussions that he thinks useful in advance of those experts present before the Conference actually begins.

MR. WHITE: Gee, they are very generous. God, how they must treat their colonies! This fellow is a tough baby. After half an hour he didn't give in an eighth of an inch.

H.M.JR: Who?

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MR. WHITE: Brand.

H.M.JR: Presumably they begin on June 24th, when they get here.

How many does he want to come in?

MR. WHITE: A head of the Indian Delegation and the Greek.

H.M.JR: Is there any question?

MR. WHITE: The Greek is nothing but a British stooge, and the Indian Delegation, we told them they would be welcome as long as we don't name India, because if we name India, there are only ten countries coming and four of them will be British Empire countries. We already agreed to have Australia as a compromise. Then they come around with India at the very last minute. So, out of the ten countries, you would have the United Kingdom, Canada, Australia and India.

MR. BERNSTEIN: It's fourteen countries.

MR. WHITE: We can arrange this. This doesn't need to bother you. We can fix up something. That is what we had in mind, which Opie had agreed on already.

(Refers to informal notice, attached)

This was to send out to all countries, notifying all countries.

H.M.JR: This is the advance?

MR. WHITE: Yes, we would notify all countries. It is a very informal note, you notice. There would be listed below twelve or fourteen countries.

H.M.JR: They can't gather here until we--

MR. WHITE: Brand and Opie can begin talking. Our plans are as follows: The American group is going to

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Atlantic City on the 14th or 15th.

H.M.JR: Excuse me. I thought the whole purpose of Charlie Bell being out of town was to fix you up at--

MR. WHITE: Couldn't. He phoned in. There are too many disadvantages, he says, and he is right, as he lists them: Transportation, telephone, and so on, so he got this place in Atlantic City. As far as we are concerned we don't care, as long as it is out of Washington. The American group will go up on the 15th and we will work over the week end. It will give us about four days to get things into shape. Then we thought we would be joined by the Canadians, Mexicans, Brazilians, and such others would be there, and officially the discussion could begin when the British join us on the 24th. We will already have covered a great deal of ground.

H.M.JR: Say that once more.

MR. WHITE: The American technicians will go up to Atlantic City about the 15th. We will work for about four days by ourselves, and on the morning of the 19th, probably, or the 20th, depending on whether they can get here, we will be joined by technicians from Mexico, Brazil, Canada--

H.M.JR: Joined where?

MR. WHITE: At Atlantic City. ...and such others as can come there of the ten countries that are invited. You see, there are some Czechs here now, not the whole group. They will probably begin with us. There are one or two Dutch here now, who will probably begin discussions. Then the British and the rest of the Dutch and Belgian group will come on the 24th and we will begin a little more formally, though actually we would have done a great deal of the work before they came, and I think we could work out something that would satisfy them. We will tell them they can bring the Indians along. It's all right as long as we don't name India. They can even bring the Greeks along, too.

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H.M.JR: When did you talk with Brand?

MR. WHITE: Just now. He said he is coming back here at 4:30. He left about twenty minutes ago.

H.M.JR: What won't he give in on?

MR. WHITE: He would give in on nothing. He keeps repeating what his instructions are. I don't even know why they bothered you with this.

MR. BERNSTEIN: He does give in that we can start talking, so long as it is informal, at any time.

MR. WHITE: Those are his instructions. He can't stop us from talking.

H.M.JR: I wouldn't postpone the Conference.

MR. WHITE: No, we are not going to.

You mean the Conference on July one? Oh, that is impossible to postpone, because we have to be out of there on the 20th and we must leave ourselves three weeks, in case there are any snags. It's not necessary, because--

H.M.JR: It seemed like a lot of time to me, anyway, if you had been in agreement in the first place.

MR. WHITE: Agreement on the major points, but they will fight over every little point and there are a lot of important little points.

H.M.JR: Did you know H. L. Kung is coming?

MR. WHITE: No, he didn't say definitely, to my knowledge.

H.M.JR: Bell just phoned me. That is what I was kidding about.

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MR. WHITE: Oh, well, if that is the case, then probably Suarez will come from Mexico, because he was-- you see, he was waiting to hear who would come.

H.M.JR: And bring his wife? She was the 27th daughter of the second wife of her father.

MR. WHITE: She ought to be interesting.

H.M.JR: She couldn't speak a word of English. Her father was married twice and had twenty-seven children.

MR. WHITE: She did well.

H.M.JR: Her mother was the second wife.

MR. WHITE: He is a very interesting and much respected man, Suarez.

H.M.JR: Since when?

MR. WHITE: He is.

H.M.JR: I know Suarez. Don't tell me who Suarez is. My God, didn't I sweat blood with him on the silver business?

MR. WHITE: I know, but is there anything you know that is contrary to that?

H.M.JR: No, but you don't think he played fair with us on silver, do you?

MR. WHITE: I don't know that he didn't.

MRS. KLOTZ: Suarez?

H.M.JR: Suarez was here--I forget the exact date. He lied to us about the business of when they were going to put in the silver regulations, or something, and went and doublecrossed me, but that is all right. I expect it.

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He agreed to something and it turned out he had already agreed to do something else. He tried to make out that the President of Mexico ordered him to do this thing.

MR. WHITE: I don't remember.

H.M.JR: You know I never forget those things, but that's all right.

MR. WHITE: Well, if Kung is coming, we can notify these others. Well, he will come to you with this and he will want an answer. I would suggest that you might tell him we are sure we can work something out that is mutually satisfactory. If we can't, come back. There is no need for you to get in on this. I do think it would be helpful if you could say that the Conference date of July one cannot be postponed.

H.M.JR: I can say that, and like it.

MR. WHITE: Now on this Barkley--that sounds all right. The reasons are interesting.

H.M.JR: I told you Barkley would take it, didn't I? Wagner is going to go.

MR. WHITE: Rayburn hasn't let you know?

H.M.JR: No.

MR. WHITE: As soon as he lets you know about Danaher, could you call some kind of a meeting?

H.M.JR: Yes. I can find out.

(Secretary places call for Speaker Rayburn or the Speaker's secretary)

MR. WHITE: Now Szymczak would like to be a delegate. We were going to make him an Economic Adviser, but Goldenweiser called me up. He is going to be very happy

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if he could be made a delegate. I don't know how happy Eccles would be about it, but--

H.M.JR: What is it worth to him?

MR. WHITE: Probably worth a good deal to him. Szymczak isn't much good to us.

H.M.JR: Make up your mind.

MR. WHITE: I am quite indifferent.

H.M.JR: Well, let's wait. Don't forget, you won't be able to see me after Thursday night.

MR. WHITE: That's why I want to call this conference.

H.M.JR: What am I doing at three o'clock?

MRS. KLOTZ: Nothing.

H.M.JR: Put it down tentatively. That will be the only appointment in the afternoon.

MR. WHITE: You leaving on the 12th or the 9th?

H.M.JR: You will not see me after Thursday night. I hope to leave Friday morning.

MR. WHITE: Then you will be back--

H.M.JR: What I am planning is; I haven't told anybody and I am holding it open. Well, I can be here, and I am sort of tentatively planning to be here, Friday, the 16th.

MR. WHITE: Between Thursday and Friday, you certainly won't be here? Between this Thursday night and the following week?

H.M.JR: I ought to get back the following Thursday night, possibly. I plan to be here Friday, the 16th.

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MR. WHITE: And then you remain for how long?

H.M.JR: Just one day. I am in Chicago on the 19th.

MR. WHITE: Well then it is almost imperative we have a meeting of the delegates Wednesday.

H.M.JR: You mean Thursday.

MR. WHITE: Well, all right, Thursday.

MR. BERNSTEIN: You can step out for that.

MR. WHITE: We have the bankers coming down.

H.M.JR: I don't know how we are going to do it if I can't get a clearance from the President.

MR. WHITE: You can have a tentative meeting. He approved Wagner.

H.M.JR: Oh, he approved. I am not going to fuss. I will just tell them that they are the delegates. He is not going to object. He can't object. I will just take the bull by the horns. He told me, authorized, didn't he--you read the letter?

MRS: KLOTZ: Yes.

(Secretary speaks to Speaker Rayburn's secretary over phone, as follows:)

June 6, 1944 91
4:23 p.m.

Speaker
Rayburn's
Secretary:

Yes.

HMJr: Mr. Morgenthau speaking.

S: Yes, sir.

HMJr: I was up, as you remember, Saturday afternoon to see the Speaker about delegates to this Monetary Conference.

S: Uh huh.

HMJr: And I was under the impression he was going to let me know something Monday afternoon.

S: Uh huh.

HMJr: And I would like to know something either this afternoon or the first thing tomorrow morning.

S: All right. I'll see if I can't get to him and find out.

HMJr: Would you please?

S: Yes, sir.

HMJr: I thank you.

S: I'll let you know.

HMJr: Hello?

S: I'll let you know as soon as I find out.

HMJr: Either let me know or Dr. Harry White.

S: All right, sir.

HMJr: One or the other.

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MR. WHITE: Then the chances are you will meet him. It is almost a must before you go, so after you go, I can call them together again.

H.M.JR: Brown is going home Thursday night.

MR. WHITE: Then he will be at the first meeting and he is coming back.

H.M.JR: Is he going with you to Atlantic City?

MR. WHITE: I don't know. It might be nice to ask him, but I am not sure it would be nice to have him. I don't know. I haven't quite made up my mind. (Laughter) These are only technical people. I don't know. If he expresses a desire to go, it would be perfectly all right. We will be glad to have him.

MRS. KLOTZ: Bernstein, I am sure, will be happy to have him. (Laughter)

MR. WHITE: I am sure he will. He is very nice.

H.M.JR: There is nothing the matter with his headpiece.

MR. BERNSTEIN: Nothing a bit the matter with his head.

MR. WHITE: He is deceptive. You think at first that he is John Bunny.

MRS. KLOTZ: That's a perfect comparison.

MR. BERNSTEIN: He has been working steadily on this, eight or nine hours every day, since he got here and that is a good deal to say for a man.

MR. WHITE: I should say!

H.M.JR: Let me tell you this, why it is important to butter him up. He has a tremendous following among the bankers, and it is very important that he be sold and stay

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sold, because the opposition will come from the bankers.

H.M.JR: I think we can succeed in selling him, Mr. Secretary, but what I am afraid of is when he gets out of our sight somebody else may unsell him.

H.M.JR: No, you're wrong. I never would have asked him. You're wrong on that. He is not that kind of a person, and the reason I say that is, for a man in his position to permit his name to go on the Chicago Campaign Committee of Mr. Kelly against the entire Board of Directors, they are threatening to fire him, his telling them to do what he did. His name went on the letterhead of Kelly, "Roosevelt For Third Term." Now, he made up his mind that was what he was going to do and nobody could get him to change it.

MR. WHITE: Oh, I think he would stick to what he believed intellectually.

H.M.JR: I want you to know that under terrific pressure they couldn't get him to budge. He is that kind of a guy.

MR. BERNSTEIN: That is very encouraging, because I think that we can convince him of our side of the case.

H.M.JR: You convince him and he will stay put, or I don't know human beings, and I can swing the other people.

MR. WHITE: It may be a good idea to have him along and let him get a flavor of what we are up against.

H.M.JR: This fellow Burgess with all the other gang; he is that important, see?

MR. BERNSTEIN: Burgess was in Saturday to see him.

H.M.JR: Yes, and he reported he thought Burgess was about ready to be sold. Now, I am not saying the same thing about Burgess.

MR. BERNSTEIN: No, sir, I think he is a fence-sitter.

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H.M.JR: Although, Burgess saw me through the most difficult thing, and J. P. Morgan and the whole gang couldn't budge him last summer. He saw me through a very difficult situation and he stuck by me through a very difficult thing with all the Morgan crowd and everything "agin" me. Burgess stuck by me on that and went out on the end of a limb on that for me. So if Burgess walked in here and told me face to face, "I am going to see you through this thing", he would, and he did last summer, under the most terrific fire. So I have a couple of people that I can depend upon and Burgess is one of them. Mr. Potter is another one.

MR. WHITE: I think we probably have enough delegates. Any more we have will just give us more trouble.

H.M.JR: You fellows are spoiled. Do you know why?

MR. BERNSTEIN: We work with you.

H.M.JR? Yes, you come in here with ten signatures-- hurry up, sign. Then I sign and on you go.

MR. WHITE: But you should see what we have to contend with.

MR. BERNSTEIN: It's much better to have to fight the other fellow than have to fight your boss.

MR. WHITE: Yes, we will take on all the fights with the other countries, but we have to have support within our own group. It's too late to--

June 7, 1944

Mr. Collado

Mr. White

Please send the following message to all countries invited to the Conference.

"From Secretary of the Treasury to the Minister of Finance.

"In connection with the United Nations Monetary and Financial Conference to be held in the United States beginning July 1, the American technical experts in consultation with those of the United Kingdom, the U. S. S. R. and China are inviting the technical experts of a number of other countries to cooperate with them in the preparation of a draft agenda which will be submitted to the United Nations Monetary and Financial Conference for its consideration.

"The countries invited are the following:

Australia
Belgium
Brazil
Canada
Chile
Cuba
Czechoslovakia
French National Committee
India
Mexico
Netherlands
~~Philippines~~

1. The U.K. authorities have been glad to have the opportunity of knowing in advance of the plans tentatively proposed by the U.S. authorities for the organization of work at the Monetary Conference.
2. They wish to put forward the following observations on the plans as at present contemplated:

General Committees of the Conference.

There is agreement with the proposal to establish a Credentials Committee. It is assumed that this will have to meet only once. But it is not clear what will be the scope of the second general committee—that on Rules and Regulations—or how this would differ from the third general committee on Organization, Agenda and Procedure. It is assumed that this latter committee would in fact be the steering committee of the Conference and would meet frequently. It is suggested that if the work of the proposed Rules and Regulations Committee would be purely formal, its functions might be carried over by the Credentials Committee.

There is also some uncertainty as to the role intended for the fourth general committee—that for Co-ordination of Drafts. It is assumed that each commission of the Conference would be responsible for co-ordinating the drafts of its own subcommittees; and if this is so, it is not clear what effective contribution would be made by the proposed general committee.

Commissions of the Conference.

(1) It is agreed that it will be appropriate to have separate Commissions of the Conference in respect of the Monetary Fund proposals and the Reconstruction and Development Bank proposals. But it is not clear what field the proposed third Commission—that dealing with "Other Means of International Financial Cooperation" is intended to cover, and further information on this point would be appreciated.

(11) It is thought that the number of subcommittees proposed may be unnecessarily large. Thus it is possible that the smaller countries represented at the Conference will not have sufficient members to ensure their representation on all subcommittees.

Moreover, it is felt that, in the case of the sub-committees of the Monetary Fund Commission, it would be wrong to have one subcommittee on Purposes and Policies and another on Operations. It is considered that those subjects cannot appropriately be decided and that one single subcommittee should deal with them, which would also deal with the specific question of when the Fund should come into operations.

It is agreed that it would be appropriate to have separate subcommittees on quotas, Organization and Questions and Legal Questions. In short, it is recommended that there should be four subcommittees (instead of five) to deal with Policies and Operations, quotas, Organization Questions and Legal Questions.

As regards the proposed subcommittees of the Reconstruction and Development Bank commission, it is thought that as discussions in regard to the Bank have not reached the stage of those concerning the Monetary Fund, it would be appropriate to substitute at the outset a single subcommittee for the three tentatively proposed on Purposes and Policies, Capital and Subscriptions, and Operations. It might well be found that at a later stage certain questions relating to Capital and Subscriptions could with advantage be referred to a separate subcommittee.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE June 6, 1944

TO Secretary Morgenthau
FROM Mr. White

We have received official acceptance of the President's invitation to the Monetary Conference from ten countries. In addition we have been informally notified of the acceptance of six other countries.

1. Countries which have sent official acceptances of the President's invitation:

<u>Country</u>	<u>Delegates</u>
Colombia	To be named.
Czechoslovakia	Dr. Ladislav Feierabend, Minister of Finance, will head the delegation which will also include Dr. Jan Mladek, Consul General, Josef Hanc, Dr. Antonin Basch, Dr. Ervin Hexner and Dr. Ernest Sturz, secretary of the delegation.
Dominican Republic	Don Amselmo Copello (Ambassador to the United States), will head the delegation which will also include Jose Ramon Rodriguez (Minister Counselor of Embassy) and Dr. Sanz Lajara (First Secretary of the Embassy), secretary.
Greece	To be named.
Guatemala	To be named.
India	Sir Jeremy Raisman will head the delegation which will also include Sir Theodore Gregory (Economic Advisor to the Government of India), Sir Chintamen D. Deskmukh (Governor of the Reserve Bank of India), A. D. Shroff (one of the authors of the Bombay plan), Sir Shanmukham Chetty and Dr. Madan (official of Reserve Bank), secretary of the delegation.

Division of Monetary
Research

- 2 -

<u>Country</u>	<u>Delegates</u>
Iran	Abel Hassan eb Tehaj, Governor of Bank Melli Iran will head the delegation.
Netherlands	Dr. J. W. Beyen (Financial Adviser to Netherlands Government) will head the delegation, which will also include Dr. H. Riemers and one other. The acceptance of the Netherlands Government is conditional upon the delegates being excused from the restrictions on travel and communication now in force.
New Zealand	To be named. Probably Walter Nash and Ashwin (Permanent head of the Treasury Department).
Yugoslavia	To be named.

2. Countries from whom we have received informal notification of acceptance:

<u>Country</u>	<u>Delegates</u>
Australia	A Cabinet meeting on June 6 will choose the delegates.
Brazil	The Minister of Finance hopes to attend.
China	The delegation will include T. L. Soong, Hsi Te Mou, K. C. Li, and T. F. Tsiang.
England	To be named.
Venezuela	A reply naming the delegates will probably be sent this week.
U.S.S.R.	M. S. Stepnov, Deputy Commisar of Foreign Trade, will head the delegation.

THE UNDER SECRETARY OF STATE
WASHINGTON

Handwritten note:
Held
to the White

June 6, 1944

Dear Henry,

The Chinese Ambassador informed me this morning that he had just received a message from Chungking saying Dr. Kung would probably be prepared to leave Chungking for Washington approximately June 15th. This, I understand, was at the President's request.

The Ambassador added that he thought Dr. Kung, if he came, would be designated as his government's representative to the monetary conferences. I thought you would like to have this information promptly so am sending it to you direct.

With best wishes,

Sincerely yours,



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

June 6, 1944
5:00 p.m.

ADVERTISING COPY, FIFTH WAR LOAN

Present: Mr. Smith
Mr. Stone
Mr. Gamble
Mr. Rainbolt
Mr. Cobb
Mr. Sinclair
Mr. Alexander
Mrs. Klotz
Mr. Peabody
Mr. Robert Smith

H.M.JR: As long as Stewart Peabody is here, everything is all right.

MR. PEABODY: I came down to get it under control, Mr. Secretary!

MR. GAMBLE: The rest of our committee is on its way, not here, but to town. We have the radio writers. We have asked these people to transfer their headquarters from New York to Washington until we get ours, until we are satisfied that we are completely on the beam.

H.M.JR: I was under the impression that Washington was headquarters.

MR. GAMBLE: Well, it hasn't been for these gentlemen.

MR. PEABODY: Not for the War Advertising Council. Ted has it under control, Mr. Secretary, because it is easy to get priorities down here in an emergency, but try and get them back home. That is something else again. He gets us one-way priority.

H.M.JR: Well, he is a smart boy. He will get you home.

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MR. GAMBIE: I was going to let Stewart tell you. They have done quite a bit of work on this for several weeks.

MR. PEABODY: We have been trying to look ahead for that long, Mr. Secretary. And then this morning this thing broke, we came down on a plane together and met over at Ted's office and took stock of what we had, and I think that anyone who looks through our book will admit that it is almost a phenomenal job. In other words, these things were all, of course, in the making when the agencies did the copy, and we have gone over the copy practically word for word, and outside of one or two spots in which you might strengthen it a little bit by mentioning the beach heads of France, there is very little you can do to that copy to make it more closely focused on the situation than it is now. Furthermore, if we start focusing on beach heads of France, why we don't know when they will move into Denmark and that will be out of date. In other words, we feel definitely that the amount of work and expense and the upset in the newspaper offices that would result from any telegraphic instructions making slight changes in those ads would not be worth while.

So what we are inclined to recommend is that we let those ads stand, that we make one provision, and that is send out by letter sample headlines which might be put in little boxes, Mr. Secretary, which now have the five points in them, if they want to do that in a local market. One example we talked about-"five hundred and forty-two Syracuse boys have already paid the supreme sacrifice." That would tie in with the invasion. It would drop the self-interest points that are in there for the purpose of this thing. We feel very definitely, incidentally, that the self-interest thing should not be mixed with the body copy during this drive and that it might perhaps profitably be dropped out of the box if there is something more important to put in there.

MR. GAMBIE: Play down self-interest entirely.

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MR. PEABODY: Beyond that, as you probably know, we have several new layouts, actually we have some drawings. We have one ad in type form, (Shows Secretary chart) which we think we could send out and strengthen it. This one you have seen, I think, which is already in type and can be got out immediately.

H.M.JR: That isn't the one I liked.

MR. GAMBLE: This is not the poster, Mr. Secretary.

H.M.JR: Oh yes, this is all right.

MR. PEABODY: This is an ad. With all those communications coming out from Eisenhower, it is a good caption now. Then, Mr. Cobb has brought down two drawings, did you see these?

H.M.JR: Oh, that is General Bradley.

MR. PEABODY: And here is an actual invasion armada which we don't happen to have in the book. We feel we might want to send out more material to get more latitude and perhaps get more sponsorship, because in some places, there haven't been enough ads. I think we will get sponsor excitement out of this as well as the buying excitement. So we will probably need more ads. We thought we would write copy on these, keyed to a little different theme. Frankly, we are not prepared to say today what the theme would be, but we probably can tomorrow. It might be-- one thing we have talked about is, this is the only way that you can express yourself, after all these weeks of pent-up tension, on your part in the invasion, and we think perhaps that could be pointed up.

H.M.JR: Stewart, there is one thing which everybody has been telling me that I have been talking on for the past month, and that is, that it may take two or three weeks before we know the answer on this thing, and I wonder if in some of this copy, you don't jump to conclusions too fast as to results. Don't be downhearted if there is

-4-

a little bad news.

MR. GAMBLE: The big drive is ahead, and so on.

H.M.JR: But both from the standpoint of morale of the country and a straight selling job. You were here with us when the **Italian** thing happened. That was the other way around. Well September 8th and Italy quit and the war was over and it took us a week to get back on the track again. You people are all professional salesmen. If they think the invasion is over, there is a let-down. There is too much let-down in the country as it is.

MR. PEABODY: I think that is a very good point.

H.M.JR: After all, you people plan a campaign. If they think they have the quota the first day, your salesmen stop selling. I am not doing this as a salesman, but every military person I have talked to tells me that it would take from two to three weeks until we have the answer.

MR. PEABODY: I think it is a very good point in selling bonds.

H.M.JR: That we have from two to three weeks before we definitely know the answer, whether this is a success. After all, the first ten days, we have walked in. We said we got within eight miles from Rome in the first thing. Then look what happened. And then months and months. Now with eight hundred people a day, average deaths at Anzio. So they walked in just the way we have now. It looks as though it is a push-over, but they won't know. For the good of the country and everything else, if there is some way of getting that over--

MR. PEABODY: We can do that, don't you think so?
(General agreement)

H.M.JR: I mean, I am being a thousand percent sincere. I am not worrying about my bond sales, but I am thinking of conditioning the country against possible bad news, which is terribly important.

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MR. PEABODY: We can do that. We have one other thing here that represents an approach that isn't in the book, which we think is pretty important, and have you seen that layout, "Bow Your Heads"? There is one slight change here, Mr. Secretary.

H.M.JR: I haven't read the prayer the President is going to give tonight, but you people here better have a look at it. This "Bow Your Heads" thing, you may want to use that. I don't know what it is, but everything I have seen here so far, I think is wonderful. Stewart Peabody knows I can say the other thing when I don't like it.

MR. PEABODY: Yes, that is right. You say it nicely, though.

H.M.JR: Not too nicely, always.

MR. PEABODY: Here is another ad which we think is very good. We cut in the invasion, but "As we prepare for our boys' safety, let's send our dollars to fight with them". We think it is a strong ad, because there are going to be prayer meetings all over the country for a long time. Then we felt we ought to hold at least two--

H.M.JR: Take a look at this prayer of the President's, won't you?

MR. GAMBLE: Yes, sure. The whole business came over a ticker.

MR. PEABODY: It has come over?

MR. ALEXANDER: Yes, I had it over the radio about eleven o'clock this morning. It is very impressive.

MR. PEABODY: Then we thought we would have two back to take care of any opportunity that might come up within forty-eight hours. We have it ready so we could get mats out within forty-eight hours if something

-6-

happens that is a good chance for us to do something that we don't see now. We have gone beyond that and done some mental speculations on what might happen if we had a catastrophe, what might happen if Germany might collapse, what might happen in a stalemate, looking ahead, to have at least ideas ready to meet those situations. I think that about sums it up, doesn't it fellows? (General agreement)

H.M.JR: Is OWI perfectly happy about this?

MR. STONE: Very. We have been working right along with this committee all the time.

H.M.JR: We won't meet any resistance?

MR. STONE: No.

H.M.JR: If I got a pat-on-the-back, I would fall over.

Well, I think it sounds fine and as I understand it, these men will be available to move in any direction?

MR. PEABODY: That's right, sir, yes.

MR. GAMBLE: This is a committee that is set up to do this job. These are the chief copy men, Mr. Secretary, from their agencies.

H.M.JR: The only thing, I think that we all have to keep our minds open; talking for myself, I am not smart enough to say what is going to happen on a week from Friday, but I think we have to keep our minds open to meet an unforeseen situation. They say, this is not gossip, I have seen photographs of it, they actually have something which they have not yet used. They don't know where they are going to use them. I have seen pictures, and so on and so forth. Now if they use these things and there is a catastrophe or something like that, it would be something to meet, but they actually have these things and they are shown in photographs. So there are things like that which

-7-

may kill a lot of people.

I don't know how you advertising people feel, but as of yesterday, I didn't feel that America was on its toes. They may be by tonight. I don't know how you people feel, but I think that the taking of Rome seemed to just absolutely fall flat. I don't know why, but there didn't seem to be anybody who got any uplift out of it. Maybe I am wrong, but that is the way I felt. It just seemed to go flat. I don't know that you felt that way.

MR. PEABODY: Yes, I did.

H.M.JR: I haven't seen anybody who wanted to slap me on the back, because, "Isn't it wonderful we took Rome!"

MR. ALEXANDER: That's true. Everybody accepted it as a matter of course.

H.M.JR: Today everybody feels different and everybody in America feels different.

Now, do I understand? Are you people kidding about going back. Did you just come down today and go back?

MR. PEABODY: No, we are going to work now and do all that can be done now. Finish it up and do the job.

H.M.JR: I would love to meet with you people once more tomorrow, if you don't mind.

MR. PEABODY: By tomorrow?

H.M.JR: Will you drop in again at four? I might have an idea by four o'clock.

MR. PEABODY: We may have some more stuff to show you by that time.

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MR. GAMBLE: I would like to add one word to what has been said here. The important thing is what coverage we are going to get on these ads. You will be interested to know that what they claimed was a tightening news print situation, that we had well within a hundred orders for as many mats of the weekly newspapers as we had in all of the Fourth War Loan now, and our orders to dailies is in excess of the Fourth War Loan. With this invasion, now, there will undoubtedly be a stepping up of that, which means we will have the greatest placement of space we have ever had. So we have a place to put all of these good ads.

H.M.JR: Which agencies are represented here?

MR. GAMBLE: Young and Rubicam--

H.M.JR: Which?

MR. GAMBLE: Albert Frank, Guenther Law and Rothroff and Ryan.

H.M.JR: I'm just curious. Very respectable!

Well, I think that is fine.

MR. GAMBLE: There are people on the way from New York now who will do all the radio writing. They have sent for them and they are on the way here now to write new radio announcements and new radio copy.

H.M.JR: Have you a place for these gentlemen to work? You're not putting them in my attic, I hope.

MR. GAMBLE: In my office, where I can keep an eye on them.

H.M.JR: That's fine. Stewart, you don't want to take a trip to the West Coast, do you?

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MR. PEABODY: Oh, I would love to. Are you going?

H.M.JR: We have real oxygen this time.

MR. PEABODY: I didn't need it, as you remember,
Mr. Secretary.

H.M.JR: I know, but some of the others did. Well
that's fine. That is a nice way to end the day. I will
see you tomorrow at four o'clock.

HAROLD B. THOMAS
170 VARICK STREET
NEW YORK

6/8/44 109
Photostats - to
Mr. Gamble
Mr. Smith

June 6th, 1944.

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

Dear Henry:

Thanks greatly for your very fine letter of the first. For you to take time from your busy days to write it, makes me appreciate it doubly. It is my intention to keep the War Advertising Council functioning in an effective manner, so that it can continue to help the various government departments and agencies. This morning's news of the invasion inspires us to try to be of greater service.

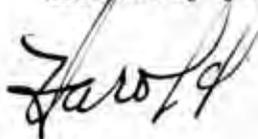
I agree that your job is getting more and more difficult. The Treasury is our first and largest "client", so please be assured that we will continue to help in every way possible. I hope to get down soon to talk to you and Ted Gamble about the "selling" as well as the "advertising" phases of the job.

I get considerable personal satisfaction out of the Council's relationship to the Treasury and stand ready to help in any way I can.

Although very properly you are Mr. Secretary in the halls of the Treasury and on most occasions, in acknowledging your note I gave way to my personal feelings and reciprocated your salutation.

Here's hoping for the best of results with the Fifth War Loan and the invasion.

Sincerely yours,



H. B. Thomas

TO.

110

Miss Chauncey

We are addressing this to
the Journal American so that they
may photostat it before sending
it on to Mr. Hearst.

TRG

*Sent Special
To Mr James H. Haran
Asst City Editor
Journal American
210 South Street
NY 15, N. Y.*

June 6, 1944

Dear Mr. Hearst:

Newspapers and the radio can play an important role in increasing the sale of War Bonds by engaging in special sales campaigns. The "V-Army" Campaign now being conducted by your newspapers and the Blue Network is a signal instance of the kind of cooperation that will provide our forces with the necessary equipment through the purchase of War Bonds and Stamps. The purchase of extra War Bonds during the Fifth War Loan Drive is an opportunity for the home front to back the men overseas who are on the brink of the greatest clash of armed forces in the history of the world.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Mr. William Randolph Hearst,
Wynton,
McCloud, California.

HM:mes:ceb

Yours truly

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

to ~~Mr. Fred Smith~~
from Mr. Ted R. Gamble

1 Fred:

Some time ago on a similar tie-up, the Dept.
sent a similar letter to these people. What do you
think about this request?

TRG

*OK
FJ*

J. Smith

11

NEW YORK
Journal American
PUBLISHED DAILY EXCEPT SUNDAYS AND HOLIDAYS

Daily and Sunday
210 SOUTH STREET, NEW YORK 15, N. Y.

May 27th 1944

Dear Mr. Gamble:

Here is the sample of the letter we would like to get from Mr. Morgenthau, to be used with our first story. We are having radio programs daily from June 12th to July 8th, with some of the biggest names in radio and stage cooperating together with a 'V-Army' of bond-buyers which will be plugged by us in daily stories and over the Blue Network.

I'll be in Washington at the Navy Department on Monday and will give you a call. I would like to get this letter as seen as possible so we can start the stories at the end of the week.

Sincerely Yours

J. D. Heran
James D. Heran

Asst. City Editor

Daily and Sunday
210 SOUTH STREET, NEW YORK 15, N. Y.

The Secretary of the Treasury, Washington

date

Mr. William Randolph Hearst
Wynton, McCloud, California.

Dear Mr. Hearst:-

The "V-Army" campaign now being conducted by your newspapers and the Blue Network parallels the plan whereby the people of the United States are cooperating to provide our forces with necessary equipment through the purchase of ~~Business~~ War Bonds and Stamps.

The regular purchase of War Bonds and stamps by every American is an opportunity for the home front to back the men overseas who are on the brink of the greatest clash of armed forces in the history of the world. Together your newspapers and the Blue network are making a real contribution to the sale of War Bonds and Stamps in this Fifth War Loan Drive.

Sincerely,

Henry Morgenthau, Jr.

JUN 6 1944

Dear Mr. Swope:

You were apparently not alone in your thought that the 30 percent cabaret tax is unduly severe on servicemen. In any event, as you probably know, an amendment was adopted on the floor of the Senate exempting servicemen from the operation of the tax.

More recently the conferees on the bill agreed on a 20 percent rate, but, unfortunately, from your point of view, eliminated the exemption for servicemen.

Under the circumstances, I take it that nothing further can be done to carry out your suggestion, at least at this time.

Sincerely,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Mr. Herbert Bayard Swope,
745 Fifth Avenue,
New York, New York

JJO'G/kfa

HOUSE CONFEREES AGREED TO THE SENATE RIDER ON THE DEBT LIMIT BILL
REDUCING THE CABARET TAX TO 20 PER CENT FROM 30 PER CENT.

BUT THE CONFERENCE DECIDED TO ELIMINATE THE SENATE PROVISION
WHICH WOULD HAVE EXEMPTED MEMBERS OF THE ARMED FORCES FROM THE TAX.

AT THE SAME TIME, THE HOUSE AGREED TO INCREASE THE DEBT LIMIT TO
\$260,000,000,000 FROM THE PRESENT CEILING OF \$210,000,000,000,
RECEDING FROM THE ORIGINAL POSITION OF THE HOUSE WHICH WOULD HAVE
PERMITTED AN INCREASE TO \$240,000,000,000.

6/5--GE1214P

HERBERT BAYARD SWOPE
745 FIFTH AVENUE
NEW YORK

22

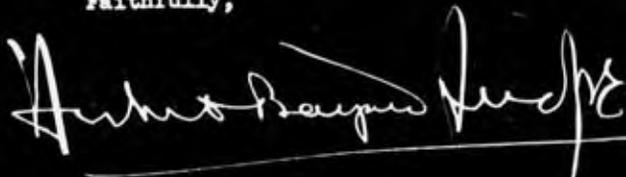
May 31, 1944

Dear Mr. Secretary:-

I note the Senate Finance Committee inclines to the opinion that the 30% night club tax is unduly severe upon servicemen.

If that be so, why not permit the remission of the tax to men in uniform, but let it operate against others? That would be fair to both.

Faithfully,



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

S-25

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE
June 6, 1944

TO Secretary Morgenthau

FROM Fred Smith *FS*

Attached is the ticket now going out with income tax refunds. Attached also is a suggested rewrite for your signature. The present slip is in stock and has gone with an approximate one and one-half million checks. There are sixteen million five-hundred thousand yet to go out.

Attachments

Kill

THE PAYEE OF THE ENCLOSED CHECK:

The enclosed check represents a refund of income tax paid by you during 1943 (by withholding from wages, or otherwise) which is in excess of the amount due as shown on your return. The mathematical computation of your tax has been verified and corrected, if necessary, but your return has not yet been completely audited. If the final audit of your return develops that an adjustment is necessary, you will be advised.

Collector of Internal Revenue.

DEAR TAXPAYER ---

Your 1943 income tax return showed that you paid more taxes than were due. I am therefore enclosing a check for the amount of your refund, plus interest from March 15, 1944.

To avoid unnecessary delay, your refund is being made as a result of a preliminary audit of your return. If the final audit of your return indicates that a further adjustment is necessary, you will be advised.

Henry Morgenthau, Jr.
Secretary of the Treasury

TO:

6/15/44

121

Miss Chauncey

Mr. O'Connell read attached letter from Mr. Rentschler to the Secretary: said it needed no reply other than acknowledgment; but that he thinks you should show it to the Secretary.

FROM: MR. O'CONNELL

GORDON S. RENTSCHLER
55 WALL STREET
NEW YORK

June 6, 1944

Dear Henry:

Thank you for your note of May 26. I appreciate your having taken the trouble to review this case in the midst of your preoccupations about many more important things.

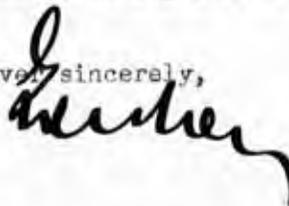
Without trying to reopen the case I should like to suggest that I failed to make clear in my conversation with you exactly the point which I was trying to make. Let me put it as follows:

I agree with you completely that the determination of rates charged by utility companies should be in the hands of state public service commissions and these commissions should decide each case on its merits so as to give the users of power the minimum rates consistent with a fair return on capital adequate to assure for the business the funds needed for maintenance and expansion.

The point I was trying to make was that in two recent cases it seems to me that public utility commissions have not followed this principle but have deliberately adopted as their objective the re-capture of taxes from the Treasury. I think the records in both the Georgia case and the Michigan case make it clear that this is so.

..... I recognize that this is the kind of thing which is delicate for the Treasury to do or to say much about, but I thought, at least, you would be interested in having it called to your attention.

Ever sincerely,



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

GORDON S. RENTSCHLER
55 WALL STREET
NEW YORK

June 6, 1944

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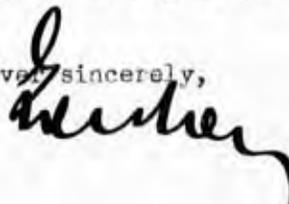
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Ever sincerely,



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



TREASURY DEPARTMENT

WASHINGTON 25

June 6, 1944



MEMORANDUM TO THE SECRETARY

Attached is a report of important items in the inventory on hand as of June 2, 1944, with interesting comments thereon.

We expect shortly to be able to incorporate information of this nature in a regular weekly report.

E. L. Olrich

E. L. Olrich
Assistant to the Secretary

Attachment

PROPERTY ON HAND FOR DISPOSAL

CLASSES IN EXCESS OF \$50,000 VALUE AS OF JUNE 2, 1944

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Bicycles, new</u>	4,174	\$28.00 (av)	\$116,872
Readily salable to Government agencies. 7,304 of original lot have been sold at this price.			
<u>Spurs, new and used</u>	150,000 Pr.	\$1.40 (av)	\$210,000
Ordinarily sold @ 10¢ for salvage. Offer received for lot @ 50¢ for give- away novelty in connection with radio program.			
<u>Ice Boxes, new commerical, wood</u>	393	\$155.00	\$60,915
63 cu. ft. capacity. Bids being asked for currently.			
<u>Shoes, mens, new</u>	152,068 Pr.	\$3.49 (av)	\$516,702
Black dress and work shoes from CCC Program and brown garrison Army shoes. Contacts have been made with			

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
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manufacturers of larger lots. They are anxious to repurchase the shoes at prices ranging from \$2.40 to 3.15 per pair. Government Agencies request some of the smaller lots. UNRA will take all shoes at \$2.35, if Congress provides their funds.

Shoes, nurses, new

37,500 Pr.	\$3.00 (Av)	\$112,500
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Probably will be disposed of by negotiated sale of entire lot to the Public Health Service. Indian Affairs (Dept. of Interior) also is negotiating.

Stoves, new and used

28,565	\$4.20 (Av)	\$122,457
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One and two-burner, gasoline and kerosene. In generally good condition, New ones have Medical Corps stencils--need refinishing. Numerous declarations in most of the regions. All regions have been asked to report current status of inventories.

Medical Supplies

		\$250,000
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Inventory in Region 4, covered by numerous declarations. Several days after receipt

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
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of inventory there was a big fire at Army Medical Depot. Action suspended pending full report.

Dental Supplies (Including Instruments)

\$50,000

A list of 400 items, in substantial quantities, representing World War I stock of Veteran's Administration Supply Depot at Perry Point, Md., just received. All items reported in "C" condition, probably because items have been in stock for 25 years. Prices extended at appraised value will bring lot to well over \$50,000 total. Items are unused, in original containers. Not inspected.

Motorcycles

431	\$400 (est.)	\$172,400
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Cost averaged \$400 each (experimental lots) standard chain drive models. Certain models are special, and parts are not available and will not be produced.

Diesel Engines, Complete

\$2,300,000 (approx.)

350 H.P., nine cylinder, radial type, designed for use in tanks. New air cooled. Proved not suitable for use at low speeds

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
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in combat conditions. Engine overheat.
Discarded by Army. Army was offered
\$22,000 for the lot by a manufacturer.

Mattresses, new

200,000	\$5.50 (av)	\$1,100,000
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Indicated disposal to Veteran's Administration, Agriculture (Labor Extension Div.) and the Bedding Assn. The latter plan disposal through dealers over entire country.

Mosquito Bars, new

1,000,000	\$5.70	\$5,700,000
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Tent shaped, fabricated out of mosquito netting, for covering cots when suspended from rod, Sales being negotiated with Peruvian Govt., Dept. of Agriculture and F.E.A.

Rods being disposed of to industrial schools and are being cut up and fabricated into articles.

Belt Pockets for Bullets (web fabric)

1,000,000	\$0.10	\$100,000
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Appear to be salvage unless they can be sold as novelty, as is being considered for spurs. No longer used by Army.

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Pillow sacks, new</u>	9,000,000	\$0.075	\$675,000
<p>Coarse cotton sacks to be filled with hay by soldier on location. Negotiating with Red Cross, Q.M. Also to go out on bid to burlap jobbers.</p>			
<u>Pillows, new</u>	135,000	\$0.73	\$98,550
<p>Negotiating with Veteran's Administration and Bedding Assn. Also going out on bids to Bedding Assn.</p>			
<u>Parachutes, used</u>	2,000	\$200 ea.	\$400,000
<p>Some with, some without shrouds. Not complete articles. Not safe for human use. Negotiating sale to Forestry Dept. (Agri.) for use in dropping supplies to fire fighters.</p>			

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>W.A.C. Jackets and Skirts</u>	45,000 Jackets 65,000 Skirts		\$890,351
Numerous declarations at various locations. Probable disposal to UNRRA.			
<u>Cots, new</u>	15,000	\$4.40	\$66,000
Will not move easily. Negotiating with Veteran's Administration, Agriculture and Bedding Assn.			
<u>Wood Screws, new</u>	500 Tons 1634 Items		\$357,000
Brass screws and lag bolts. Packaged and in bulk. Air Corps surplus. Disposition not known at this moment.			
<u>Shoring Assemblies, New</u>	2,787	\$265.00	\$710,685
Movable, steel, fabricated structures used to suspend a chain hoist to lift an airplane engine from an airplane on an airfield. Pyramid or rectangular shape. Weight 1,400 lbs. each.			

TOTAL -- \$14,193,932

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Cost to Govt.</u>
<u>Trucks, motor, used</u>	11,117	\$1250	\$13,896,250

Ninety per cent are 1-1/2 tons or below.
 Estimated average cost to Govt. \$1,250
 per unit. Recovery probably 40%.

<u>Passenger Cars - Used</u>	1,147	\$950	\$1,089,650
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<u>Automobile Spare Parts</u>			\$3,000,000
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Two declarations, Fort Crook, Nebrasks --
 Blue Grass Ordnance Depot, Richmond, Ky.
 Parts listed at cost approximate \$3,000,000.
 Contracts with Ford, Chrysler, General
 Motors and Reo will dispose of 80% of the
 material. Price not available at the
 moment.

TOTAL--			\$17,985,900
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OUTGOING TELEGRAM

FBM
 Distribution of true
 reading only by special
 arrangement (SECRET W)

June 6, 1944
 Midnight

SECRET

AMREP,

ALGIERS
 1745

The cable below is for Murphy, Chapin and Ackermann, is WRB no.20 and refers to your 1709 May 24, 1759 May 28 and 1790 May 30.

Funds have been transmitted to Yugoslav Refugee Committee in Bari as recommended your 1709.

Refer your 1790 USCC requesting its representative Madrid to furnish up to 100,000 pesetas to persons designated by you, for payment port dues in Spain. Please communicate with Embassy Madrid indicating to whom such pesetas should be furnished and amount thereof required. Reimbursement in Washington for pesetas furnished will be made USCC.

We have not taken up question here as suggested your 1759 of assurance of availability of ship for evacuation of refugees from Spain, in view statement in your 1790 that the local War Shipping Administration representative is giving full assistance. Please advise if Kalloch and you consider it necessary we do so.

S/CR
 WRB:MMV:KG
 6/6/44

STETTINIUS ACTING
 (GHR)
 SE

WE

VIA WAR DEPARTMENT

OUTGOING TELEGRAM

June 6, 1944

Midnight

Distribution of true
reading only by special
arrangement. (SECRET W)

AMREP,

ALGIERS.

1796

WRB cable no. 19 given below is for Ackermann.

James H. Mann, Assistant Executive Director of War Refugee
Board now in Lisbon will proceed to Algiers later. He will
inform you his arrival date.

STETTINIUS

ACTING

(GHW)

WRB:MMV:KG
6/6/44

WE

SE

S/CR

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

INTER-OFFICE COMMUNICATION

DATE June 6, 1944

TO Secretary Morgenthau

FROM J. W. Pehle

I think you will be interested in the attached which indicates one of our successful projects in supplying OWI with the type of material it needs to beam appropriate programs to Hungary on the terrible problem which we are now facing in that area. David Delman, Secretary to Senator Wagner and formerly a Foreign Funds Control employee, did most of the work in getting the Senators to sign the declaration.

The New York Times story is also attached.

Attachments

The people of the United States and all freedom-loving peoples are horrified by the news that Hitler has designated the 800,000 Jews in Hungary for death.

That the people of Hungary should countenance the cold-blooded murder of innocent men, women and children is unthinkable. Once Hungary was the haven of tens of thousands who fled the Nazi terror in other lands. Once Hungary protected the helpless who sought refuge within its borders. Once Hungarians shielded their Jewish fellow-citizens. But now the Hungarian puppet government has joined the Nazis in their ruthless determination to do away with the Jews.

While there is yet time the people of Hungary can demonstrate to the world that this unholy scheme is a betrayal of the true Hungarian spirit. They can hide the Jews until such time as they may help them to safety across the borders. They can refuse to purchase property stolen from the Jews. They can use every means to obstruct the Nazis and those Hungarians who are in league with the Nazis. They can keep watch and remember those who are accessories to murder and those who extend mercy, until the time when guilt and innocence will weigh heavily in the balance. That time is near.

Washington, D. C.
May 31, 1944

Charles F. George

Robert Wagner

Wm. F. Pepper

Bennett Champ Clark

Paul R. Reynolds

Miss [unclear]

Wm. Eastman

James A. Roosevelt

Allen W. Dulles

Arthur Capper

John C. Stennis

Robinson La Follette

Arthur Hays Sulzberger

James H. Doolittle

Miss E. Murray

Members, Foreign Relations Committee, United States Senate.

The New York Times.

JUN 4 1944

SENATORS APPEAL ON HUNGARY'S JEWS

Foreign Relations Committee
Pleads With People to Stop
'Cold-Blooded Murder'

Characterizing the application of the anti-Jewish Nuremberg laws in Hungary as "cold-blooded murder," the Senate Foreign Relations Committee yesterday called upon the Hungarian people to resist the orders of their puppet Government, help Jews to escape across the borders and "watch and remember those who are accessories to murder and those who extend mercy" until the approaching time when guilt and innocence will be weighed.

The statement was broadcast by the Office of War Information in Hungarian, French, German and the Balkan languages from New York for relay to the Continent.

The committee's declaration was based on measures applied to the Jewish population of Hungary since the German occupation on March 19. These included the confiscation of Jewish shops and industries, the transportation of Jews into the interior of the country, away from the war zone, and the establishment of ghettos, into which, according to Laszlo Baky of the Hungarian Nazi party, 320,000 Jews have been sent.

TEXT OF STATEMENT

The people of the United States and all freedom-loving people are horrified by the news that Hitler has designated the 800,000 Jews in Hungary for death.

That the people of Hungary should countenance the cold-blooded murder of innocent men, women and children is unthinkable. Once Hungary was the haven of tens of thousands who fled the Nazi terror in other lands. Once Hungary protected the helpless who sought refuge within its borders. Once Hungarians shielded their Jewish fellow-citizens. But now the Hungarian puppet Government has joined the Nazis in their ruthless determination to do away with the Jews.

While there is yet time the people of Hungary can demonstrate to the world that this unholy scheme is a betrayal of the true Hungarian spirit.

They can hide the Jews until such time as they may help them to safety across the borders. They can refuse to purchase property stolen from the Jews. They can use every means to obstruct the Nazis and those Hungarians who are in league with the Nazis. They can keep watch and remember those who are accessories to murder and those who extend mercy, until the time when guilt and innocence will weigh heavily in the balance. That time is near.

The Foreign Relations Committee's statement was signed by Senators Tom Connally, Texas, chairman; Walter F. George, Georgia; Robert F. Wagner, New York; Joseph F. Guffey, Pennsylvania; Bennett Champ Clark, Missouri; Robert R. Reynolds, North Carolina; G. M. Gillette, Iowa; Theodore Francis Green, Rhode Island; James M. Tunnell, Delaware; Alben W. Barkley, Kentucky; Arthur Capper, Kansas; Robert La Follette Jr., Wisconsin; Arthur H. Vandenberg, Michigan; James J. Davis, Pennsylvania, and James E. Murray, Montana.

GNY- 761

This telegram must be paraphrased before being communicated to anyone other than a Government Agency. (RESTRICTED)

Jerusalem

Dated June 6, 1944

Rec'd 2:11 p.m.

Secretary of State,

Washington.

78, June 6, 10 a.m.

Myerson and Remes request following message be sent to War Refugee Board for Israel Mereminski, New York, referring to Department's No. 103, May 17, 3 p.m.

"See Dobkin's cable Wise Goldman. We have reached a point where question of availability of funds in time is fatefully decisive. Imperative that one of our friends United States of America such as Segal Zuckerman proceed to Istanbul immediately equipped with plenipoten-
tiary authority WEB and permission for unrestricted rapid transit Istanbul Cairo Palestine." 2044

PINKERTON

EJH
EDA

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

137

To
(1) Miss. Chauncey..... (Room) (Bldg.)
(2)..... (Room) (Bldg.)
(3)..... (Room) (Bldg.)

NOTE:

Cable to Algiers of June 6
No. 1745 should be 1795.

and

Cable from London June 7
No. 4459 should be 4559.

From: David White..... 6/10.....
(Date)
.....
(Room) (Bldg.)

LMA-240

PLAIN

Lisbon

Dated

Rec'd 9:49 p.m.

Secretary of State,

Washington

1745, Seventh 3 p.m.

WEB 61. Applications. Bertrand Jacobsen Hicem representative for passport validation for Palestine Turkey and North Africa en route being sent by Consular section. Hicem requests that after consultation Hias New York WEB support validation.

NORWEB

EDA
EMB

MMS
Distribution of tr
reading only by special
arrangement. (SECRET W)

June 6, 1944

SECRET

11 p.m.

AMEMBASSY,

MADRID

1643

Following from War Refugee Board refers to no. 1790
May 30 from Algiers to Department repeated to Madrid for
USCC as no. 102.

There has been taken up with USCC here the request
of Ackermann, Board representative in Algiers, that
USCC supply pesetas for port dues in Spain in connection
with forthcoming refugee evacuation voyage. Its Madrid
representative advised by USCC to make available for
this purpose up to 100,000 pesetas. You will be informed
by Ackermann of persons to whom such pesetas should be
delivered and amount of pesetas necessary. Reimbursement
in Washington for pesetas furnished will be made USCC.

STETTINIUS
ACTING
(GHW)

S/OR
WEB:MMV:KG
6/6/44

WE

SWP

WT

paraphrase of telegram received.

FROM: American Legation, Stockholm
TO: Secretary of State, Washington
DATED: June 6, 1944
NUMBER: 2028

SECRET

Referring to Department's cable Number 968 of May 20, Foreign Office reports that information from its Budapest Legation indicates there have been no apparent measures taken toward the mass annihilation of Jews in Hungary. The investigation of this matter is being prosecuted by the Swedish Legation at Budapest.

JOHNSON

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: June 6, 1944
NUMBER: 1921

CONFIDENTIAL

From War Refugee Board to Minister Harrison and McClelland

1. Please ask Swiss government and Intercross for all available information regarding conditions in concentration camps of Bergau near Dresden and Dost or Tost in Silesia, numbers and treatment of persons held there including those with Latin American documents, facilities enjoyed by Intercross therein, etc.
2. Reference is made to your 2937 of May 9 and 3171 of May 18. It is not clear therefrom to what extent this Government's attitude regarding status and treatment of persons claiming American and Latin American nationality and persons holding documents issued in names of such countries, as set out in Department's 1221 of April 10 and 1269 of April 13, has been taken note of by Swiss authorities and urged by them on German government. Your 3171 rather indicates that Germany is still undertaking to pass on merits of individual claims, and there is no mention therein of Swiss protest. You will recall that this Government has taken the view that such claims are to be honored by Germany until notified that claim is rejected by country in whose name the document has been issued or whose nationality is claimed.

Please urge Swiss authorities to insist on this point, and advise us as to where this matter stands.

THIS IS WRB BERN CABLE NO. 31

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
 TO: American Legation, Bern
 DATED: June 6, 1944
 NUMBER: 1945

CONFIDENTIAL

To McClelland and Minister Harrison

1. Legation Stockholm reports that it is informed that German authorities have evacuated all Jews from the southern and northern frontiers of Hungary and have concentrated them in ghettos located in the following places: Beregszasz, Beszterce, Debrecen, Des, Kassa, Marmarossziget, Miskolc, Kolozsvar, Nagyszollos, Nyiregyhaza and Szeged.

2. Consulate-General Jerusalem reports that it is informed that the following Hungarian officials are closely associated with Germans in persecution of Jews: Yaros Andor, Minister of Interior; Andre Laszlo, Chief and Baky Laszlo, Deputy Chief, Jewish Department Ministry of Interior; Dovenyi Magyilagos, Liaison Officer between Hungarian and German Armies; Zrnokol Oszvari, Head of Central Police and Keledy Tibor, Mayor of Budapest.

For Minister's personal attention and McClelland's information

3. In view of consistent neutral press reports carrying Berlin and Budapest datelines and other information to the effect that the eight hundred thousand Jews in Hungary are being segregated in ghettos and concentrated in camps, there seems little doubt that the pattern heretofore set in Poland and repeated elsewhere is again being followed. In an effort to develop means to forestall the effectuation of the ultimate ends of such program, that is mass-executions either before or after deportation, consideration has been given to the advisability of requesting the Swiss Government to address an inquiry on behalf of this Government to appropriate authorities in Hungary asking them to state their intentions with respect to the future treatment to be accorded to Jews in ghettos and concentration camps and specifically whether they contemplate forced deportations to Poland or elsewhere or the imposition of discriminatory reductions in food rations, or the adoption other measures which like those mentioned will be tantamount to mass-execution. At the same time, the Swiss government would be requested to remind the same authorities of the grave view that this

Government takes

-2-

Government takes with respect to the persecution of Jews and other minorities and of the determination of this Government to see to it that all those who share the responsibility for such acts are dealt with in accordance with the President's statement of March 24, 1944. Also at the same time the fact of this Government's request of the Swiss Government and the nature thereof would be given the widest possible publicity in Hungary through broadcasts in the Hungarian language and such other means as may be practicable.

Please give the foregoing your most careful consideration and unless you are of the opinion that to do so would involve positive disadvantages you should proceed promptly to make the requests outlined above. If you address such requests to the Swiss Government, please advise the Department thereof without delay and any views you may have with respect to the proposal to publicize in Hungary the fact and nature of such requests would be appreciated. If you are of the opinion that such requests should not be made, please inform the Department of your reasons therefor.

THIS IS WRB BERN CABLE NO 37 .

STETTINIUS
(Acting)

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Bern
DATED: June 6, 1944
NUMBER: 1946

CONFIDENTIAL

To Minister Harrison

The following is from War Refugee Board for McClelland.

Recent developments in Hungary make it increasingly clear that efforts must be made to arrange for the prompt departure from Hungary of persons belonging to those classes which are likely to be the initial victims of Nazi plans to deport and exterminate Jews in that country. To this end, please consult with Saly-Mayer, Sternbach and Riegner and such of their colleagues as they may suggest. You should also consult with Jacques Locher, c/o Cerealia Ltd., Talstrasse 83, Zurich; Julius Perry, Nueschelerstrasse 49, Zurich; Jacques Kanitz, Bundesplatz 2, Bern; Kurt Grimm, Utoquay 47, Zurich; and Hans Popper, Quai Gustave Ador 60, Geneva. You should inform the five last named that their names were suggested respectively by Mrs. Anny, Joe, Victor Laszlo, Emil and Gabor. Please also inform the five that the persons who suggested consulting them requested that they consider the advisability of enlisting the assistance of Otto Peyer, Bahnhofstrasse 70, Zurich, and through him of securing the services of the former representative of Loew Angern. Such persons are prepared to remit funds necessary to cover fees and expenses incident to efforts of the five, of Peyer and of former Loew Angern representative to effectuate departures. In order to assure this, however, you should advise the Board promptly of their estimate of needs for initial experimental operations and of the name and address of the person to whom remittance should be made.

After consulting with each of the indicated groups separately with respect to the means thought to be available to each to effectuate departures and their views as to the probability of success, you should hold a joint meeting with representatives of each group able to be of assistance, bearing in mind that the coordination of such activities is essential if duplication of effort, confusion and failure are to be avoided.

If you should be of the opinion that any of the groups has nothing to offer, or if any of the five should indicate that he has no way of being of assistance, or if you should conclude that the plan or plans proposed are not feasible, or if complete coordination and cooperation do not appear probable, please advise the Board in detail promptly. You might also consider conferring with each of the five separately, informing him of the person who suggested his name, before calling them together as a group.

You are

- 2 -

You are being given the foregoing detailed suggestions only because the groups indicated represent widely divergent groups and it is essential that in this matter all cooperate closely.

Prior to communicating with the five whose addresses are given above, you should consult appropriate officers of the Legation and such other appropriate Americans as may be known to you to ascertain such information as may be available concerning them. If there is any seemingly adverse information concerning any such individual, do not communicate with him, advising the Board promptly of the individual involved and of the nature of such information.

You will realize the urgency of this matter and will impress upon those consulted the necessity for avoiding all conflicting action. Please keep the Board fully advised with respect to all developments as promptly as possible.

This is WRB Bern Cable No. 33.

STETTINIUS
(Acting)

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Ankara
DATED: June 6, 1944
NUMBER: 512

CONFIDENTIAL

You are informed that in the near future Mr. ^Herbert Katzki is being sent to Ankara by the War Refugee Board to serve as Administrative Assistant to Mr. Ira Hirschmann, WRB Special Attache, who shortly is returning to Ankara.

STETTINIUS
(Acting)

DCR: VAG:HL 6/8/44

147

AIRGRAM

Dispatched: June 9, 1944
From: American Embassy near
Government of Yugoslavia
Date: June 6, 1944
Received: June 14, 8 a.m.

The Secretary of State
Washington

A-21, June 7, 1 p.m., 1944.

With reference to the Department's telegram no. 1283 of May 27, 1944, 10 p.m., for Murphy from the War Refugee Board, I have obtained the following report from Mr. Matthews, Chief of the Balkan Mission of UNRRA, regarding the acceptance of further Yugoslav refugees in Egypt.

"On the first of January 1944 MERRA was asked to accept responsibility for 20,000 Yugoslav refugees in the Middle East. The Egyptian Government agreed to accommodation in Egypt and staff, supplies and services were made available by the British Army. Later the total ceiling of refugees was increased to 25,500. Up to the 1st of June some 26,000 refugees had actually arrived in Egypt. Camp space has provided no difficulty and sufficient stores are being made available to equip the camps. The British Army has been able to supply administrative personnel, but there has been great difficulty in providing sufficient transportation and it has been impossible to find adequate medical staff.

In the middle of May a request was received by MERRA to take responsibility for further numbers of refugees, bringing the total ceiling up to 40,000. In view of the proposed take over of MERRA by UNRRA as of May 1st, it was necessary to get UNRRA's Washington approval. This approval was forthcoming on condition that the Army would make available the necessary administrative and medical staff, supplies and other army services. This the Army agreed to do, but the actual shortage of doctors was such that sufficient staff could not be made available from army sources to enable refugees to be received. Until more doctors and nurses can be made available either from civilian or military sources in practice the limit of reception must stand at 40,000.

It may be assumed that no objection is likely to arise from the Egyptian Government to increases in the number of Yugoslav refugees accommodated in Egypt. The limit to reception of refugees is likely to be set primarily by the availability of staff, especially of medical staff and also increasingly

by the shortage.....
Regraded Unclassified

by the shortage of supplies. The British Army is no longer to make available E.P.I.P. tents for the expected arrivals and at an early date other supply shortages will make themselves a parent. With the increase of the number of refugees the transport position is also likely to cause considerable difficulty."

The Medical Division of UNRRA has also orally emphasized to this Embassy that the problems of obtaining sufficient medical, sanitation and nursing personnel, medical and sanitation supplies (especially the latter) as well as transportation and tents, at present preclude the acceptance by UNRRA of more than the 40,000 refugees specified by Mr. Matthews. It is further reported that the refugees now in Egypt, both adults and children, and the American and British workers among them have already, due to the lack of proper sanitation supplies, been exposed to unhealthful conditions, and that many refugees, especially children, are today suffering from various diseases brought about by these conditions.

The Medical Division further points out in this general connection that UNRRA's assumption of responsibility for these refugees was made conditional on its obtaining assistance in both personnel and supplies from the British and American Armies. The British Army has, it is said, supplied with considerable difficulty a certain number of personnel and considerable supplies. On the other hand the American Army has advised that it has no authority to furnish either personnel or supplies for this purpose. Accordingly, it has been suggested that it would be of considerable assistance if the War Department were approached with a view to its authorizing USAFIME to furnish sanitation and medical supplies against payment, and also any personnel that may be available, if necessary, such supplies being limited to only those not available from the British Army. If, in addition, the American Army could supply means of transportation and E.P.I.P. tents this would help the task of the UNRRA considerably. I understand that the USAFIME has already cabled Washington regarding these UNRRA requirements but has as yet received no directives.

A further question which has arisen is that of stateless refugees, since the Egyptian Government's regulations as to guarantee of repatriation after the war now prevent such persons being received in Egypt. Yugoslav Jews are not affected by this difficulty but I am informed that Jews of Hungarian and other enemy origin are classified by the Egyptians in this category and refused admission to camps here.

-3-

Repeated to Algiers for Murphy.

MacVeagh

HAN/nc

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

150
DIVISION OF
COMMUNICATIONS
AND RECORDS

BJR - 689

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Cairo

Dated June 6, 1944

Rec'd 8:21 a.m.

Secretary of State,
Washington.

GREEK SERIES

182, June 6, 11 a.m.

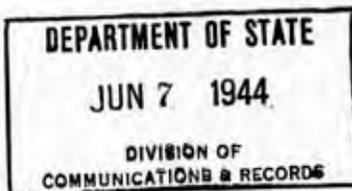
Alexander Argyropoulo, pre-war Chief of Treaty
and Convention Section of Greek Foreign Office who
now holds same position in government, here has been
named delegate to conference (Department's circular
June 3, 6 p.m.).

Please authorize visa and advise whether air
priority is being arranged in the United States or
should be sought here.

List of other members of delegation not yet
received but I understand informally that the above
is the only one expected to go from here.

MACVEAGH

BB
CSB



DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

151
DIVISION OF
COMMUNICATIONS
AND RECORDS

VMT-792

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Cairo

Dated June 6, 1944

Rec'd 3:40 p.m.

Secretary of State,
Washington.

1529, June 6, 1 p.m.

DEPARTMENT OF STATE
JUN 8 1944
DIVISION OF
COMMUNICATIONS & RECORDS

Note regarding Monetary Conference (Department cir-
cular telegram May 25, 5 p.m.) was sent Foreign Office on
May 26 as instructed. On June 3 telephoned inquiring about
matter to which he had seen reference in the newspapers.
He was informed that Note had been sent to Foreign Office
and later Foreign Office advised that it had lost the Note
and asked for another signed copy which has been sent.
Believe acceptance of Egyptian Government will be forth-
coming shortly.

JACOBS

JMS
EDA

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

152
DIVISION OF
COMMUNICATIONS
AND RECORDS

GMY-739

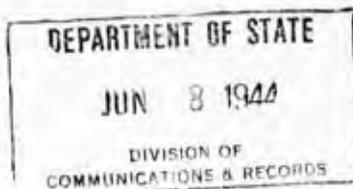
This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Addis Ababa

Dated June 6, 1944

Rec'd 1:16 p.m.

Secretary of State,
Washington.



114, June 6, 3 p.m.

Blowers, Governor of State Bank of Ethiopia, who will probably attend conference referred to Department's telegram in the circular of May 25, and official notice of whose designation is awaited, has requested Department's assistance in obtaining air transportation from Bombay to Addis Ababa of National City Bank employee, Tomas Havgus, who is being loaned to State Bank and whose arrival here is desired by Blowers before latter's departure for Conference.

CALDWELL

JMS
EDA

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF ¹⁵³
COMMUNICATIONS
AND RECORDS

LC - 843

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Addis Ababa

Dated June 6, 1944

Rec'd 6:22 p.m.

Secretary of State,
Washington.



114, June 6, 3 p.m.

Blowers, Governor of State Bank of Ethiopia,
who will attend conference referred to in the
Department's circular telegram of May 25 and official
notice of whose designation is awaited, has requested
Department's assistance in obtaining air transportation
from Bombay to Addis Ababa of National City Bank
employee, Tomas Hevsky, who is being loaned to State
Bank and whose arrival here is desired by Blowers
before latter's departure for conference.

CALDWELL

RB-BB

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

154
DIVISION OF
COMMUNICATIONS
AND RECORDS

LFG-738
This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Addis Ababa via Army

Date: June 6, 1944

Rec'd 1:17 p.m.

Secretary of State,
Washington.



115, June 6, 5 p.m.

Department's circular telegram May 25, 5 p.m.

Ethiopian delegates to conference regarding
International Monetary Fund will be the Ethiopian
Minister in Washington and George Blowers, Governor
of the State Bank of Ethiopia and Tesemma, Secretary
of the Ethiopian Legation in Washington, will be
Secretary of the Delegation. Ethiopian Government
requests air transportation for Blowers who is now
in Ethiopia and desires to proceed as soon as
possible.

Additional information requested in Department's
circular telegram of June 3, 6 p.m. will be forwarded
as soon as possible.

CALDWELL

JMS EDA

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

155
DIVISION OF
COMMUNICATIONS
AND RECORDS,

SFG-758

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
agency. (RESTRICTED)

Tehran via Army

Dated June 6, 1944

Rec'd 2:20 p.m.

Secretary of State

Washington

405, June 6, 6 p.m.



Foreign Minister has sent me formal notice that his
Government accepts invitation to attend Monetary Conference
(Department's circular May 25). Abol Hasan Ebtehaj,
Governor of National Bank of Iran, has been designated chief
delegate and hopes to leave shortly for the United States.
I have not (repeat not) been informed officially regarding
other delegates but understand that if there are others,
they will be selected from Iranian officials now in the
United States.

FORD.

EJH
LMS

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF ¹⁵⁶
COMMUNICATIONS
AND RECORDS

LFG-806

This telegram must be
paraphrased before being
communicated to anyone
other than a Government
Agency. (RESTRICTED)

Monrovia

Date June 6, 1944

Rec'd 4:35 p.m.

Secretary of State,

Washington.

124, June 6, 3 p.m.



The Liberian Government has accepted President
Roosevelt's invitation to participate in conference
to be held by the United Nations in the United
States July 1, 1944, with a view to the establishment
of an international monetary fund.

The following have been appointed as Liberian
delegates to the conference: William E. Dennis,
Secretary of the Treasury; James F. Cooper, a former
Secretary of the Treasury; Walter F. Walker, Liberian
Consul General at New York; and Jeffries K. Adorkor,
Secretary of the delegation.

WALTON

BB RR

FMH-669

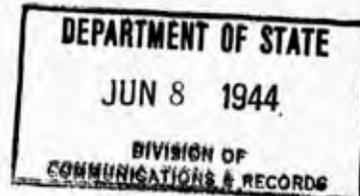
This telegram must be paraphrased before being communicated to anyone other than a Government agency. (RESTRICTED)

Bombay via War

Dated June 6, 1944

Rec'd 5:40 a.m.

Secretary of State,
Washington.



311, June 6, 2 a.m.

Referring to the Department's circular telegram to Delhi June 3, 6 p.m.

For biographic data regarding Dasmukh see Bombay's despatch No. 989, August 27, 1943; for biographic data regarding Shroff see enclosure number two Bombay's despatch no. 1372, May 15, 1944.

Data regarding Madan is as follows: BK; director of research in the statistical and economic section of the Reserve Bank of India and head of the Agricultural Credit Department; primarily a statistical and research man who among other duties prepares the annual report of the Reserve Bank of India; formerly economic advisor to the Punjab Government; Master of arts and Doctor of Philosophy Lahore University; Hindu aged 33.

DONOVAN

BB RR

AIRGRAM

TO: American Legation,
Pretoria.

DATE: June 6, 1944
 DEPARTMENT OF STATE
 REC'D: June 24, 8am
 JUN 24 1944

Secretary of State,
Washington, U. C.

A-29, June 6, 3 p.m.

With reference to the Department's circular telegram of May 25, 5 p.m. regarding the Monetary and Financial Conference of the United Nations, and the Legation's telegram No. 66 of June 3, 12 noon announcing the acceptance of the Union Government of the President's invitation, there is quoted herefollowing a note received from the Department of External Affairs in this connection:

"Department of External Affairs,
Pretoria,
3 June 1944.

Mr. Charge d'Affaires,

I have the honour to acknowledge the receipt of your letter of the 26th May, last, and to inform you that the Union Government highly appreciate the invitation which has been extended to them, on behalf of the President and Government of the United States of America, to be represented at a formal Monetary and Financial Conference of UNITED NATIONS and the Nations associated with them, to be held in the United States beginning July 1, 1944. In thanking you for this invitation, I am to say that the Union Government will be happy to avail themselves thereof and that they will be represented as follows:

Leader : Dr. S.F.W. Gie, Envoy Extraordinary and Minister Plenipotentiary of the Union of South Africa, Washington.

Co-delegate : Dr. J.F. Holloway, Secretary for Finance, Pretoria.

Co-delegate : Dr. H.H. de Kock, Deputy Governor of the South African Reserve Bank, Pretoria.

Secretary

-2- A-29 June 6, 3 p.m. from Pretoria. -2-

Secretary : Dr. W. Naude, South African Legation,
Washington.

Typist-Clerk : Miss Mann, South African Legation,
Washington.

It is hoped that it will be possible to arrange the departure of Messrs. Holloway and de Kock, from Durban, on or about the 14th June, 1944.

Please accept, Mr. Charge d'Affaires, the renewed assurance of my high consideration.

For the Acting Minister of External Affairs.

ACTING SECRETARY FOR EXTERNAL AFFAIRS"

GROTH

ALR/cg

500

FMH-909

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (RESTRICTED)

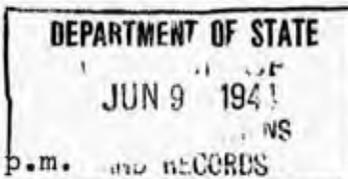
Pretoria

Dated June 6, 1944

Rec'd 9:40 p.m.

Secretary of State,
Washington.

68, June 6, 4 p.m.



The information given in the Department's circular of June 3, 6 p.m., has been conveyed to the Union Government. The Department of External Affairs states that the South African Legation in Washington is in a position to make known the Union delegation's requirements for living and office accommodations at the Mount Washington Hotel and also to supply information regarding delegation personnel.

Information concerning membership of the South African delegation was supplied in this Legation's telegram No. 66 of June 3, noon; biographic data regarding Dr. Gie, South African Minister who will head the South African delegation, are on file in the Department; that of Holloway and de Kock follow: Holloway: born 1890 at Stellenbosch, Cape Province, BA Capetown University; Doctor of Science (Economics)

University

-2- #68, June 6, 4 p.m. from Pretoria

University of London. Grey College School 1911-13. Lecturer and subsequently professor of economics, Grey University College, Bloemfontein and Transvaal University College, Pretoria, 1917-25. From 1925-33 director Union Government officers of census and statistics. 1934-37 economic adviser to Union Treasury and since 1937 Secretary of Finance Department of the Union Government. Further Holloway has been chairman of Commissions of Inquiry into social and economic conditions of South African negroes and on the customs tariff. He was also a member of the commission of inquiry into the constitutional and financial position of the mandated territory of Southwest Africa; he was adviser to Union delegations at the Ottawa Conference in 1932 and also the Union delegate to the World Economic Conference in 1933 and the Imperial Conference in 1937.

De Kock: born January 29, 1898 at Makos Mesbury, Cape Province, BA Capetown University; MA and PHD in economics Harvard University. Senior lecturer in economics Capetown University 1923-24; member of Board of Trade and Industries 1924-29; member of Diamond Control Committee 1930; deputy governor South African Reserve Bank since 1932. He

has,

-3- #68, June 6, 4 p.m. from Pretoria

has, on several occasions during the period 1923-38
also held certain honorary appointments such as
Vice President of the South African Institute of
Bankers and was the Union delegate to the International
Economic Conference at Geneva in 1927.

GROTH

WSB RR

DEPARTMENT

OUTGOING

DIVISION OF ¹⁶³
COMMUNICATIONS
AND RECORDS

This telegram must be
rephrased before being
communicated to anyone
other than a Government
agency. (SECRET 0)

June 6, 1944
5 p.m.

TELEGRAM

Text of this message must
be properly guarded

DEPARTMENT OF STATE
JUN 8 1944
DIVISION OF
COMMUNICATIONS & RECORDS

AMEMBASSY,

CHUNGKING.

781

FOR ADLER FROM THE SECRETARY OF THE TREASURY

In those instances in which Treasury authorizes remit-
tances to China on behalf of religious and philanthropic
institutions through channels other than those provided for
in General License No. 75, and which licenses it will be the
general policy of the Treasury to grant only if the approval
of the Commission for Control of Foreign Exchange Assets,
Chungking, has been obtained, Treasury is prepared to permit
the dollar equivalent of such remittances to be credited to
blocked accounts with (A) domestic banks, or (B) reputable
American industrial or commercial concerns, in the name of
the Chinese person or firm which has supplied the equivalent
funds to the religious or philanthropic institution in China.
(Reference your #816, May 10, 1944.) Treasury does of course
reserve the right to refuse to license transfers which it would
be inconsistent with general freezing control policies to
permit.

You may inform the Ministry of Finance that Treasury
studies of Chinese assets in the United States are preliminary

-2- #781, June 6, 5 p.m., to Chungking.

and incomplete and are not in a state sufficiently advanced to warrant their being submitted at the present time.

STETTINIUS
ACTING
(GL)

FMA:GL:db

6/6/44

NOT TO BE RE-TRANSMITTEDCopy No. 11SECRETOPTEL No. 181

Information received up to 10 A.M. 6th June 1944.

1. At 2 A.M. airborne troops landed in the area of SEINE BAY, east of CHERBOURG PENINSULA: initial stages air operation satisfactory and glider landing unopposed. Information to 6:15 A.M. is that assault forces were approaching shore according to plan although weather in Channel not wholly favourable. In support of these operations, 1,374 Bombers despatched of which the large majority attacked, throughout the night, coastal batteries and other targets in the CHERBOURG and CAEN areas; ~~2~~ of these aircraft are missing.

OPTEL 1821. NAVAL

A U.S. tank landing ship was mined South of HASTINGS this morning.

2. MILITARY

Italy U.S. Forces succeeded in capturing the TIBER bridges in ROME undamaged, thus enabling contact with the enemy to be maintained. Leading U.S. armoured units reported 8 miles West of ROME on CIVITAVECCHIA Road and U.S. Infantry about 4 miles west of TIBER. U.K. troops have reached the banks of the Tiber close to the sea. Further to the right French troops have crossed the River ANIENE at two points; Indian troops are advancing up SUBIACO Road against slight opposition; South African armour is moving along Highway 6 and U.K. armour on road GENAZZANO-PALESTRINA.

3. AIR OPERATIONS

Western Front 898 tons dropped on batteries near CALAIS and defended locality at BOULOGNE. 4th/5th.

5th 617 heavy bombers dropped 1,615 tons on gun batteries and other objectives between BOULOGNE and CHERBOURG. 462 aircraft of the A.E.A.F. attacked coastal batteries, German headquarters, R.D.F. installations and railway centres in NORTHERN FRANCE.

5th/6th. In addition to forces supporting landing operations, 31 Mosquitoes attacked OSNABRUCK.

Italy 3rd. 1,501 aircraft (7 missing) attacked bridges in Central Italy, communications and transport; 261 vehicles and several railway wagons and locomotives were destroyed or damaged. Hurricanes dispersed two convoys off LEGHORN sinking 9 small craft including two E-Boats.

TREASURY DEPARTMENT

Regraded Unclassified

June 7, 1944

Charles S. Bell.
Secretary Morgenthau.

Before anybody goes overseas from the Treasury, I want to be consulted in advance before any commitments are made. I understand that Harry White wants to sanction the staff of Taylor in London. I definitely want to be consulted on who goes.

Dan Bell.

June 7, 1944

Secretary Morgenthau.

I wish you would try your hand at rubbing the State Department's nose in the ground for the fact that as of Friday they saw Winthrop Aldrich, who served notice on them that he had a chance of making a loan to the Netherlands, that Hull saw him and sent him over to me, and notwithstanding this matter, they continued to push for the Government to make a loan. I really wish that you would make a try at doing this thing partly in seriousness and partly to tweak their noses. I really think it's too good an opportunity to let go by. Anyway see what you can do with it and talk to me about it some time today, please.

June 7, 1944
9:29 a.m.

HMJr: Colonel Pasco.

Col. H.M.
Pasco: Yes, Mr. Secretary.

HMJr: Good morning.

P: Good morning, sir.

HMJr: Colonel, would you give General Marshall this message for me?

P: Yes, sir.

HMJr: I'm leaving early Friday morning for a trip on War Bonds.

P: Yes, sir.

HMJr: And every time before I've started out I've talked to General Marshall to try to catch the spirit.

P: Yes, sir.

HMJr: Now, I'm very much disturbed. I've got the Wall Street Journal in front of me, for instance, this morning and it says, "Invasion marks the beginning of the end of war economy". And on the other side it says, "Baruch and Hancock resign in protest of delay of conversion plan." In other words, everything is -- the war is over. See?

P: Yes, sir.

HMJr: Now, what I'd like to do if possible, if General -- I'd be glad to come over. the very first thing tomorrow morning. I'd like fifteen minutes to have him talk at me.

P: Yes, sir.

HMJr: See?

P: Yes, sir.

HMJr: If he can give me fifteen -- I know how busy he is.

P: I wonder if you are available today, Mr. Secretary? It's possible he won't be in the office in the morning.

HMJr: Oh. Well, I'll make myself available.

P: Well, let me get some possible times from him and call you, sir.

HMJr: Supposing you -- the only appointment I could not break is from ten to eleven.

P: Yes, sir. Well, he -- he has -- he's pretty well blocked in until about eleven-fifteen.

HMJr: Yeah.

P: As soon as I can get to him -- he has his operations people in there now -- as soon as I can get to him, I'll find out a time after eleven o'clock, sir, and call you.

HMJr: Yeah. Well, he's done this with me before.

P: I know he has, sir.

HMJr: And it's always been an inspiration and I don't want to start from here to Los Angeles, which I'm doing, unless I can catch his spirit.

P: Yes, sir. Well, I know he'd be glad to see you and it's just a matter of getting a time that's convenient to you, sir, and I'll see him and call Mr. FitzGerald back, sir.

HMJr: Right. Thank you.

P: You're welcome, sir.

June 7, 1944

167-A

This is what HM, Jr got out of his conversation with General Marshall as inspiration for his speeches during the Fifth War Loan Drive.

Increasing artillery
ammunition and big guns
reopened plants, which
were in stand-by

23 billion dollars to
Army last ^{calendar} fiscal year

This ^{calendar} fiscal year 24 billions.

Heavy
artillery requirements
increase by 1 billion

flaming war

General Marshall's
June 7th 11.30 A.M.

June 7, 1944
9:30 a.m.

GROUP

Present: Mr. D.W. Bell
Mr. C.S. Bell
Mr. Haas
Mr. McConnell
Mr. O'Connell
Mr. Smith
Mr. Sullivan
Mr. White
Mrs. Klotz

H.M.JR: It shows they went off yesterday, didn't they, Dan?

MR. D.W. BELL: No, one-thirty-second - here and there - mostly tax exempts.

Things went very well, I think. There was one dealer that started marking them down to see if anybody would come in. He was called in and told that that wasn't the way to cooperate and that he better get in line - one of our good friends, Chris. Unusual for him to do - very surprising. But he got in line in the afternoon and was all right before the day was over. He said he wouldn't do it again.

Now, those people who are to help me in preparing my War bond speeches, I have the Wall Street Journal in front of me. In the left column (reading): "Invasion, in part, marks beginning of the end of the war economy." In the right column: "Baruch and Hancock resign; protest delay in conversion."

In other words, the whole thing - the war is over. How far have you got, George, with the Army and Navy?

MR. HAAS: I got something last night.

- 2 -

H.M.JR: Is it any good?

MR. HAAS: It is this type of thing: The Navy took the the expedition of the Marshall Islands; they gave me what it cost to buy the ships, to buy the planes, to put oil in the ships, all supplies in the ships, and to train the men - six billion dollars. I think you can use it.

H.M.JR: How about the War Department?

MR. HAAS: The War Department has given me something comparable; what it costs to put the war machine over there, to move from Naples to Rome - it runs up to approximately seven billion dollars.

MR. SULLIVAN: Have you tried Bob Kintner on getting information like that out of the War Department?

MR. HAAS: We started at the top. We have the channels fixed up.

MR. SULLIVAN: Bob got me a awful barrel of stuff in about fifteen minutes, that I wanted. He is awfully good, Mr. Secretary.

MR. D.W. BELL: I went to Patterson...Carter sent over how many men?

MR. HAAS: The Colonel in the Navy sent over four men. But the channels are all right; they won't tell you a specific breakdown. I think if they say it is military information, you can't use it.

H.M.JR: I am going to try something; I am going to call up Bob Kintner and Gene Duffield and ask them if they can write something for me about how to answer this stuff.

MR. SULLIVAN: I think Bob would love it. He had the Colonel call me right back and I got a barrel of stuff. See what they can do. If we don't get anything--

- 3 -

MR. SMITH: If we don't get anything, we have enough now.

(Mrs. Klotz enters the conference)

H.M.JR: Well, I have twenty minutes. Who has something?

MR. C.S. BELL: All my stuff can wait. Bretton Woods has been changed to the Claridge in Atlantic City for the preliminary conference, if that is agreeable to Harry. Johnson of ODT writes us--

H.M.JR: I would send that in. (Refers to proposed draft of letter to Mr. Johnson)

MR. C.S. BELL: Yes, sir. I will have the reply on that today.

H.M.JR: You handle it.

Bailey said one of your men called him up last night on some of the work he had been doing on the farm. Bailey said it hadn't come, and five minutes later it was at the express office.

MR. C.S. BELL: If it hadn't hit there then, I was going to trace it.....

That is the crop, I guess. That is everything.

H.M.JR: That is the crop.

MR. C.S. BELL: I have a day to spare on that.

H.M.JR: We will remember you at harvest time.

MRS. KLOTZ: I am a witness to that.

H.M.JR: Dan?

MR. D.W. BELL: What do you want me to do about this memorandum you sent me at midnight?

- 4 -

H.M.JR: Well, I thought you could do something like this, just put it down on paper and simply say, "I cannot understand how you, Mr. Hull, can write me a letter dated the 2nd, Friday, and mailed on the 5th, on the same day that you saw Winthrop Aldrich, and that Winthrop Aldrich spoke to you and asked you how you would feel about having him make a loan to the Netherlands. You told him to go and see the Treasury. On the same day you write me a letter telling me the President approves of a loan by the Government. Now, it seems to me that in view of your conversation with Mr. Aldrich, the least you could have done would have been to incorporate that in your letter, or so advise the President. And I believe that it is my responsibility - somebody has to be responsible for loans to foreign Governments, and it is my impression I am that person. If I am not, the sooner I know it, the better."

I want to get this thing over. In walks Mr. Aldrich; the same day he writes a letter. And I think they should have their noses rubbed in it.

MR. D.W. BELL: You would like to write a letter. That is what I didn't understand, whether you wanted me to call somebody up, or--

H.M.JR: No, I want to make a record, and I want to say the position of the Treasury is that it wasn't necessary to take the taxpayers' money; to go to the banks to borrow money for these people is wholly unjustified.

(The Secretary holds a telephone conversation with Robert Kintner)

H.M.JR: He said he has got to just do it out of his head.

MR. SULLIVAN: Is he on leave?

H.M.JR: No, he has something the matter with his ear.

- 5 -

MR. SULLIVAN: He has had a lot of trouble with that.

H.M.JR: Take your hand at it. I have two things: In the first place, I think it is outrageous that the State Department let this thing slip through. I think we have to settle whether they are going to handle foreign loans, or we are. Then this idea of going to the President behind my back. Let's get this thing settled. I haven't got time. The whole thing just is too high-handed. I don't like it. He left himself wide open and I just want to twist his nose. Write to Hull.

MR. D.W. BELL: All right. I will draft something on it.

H.M.JR: I don't care if you are a little sarcastic. But this idea of here Mr. Aldrich sees him one day, and the same day he writes a letter and doesn't advise the President - leaves the President exposed to Winthrop Aldrich. One day Mr. Morgenthau said he wants private banks to make the loans, and the next day Jesse Jones makes available three hundred million of the taxpayers' money, and Jones would be completely in the right to do it - I don't want to let it go by.

MR. WHITE: It wouldn't help us with the banks,either, because we are taking the position that the bank is going to be used only if private agencies do not meet the requirements. If this goes through this way, and then they can cite that as an illustration--

MR. D.W. BELL: The first one.

MR. WHITE: When they were ready to take it, then the Government took it over.

MR. D.W. BELL: The first one and the best one.

H.M.JR: And don't forget - if you read my letter on this thing, I said, "Under no circumstances should we make a loan to a foreign Government without first consulting Congress." That is in my letter.

- 6 -

MR. D.W. BELL: In your letter to whom?

H.M.JR: To the President.

MR. WHITE: Memorandum to the President. I don't think it was quite as strong as that.

H.M.JR: I think Congress should first be consulted. I was on record I would not approve a loan to any foreign Government without first going to Congress and getting their approval.

MR. SULLIVAN: I think you testified to that effect before one of those groups.

MR. D.W. BELL: I think that was the Stabilization Fund.

MR. SULLIVAN: No, the testimony was broader than that, Dan.

MR. WHITE: In the memorandum to the President there was a statement of that character - not quite as strong as that - that you felt that Congress might be consulted before any foreign loans were made. I don't think you said, "...under no circumstances" would you make a loan; that referred to your Stabilization Fund.

H.M.JR: Whatever I said in my memorandum, you could use. Right?

I really don't think we ought to let it slip by.

MR. D.W. BELL: All right. I will draft something today.

H.M.JR: Because there are so many things - and then, besides that, I get a great kick out of it.

MR. WHITE: There is a new Inter-Departmental Committee that has been formed that is supposed to have jurisdiction over that.

- 7 -

H.M.JR: Well, I haven't been advised by the President.

MR. D.W. BELL: It does?

MR. WHITE: They think they have, to make recommendations to either the President or Secretary Hull. Their powers are broad enough to include all that, and there is a Subcommittee.

MR. D.W. BELL: The Acheson Committee?

H.M.JR: One of these self-appointed, self-anointed committees.

MR. WHITE: No, by Executive Order.

H.M.JR: That doesn't mean a damn to me, either. After all, I am doing all this after the President said O.K. I think it is my job. Just the fact that the President said O.K., when I think he is wrong, I am going to bring it to Hull's attention and to the President's attention. You people have been with me long enough to know I keep doing that, and if the President doesn't like it, he can say so.

After I told this to Grace Tully yesterday, she said she would get out a kill order on this thing. So I am not out on the end of a limb. I protected my flank.

MR. SULLIVAN: Your rear!

H.M.JR: I am not completely wild, you see. I have already told this to Ed Stettinius - had a wonderful time thinking it was a wonderful story - that I was thinking of telling the newspapers we were for private enterprise and the State Department was for State Socialism.

Anyway, you write as good a letter on that as you did to Senator Byrd.

MR. D.W. BELL: All right.

- 8 -

H.M.JR: You made Byrd reverse himself twice.

MR. D.W. BELL: We have another one now that is terrible. He doesn't want any more letters; he wants to do it informally, hereafter.

H.M.JR: That is just what I don't want, with Hull. I think this thing is too important to let the thing slip by, by telephone.

MR. D.W. BELL: I will do something with it today.

H.M.JR: Mr. White?

MR. WHITE: Here is the answer to Mr. McCloy about troop expenditures. If you happen to read the report you will note that the breakdown of expenditures in the North African and Italian areas seemed to me to reflect very considerable credit on the way the men were spending their money. They are not spending much. (Secretary signs letter)

I should think it would be very helpful to the public and for the Army if they gave some publicity - if they published those figures to show that the inflation in those areas is not due to the fact that the Americans are throwing around money. They are spending sixteen percent of their pay.

.....
H.M.JR: Meet Mr. Smith!

MR. WHITE: But that should go through the Army.

H.M.JR: Oh, hell, call up and get clearance. If the people at home would do as well as the Army--

MR. WHITE: We will give you the exact figures, but you can't use them without the Army's permission.

Here is the list of the delegates, up to date, if you want to glance at them. There may be some more in this morning.

H.M.JR: You give me one thing and don't even finish another thing, Harry. You started to talk about a letter.

MR. WHITE: Well, here it is if you want to sign it.

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MR. WHITE: The Dutch East Indies have asked some-time ago for forty million dollars worth of silver to be coined into two and a half guilder pieces. That is bigger than a silver dollar. We feel that it might be wise not to give it to them at this time. In the first place, we have already given them about forty million dollars' worth. In the second place, in order to give them that silver on Lend Lease, we would be running pretty low unless we shifted the silver behind the bus bars. Up to now we haven't done that. I don't think it is a very wise time to do it.

H.M.JR: All right. Stall on it.

MR. WHITE: We will get more pressure, but--

MR. D.W. BELL: I have a problem on that that I would like to talk to you about pretty soon.

MR. WHITE: You were going to write a letter to the President of China. We were going to consider it this morning with other departments. After thinking it over and going over the letter prepared, it is my view you ought to send it yourself without getting the other departments to approve it. That is a letter from you to the President. We will get the other departments to work on the cable and other things, but that letter I should think-- ..

H.M.JR: Okay. Let's keep things moving.

MR. WHITE: That is all.

MR. D.W. BELL: I would like just a minute, if I could, to explain a matter that has come up.

H.M.JR: All right. They will have to let me know.

MR. WHITE: Remember what I said about Vinson last night?

H.M.JR: Yes, I am not going to do anything until I talk to you.

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MR. BLOUGH: It would be very helpful in this post-war tax project to have the cooperation of Vinson's people, Byrnes, Smith and Eccles. I think we can get that probably on our own, but it would be helpful if you do come in contact with any of them.

H.M.JR: Don't ask me to do it that way. If you want me to write some letters, write them and I will sign them at two o'clock.

MR. BLOUGH: I thought if you received Vinson--

H.M.JR: Don't ask me, because I will forget about it. I can't carry all these things. Harry wants me to ask him one thing and you another. I can't do it that way. Write me some letters, get them to Mrs. Klotz, and I will sign them.

MR. BLOUGH: That is all.

MR. HAAS: I have nothing.

H.M.JR: George, speak up at this meeting if either Bill Myers or Pearson begin to quote figures inaccurately, and you have them in your head, talk up, will you please, and I will listen.

MR. McCONNELL: I have nothing.

H.M.JR: Is this story in the Wall Street Journal true?

MR. McCONNELL: Hancock had indicated his intentions to resign, and Baruch, long ago. Baruch wanted to get out a month ago, shortly after he issued his report. Hancock prevailed upon him to stay until they got this legislation through. They have been hopeful of getting it through every week, but I know they have had this in mind for a month.

H.M.JR: Well, when you get ready to resign, will you tell it to me before you tell it to the Wall Street Journal, please?

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MR. McCONNELL: Yes, sir.

H.M.JR: It just makes more trouble. The President has to take it. Hahcock and Baruch want to resign, and so on.

MR. O'CONNELL: In connection with our discussion the other day involving the loan to the Netherlands, you wanted to know whether Winthrop Aldrich of the Chase Bank could make a loan to the Netherlands without governmental approval. They could not. They would have to get a Treasury license.

H.M.JR: Harry is awful busy. He has more than he can do, also. Look into this damned, so called, "Acheson Committee". If we have got authority on the licensing, what are they going to do?

MR. O'CONNELL: They are not an operating committee.

MR. WHITE: They make recommendations either to the Secretary of State or the President.

H.M.JR: All right. Now here is the thing of the Netherlands loan. Ed Stettinius does nothing about it and leaves it to Acheson. I will "Lend Lease" them Charlie Bell to organize them.

MR. WHITE: You remember we wanted this committee to be at Cabinet level? This was the same committee that was eventually formed.

MR. O'CONNELL: Actually most of the occupied countries couldn't make a private loan, anyway, because of the Johnson Act. The Netherlands, Norway and Luxembourg are the only three that could make a private loan legally, and none of those can make them without our approval.

H.M.JR: And this is the cream of the crop.

MR. O'CONNELL: In Denmark there isn't any government in exile. Albania, Denmark, Liechtenstein, there is no practical way to make a loan because they haven't a government over here.

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MR. WHITE: Next to Canada, I think this is the best borrower that is in a position to borrow legally.

MR. O'CONNELL: But in any event we couldn't refuse to license Jesse Jones, but we do have the control over any private government arrangement without any amendment.

MR. WHITE: The answer is, if State Department made a request we would never refuse it.

MR. O'CONNELL: It's a control, that's all.

MR. O'CONNELL: Do you want the memorandum on what the situation is with respect to private loans, not only to the Netherlands, but others?

H.M.JR: You had better put it in my files. Maybe Bell would need it.

MR. O'CONNELL: The other day you gave me a draft of bill to create a national symphony orchestra fund.

(Secretary holds a telephone conversation with Gene Duifield)

H.M.JR: Do I say yes or no?

MR. O'CONNELL: If it is agreeable with you I would like to take the draft of legislation up with Mr. Whoever-he-is. We had some suggestions for exchanging it but they are very technical.

H.M.JR: Yes, and keep Mrs. Morgenthau posted. I can drop out. Just let me know what the final result is.

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

H.M.JR: But try to clean it up between now and tomorrow night, please.

MR. SMITH: I have nothing.

H.M.JR: And if Joe is around you might begin to let him know what our schedules are.

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MR. SMITH: Joe Gaydicka?

H.M.JR: Yes. How many people are going with us beside yourself?

MR. SMITH: Paul Stewart and Peter Lyon.

H.M.JR: What about Steele?

MR. SMITH: He got called to Atlanta on account of the death of the coca-cola man. He will meet us at Hot Springs.

H.M.JR: Joe will sit in front.

MR. SMITH: Couldn't we stop in Memphis and pick up Wells? He can get there very easily.

H.M.JR: And why don't you drop these other two fellows in Memphis?

MR. SMITH: That's fine. They can get on a plane and go on West.

H.M.JR: You could begin to figure the schedule. I would say, plan to take off at nine o'clock Friday morning. See how that works out with catching various planes. Do you see?

MR. SMITH: That's fine.

H.M.JR: Let Joe work on that with Fitz.

MR. SMITH: All right.

H.M.JR: Take off Friday morning at nine o'clock.

MR. SULLIVAN: We are extending wage and salary controls to Hawaii. Nothing you should know about it except in case somebody asks you.

H.M.JR: Don't you think I should look into that personally?

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MR. SULLIVAN: Well, if you have a lot of time on your hands between now and August first, we could drop out there.

H.M.JR: Between the War Bond Loan and the Monetary Conference, I was thinking of taking two weeks off.

MR. SULLIVAN: Why don't you?

TO:

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MISS CHAUNCKY

6-7-44

Mr. O'Connell took the attached to the 9:30 meeting this morning and discussed same with Secretary Morgenthau. These are for your files.

F. Brower.

FROM: MR. O'CONNELL

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

Date 6/9/44 -

TO Secretary Morgenthau
 FROM Mr. O'Connell

You inquired as to whether any of the occupied countries could float loans in our market without Foreign Funds approval.

A preliminary check of the situation suggests that we have the matter under control in the absence of sharp tactics on the part of the parties which would appear unlikely.

In the first place the following occupied countries are prohibited under the Johnson Act from borrowing funds in the United States market because they are in default in their obligations to the Government of the United States:

Belgium	France	Lithuania
Czechoslovakia	Greece	Poland
Estonia	Latvia	Yugoslavia

In addition, there are a number of countries which are occupied by the enemy but have no governments-in-exile which are recognized by the United States. We have given certain privileges to the diplomatic representatives of some of these countries but it is most doubtful that any American lender would even think of negotiating a loan involving such countries because of their status. This group includes:

Albania	Liechtenstein	Thailand
Denmark	San Marino	

Thus, there are only three countries now occupied by the enemy which are in a position to borrow funds from private sources in the United States. These countries are:

The Netherlands	Norway	Luxembourg
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Licenses have been issued to certain agencies of these countries which permit them to draw freely on certain government bank accounts but it would require a major distortion of such licenses for anyone to regard them as authorization for such agencies, on behalf of their governments, to float loans in our market.

The foregoing does not, of course, relate to China and the neutral countries which we have frozen and which do have broad general licenses.

J. J. C. rt