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United Automobile Workers, Detroit, 1/25/42.

Conf.: present: NMJr, Kuhn, Odegard
1/21/42, 1/23/42
a) Draft 1
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City Club, Cleveland, Ohio.

Draft

Reading copy.
Speeches by HJr
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Draft

Reading copy 1/24/42

a) Comment in C.C. pub. "The City"

b) Tax-exempt securities proposal and
   Epstein opposition: See Revenue Revision

c) HJr thanked by City Club 2/3/42:
   See Bk. 491, p. 409
Great Lakes Steel Corp. plant, Ecorse, Mich., presented with Minute Man flag by HMJr

1/25/42

President's Birthday Ball:

Kuhn's pencilled notes
Drafts
Reading copy

a) Committee thanks HMJr
Speeches by HMJr

Defense Savings Bonds: Navy thanked by HMJr for participation 1/31/42
Speecl>ea b7 HIUr
Defense Savings Bonds: Navy program at which check for $1,700,000 is presented to HMJr 2/3/42

a) Radio talk by HMJr and Knox 2/3/42
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2. **Pledge to buy 1 million defense bonds**
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3. **Set of proceedings sent to Wm. Green 2/11/42**
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2) Keller Draft A
3) " " B
4) Reprinting 4/16/42
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4/20/42
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1) HMJr describes to Bell, Graves, and Thompson
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f) LaRoche suggests putting speech on record and
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* 1) Donald Stauffer suggested as coach

   a) Emphasis notations on speech

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h) Draft by Smith and Albee 4/7/43:
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2) Stauffer-IMJr conv. 4/13/43: Bk. 625, p. 6

3) Green, Murray, etc., thanked for participation 4/13/43: Bk. 625, p. 11

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Milo Boulton congratulates HJr on program 5/6/43
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<td>Draft 2</td>
<td>1/26/45</td>
<td>292</td>
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<td>Reading copy, CIO broadcast</td>
<td>1/27/45</td>
<td>813: 19,42</td>
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<tr>
<td>a.) Murray (Philip) and La Roche (Chester)</td>
<td>congratulated by HM Jr</td>
<td>1/29/45</td>
<td>229, 234</td>
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</table>
Speeches by HMJr

Ann. – Soviet Friendship dinner at Waldorf Astoria, 2/23/45: HMJr asked to be chief speaker

Amn. Fed. of Labor broadcast, 2/11/45

Levy's draft 1/29/45

Rev. of Rev. draft again on draft 2/11/45

Burt's draft 2/16/45 816:165,165

Turner changes in Burt's 2nd draft 8/16:17

Kallen comment

Find draft 2/7/45 817:102

813:48

237
Reading copy (broadcast for Farm) 21.4.81 8:15:19.5
Speecbes by HMJr Waldorf-Astoria, N.Y.C.
Red Army Day, Feb. 22/(See also Book 813)
Outline of speech sent to Barth by HMJr
2/7/45
   a) Discussed by HMJr, Gaston, Luxford, and Feltus 2/21/45

Finished copy  2/21/45

Material on Red Army achievements sent by Embassy 2/19/45; Novicov (Charge d'Affaires)
thanked by HMJr  2/21/45

Seating list  2/22/45
Program
Reading copy
### Speeches by HJR

**St. Louis, Mo., speech before Chamber of Commerce, on Bretton Woods**

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**Final draft**

**Reading copy** 2/14/45

Itinerary, 2/11-16

Luncheon guests

Dinner menu

Congratulations on speech

Questions asked after speech
Speeches by H/N Jr

"We the People", Phila., Pa., Feb. 18, 1945

Draft 2/17/45

Reading copy of H/N Jr's broadcast 2/18/45

Itinerary 2/18/45

Mac Huard (Producer of "In the People") thanks H/N Sr 2/18/45
Speeches by HMJr
Before Economic Club, Detroit, Mich., Feb. 26, 1945
Draft 1 2/22/45
Welcott's objections after promising
to sponsor and introduce HMJr
discussed by Frank Isbey and HMJr
2/24/45

1) Possible reference to Welcott's list of objections

Draft 2
"from which reading copy was made"

Reading copy with Beby's introd. 2/25/45

Welcott's remarks
2) Wolcott's speech discarded, 523:78
by Dr. Jones, 2/27/45
Speecheas by HMF Jr

Bretton Woods: Opening statement before Congress

1st draft, No. 1 3/3/45 825: 19
  a) Discussion by Treas. group 1

1st draft, No. 2 3/3/45 109
  a) Discussion by Treas. group 106
Speeches by HMJr

St. Louis, Mo., Chamber of Commerce speech

Comment from St. Louis papers, etc.,
sent to Hannegan 3/6/45
Speeches by HMJr
Bretton Woods: Opening statement before Congress - reading copy 3/7/45...... 2 A-U
Speeches by HMJr
7th War Loan Drive
Minneapolis Club (first of 2 luncheon meetings to inform top management of plan for sale of Bonds in industrial plants), March 12, 1945

Breakfast guests
Acceptantes for luncheon
Cocktail party guests
HMJr's schedule in Minneapolis

Minneapolis Civic and Commerce Assn. and Foreign Policy Assn.
Draft 1 of speech
Reading copy

Letters of thanks 3/16/45
Speeches by HMJr

7th War Loan Drive: Reading copy of a recording by HMJr for a closed circuit broadcast to War Bond workers in the field

3/24/45
Speeches by HMJr
Fifth Regiment Armory, Baltimore, Md., April 12, 1945
Draft of speech by Feltus
and covering letter to HMJr in Fla.
3/31/45
Speeches, Treats.

Future Clearance: HMJr's memo 1/6/44 691:248
Sweed, William

How to discuss case with T. F. T. O'Conor,
Controller of Currency 2/30/36

22
Speed, Wm.

Sulzberger asks HMJr's assistance; Speed involved as bank director of Louisville Natl. Bk.

11/24/38
Spellman, F. J. - Archbishop
See War Refugee Bd. : Hungary
Spence, Brent (Congressman, Ky.)
Safekeeping of War Bonds: See Financing, Govt.
(War Savings Bonds)
Spence, Brent (Congressman, Ky.)
See Post-War Planning: Bretton Woods Conf.
Spence, Brent (Congressman, Ky.)
(Chairman, House Committee considering Bretton Woods)
Post-War Planning: Bretton Woods 831: 85,281
Spence, Brent (Congressman, Ky.)
See Post-War Plannings: Bretton Woods Conf.
Spencer, Herbert (Dr.)
See War Conditions: Germany
Spencer, Wm. H. (Univ. of Chicago)
For resume of experience, see Book 187, p. 66
'Spending Program
HMS so marred our vulnerability with greed to rocket wi.
see FDR, who is very amenable 2/2/36

HMS Jr gave suggestion of conviction to Galt, Fellows, Cades, McR., Hanes, Hogan - CG per 2/3/36

1) Realization of asset to h. discarded; HMS Jr
2) Much聊天 of RFC, FCA, Holc, AAA - PWA strong
1. Out of many allocated, not withdrawn, not upgraded
2. 40 of employees since inception
3. Fund of debt repayment
Spending Program

Send meeting of Treasury group with H. J. 2/10/36 XVII 222/3

Chart showing % of civil employees

Direct relief loan (no. meet with FDR 2/14/36 XVII 27-37

1) Farm credit loan used as % of possible savings

Statement of estimates sub. by emergency agencies a budget action thereon
Spending Programme
Bell + Abram met w/ HmJSr; Abram's tuberculosis
of savings attached 2/6/36

HmJSr again discussed w/ FDR who is still of

same mind (to say) 2/6/36

FDR w/ HmJSr, Bell, Williams, Gill, Abram,

Truman, Bell 2/6/36+ (notes of DmAdF)

1. DW Butler's notes

2. Lyle Abram's notes
Spending Program

Group meet with H M Jr. to discuss memo to be sent to White House on lending agency activities 2/8/46.

Copies of memo with supporting memos from Farm Credit, RFC, etc.

FDR speaks to H M Jr. about winning with Henkin./one: H M Jr. pleased that FDR is still determined to rework 2/10/46.
Spending Program:

House and FDR to announce budget is study ing had to recognize it. 1935 report of measures and 1/11/36, 11/190

Savings (possible) listed 2/14/36
Spending Program
McReynolds memo concerning HMJr's desire that
entire program be changed 5/8/38
Spending Program
See Business Conditions
Spending Tax
See Revenue Revision
Sperry Co.
See War Conditions: Bomb Sights
Sperry Bomb Sight
See War Conditions: Bomb Sight (Sperry)
Sperry Bomb Sight
See War Conditions: Bomb Sights
Sperry Bomb Sight
See War Conditions: Bomb Sight (Sperry)
Spiegel, Harold R.
Assigned to Havana, Cuba, by Div. of Monetary Research 4/17/42
Spingarn, Joel
See Engraving and Printing, Bur. of Negroses 519
Spitzel, Herman - Lt. Comdr., USNR

Investigation of - Anslinger memo

4/13/42

a) Resignation to be permitted

4/15/42
Sports
Discussion at Cabinet meeting  5/21/43

635
635: 139
Sprague, O. M. W.

See Gold - sterilization of future acquisitions
Sprague, O.M.W.
See Gold
Spriggs, Marjorie L.
See Financing, Gov't. Defense Savings Bonds
Sproul, Allan
See Financing, Govt.
Sproul, Allan
See Financing, Govt.
Sproul, Allan (Pres., YRB of NY)
Attitude toward YRB and HMJr discussed by Eccles and HMJr 2/22/43
a) Discussion by Treas. group 2/23/43
Sproul, Allan

See Financing, Govt.: War Savings Bonds

(Organization Plans)
Sproul, Allan
See Financing, Gov't. War Savings Bonds
(2nd War Loan Drive)
Spreul, Allan
See Financing, Govt. War Savings Bonds
(organization plans)
Sproul, Allan
See Financing, Govt.'s War Savings Bonds (Organization Plans)
Sproul, Allen J.

See Financing, Govt.: War Savings Bonds
(Organization Plans)
Sprout, Allan
See Financing, Govt.: War Savings Bonds
(Organization Plans)
Sproul, Allan
Spreul, Allan

See Financing, Govt.'s War Savings Bonds
(7th War Loan Drive)

"Post-War Planning: Bretton Woods Conf."
Stabilization
Stabilization (Fund est. by Sub. 10, Cal. Revenue Act '30-31)
Conf. at home of Earl Bailie; present: HMJr,
S. Parker Gilbert, Crane (Fed. Res. Bk. of N.Y.),
Loree (Guaranty Trust), Altschul, and Oliphant
1/19/34

a) Final opinion is that pound can be
   maintained only through an equalization fund

b) HMJr feels that Gilbert is giving most
   sincere advice
Stabilization

Williams (Harvard) asked to prepare certain info. on gold, stabilization with other countries, relation between gold and prices, etc. 1/3/35

FDR tells HMJr and Atty. Gen. he wants things kept unsettled until Sup. Ct. hands down Gold Decision; interview most unpleasant to HMJr 1/14/35

a) HMJr asks Oliphant if he has talked to FDR or Cummings; reply is "no"

b) FDR most conciliatory next morning

Fraser (BIS) tells Crane (Fed. Res. Bk. of N.Y.) Europe cannot understand why Stabilization Fund does not go into action and bring dollar within gold price 1/15/35
c) At Garner dinner, FDR lets HMJr know he has won in gold case

d) N.Y. Times article on disadvantages if decision is adverse 1/15/35

e) Gilbert’s (S. Parker) advice if decision is adverse 1/15/35

f) HMJr, Oliphant, Coolidge, Crane, and Lochhead make plans if decision is adverse 1/21/35

g) Landis (SEC) agrees to close all exchanges if decision is adverse 1/21/35

h) Special telephone connection in Cabinet Room arranged by HMJr

i) HMJr shows FDR, at luncheon, statement to be issued; FDR shows HMJr his own statement and says Kennedy thinks it so strong "country will burn Sup. Ct. in effigy" 2/13/35
Stabilization

Decision handed down; HMJr, Oliphant, Lochhead, Mrs. Klotz, Miss Reynolds in Cabinet Room, White House; McIntyre, Early, and Miss LeHadd in and out; FDR comes in 2/15/35 3:327

a) HMJr tells Lochhead to sell silver

b) Copy of decision

c) Alternative agendas of immediate action 330

d) Proclamation (if decision were adverse) 331

e) Message to Congress (""") 335

f) Bill to amend Judicial Code (""") 339
Stabilization

Crane 'phones HMJr on the Hill and tells him Gov. of Bk. of France had 'phoned that they had asked Lazard Freres to take $8 million worth; Lazard Freres in Paris agreed to $4 million - Lazard Freres in N.Y. refused to take their $4 million; HMJr tells FDR and FDR unhesitatingly says "take it"; HMJr calls Frank Altschul and expresses his disgust with the private bankers; Lochhead and Oliphant advise HMJr to "go easy"

HMJr, after conferring with Coolidge and Lochhead, decides to buy gold in London mkt. 1/15/35

Bullitt tells HMJr; "he wishes France would go off gold; result - Litvinoff now getting strength from France could then be swung to U.S."

1/24/35
Stabilisation

Gilbert (S. Parker) suggests that U.S. buy
$2,500,000 worth of British currency and
"they would be over on next boat" 1/23/35

Switzerland is having natl. referendum on gold
standard which they may abandon - so HMJr tells
FDR 1/23/35
Stabilization (rough chronologically)

HM tells Meany if business continues wound for
another 2 yrs, he will certainly consider raising price 91/2.

HM tells Phillips of Staff that he knows it would
have been unwise to show him Henry E. Godly story on
wheat stabilization in NY Herald Tribune before publishing.

HM tells FDA, sterling is now a francs up 100,000 of
gold in London; HM tentatively suggests offering francs in Paris on
shopping gold and in gents; FDA agrees.

3/16 - 17
I. 10
II. 12
III. 14

Craw Hill 117, 75 of communicable disease 1/26.1

We here define for foreign subsidies lasting 1/65

Cambridge, 10th January - From (0.15) 2/485

Consider also your Elisha's discovery! Here's another in

which proceeds

Can't also some object is described? Into unknown

by mystery to reform position on once-high theory

for part-time candid city editors. Outlining of present

Copenhagen, Denmark (Engraving, 1/24, 1/24, Carlsberg (Brewhouse))

4

Geoff S.

to British (5 billion francs); General de Gaulle's it showed a Franco-
American mood. Caneassie sympathetically hearing source.

SFDR's phone came decision is "no real authority for
past bad sympathetical support to objective" which is to
be conveyed to French after they make up own mind unless
suggested more.

Harrison tells HMT Jr. of interpretation of FDR's remark "quarter
pennies of droller should be paid to own lender of debts.

Mr. Cochran transmits a sense of Francis proposal concerning
decline of sharing a joint debt.  

Correspondence with another concerned England
Stab

France - Carried division American decision; Carried (opposed) his appointment. Am. - France can not make joint offer." 3/13/28

Ceylan of cables between them to France of France coming joint offer.

Panama Canal loan 30s (2%) to bonds going of 1/28 (2%) to be paid a five gold resulting from reduction in weight of the gold dollar will be made 3/11/33.

Korea

France (P.S.S.) cables Hamilton situation in Belgian return. IV 111
HMS to tell C. G. that to have all plans ready to embark.
* HM Jr tells Glass that, exclusive of Rogers' expenses, total expenses of fund is less than

\[ \$10,000 \times 40,000 \]
Goth Stab

Memo from John G. Laykin presenting various plans, endorsed by

[Signature]

- Fdi. Ex. Views to lesson shock to the world of France et

HMSr's reports, in mind, to FDR on board "Farragut\n
Carriqel or Crane Diseases Belgian situation 3/18/35

fathoms of...

- General liquidation of Jeker's

shaking balance Belgian situation 3/19/35

Carriqel of Crane Diseases present Dutch-Swiss condition 4/17/35

Altho. 

Crane replaced Sweeds Dutch situation

attachment

Crane replacement Sweeds Dutch situation
How is the game (after agreement concerning smuggling at St. Pierre) to all hands. France they can use U.S. credit up to 5 million anytime exchange goes below gold point. Have to want to work in close accord with French who has own state dept. 4/166. 

Crime-Casino/Canal conversation

HM to Hills will of his plan to aid France. 4/169

Holland wants us to buy gold direct from them @ 25 per.

FDR says ok for 10 million. 4/170. Cable attached

May need to act on allotment Bond. HM to Hills FDR he believes he can but sure by getting American Dollar bloc to rich. North & South American & China. 4/178.
Caricau (Bank of France) asks Crane "Do you mean exchange stabilization is any worse?" He tells F.D.R. who advises holding Ottawa Conference up and await monetary statement. After London Economic Conf. F.D.R. hopes to get various European countries to get H.M.T. and get England to join. H.M.T.: "No stab. possible until one of important countries is fed on its back." 4/15/45

Starr kept |transmit to Collidge for review program memo on exchange stabilization prep. by Alvin Hansen for}
Wallace tells HWM Jr. Hansen—of State Dept.—had consulted Ezekiel on plans for stab.; wants him to join France & help stabilization; HWM Jr. needs this inter from 4/16/35.

Hansen memo sent to Cordiige discussed by HWM Jr. with—

HWM Jr. tells FDR about Hansen memo—FDR angry 4/21/35.
Stabilization Fund

See also Gold

Use in this context means of raising your total supply of Fund

when the $40,000

Jone (meanin) proposes to tax $500 million away from
Fund and issue money against it to set a central
bank for foreigners; it must diminish this with Burke's

"11735" [12th C.]

2) After meeting in HM Scott's office call Jones - [12th C.]

Tell him so you will report.
Stabilization

Hansen memo sent to Coolidge as usual.

HMS Jr. will tell Hull; Hull didn't know about it - will handle 4/11/35.

HWMS tells FDR about Hansen memo - FDR angry 4/12/35.
French negotiations: connections between Carrièrè (Banque de France) and L. W. Knoxe (Fed. Res. Bx. N.Y.)

a) Carrièrè: will U.S. buy francs against dollar or take gold?

b) Knoxe tells C. Société Générale is principal seller of francs.

c) New seriousness in C's part noted.

d) NWJc says "Banque de France may sell dollars as official by him that came on 4/8 (i.e., 45,000,000 at 6.5 or better)."

See also 5/164, again on firming this.
Gottschalk:
French req. until

Know reports that member of Fr. Parliamentary Budget Comm.
who is much associated with German is going to resign. It would be
favorable for new Govt. raising German import - Minister of Finance.
The public will be more amenable to such measures - nothing
unfavorable will happen to France.

5/24/35

Him to F.D.R. for $12,000,000, all present cash, to be
immediately cashed into gold and shipped to F.D.R. Box of 07.

5/24/35
Gotth Stab -

France  - gold

Caraignel assumes known gold enounced by them for immediate delivery is absolutely free for export 5/23/35.  II 140

Caraignel calls attention to agreement with Guaranty Trust Co. concerning shipment of renounced gold II 141

Known to Caraignel business operations by close of market in Paris; Gov. of Bank of France communicated 5/24/35.  II 142

Caraignel again confirms agreement  II 143
Carrel novel discount rate raised "to make a good impression" 5/20/35.

Knew this Carrel, 11/25/35, has authorized further purchase of $25,000,000 of gold in Paris @ $35 - to be regarded as a measure 5/27/35.
It is

147

I am 65,000,000

Frank 47,000,000 today. Frank T. Co. 22,000,000

Frank.

If it is 5,000,000 against gold reserves on offered 25

This is 47,000,000. Know? be his answer: 

Yours Truly.

Sincerely

John
From: [Name]

Subject: [Details]

[Information and discussion about the subject matter, including details about insurance for gold shipped to [destination].]
Selig, from Am. Embassy re basis Canocol discussion. 

1st offer of $150,000,000 if British will advance $50,000,000, in Canocol shares. 

2nd offer to assign Lord, Marques or Mandel will 

3rd offer Gov. Br. has not less than $40,000,000 worth of gold unencumbered in London; 3rd no U.S. gold to be kept in Paris to be shipped as first on space in ships was available for Gov. Harrison to use. FDR to meet H. for explanation June 15th. 

Request for $200,000,000 which is to be made by Representatives.
France

appears this plan.aving stabilization Fund should handle it ; obvious
unless U.S. + England should handle it.

Cochran calls France's 
's financial needs for a period of $200,000,000; it wants
more C. to maintain amount of gold the British Equalization
Fund was supposed with Bank of France; late Cochran
confirmed call - Casquelet states B.E.F. has a minimum of 30
million $ of gold supposed with B.E.F.; new to suppose to
Casquelet said he is not British to lose 50 million dollars if his taken
$100,000,000; C. agrees - states they are mainly interested in
Dollars.
South Stirk

[Handwritten text]

Alighieri, and others, were killed in Sp. 5/29/185,

a) As members of the Finance Committee went to Flandini's
dine, turned down Flandini's German-Martinique proposal.
In 1853, Flandini will now resign.

b) Caruso says Tannery has demanded Carquiel-invest
of gold embargo, h.s. gold will not be transferred if
money it will be shipped to England; however, he does not
want this.

c) Carquiel says Bank of England is not helping them just at this
time; Carpathy Tr., operating in London, is losing the most there.
C. made money on $50,000,000 request Friday, may 31 (Assistance) at what.
d) HM Treasury accuses Cochrane of Bank of France raid this and 
now he've got falls; Carqueral says "yes, absolutely."

e) HM Treasury asks out of gold reserved for Bank of England;
Carqueral says $30 million pounds - roughly speaking.

f) HM Treasury again - US will a joint-Bank of England: 
150 million to 50 million; tells Carqueral himself
this in Cochrane's office.

g) Carqueral says France needs only dollars.

h) HM Treasury admits Bank of France must ask Bank of England after
Gold Stock

1) Heo Jr sango technical - legal foreign such questions should
be turned up w/ F.D.R. Rec. Br., N.Y.
2) Heo Jr also says if Bank of England doesn't want to use
funds in this transaction, U.S. will lend them dollars £172

Gibson again telephone to H. He Jr. 20/35
a) Canoquel says Bank of France does not think they should
approach Bank of England, who have already cogitated fully
b) This information transmitted to F.D.R.
3) Canoquel informed they may not purchase up to £150,000,000 of
gold in Paris against dollars to be made available in N.Y.
8) Our instructions demand that G.T. Co. not, in publicity, give any transaction here. We may, however, if we wish.

9) G.T. will also purchase, in London, from Caravann Trust gold at £35.90 a. up to $50,000,000. Under guarantee G.T. Co. to operate in France except to a great extent (G.T. Co. have legal limit of 65 million dollars outstanding at any time).

10) We require any acquisition of gold in London by Caravann to be profitable within same of not five days.
Strand tells Mr. Jr. conditions are fairly critical in France; always cash limit of $25 million. Mr. Jr. tells FDR 6/21, 1976.

Mr. Jr. talks to Cochran at 4:30. Flanagan had appeared in chamber - justice made bad impression. Mr. Jr. tells FDR asks for OK on plan to give credit of $150 million + revolving fund of $50 million to Guernsey Trust. If FDR OK's plan Mr. Jr. tells Strauss - should have no release to newspapers; only Bank of France to be notified.

Stabilization Fund

Leith Ross tells Bingham (Amb. of Great Britain) no need for belligerent or post of Treasury and activities making it known to Bank of Eng. or British Treasury; Bingham asks Leith Ross to take under advisement plan for reciprocal exchange of info.

5/30/35

L.R., reports Chancellor of the Exchequer considers their exchange not possible at this time. 6/6/35
Gott Stabilization
French Neg (See also BRE)

Cochran telegram 3/6/55

An uneasy sense of speculative buying back francs
Swiss situation calmer is enheartened by defeat of
freedom by 140,000 votes; 100,000 most that had him
re-elected.

G.B. Britain watching French-American situations closely;
doubt if stabilization can work out whether time will
be maintained by the continental countries—particularly Germany;
united during efforts of a B of NRA on gold prices.
Gott Stab

French cabinet (incl)
Lefranz, terriot, cailloux, le temps & l'abstraction

Enrique, Enrique, gratiele of himself & gov. January
at U.S. assistance 6/13/35

Remark:
commercial bankers agained for gold shipments tot 6/13/35 = 7/18/35
purchasing U.S. T receipts. Amount $9 million ingold in
Paris & London to maintain gold stability. 11 million subsequently
sold in Paris markets. 70 million shipped to U.S. of which
Resume' (cont)

A 300,000 mark was disposed of in London at $0.85 per ounce; 3200,000 profit

Stabilization Fund acquired gold, totaling $215 million in

euro to hold, realizing a dollar rate of 1.30 at time this should

have been 1.25. (Franklin money offer, to EX of France to buy up to 2116,000

gold (resum 16/5) 6/4/35.)
E&c. 60k (NY) agreed $64,000 to ship no more than
80% of U.S. gold this week 6/16

264-262
French govt fallen; Hu Tc talks to Cochran 6/14
1) Castlany talked too much - people lost confidence in him.
2) Local ex-term may be Premier.
3) Both must to keep France steady.

Brennan had Premier; asks for semi-dictatorial powers to
save France; finance him; vote proposed powers. Sept 18, 6/14.
Pittman & McNary told what Tras. said to see France 6/14.
After Gov't falls France sees Fed. Res. Board try to
raise rates for purchase of gold in Paris; only 235,000,000
of the $150,000,000 originally authorized needed. Mr. Fancher
arrived for unused balance 6/4/15

Cansevel, thru Commodities Trust, will ship $35,000,000 on
American market will ship total of 155 $35,000,000 million.  
Memorial 6/16/15

Pittman says U.S. moving to lend gold-silver 6/15/15

TF 21

TF 53

TF 97
Gottlieb Stahl

A copy of Norman's cable and to H.M. 50 by Allen Speal
of F.D. Bern, Be, NY:

...at suggestion of Governor of several Continental Central
Banks, to lend initial cooperation of all
sections of the market in restricting facilities
speculation in foreign exchange. Gold 4/7/33.

$ 39
Earth Stabilization
French negotiations

Abstract from NY Times giving Tannery's (Bank of France) statement pricing $1.5 11/11/15

Resume of negotiations for 5/20/15 - 6/14/15 by

H. Mark Cochran for H.W. Jr

14/73-95
Harriman (Fed. Res., N.Y.) tells them to use of existing.
Norman hastened to say: "no reason for France to go off
gold but politically the facts they are hard to go off
during winter." 9/10/35.
Stab

Caen (of Bank of France) phones to Allan Sproul 9/20/33.

a) Sale of $24 1/2 million

b) British had sold 370 million francs—greater value of $c)

Therefore Bank of France should have no gold, but some francs on/mint.

b) London attention called—no progress.

c) Arks less to match—market may become more

Stabilization

See China - Confirmation by H.M. Tr. with
Brian (Fin. Commissioner - British Embassy)
Gold stabilization

And inflation worries FDR. HMTJr. HMTJr. wants to build up $100 million supply in London to check a possible future rush of gold out of U.S. This FDR he wants to do. To begin to buy whenever gold sells below $35 an ounce in London. ^12/33^.

Mr. FDR. Res. opposed. Dismiss all of bloc's. Cochran cable: "Complete absence of sinister, favor, would increase U.S. dollar holdings. It would bring a sell direct without granting them standing. 7/170"
Stab

Memo prepared a plan after conference with Coddly. Olga has also heard "14.3.5 -

Coddly says HM is reluctant to renew pressure on gold otherwise to maintain a gold standard. "14.1.5 - II 184 a) HM is going to announce decision until French situation is cleared up.

b) Coddly says Hansen opposes whole plan.
Stabilization (arranged chronologically)
means giving immediate policy of France, in effect, means gold standard (co-terminus Bernan Prescott memo 1878-1940).


How to fill Hull talk? Three may have to let England talk to us on question of stabilization if France...
Stabilization goes off gold; therefore how it wants to have what happened at London Econ Conference as if affected stabilization 11.15.26

XXI 17
Tayabim

for Revenue Bill, 1936
Stabilization

Bank of England suddenly sells gold, standing for some time, and sells £750,000 worth of gold.

a) HM Treasury tells FDR: order to buy at $24.11 (below export point in England) in "for safety to keep market free of cracking 1/08/36 XXX 108"

b) HM Treasury gives FDR for permission to talk to Brexley, and not tell FDR
Stabilization

b) British rally him he doublesaid. New at 1933 Economic Conf. 7/29/36 155-156

c) Hull agrees to talk or Bowley is asked to explain 7/29/36.

(For Bowley's words see Bank 155 pp. 155-156 7/18/36)

d) NY Times articles 7/29 and 7/30/36 149-150
Stabilization (annexed ch 9)

Himmler talks with Cochran 5/11/36 XXIII A-4E, 28

a) Time is short

b) British Stabilization Fund deals directly with the French banks

c) British will do all possible to keep French from defaulting

d) Cochran will see Schacht over on this end
Stabilization

It was Str talks to Cochran 5/4/36

a) Could not see Schacht (still in Berlin)

HM Str talks to Cochran 5/5/36

a) Situation more; British control is increasing
Knorr's telephone connection with Bank of France - fairly quiet in France 5/5/36

Hms 20, Buckley line with Taylor 5/5/36

a) B. embargoes did not have recent reply from England for Hms 30
3. Stable

b) How it again indicates advantage of opening channel to exchange in Frankfurt

c) Tell FDR of talk

Knoke conv. w/R. Bolton of B of England asking whether his Treasury would purchase gold @ 35.

shipment to NY 9/5 - 60

72

a) Leh bidder connected with Howe in coming ... 72 B-C
Stab

Knox tells Bothwell listees will not pay prices for gold abroad which will cause change of
buying out of country in NY above $500 papers $5103
5/6/36 115-115A

Cabinet (French) members will remain until June 1-30
Cochran tells HM Jr; has quietly left 5/6/36

FDR to HM Jr (w) 5/7/36
a) "England looking which may to turn in case
France goes off gold."
Sta.b.

gold shipments 5/5/36

Knox Colton (Bk. of England) curr. 5/9/36 ii 181

a) Paris conditions not as bad as day before - almost panic

b) Disturb remaining in position of Dutch & Swiss
Stabilization (a.m. chm.)
see also Gold

Scherff visit reported by Cahnman 5/III 36 1-12

1) S. expects to talk soon to British about trade restrictions against Germany

2) S. expects France and other gold block countries to devalue soon; then France will avoid placing restrictions on exchange

3) S. will use every means to antepose definite German denmark.
STAB

FDR orders French Ambassador to leave for France; gives de Gaulle time to define how French should respond to gold or lend-lease will have to be cut to US.

FDR told by HM: "tanks are much quieter" 3/11/36

Conquered (Ex of France) talks to Knox 5/12/36

Less shipping; C. missions due to Swiss operations 11/3
Burlington answers to H.M.S. question on 6/29 (see Ex 031 pp. 106-148) concerning sudden filling of gold standing sometime for 18. to sell 750,000 worth of gold 5/19/36

XXV 185-1858

a) B. reports nothing unusual about transaction
b) H.M.S. says last time he will try to make a gesture of cooperation
Stabilized

See also: Great Britain

Bligh is considering devaluation, contrary to government (letter to S. Stone, vice-pres. of Chase, May 23 from Paris) 5/26/36 106

Knox & Botten (or) 6/28/36 155

1) Almost
2) B. tells K. device is for stable rate between Rollins & Stanley
Stabilization

Gr. Dr. desires full & frank communication between 2 Transmis. (Blakeny brings in letter from M. Ambassador)

6/1/36

a) Protective copy sent to Hull with whom M. wishes to discuss matter

b) Phillips comes to assist in drafting reply to H. S. most important diplomatic step has been taken 6/2/36
c) Letter to Hull enclosing copy of Bowley (unshaded) 6/2/36

HMIS sent to Hull in manuscript with Knox 6/2/36

a) European situation bad - great flight of capital out of Shanghai; Japanese troops in Manchuria.

b) English have lost control of Bank of China.

Cochrane confirms with H.M.S. Jr. 6/13/36 49-49E

a) Labor conditions in France now.

Brenley given n/g by for 80. Amb. 6/13/36 49-51 S

b) B. asks if England can buy dollars in U.S. currency in b. gold, H.M.S. will study matter.

c) Taylor, Luedtke, others (w/4) concerning int'l.

c) Denmark.
Stabilization Fund

author tells for whatever it's worth

Thomas (Drake) resolution retaining 2 yrs. 6 mos. 1920

Casiquel goes Knoxe, who privately, if his Treas. and

Knoxe arranged: France to sell gold against dollars

such gold to be re-ranked to its net or shipped

greengly. 11/4/36

XXX+ 115 - 1150

(see Knoxe-Casiquel communication on p.159)
French cabinet to be confirmed 6/4/36 - so Cochrane till House 6/4/36

Bunley - House assurance 4/4/36 " 117 - 117 C

a) House suggests assurance will French in House's office to hint that England will be willing to see 20-30% devaluation
b) If successful House might till British us Tres and

Summer gold for France
Stad —

Auriol (new Ministry of Finance, France) resins Cochranes 675 136

see C's apt pp. 149+

Bolton (Bank of England) tells Knox: Blum cannot
tackle Franco until strike situation is in
hand. 675 136

Meeting of HMSE's house of representative of N.Y.

...
Am 50 phone Cochran to ask Aureol if it made help if French could devalue further, knowing we a England need not.

HMS Jr tells Bruley quit of C's cables (144) 6/6/36

a) suggest B. talk to British Treasury

Meeting of NY banking firms re negotiations included (sec 147 also) 6/6/36 151-151F
HM Sr took 3 sets of papers to Whs House for signature to take care of neutralities in war with sale of gold 6/136 XVII 152

Burley - HM Jr conversation in furtherance of 6/14/36 proposals (pp. 117 - 117c) 6/136 133-153

a) Chancellor of Exchequer says difficulties; thinks initiation is up to French
b) HM Jr. raises French devaluation figures: 15-20%, maximum
9 Stab-

Trip a Rachman of Swiss Hall. Barris connected with Rachman reported 6/8/36 154-154 K

a) Harriss reports to F.D.R. that Swiss

with an sympathetic lead Broadley is coming in 6/8/36 155

b) Phillips invited to Harriss home to

discuss cables 6/8/36 156
H.M. Sr. connection with Cochran; suggests connection with Anseau, enemy of corporative. New Bank of France 6/8/36 157-1575

(From Times)
Wall Street Journal clipping "large gold stock held British

reed 6/8/36 158
Wall Street Journal" "The franc & the dollar" 158A
Stub

Bunkey at HM5's home at 9PM 6/18/36 160-160D

a) HM5's aide, Cochran cable

b) B. says no advantage to England to have Holland or Switzerland continue antisemites to stealing in Br. zone. Offer no action for a few days

c) HM5's repeats conversation to Phillips who reminds us of desired delay may be because of Gausha meeting on Dec 16, 16-1726
HM St. (A Form) instructed Taylor to instruct COCHRANE (pp. 174-174E)
that cables 483 and 488 were both to reach C.A.I.
a) cables agent Cauvency has made statement in
Stap. similar to Antial's; real strike situation
is worse: butcher shops, restaurants, even hotels
grill are closed
b) suggested consultation with Phillips
13 Stib —

HMS Sr (at farm) phones again 6/11/36 175-1750

a) instructs Taylor to see Hull but not Board

Knock - Bottom connection 6/11/36 176-176A

a) K. tells B of summons but British Fund is not trying to manage striking the dollar

b) Bolton denies skeptically

Knock memo 6/11/36

c) My bank boy from France inactivity of French govt
in face of continued flight of capital is due to internecine rift due to differences of opinion about devaluation

Cancellation of facility for purchase of £35 million in gold to be earmarked for Bank of France reported by USDA to Cochran - due to new set up / new administration should ask his for renewal if desired 6/10/56
15 July

Czechoslovakia. H.M. at conference 9/15/36 119

a) Strike quicker
b) French minister of finance will not support
Parliament soon
c) C. asks for permission to use Aerialrelaté R.S.
Treasury's conversations with British
D) C. also asks permission to talk to Dutch and Swiss
E) Reluctantly H.M. Sr. agrees
Stab

Thomas (Sneed, Ark) intd. extension fir 2 yrs.; it mrs till house it must pass 61.5 | 36

XXVII-2302-239
"Stabilization"

Phone conversation & cable, Cochran - H.M. Sr 6/16/66

a) Auriol told Cochran any 3-way arrangement involving French devaluation & England's "holding study" is singly impossible.

b) Auriol announced that Mannick, French Financial Attaché at London, is being sent to U.S. with message to F.D.R. & H.M. Sr.
1. Munich calls a kings letter -

Aniol; HM Jr says "time is ripe for
French declaration"; M. worried about
situation in Germany & Poland 6/20/36

2. Cochran cables that Bammartin has heard
saying Munich trip is great in Paris 144-A

4. Monick to plot call on HMSR; bring proposed

5. Cochran cables Ansel placed with Monick receiving

(over)
M. Roussin's formal visit to HMJr. will
pleased with negotiation; HMJr.opes
influential nature of negotiations is maintained
when M. reaches Paris 4/30/36 201-2015
Stabilization

End

Extremes for 2 yrs. after 1906, as caused by

Snow in Thomas dis caused by Mr. J. McKee. Upper

Holl, Lybrook, Lochhead, etc. 6/16/36

(For actual bill see 08/28/29)
Stab

Bolton

Knox (Bank of England) announced 6/18/66

a) B. mitro's brief demand for sterling cause
   for continent + Bolton agrees yesterday's
   operation seem to have him and

b) B. Hearsee progress to social reform in France
   now important than monetary after pest
6: Buxley said H.M.S. 6/19/36

1) Athens's cable (315) said to Buxley requesting
more substantial aid. He is disturbed and said "a
prejudice against British policy of neutrality"
should develop in U.S.

2) Mr. Mosley's advice, that U.S. will follow established
policy in not determining at what point
pound should be held.
Knock-Bothen (Bk of England)anaganin 6/1966

a) Bk of E. setting aside 140,000 ounces of gold valued at $6.5 million, "gave dehaboring on out of people who want to get out of gold into dollars"

b) French minister of finance has started his speech, has stated "no devaluation"
8. Stab

b) ___

1. Cochran tells HM Sr Arr of speech time after close of market; HM Sr declines this minister
9 It might be well to express disturbance at
Austen cable 6/14/36 105-1058
a) Hull means England to unpleasant 2 yrs.
ago
b) Hull will cooperate with Tres. on rev debt
It is doubt expressed ungratified Hull should
accept our debt a Tres. matter!
10 Stab

Bunley - H.M. Sir Enr. on cable aid for London clarifying Atlantic's claims with Chamberlain 6/24/36 177-1770

Knox-Bolten Enr.: "Exchange markets in Europe at risk" 6/25/36 197-197A
Stabilization

Bullying last week, HM Jr. set for sailing 7/31/26.

a) HM Jr. outlines conditions upon which he will
give up gold to London.

b) States preference for agreement between England,
France, and US rather than just England vs.
US.
'Stabilization

Resume 9/16/36 - 9/22/36

Monica letter, translation by Fris sant, hands 9/16/36

a) In Chamberlain's unsigned letter (to be signed and transmitted
officially when France agrees same) his states unilateral
act rather than a tripartite declaration is his defence

b) Copy will be sent to S. as soon as France returns to
act a so may to signed letter from Gr. for

c) France was not aware current new opportunity.
2. Stabilization

Cable from Cochran

11/19/36 888 81-81 E

1) Carriquiel not optimistic about general outlook;

2) Carriquiel not sure Norman (Ba of England) will rescue

3) Carriquiel & then Mt. Egalization Fund has withdrawn about

1/2 of 1 3/4 billion francs ingold amalgamation gold; French

previously

4) Carriquiel & now Mt. Egalization Fund has withdrawn about

1/2 of 1 3/4 billion francs ingold amalgamation gold; French

previously
Cochran asked to go to London and get general estimate of inflation here 8/20/56

Cochran asked to check carefully Paris-London info. relative to British gold shipments 7/21/56

Knox-Cariqul connection 7/21/56

a) K. suggests dollar purchases probably consisted of 100 million
S tab

nsale to British interests of block of shares in Pemex, by co-op with several American of tobacco industry, offset to what of $15 million by sale to Amos interests of shares in "Phil. American" previously held by Paternoza interests in France.

Butterworths, agent in background of Munici's loan.

activities 5/4/36

110-160 G
Steril —

Norges Bank (Central Bank of Norway) requested the Fed Res Br, N.Y. to purchase a bond under the Swiss法 25 million in gold 7/24/36 167 -

a) talk to Taylor, Opheldt, Hama on what discussions with them Sr

C (2) further cables from Norges Bank asking lend

(24) request be held in abeyance 7/26/36 304
b) His Jr would view
Hull transmits Cochran message stating he has run into pointless display of cant. at Am. Embassy in London. 8/25/36 3:20 A.M.
HUR, Viner, Lochhead, Haas, White, and Oliphant discuss French shipment

If Bank of France and Swedish

If Bank of France and Swedish
inform of cable that France wants to
send over $100 million in gold

HUR, for Cochrans guidance, adds that
Cochran phone conversation and

 July 15, 1936

75 A

75 B-H
2 Stabilization

Cochran cable concerning personal letter from Gov. Rooth of Central Bk. of Sweden - 9/4/36

- Lochhead memo of meeting: HMJr., Peis, Viner, and Lochhead 9/4/36

Text of draft document to be handed Cochran Tuesday; copy to Monick to be delivered in London Wednesday; both copies, therefore, being delivered simultaneously & cable from Cochran 9/5/36

a) For so informed by letter 9/5/36
Stabilization

FDR so informed by letter 9/5/36

HMJr informs Cochran Monday Sept. 7, 1936, is Labor Day and on Tuesday Treasury is offering a $900 million bond issue.

HMJr, Lochhead, and Mallet confer;
Mallet advised of Auriol's inquiry about delivery of draft document 9/5/36
Cochran cables that he has received French text; is making translation;
Monick leaves tonight for London with text for British 9/8/36

FDR so informed
Mallet informs HMJr that message delivered to him personally has been communicated to Chancellor of the Exchequer; British
Stabilization

Treas. has not yet received French note

9/8/36
Stabilization

Tripartite Agreement
(See resume' 8/16/36 to 9/22/36 in Book XXX, pages 1 - 1-F)
(See also Cochran resume' September-December, 1936, Book XLIII)

Cochran cables draft of French draft document 9/9/36 XXXII 48-53

Preparations for Treas. reply to French draft document
a) HMJr asks Hull for assistance in drafting answer; Feis comes over 54
b) HMJr recommends that each nation put up $100 million 55
c) If Eng. asks whether U.S. will give up gold - ans. is "yes" 55
2 Stabilization

Tripartite Agreement (Continued)

Preparations -------

d) HMJr, Taylor, Haas, Lochhead, and White meet at HMJr's home to discuss British-French situation 8:15 P.M., 9/9/36

1) HMJr expresses doubt that anything will come of French devaluation; thinks Exchequer will not receive plan favorably

e) HMJr cables Cochran U.S. is giving interested consideration to Auriol's document

f) Draft of Treat. reply to French note OK'ed by Hull

Lochhead memo of meeting in Hull's office
3 Stabilization

Tripartite Agreement (Continued)

Preparations

- g) Plane ordered from Waescue to take reply from FDR draft of reply to FDR

1) Text of draft

2) Draft delivered to FDR at 10:30 P.M., 9/9/36
   a) FDR phones HMJr congratulations on draft

3) Feis asked to send coded message to Cochran
4 Stabilization

-- Tripartite Agreement (Continued)

Lochhead reports to HMJr telephone call from Cariguil to Fed. Res. Bk. of N.Y. asking if Treas. would earmark $10 million in gold 9/10/36

  a) HMJr refuses permission

Consideration of Treas. reply in France

  a) HMJr's phone conversation with Cochran 85-91
  b) Cochran's cable asking clarification of one paragraph in Treas. ans. to French draft 9/10/36
      1) HMJr's answer 100-103
  c) Treas. reply being discussed by Auriol with Blum 100
Stabilization
Tripartite Agreement

c) Baumgartner tells Cochran Minister of Finance is studying Treas.'s message carefully; will await news from Monick as to British reaction before talking to Cochran again 9/11/36

E & F) Cochran cables British reply received by Monick; Auriol hopes to have reply for transmission to Treas. Wednesday 9/14/36

G) Mallet transmits Sir Warren Fisher's message to HMJr that French note has been received and considered by the Chancellor; includes paraphrase of English reply to French as given to Monick
Stabilization

Tripartite Agreement

Mallet calls at HMJr's home; HMJr asks permission to transmit to Cochran substance of British reply 9/14/36 XXXII 173-186

a) Mallet agrees
b) Feis, Oliphant, and Taylor also present
c) Cable prepared for Cochran

Cochran - HMJSr talk

a) Cable giving substance of British reply received
b) Cochran gave to Bunsaghtner high mission returned to Paris with British reply
c) acknowledgment sent to Chancellor of Exchange
Stabilization

1. Trigart: Agreement

French strike; therefore Cabinet will not have opportunity to discuss note until then.

9/16/36

Cabinet cables of French cabinet meeting; French M. of Finance has not yet studied message brought from

9/16/36

243

32
Stabilization

Trilateral Agreement

Mallet called on H.M.Sr who told him of strike in Lille; therefore French cabinet has some realising as yet; Mallet wants to go to Harvard Tercentenary Celebration. H.M.Sr will not advise him.

9/11/36

Cochran phones he will see Arnaud at 7 o'clock to review draft of "Joint Declaration"; [with Ross will see Arnaud at 6:30. 9/17/36. 268-277]
Stabilization

9. Tripartite

French draft of proposed text of joint declaration called by Cochran 9/11/36 278-285

1. Bullitt

a) Fess, Taylor, Haus, Blighard, technical meeting at Mr. Jo's house; Mr. Jo disappointed.

Reference to gold standard list in 9/11/36 289-306

1. Bullitt says Raymond knows all about negotiations and trade will be cut 28%.

Stabilization

Tri

FDR 
HMX Jr (over 9/15/36)

- FDR tells HM Jr to inform French draft is impossible

- Cochran-Wilson HMX Jr (unreachable) 9/15/36 5:03 pm

- Point B in which U.S. cannot agree

- Cochran asked to try to ascertain 20% of devaluation
Trip

4) Gehring told U.S. govt. simultaneous declarations unless joint statement.

Meeting in H.W.Sr.'s office.ignored Feis, Taylor, Alquist, Hayes, W.b., Viner a lot. Replaced (11/8) 36 8p-9p

3) Viner advised that Eccles be in charge of pending negotiations; H.M.T. disagreed positively.
3 Stab —

Tri: —

b) HMJS then vxxs group to mxx cd

Draft

Cochran - HMAF announcement 9/15/36 11:25 AM

a) C. report on Beaupreth's visit

1. C. believes most U.S. goods can be met

2. Minister of Finance-aged with B. it may be

but to make it possible to ultimate return to estab-
4 Stab —

Tripartite —

3. B. thinks they will follow Belgian system
4. Parliamentary authority to resolve uncertainty will be asked (4½ - 4½); French-English ratio: 100-110 francs to the pound.
5. Boyd does not object if HMSr wishes to talk to Wallis in Wind.

Hull - HMSr communique rejointing commission with

Lisbon 9/18/36  

— 8 G G —
Trip

Meeting at H.M.S.J's house 9/15/36 at 8:30 pm:

Fris, Taylor, Hess, White, Vine

a) draft of reply prepared: H.M.S.J. glanced,

suggest sentence be included running other

victims not to try to disrupt arrangement

(draft as presented to FDR pp. 186)

b) H.M.S.J.'s note to Mr. Sloth: then run against cancer
6 Stab –
Trip –
Achrau cable 11/4/36

1) Gurneau has found that Keith-Ross also
objection to inclusion of reference to mutual
return to gold standard.

2) France desired to L-R. insistence upon a
common declaration, made simultaneously.
1) Stab —

2) Trip —

Meeting in H. S. Jr.'s office before he takes draft to White House. Signed: Viner, Texas, with a technical 9/19/36.

a) 90% of evaluation dismissed

F.D.R. signed with draft: more 1 to 2 slight changes

H. S. Jr. reports F.D.R.'s machine to group 280-J
Stab

Tripod

Hull suggests 2 changes; FDR approved
1. Disagrees with other
financial decisions a test of statement
2 8 K

Cable to Cochran 9/19 36
a) city lift at British Embassy

Cable to Cochran 9/20 36
a) HMTs message read to Benjamin
b) morning hours for England today
29 A-B

c) copy of cable given to FDR
Stabilization

Tripartite Agreement

HMJr talks to Cochran from farm 9/21/36

a) French like 1st and 4th paragraphs of American reply
b) HMJr tells Cochran to have direct long-distance phone installed in his home

HMJr talks to Cochran from farm 9/22/36

a) Chamberlain did not get back to England until today; Monnick expects to see him late this afternoon
b) A Reynaud has talked considerably about devaluation; result is Stock Exchange has gone up
10 Stabilization

Tripartite Agreement

c) Gov. Norman’s assistant has been trying to find out from French whether U.S. is going to give up gold; HMJr tells Cochran he has already told Bewley we would

d) Chamberlain’s assistant (probably Sir Warren Fisher) probably likes our note better than the French one. 

Cable from Cochran confirming above conversation 9/22/36.

HMJr arranges to have Coast Guard stand by for transmission of important messages - 9/23/36.
11 Stabilization

Tripartite Agreement

HMJr talks to Taylor and Oliphant concerning actual drafting of possible statement of Secy. of Treasury concerning future plans for purchase and sale of gold 9/23/36

a) Confidential draft of possible statement

Premintxx Blum confers again with Fin. Min. Auriol and his assistant, Baumgartner 9/23/36

Charts showing sterling-dollar-franc rates under varying conditions 9/23/36

Vandenberg (Arthur H.) see also

a) FMJr's own draft of letter to FDR transmitting proposed answer to Vandenberg 9/23/36
12 Stabilization
Tripartite Agreement

Vandenberg——
a) ———

1. Since French are still considering devaluation, HMJr wants to release letter as soon as possible

2. FDR gives his approval
FDR, at Hyde Park, gives HMJr proposed statement for press, announcing monetary agreement 9/24/36

a) HMJr does not use this draft

Knake and Williams sent down by Harrison of Fed. Res. Bk. of N.Y. to assist on French devaluation situation 9/24/36

a) Harrison tells HMJr at farm he does not want to release K. and W. until he knows why they are wanted.
13 Stabilization
Tripartite Agreement

Knöke and Williams.

(e) HMIP swears Harrison to secrecy.

(b) HMJr, Knöke, Williams, Taylor,
    Lochhead, Oliphant, Viner, Hans,
    White, Feis, confer 9/24/36

Cochran transmits compromise draft
of declaration drawn up by French
after receiving British draft 9/24/36

Devaluation of French franc from 25%
to 34.35% by decree; authority
for will be sought in proposed monetary
law, so Baumgartner tells Cochran
9/24/36.
14 Stabilization

Tripartite Agreement

Plan for Cooperation of French and British Equalization Funds explained to Cochran by Rueff (French Ministry of Finance) 9/24/36

HMJr—Cochran phone conversation 9/24/36

3:45 P.M. ........................................ 172-190
9:10 P.M. ........................................ 191-200

Chalkley and Mallet of British Embassy confer with HMJr; also present: Feis, Lochhead, Taylor 9/24/36 5 P.M.  ·  227-244

a) Messages transmitted to FDR 245

Conference in HMJr's office; present: Feis, Viner, White, Oliphant, Taylor, Lochhead, Williams, Knoke, Haas 9/24/36

6 P.M.  246-255
15 Stabilization

Tripartite Agreement

Conference in HMJr's office ——— 246-256

a) Proposed drafts of message to Cochran concerning possible rates discussed

Fourth message from Chancellor-Frazer transmitted to FDR by HMJr

Group in HMJr's office again confers 9/24/36 9 P.M. 275

a) Substance of conversation between Mallet and HMJr reported by Feis

b) Cochran informed of conversation

c) HMJr calls FDR
16 Stabilization
Tripartite Agreement
Dow-Jones, United Press report on N.Y.
markets  9/24/36
XXXIII  305-320
Stabilization

Tripartite Agreement

Conference in HMQr's office; present: Haas, Viner, Taylor, Feis, Knoke, Williams, White, Oliphant, Lochhead, FEIV - 9/25/36: 9:30 A.M.

XXIV 1-10

a) Cochran has told HMQr that the British have told Monick about HMQr's conversation with British and Monick told French before Cochran could

b) Vandenberg story carried in French Economist - made excellent impression

c) British statement (proposed) as presented by Mallet, read
Stabilization

Tripartite Agreement (Continued)

1) Certain changes shown to Hull by Feis
2) HMJr hopes he is doing right thing in "sitting tight"; all think "yes"
3) James Harvey Rogers trying to see HMJr; HMJr refuses; explains to Hull

Summary of British note given by Cochran

a) Conversation with Cochran...... XXXIV 11-33
b) Auriol declaration to HMJr......... 34

Chamberlain's personal and confidential message given to FDR (Chancellor has no legal right to fix the pound within the gold points)..................... 35, 141-142
a) FDR dictates reply.................. 44-45
Stabilization

Tripartite Agreement (Continued)

Burgess tells Harrison Cariguel still uncertain how to handle franc market in New York. ...................... XXXIV 36

Mallet discusses timing of the announcement 38

HMJr explains to Feis United States is asking British and French to change their text to make it identical with United States; Feis will explain to Mallet............. 47-48

Hull thinks situation excellent - "however, we will have to move mighty fast" ...... 49

HMJr thinks time is distinctly up to the French. .............................. 51
Stabilization

Tripartite Agreement (Continued)

HMJr comments on "no signatures - just good faith" .................. XXXIV 53

Latest redraft given to Cochran...... 54-57

HMJr-Cochran conversation at 4:18 P.M. 58-71

Corrected British message, approved by Hull, sent to FDR................. 72-77

Official announcement in Paris that there will be a statement today (Sept. 25) 78-80, 156

HMJr tells Appert French text will be received over phone and asks him to come to Treasury so French and English texts may be compared.
a) Appert arrives with text............... 81-83 104, 144-151
Stabilization

Tripartite Agreement (Continued)

HMJr-Harrison conversation at 4:50 P.M.  
XXXIV 85-92

HMJr asks Landis and Ransom (Acting  
Chairman of Federal Reserve) to come  
right over.                       93

HMJr-Eccles conversation at 5:10 P.M... 96-103

HMJr-FDR conversation at 6:00 P.M.......104

a) "By authority of the President, the  
Secretary of the Treasury ——"

b) British have overlooked most important  
things: right to get gold from United States

Feis-Mallet conversation: "Mallet will be  
down very soon"                    105,118
Stabilization
Tripartite Agreement (Continued)

Cochran phones at 6:35 P.M. ....... XXXIV 106-117

a) London has accepted and Chamberlain will release statement at 12:30 London time

b) HMJr tells Cochran Mallet will be down with Chancellor's message in 20 minutes, and asks French Minister to wait

c) Cochran transmits message to Auriol through Roueff

d) Mallet arrives ......................... 114,152

e) HMJr congratulates Auriol

f) Cochran assures HMJr British will release same text as HMJr sent Cochran..... 119
Rush in force at 7:30 AM

House goes for a walk in the park.

Miss glass for a walk in the park.

There will be a meeting in the morning.

I leave early in the morning.

120

124

126 - 132
11) Harrison phones congratulatory

British editorial comment

French comment

Holland announces no change in her monetary

Persian comment

Czech transmits Audiol's message 11:30 AM. 210 - 232

again phone at 4:15 pm 235 - 248
12) Press conference 7/26/36 10:40 AM 286-301

(a) called to Cockburn

American Embassy, London 304-305

Belgian devaluation chronology 306

Dinner Jackson with Press 312-319

(a) Tokyo 312
(b) Copenhagen 313
(c) Berlin 314, 389
(d) Rome 315
13) Vienna 317
       318-320
       Belgium 323, 362
       Holland 324-325
       India 316-330
       Peru 331-342
       stock market gossip 345+

Conference in Madame’s office: General Alphonse, Upper, Vix,
behind on 9/26/36 380-581
documents to be used in recent decision
is reached to sell gold to Cr. Gov. - France
Switzerland will maintain strategic gold parity $125/136
Chile's gold sales will slow French cp. with 25-30%. Halve in 404-
Poland will not devalue gold by $125/136 401
Stabilization

Knoke phones market is quiet in N.Y. and in London 9/28/36

HMJr talks over situation with Harrison 9/28/36

Sulzberger congratulates HMJr 9/28/36

Rene Leon's article entitled: "Significance of the Anglo-French-American Agreement"

Press conference 9/28/36

Dow-Jones, United Press comment

HMJr. confers with FDR 9/28/36 5 P.M.
Stabilization

Bank for International Settlements

Head of Bk. asks Cochran for info. and advice 9/28/35 XXXV 107

Cable to N.Y. Fed. Res. Bk. 9/28/36 161
Editorial comment continues favorable 9/28/36

Mallet transmits info. regarding instructions sent by British Foreign Office to 11 diplomatic missions apparently in countries whose currencies have been closely related to sterling, regarding adjustment to value of franc  9/29/36  108-112
Stabilization
France
Auriol's devaluation bill voted by Chamber Finance Committee 20-12, 7 abstaining 9/28/36 — XXXV — {75
65-67,
85-88,
90-99,

a) Cochran - House Committee at 10:28 AM 75-196
b) was rejected conv. to Senate 299-212
Resume of debate on Govt.'s monetary measures
9/28/36

25-26
Stabilization

Germany

Resume of address by State Secy. Reinhardt of Finance Ministry 9/28/36 XXXV 82-83
stab-

Holland  See Netherlands
Stabilization
Italy

Suvich denies that he will discuss the debt settlement when in U.S. in near future 9/27/36

Phillips cable 9/28/36:

a) Italian stock exchanges closed until October 1

b) Authorization has been given banks to deal in dollars and pound sterling; no dealings in French, Belgian, Dutch, or Swiss monies

c) No reliable information as to lira's future
Stabilization
Latvia
Resume of Government action 9/28/36 XXXV 89
Stabilization
Lithuania

"Government firmly determined to maintain parity lits; no difficulty in purchase or sale of dollar drafts 9/28/36 XXXV 100"
Stabilization

Export of gold without permit from Bk. of Netherlands forbidden beginning 9/27/36; decision inevitable in view of announcement of Swiss Government XXXV 2-3

a) Swiss decrees enumerated

Govt.'s decision to embargo gold explained 9/28/36 103-104
Stabilization

Russia: SEE U.S.S.R.
Stabilization

Turkey

"French devaluation will not at present lead to similar action by Turkey" 9/28/36 XXXV 80
Stabilization

Situation discussed in cable from Cochran 9/27/36

a) Intervention of Amn. funds in buying the pounds which the Russian State Bk. has offered, discussed with the French

HMJr discusses with FDR 9/28/36

a) Aldrich and Harrison worried; FDR suggests that story be slipped to someone like Paul Mallon or Ray Tucker, that Aldrich is close to Landon in trying to justify what the Russians are doing

1. HMJr decides against this
Stabilization

Burke U.S.S.R.

HMJr talks to Aldrich by phone 9/28/36

Communique of State Bk. of U.S.S.R.
transmitted to State Dept. 9/28/36

Further comment 9/28/36

Henderson recounts Soviet officials' reaction
to Morgenthau remarks 9/28/36

Aldrich-HMJr phone conversation 9/28/36
Stabilization

Tract of

1

36:17-22

H

36:6136

116-121

Life

Negotiation

c) Notice this transition (Ed. Footnote, NY)

Till transition

Life

Ed.

Till transition

Life
Stabilization

Knox is "all in"; Mr. Irwin tells Harrison he should have rest, and he has been "a perfectly grand job." 36:151-152

Dear Anna & limited Pam comment 9/6/36

26:74-102, 172-187
Stabilization

Australia

Reaction reported by Bock-Förner 36: 61, 162
Stabilization
Brazil

"Probable Banco do Brasil will adopt dollar"

9/20/36 26:153
England's Chancellor message of congratulations conveyed to Him by Mallet. Knox reports, "upto the which the British had to intervene today was almost nil." 36:9-106
Stabilization

Germany

American Embassy (Berlin) instructed to watch closely meeting of Reichsbank on 9/30/36 and follow entire situation in relation to recent adjustment of value of franc 9/24/36 36:60,168-171
Stabilization
Holland

"International monetary situation confusing; government has no intention of fixing new gold content for the florin" 9/30/36
36-15-9
stabilization
WSSR

Further reaction 9/30/36 36:163-164
Stabilization

Yugoslavia

"Reticent as to future course" 9/29/36

36: 39
Stabilization

Letters of gratitude to Feis, Cochran, H. 10/1/36

a) Feis answer 10/2/36

League of Nations World Economic Survey
complimentary and optimistic regarding
U.S. developments 10/1/36

Hearst newspaper comment and Treas. answer
10/1/36 A U.P.

Forn-Jones comment 10/1/36 100-118

HMJr, Lochhead, and Knoke discuss
ways of getting rid of one million
pounds sterling 10/5/36

*U.S. Chamber of Commerce comment 172-177
Stabilization
Austria

Announcement that schilling will not be devalued 10/2/36
Stabilization

Czechoslovakia

Devaluation to extent of 30% probable 10/2/36

Bill to be drafted providing production of gold content, probably not to exceed 16% of present parity 10/3/36

Chamber of Commerce
Stabilization

Great Britain

HM Jr, Feis, Knoke, Lochhead, Taylor
confer with Mallet and Chalkley
10/5/36

37: 264-273

a) Copy of proposed draft of reciprocal agreement with French Govt. shown them

Dow-Jones comment 289
Stabilization

France

Bullitt reports Senate passage of monetary bill 10/1/36 \* U.P

a) Dow-Jones/Comment

37: 98-99

106-114
Stabilization

France

Translation of French monetary law, as voted 10/1/36

Conferences in H. Jr.'s office; present:
Viner, Lochhead, Taylor, Oliphant,
White, Haas; Mr. Knoke and Dr. Williams,
Fed. Res. Bk. of N.Y.; Mr. Feis, State
Dept.; discuss fact that French have asked
U.S. whether they will be at liberty from
now on to convert dollar balances in this mkt.
into gold - 10/5/36
HMJr--Cochran conversation 2:45 P.M.
10/5/36

a) HMJr states he is willing that Cochran tell French that U.S. is working on an agreement as to giving up gold

b) Thinks England should be given same opportunity if she wants it

c) Copy of proposed draft

Peace--Jungs/Comment on French situation
Stabilization
Germany
Reaction to Schacht's interview with press
10/1/36

37: 96-97
Stabilization
Hungary
No devaluation 10/2/36

37: 157
Stabilization

Italy

Cabinet to meet in connection with monetary situation

Bk. of Italy representative in Paris discusses Italian possibilities with Cochran 10/2/36

Devaluation by approximately 40% announced 10/5/36

a) HMJr tells FDR

b) HMJr discusses with Cochran

Cable from Phillips announcing devaluation
Stabilization

2 Italy
United Press and Dow-Jones comment 37: 280-286
United Press and Dow-Jones comment 291-300
Summary of communique on internatl. monetary situation 10/5/36 309-314
Stabilization

Monaco

Because of devaluation of French franc, Monaco will have its own currency

10/3/36
Situation indicates complete confidence in Govt. although florin now stands 190 to one dollar 10/5/36
Stabilization
Poland
Announcement that gold standard will be adhered to 10/2/36
Stabilization
Switzerland

Natl. Bk. of Switzerland publishes first statement of condition since decision to devalue; increase in gold reserves of 21 million Swiss francs - 10/3/36

Feis tells HMJr Switzerland has ordered reductions in duties on all Amn. foods and some other agricultural products 10/5/36
Stabilization
Yuqoslavia
No new measures to be adopted in connection with dinar 10/1/36
Stabilization

Meeting to prepare supplementary declaration to that of Sept. 25; present: Feis, Taylor, Lochhead, Oliphant, Gaston, Haas, and White
10/8/36

38: 213-239

a) Discussed with Bewley
   244-249
   1. Conversation with Cochran 250-257

b) Copies sent to Fed. Res. Bank, N.Y.
   260-264

c) Copy sent to Cochran
   278-280

Cochran reports after having read Chamberlain's message and HMJr's proposed statement to Auriol and Baumgartner - 10/9/36

289-302

a) HMJr discusses Cochran phone conversation with Feis

326-336

337-340
Stabilization

Conference with Mallet and Bewley 10/9/36

a) Proposed terms of statement discussed

Cochran and HMJr discuss situation 10/10/36

HMJr announces: "U.S., Great Britain, and France tomorrow will go on new gold standard; the new agreement will permit exchange of gold for conversion of paper currencies of individual countries and will operate on a day-to-day basis"

10/10/36
Stabilization
Albania
Will not devalue 10/6/36
Stabilization
Czechoslovakia
Crown will be devalued by 10 to 16% of its present value 10/6/36 38: 61,87, 122-124,
a) Bill passed, effective Oct. 10 259 317
Reaction to French decision to readjust exchange value of the franc 10/7/36 38: 77-78. Mallet and Bewley bring note from Chancellor of the Exchequer concerning cooperation between exchange controls 10/8/36 172-178. 186

Copy sent to Cochran 240-243
Stabilization

France

Cochran cable to HMJr just before visit to Auriol to find out whether France may care to make statement 10/6/36

Baumgartner tells Cochran he thinks French might agree to declaration on a reciprocal 24-hr. basis 10/6/36

Auriol tells Cochran Van Zeeland (Belgium) is coming to see him soon about plans for cooperation 10/6/36

Devaluation profit totals 17 billion francs ($793,900,000) 10/7/36

Resume of French situation 10/7/36 (Dow-Jones)
Stabilization

2 France

Cochran tells HMJr satisfactory answer from Chamberlain; answer being prepared
10/8/36

38: 202-212
Stabilization

Germany

Text of Schacht statement to Central Com. of the Reichsbank with respect to attitude of German Govt. on devaluation of currencies of France, Switzerland, and the Netherlands (Reich astonishe# by new isolation); feels Italy betrayed her by joining general monetary stabilization measures; 

New York Times 10/9/36
Stabilization
Netherlands
Resume of situation during wk. ending Oct. 5
Stabilization

Roumania

Policy of a balanced budget at present rate of exchange will be maintained.

10/6/36
Stabilization
Yugoslavia
Rumored that dinar will be gradually allowed to sink to competitive levels with other devalued currencies
10/7/36
Stabilization

Declaration supplementary to that of Sept. 25 discussed further 10/12/36

Oliphant, Lochhead, Upham, and Gaston confer in HMJr's office 10/12/36

a) Gaston reports rumor that joint statement by France, Great Britain, and U.S. will be made at 4 o'clock

   1. Transmitting new regulations
   2. Constituting a license under the new regulations

Stabilization

HMJr's press conference 10/12/36 39: 28-42
(For release 10/13/36)
Leading economists of various Govt. depts. and agencies invited to HMJr's home to discuss 10/12/36 45-116

BIS meeting described to HMJr by Cochran 10/13/36 140-144
Oliphant memorandum explaining that U.S. seeks not stabilization but merely stability in foreign exchange rates 10/13/36 175

United Press, Dow-Jones comment 10/13/36 196-210
Cable from Bk. of Eng. to Fed. Res. Bk. of N.Y. opening new dollar acct. G and gold deposit acct. No. 3 to be used
3 Stabilization
---
exclusively for clearing of any exch.
control operations 10/14/36 224
Stabilization

Germany

Douglas Miller's (Acting Commercial Attache', Berlin) report on "Germany and Franc Devaluation" sent to HMJr 10/13/36

Resume of editorial comment following franc devaluation
Stabilization
Lithuania

No devaluation even though Germany should devalue the mark 10/13/36
Stabilization
Poland
Gov. of Bk. of Poland going to France, Italy, and Switzerland to study effects of devaluation 10/14/36

39: 339
Stabilization
Switzerland
HMJr, Taylor, Lochhead, Oliphant, and White, together with Livesey of State Dept., discuss cable from Swiss Natl. Bk. 10/14/36 39:246-247
a) Suggested reply discussed 248-251
Stabilization

Speech by HMJr- Kennedy urges 10/15/36 40: 16-23
HMJr discusses with Stanley High 10/16/36 133-140
142-145
166-169

Discussed at staff conf. 10/16/36 188-194
HMJr discusses with staff, which includes Bell
Michelson returns his revision of speech 10/20/36 297-302
Stabilization
Belgium

HMJr suggests to State Dept. that Cochran handle arrangements 10/15/36 40: 26-27

(See above footnotes)

HMJr discusses with Cochran 10/15/36 29-42
Upham, at HMJr's request, discusses with Eccles and Ransom of Fed. Res. Bd. 10/15/36 47-52

HMJr discusses with Mallet and Bewley 10/15/36 53-57

HMJr discusses with Cochran 10/15/36 58-74

HMJr discusses with Harrison 10/15/36 75-86
Cable from Belgian Natl. Bk. discussed by HMJr, Taylor, Gaston, Oliphant, Upham, Lochhead, and White 10/15/36 89-109
Stabilization
2 Belgium

HMJr discusses with Harrison 10/16/36 40: 146-153, 162-165

Further conference at HMJr’s home, 9 A.M., 10/17/36, with Mallet and Bewley 237-242

Cochran reports on visit to Brussels 10/18/36 270-273
Stabilization
Bulgaria

Advised that general question of reciprocal dealings in gold be taken up by their Treas. with U.S. Treas. through Bulgarian Legation at Washington 10/16/36 40: 112-113
Stabilization
Germany
Further report on "Schacht on German Monetary Policy"
40: 259-269
(See also Book 38, pages 88-106)
Stabilization
Mexico

Lockett cables concerning persistent report that rate of exch. between peso and dollar is to be changed 10/17/36
Stabilization

Holland Netherlands

Press comment on discount rate cut to

$2 \frac{1}{2}$

40: 274-275
Stabilization

Sweden

Advised that general question of reciprocal dealings in gold by straight exchange taken up by their Treas. with U.S. Treas. through Swedish Legation at Washington

10/16/36

40: 110-111
Stabilization
Switzerland

HM Jr suggests to State Dept. that Cochran handle arrangements 10/15/36 40: 6-7

HM Jr discusses with Cochran 10/15/36 29-42

Empah, at HM Jr's request, discusses with Eccles and Ransom of Fed. Res. Bd. 10/15/36 47-52

HM Jr discusses with Mallet and Bewley 10/15/36 53-57

HM Jr discusses with Cochran 10/15/36 58-74

HM Jr discusses with Harrison 10/15/36 75-86
Stabilization
2 Switzerland

HMJr discusses with Harrison 10/16/36 146-153, 162-165

Further conference at HMJr's home, 9 A.M., 10/17/36, with Mallet and Bewley 237-242
Stabilization

HMJr tells White, Lochhead, Hans, and Taylor when announcement is made on Monday at 4 o'clock that we add Belgium and Switzerland to our list; there will be simultaneous announcement that all proclamations having to do with the handling of gold prior to 10/13/36 are cancelled and from that day on, the U.S. is on a managed currency basis 10/20/36.

HMJr discusses with Cochran idea of limiting countries who do not have stabilization funds to taking $10 million worth of gold out of the country in any one day to protect them from being "used" by any other country inasmuch as U.S. is on 24-hr. basis 10/20/36.
Stabilization

Gold supply suffers first reduction since "gentlemen's" agreement on currency stabilization with France and England ($9 million) 10/20/36.

Report as to whether Ann. Importers, as result of recent devaluations in Europe, had transferred their buying to those countries with devalued currencies, made by Knoke 10/21/36.
Stabilization
Belgium
HMJr shows cables from Cochran
describing his visits to Belgium
and Switzerland to Bewley and Mallet
10/21/36
a) Both countries willing

Conference - present: Taylor, Oliphant,
Lochhead, Haas, Goldenweiser, Williams
(Fed. Res. Bk., N.Y.), Upham, and White
10/22/36
a) Oliphant raises point of ownership
   of Belgian Bank
b) Williams inquires whether there is
   anything agreement with France
to prevent Bk. of France from selling
gold to private bks.; ans. is "no"
Stabilization  
2 Belgium  
Conference  
c) Haas suggests as substitute for Stabilization Fund acceptance of some form of Treas. guarantee of operations  
d) Oliphant raises point whether statement of Jan.31, 1934, is really being superseded or whether we are adhering to the old-fashioned gold standard through a new channel  
e) Oliphant suggests that Belgian agreement might serve as precedent for similar agreements with Germany and Italy
Stabilization
3 Belgium

Second conference at 5:15; Bell and Feis
join group
Further conference, with HMJr present
10/26/36
HMJr talks to Cochran; says U.S. is
satisfied with Switzerland but not
with Belgium - 10/26/36
HMJr discusses conversion of balances
into gold, with Bewley and Mallet
10/26/36
Pols reports to HJR that Blum told Bullitt:

"French Premier very much disturbed because Belgian action came as complete surprise."

10/27/36

41c 235-241

a) HJR points out that cable is now 10 days old and conditions are a little better.

Stabilization
4 Belgium
Stabilization

France

Franc's weakness explained by Bolton (Bk. of Eng.) by general situation in Europe - 10/22/36
Stabilization Switzerland

H.M. Cochran reports on visit to Swiss Natl. Bk. 10/20/30
a) Proposed declaration

H.M.Jr shows cables from Cochran describing his visits to Belgium and Switzerland to Bewley and Mallet; 10/21/36
a) Both countries willing

a) Oliphant raises point of ownership of Belgian Bank
Stabilization
2 Switzerland
Conference ----

b) Williams inquires whether there is anything with agreement with France to prevent Bk. of France from selling gold to private bks.; ans. is "no"

c) Haas suggests as substitute for Stabilization Fund acceptance of some form of Treas. guarantee of operations

d) Oliphant raises point whether statement of Jan. 1, 1934, is really being superseded or whether we are adhering to the old-fashioned gold standard through a new channel
Stabilization
3 Switzerland

Second conference at 5:15; Bell and Feis join group 83-87

Further conference, with HMJr present 10/26/36 181-197

HMJr talks to Cochran; says U.S. is satisfied with Switzerland but not with Belgium 10/26/36 201-210

HMJr discusses conversion of balances into gold with Bewley and Mallet 10/26/36 211-216
Stabilization
4 Switzerland

Fels reports to HMJr that Blum told Bullitt
"French Premier very much disturbed because
Belgian action came as complete surprise"
10/27/36

a) HMJr points out that cable is now
10 days old and conditions are a
little better
Stabilization
Belgium

Cochran phones from Embassy in Brussels 10/28/36

a) Reads proposed guarantee: "Belgian Govt. guarantees to Govt. of U.S. obligations assumed by Natl. Bk. of Belgium, which is furthermore, as you know, the fiscal agent of the state"

b) HMJ jr reports to Feis 10/28/36

Further discussion with Feis of Cochran's visit to Brussels 10/27/36

Cochran-HMJ jr phone conversation 10/29/36

a) HMJ jr inquires whether Belgium objects to any publicity or merely to day-to-day operations
b) Cochran reports objection is to necessity for a note to supplement original declaration.

Feis writes exposition of what he conceives HMJr's leading ideas to be on the necessity for an inter-governmental understanding and the limit to be placed on publicity.

10/29/36

Memoranda by those working on Belgian situation, representing personal opinion of each on how Belgian case should be handled.

10/29/36
Stabilization

Holland, Netherlands.

Cochran reports on phone call from Trip, President of Netherlands Bank, with respect to entering reciprocal gold arrangement with U.S. 10/30/36  42: 165-167
Stabilization
Switzerland
See also Book 41, pages 27-34
Cochran reports further on conversation with Bachmann, Pres. of Swiss Natl. Bk. 42:
\[\text{a)}\text{ Text slightly revised of draft declaration slightly revised}\]
Stabilization

Tripartite Agreement

HMJr reports on first month's operation - 10/29/36
Stabilization
U.S.S.R.
Currency which was pegged to French franc revalued to correspond with Paris recent devaluation 10/28/36
Stabilization

HMJr asks Lochhead to watch mkt. particularly carefully - 11/2/36

Memo to be prepared by Haas and White from economic not legal standpoint, covering
(1) monetary arrangements with Belgium, Switzerland, and Netherlands; and (2)
the point as to who holds title to the monetary gold in each of these 3 countries,
together with a brief picture indicating the monetary pattern, particularly with the handling
of gold, etc. - 11/2/36 6-8

a) Haas memo and drafts of Trea.s announcement
to supersede those of 1/31/34 and 10/13/36 -
11/4/36 60-74

1) Discussion at HMJr's home - 11/4/36, 8:30 P.M. 77-99
2 Stabilization


Import business in light of new currency policies reviewed by Knoke - 11/9/36 207-208

Sterling resume' 199-206, 209-215, 226-230

Bank for International Settlements:
Visit reported by Cochran - 11/10/36 216-225

Belgium:
Offers collaboration on Tripartite Agreement; has no S.F. as do Holland and Switzerland:
  a) Conf. at which Oliphant discusses legal considerations - 11/5/36 120-142
  b) HMFR asks Feis to participate in discussion 11/5/36 143-144
3 Stabilization
Belgium:

c) Eccles, Ranson, Taylor, and Upham discuss situation at lunch 11/10/36 44: 145-146

1) Taylor explains to E. and R. that S.F. has run out of liquid cash and so sugar has had to sell some gold to Trises.
Stabilization
Belgium-----

d) HMJr explains Belgian situation to FDR: U.S. "doing business" with Eng. on 10/13/36 declaration; "doing business" with Belgium on agreement made 1/31/34 which has never been cancelled

1) Quotes new formula to correct this

e) Mallet, Feis, Taylor, Lochhead, HMJr confer 11/5/36

c) Draft of proposed statement by Treas. intended to cover release of gold for export to France and England, as well as countries now under discussion, i.e., Holland, Switzerland, and Belgium, cabled to Cochran 11/5/36
Stabilization

f) Draft --

1) Cochran cables that copy of statement has been given to Baumgartner, who promised to discuss matter with Finance Minister Auriol 11/6/36 44: 188

2) Cochran discusses with Baumgartner 189-193 Belgium: Cochran transmits letter from Minister of Finance de Man, guaranteeing with regard to U.S. Govt. obligations assumed in this declaration by Natl. Bk. of Belgium, fiscal agent of the state 11/9/36 194-196
6 Stabilization

England:

Eden "hints delicately" that under provision of tripartite exchange pact proposing abolition of quotas, England might consider loan to Germany - 11/5/36

Ann. Embassy reports on British economic positions: (1) production booming in key heavy industries; (2) noticeable pick-up in textiles and consumer goods industries; (3) therefore general rise in world prices and British trade balance position assume new importance -- 11/10/36
Stabilization

Netherlands: Stab ili za tion

Cochran to go to Holland, so HM Jr informs Taylor - 11/2/36

a) Cochran's cable explaining his understanding of mission 4, 6, 7

b) Cochran cable concerning Netherlands trip - 11/4/36 9-15

1) Royal decree 9/26/36 prohibited export of gold coin and bullion 27-36

2) Law of 9/30/36 set up exchange stabilization fund; by same law, Netherlands Bank's obligation to redeem its notes was suspended

3) As a result of (1) gold standard is not operative in Netherlands now
4) Exchange equalization fund is managed by Netherlands Bank under supervision of Minister of Finance.

5) Exchange equalization fund offers reciprocal facilities to U.S. under certain conditions (enumerated).

6) This declaration by Netherlands Govt. and Netherlands Bk. is based on declaration of Secy. of U.S. Treas. 10/12/36.

c) HMJr-Cochran phone conversation concerning Netherlands trip - 11/4/36.

South America: HMJr tells Peis he is opposed to all monetary conferences - 11/5/36.
Stabilization

Sterling resume' 11/12/36

Strakosch speech on restoring world economy reported by Bingham in London 11/12/36 5-6

1) Discounts rumor of British loan to Germany

2) States that Russia has discovered large new alluvial gold field north of Lena that can be worked all year round

British Treas., in connection with promised public statement of Chancellor of the Exchequer on reciprocal purchase arrangement, is concerned about use of words "fiscal agent" which have quite a different meaning in France 11/13/36 11-12

Cochran reports on manner of securing oral agreement of French Ministry of Finance to proposed Treas. statement 11/13/36 13-18
2 Stabilization

"Dutch Govt. will shortly adhere to tripartite exchange agreement" - so states London Times 11/13/36

Credit to France rumored 11/16/36

a) Treas. officials deny knowledge of proposed credit

Conference in HmJr's office concerning principals with whom U.S. is doing business, etc.; present: Opper, Bernstein, Lochhead, Viner, Goldenweiser, Haas, Upham, White 11/16/36

New draft of Treas. statement (with this significant phrase, "or any fiscal agencies acting for, or whose acts in this connection are guaranteed by the Treasuries") submitted
3 Stabilization

New draft to Cochran for Auriol; prompt consideration urged 11/16/36

Press comment in London and Paris papers 81-84 88

Cochran told by HMJr of promotion to Class 1 11/16/36

New proposed statement discussed with Bewley by HMJr 11/16/36

Announcement supplementing that of 10/13/36 as given to the press on 10/17/36

a) HMJr tells Mallet of French acceptance of new proposal 11/16/36 111-114
2) Horn's till Cochran's new proposal is acceptable to British if it is to the Belgians. "1836 189-190
a) See Mallet letter "1836 191
Stabilization

Belgium: Cochran cables from Brussels complete approval of new declaration by Finance Min. de Man, etc. 11/19/36 45: 212-227

HMFR so informs Mallet 11/19/36 228

Netherlands: Amn. Legation cables Prem. Colijn fears franc will have to be devalued again to approx. 50% of old value, thus vitally disturbing internatl. currency situation; that British may act in consequence and

be forced to devalue also 11/20/36 255

Netherlands: Cochran phones from Amn. Legation; Colijn, Min. of Finance, and Tripp have signed technical declaration 11/20/36 289-293
5 Stabilization

Netherlands: Cochran phones---------
a) Switzerland: Cochran will try to get same declaration from Swiss; is leaving immediately for Zurich
Stabilization

Auriol writes appreciation in longhand to HMJr 46: 12-16

Market reaction discussed by HMJr with Burgess 11/23/36 74-83, 128-129, 136, 150-153

Sterling movements reported by Lochhead 11/23/36 86-87

"Bob" Warren's article concerning possibilities of isolating and sterilizing gold discussed by HMJr with Bell, Viner, Williams (Harvard), Taylor, Haas, Lochhead - 11/23/36 137-140

a) See article from The Annalist 11/13/36 141

Dow-Jones and United Press comment - 11/23/36 142-149

Cochran resume' of reaction in Europe 11/24/36 154-164, 180-184, 235-243 256-259
2 Stabilization


Conference on future policy; present: HMJr, Bell, Upham, Oppen, Haas, Taylor, Williams (Harvard), Viner, White, Seltzer, Lochhead

11/24/36 199-214

1) General Fund could sell securities to mkt. in order to reduce bank reserves on occasion of gold inflow (and vice versa)

2) Stabilization Fund could obtain Govt. obligations from Treas. in exchange for gold; sell to mkt. to reduce bank reserves, etc.

3) Fed. Res. Bks. could obtain Govt. oblig. from Treas. in exch. for gold certificates
3 Stabilization

3) --------

and sell securities to the mkt. in order to decrease bk. reserves on occasion of gold inflow (and vice versa).

4) As initial operation, Fed. Res. Bks. could increase reserve requirements to the limit now permitted by law, or could sell Govts.

HMB thanks State Dept. and Cochran for cooperation 11/25/36

Moody's Bond Survey 11/23/36 discusses problem of handling gold exports and imports and their relation to Stabilization Fund
Stabilization

Argentina:
HMJr cables FDR need for $45 million by end of month to be used by Argentine Govt. to redeem the total of a loan in this mkt.; they will sell sterling in London and purchase dollars in N.Y.; use of U.S. and England Stabilization Funds will prevent any disturbance to exchange mkt.

11/27/36

Bewley discusses with HMJr, Taylor, and Lochhead question of publicity at press conference
11/30/36

(See also Book 52, p. 145)
Stabilization

England:

Embassy, London, reports British Treas. contemplates no similar arrangements with Scandinavian countries "which naturally pivot on London"; feels that, since issuance of decree compelling owners of internatl. securities to deposit them with foreign exchange bks., in Germany, at least, there can be no devaluation until the securities have been taken over from their present owners - 11/20/36

Resume' of attitude toward extension of Tripartite Agreement - 10/20/36 - 11/18/36
Stabilization

France:

Actual communiqué with regard to adherence of Holland, Switzerland, and Belgium to 3-power monetary agreement, together with intentions of French Govt. - 11/28/36 46: 297-304

HMQr and Cochran talk over possibilities of rep. of Treasuries of various foreign countries coming to U.S. to talk informally - 11/22/36

a) Cochran says Baumgartner does not have confidence of Blum
b) British consider Sweden their protege' but HMQr is going to ignore this
Stabilization

Italy:

HMJr asks Lochhead whether 10/13 statement was sent to Italy - 11/20/36

a) Lochhead reports "yes"

Enlargement of Tripartite Agreement discussed by Minister HMJr and Amb. Suvich - 11/20/36
Stabilization

Netherlands and Switzerland:
Copies of telegraphic instructions to be sent to diplomatic reps. at Washington, London, Paris, cabled to HMJr by Cochran 46: 10-11, 50-51

Cochran phones HMJr "everything is sewed up" and HMJr so informs Taylor - 11/21/36 43-47
a) HMJr asks Taylor to call Moore (State Dept.) that messages will be coming in tomorrow (11/22) from Holland and Switzerland; asks Legation to stand by
b) HMJr will now draft cable from for FDR (see page 47)
c) Asks Taylor to notify British Embassy
Documents dated 11/21 from Swiss Govt. and Dutch Govt. discussed in HMJr's office;
Stabilization

2 Netherlands and Switzerland


Switzerland's actual approval of tripartite monetary agreement 185-186
Stabilization
See also Gold, Sterilization of Future Acquisitions
Monetary arrangements entered into between France, 
Gt. Britain, and U.S. in Oct., 1936, reviewed in 
Oliphant memo 12/1/36 47: 65-66 
Resume of Paris market by Cochran 12/1/36 47: 40-42 
12/2/36 67-71 
Knoke discusses Cochran cable, giving extracts 
from the London Financial News, with HMJr 
12/3/36 115-126
Stabilization

Tripartite Agreement

See gold also Gold

Cochran reports on BIS meeting and reaction to conditions in France, Netherlands, Sweden, Switzerland, etc.; "hot money" also discussed 12/15/36 48: 190-204
Stabilization

Translation of official communiqué issued at close of recent meeting of the governors of natl. bks. of the Balkan entente, concerning "monetary accord which binds France, Great Britain, and U.S." 12/22/36  49: 222-224

Statement issued by Gt. Britain on the occasion of the adherence of the govts. of Belgium, Netherlands, and Switzerland to the principles stated in Tripartite declaration of 9/25/36 - 343-343

New Year cables to Netherlands, Switzerland, France, England, Belgium 361-372
Stabilization

See Bank for International Settlements
See speech "Stabilizing the Exchanges" by James D.
Mooney, vice-pres., in charge of Export Aid
Gen. Motors Corp. at internatl. dinner of

HM Jr instructs Cochran to sail for U.S. 1/13/37 379

England: Statement by Cnt. on the occasion of the

alliance of the Goths of Belgium, Netherlands - subscribed
to the principles stated in the Tripartite Declaration 9/25/36

70-75

a) Oliphant memo concerning 1/13/37
Stabilization

Bolton confers with Knoke concerning recent gold shipments received in U.S. by parcel post and reported loss of one gold bar; states this was actually gold purchased in London (like most of the recent mysterious shipments from Switzerland), shipped to Switzerland and shipped from there by mail to N.Y. 1/19/37

Auriol, Min. of Finance, speaks on monetary stabilization at luncheon at Amn. Club 1/21/37

Resume' of exchange mkt. 1/21/37 (Bullitt)

a) Phone conversation 1/22/37
   1) Bullitt suggests that all Treas. calls go through French wireless in future; quicker
2) Ballitt suggests transaction which HM5Fr provides
$100 (§.105) as: 'having cheques on deceased
funds hugging for funds when cheque cash' HM5Fr
- FDR disagrees
2 Stabilization

Paris Bourse to close on Saturdays because of
40-hr. law - 1/22/37

France:
Situation disturbing to Bk. of England,
so HMJr tells Bewley; asks Bewley to
ascertain reason - 1/22/37

Bullitt reports conversation with
Auriol who thinks there will be no
immediate crisis as to franc; Auriol
expected to make strong statement to
press dealing with London rumors
that devaluation of franc is to be
expected 1/23/37

Cochran phones to Cariguwel from residence
of HMJr and asks to be brought up-to-date
on French situation 1/24/37 (Sunday).
2A Stabilization
France

Railroads: Rueff, at request of Auriol, tells Bullitt of favorable progress in negotiations for loan in London of 4½ to 5 billion francs to French railroads 1/25/37

Lafratere denials in press of further devaluation of franc - 1/25/37
Stabilization


Official communiques issued by Govts. of Belgium, Netherlands, and Switzerland, on the occasion of their adhesion to monetary accord, again transmitted to Treas. by State Dept. 2/71
Stabilization


1/26/37

Exchange market movements resume (Paris)

1/26/37

53: 1

1/27/37

53

1/28/37

119

1/29/37

230-239

308
Proposal approved by FDR 1/27/37

Taylor told to call in 5 Tripartite countries to whom agreement will be presented and who will be asked for their answers.

Reps. of Netherlands, Switzerland, Gt. Britain, France and Belgium, together with Livesey (State Dept.), meet with Taylor and Lochhead.

1/27/37
Stabilization
France

Cable of disappointment at Rueff’s suggestion, sent to Bullitt; "none of suggestions recently made fall within the spirit of Tripartite Agreement or the proper field of the S.F.'s operations"
1/26/37

53: 43

a) Hull’s reaction

50

b) Copy sent to FDR

Rentschler asks H&Jr's advice concerning participation through London branch in a $50 million sterling loan either to Bk. of France secured by gold or to the Govt. guaranteed by the Bk. of France
c) Bullitt reports Jeff's reaction: neither disappointment nor surprise 1/27/36 53: 106
2 Stabilization
France

Rentschler
a) HMJR tells Rentschler, "I think you'd better not ask me"

b) HMJR informs Harrison of the "off the record" inquiry of the Natl. City Bk.

Contemplated French financing on the London market reported by Butterworth 1/27/37

Feis (State Dept.) tells HMJR received Chase Natl. Bk. inquiry regarding participation by London office in loan negotiated in London mkt. either by French Govt. or French railway cos.
3 Stabilization

France

Bewley calls on HMJr with a message from the Chancellor; France is passing through difficult transitional period but signs of fundamental improvement; French Govt. endeavoring to raise a loan in London, preferably for the railroads and not the Govt.; Chamberlain has privately informed Bk. of Eng. that he will be glad if this can be arranged privately and not by Bk. of Eng.

1/28/37

a) HMJr informs FDR of Chamberlain's message; thinks it the first time that he has recommended private loan 1/28/37
4 Stabilization

France

b) HM Jr also informs Hull
HM Jr tells 9:30 group that French railroads got their loan 1/29/37

Hull informs Amn. Embassy that 2 N.Y. banking institutions have been contacted with regard to participation in sterling loan to French railways - 1/29/37
Stabilization

Exchange market movement resume

2/5/37

2/10/37
Stabilization

BIS

Delegation visits Bk. of England to secure their assent for sale of gold to BIS "for the account of others"; i.e., for the Central Bks. of issue of the small Central European countries' members of BIS; Bk. of England is said to have refused 2/9/37

HMJr does not favor Amn. membership; Eccles therefore will drop entire matter 2/9/37
Stabilization
France

Summary of information furnished by Minister of Finance to the Parliamentary Finance Committees 2/4/37

54: 89

a) Protests false rumors circulation
b) Recalls "disguised" borrowing of the preceding govt. from Bk. of France; such practices have now ceased
c) States that no limits have been exceeded and no margins of limitations have been exhausted
d) Certain questions with regard to Tripartite Agreement discussed
e) States that if it is established that a syndicate of French bankers had taken part of the French credit in London, it was (omitted)
Stabilization
France

Amn. Embassy in London reports on French conditions
2/4/37

French railways loan: Chamberlain’s message to HMJr concerning 2/8/37

Chamberlain informs HMJr through Bewley that conditions in France have in no way improved as a result of recent credit afforded French railways 2/11/37
Stabilization
Exchange market movements resume 2/12/37

55: 18
Stabilization
France:

Am. Embassy sends information that Blum and Anriol are dissatisfied with Labeyrie as Gov. of Bk. of France 2/12/37

Blum broadcast: 2/16/37

a) Urges Govt. employees to withhold demands for higher salaries as a result of the ever-increasing cost of living

b) Announces Govt.'s decision to present new laws to Parliament relating to the punishment of speculators on prices of products of prime necessity

"Situation growing steadily worse," HMJr tells FDR at luncheon 2/17/37
Stabilization

2 France:

"Situation ---

a) HMJr blames tremendously increased expense for armaments

b) FDR seems in frame of mind to consider calling disarmament conference
c) FDR convinced he cannot use Hull or Norman Davis on this program

Minister of Finance's explanation of present financial situation 2/18/37
HMJr-FDR conversation 2/18/37

a) Rueff (Under Secy. of Treas.) desperately trying to get Gochran to ask U.S. if City of Paris or the Credit Lyonnais
Stab.

3 France:

could borrow in U.S. market; K.C. suggested taking it up through bankers who are going to handle loan; HMJr suggests to FDR that the spirit of the Johnson Act would say "no"; FDR thinks French Govt. should seize all gold and silver in Paris and all gold held abroad by their citizens to be turned in to Treas. (c) HMJr remarks France has gone half-way and is now talking of backtracking; Belgium handled it much better; (d) Bonnet to arrive today as French Amb. to succeed de Laboulaye; HMJr suggests, "Seeing him until middle of week..."
Stabilization

France:

Article 6 of Monetary Law of 10/1/36 abrogated:

"provisions **** not applicable into internatl. payments which, prior to the promulgation of this law, were validly stipulated in gold francs. Payments effected between France, Algeria, Tunis, Morocco, the Colonies, Protectorates, and states and territories under French mandate, are not internatl. payments." 2/19/37 55: 478

Swiss banks have refused request for loan of one billion francs to one of the French public bodies - so Bullitt reports 2/19/37 483
Stabilisation
Netherlands:
De Jong (De Nederlandsche Bank) talks to Knokke
concerning transfer of $100,000 in gold from
earmarked gold asset; guilder guilder weak
2/15/37
Stabilisation

France;

Cochran reports substance of British correspondence expressing "anxiety and unhappiness over continued loss of gold by France" 2/20/37

a) HMJr, from the Farm, discusses with FDR; both agree to do nothing about this 2/21/37

Cochran requested by HMJr to cable his suggestions on what the French might do to help themselves internally 2/25/37

HMJr tells FDR he should do something to get French to devalue 2/25/37 \( \text{(MSD)} \)

HMJr asks Knoke to be in the office tomorrow morning; HMJr will again talk to Cochran
Bullitt-Delbos (Min. of Foreign Affairs)
conversation - 2/25/37

a) Bullitt: Fears that despite new moderation in Hitler's policies, this is lull before the storm; Hitler may be speculating on possible collapse of French financial situation and over-flow of Blum Govt.; this would produce enormous series of strikes.

b) Delbos: A possibility, but financial situation will not get so far offhand as to lead to overthrow of Govt.; admits unpopularity of Labeyrie (Gov., Bk. of France) and Auriol, Min. of Finance; still recognizes situation.
3 France

c) Delbos proposing formation of Natl. Economic Council to supervise and coordinate work of Ministers of Finance, Natl. Economy, Commerce, and Ag.; also some supervision over Bk. of France; Rist to head Council.

Bullitt-Blum (Prime Min.) conversation - 2/25/37

a) Bullitt suggests time is ripe for France and Germany to remove barriers to internatl. trade and armament restrictions

b) Blum does not agree; thinks Hitler is speculating on fall of Blum Govt., with general strike following; states emphatically that financial situation will not bring about overflow of his Govt.; moreover, if he (Blum)
should go into opposition, he would make the utmost efforts to prevent serious strike instead of trying to bring such strikes about.

c) Blum: Most grateful for U.S. support; asks about possibility of some type of loan in U.S.; Bullitt replies Johnson Act would exclude any type of loan; Blum inquires about debt settlement and Bullitt says, in that case, a French loan would present quite a different aspect; Blum does not consider debt settlement impossible.
Stab.

5 France

Meeting "on French situation"; present: HMJr, Taylor, Lochhead, White, Knoke

2/26/37, 9:15 A.M.
a) HMJr thinks "French situation is just about as bad as it can be"

Further meeting: 2/26/37, 11 A.M.
a) HMJr tells group that FDR is as pessimistic as he is; FDR suggests that word be sent to Chamberlain very secretly asking if there is anything Chamberlain and HMJr can do together; therefore Sir Ronald Lindsay has been asked to join group

b) Conversation with Cochran: asks Cochran to inform him after debate than in
For actual conversation with FDR, see p. 341
Stabilization
6 France

Progress in France has been completed
1) Cochran's telegrams 320, 403, 408, 434

c) Sir Ronald Lindsay arrives 317
d) HMJr tells Feis not to inform Atherton in London but to leave entire matter in Lindsay's hands 318

(For chan. of Exchequering see Ex 62 p. 176)
Stabilization

France:

Amb. Bonnet, Jules Henry, Livesey (State Dept.)
call on HMJr 3/1/37 57: 49

a) France wishes to remain wholly in
accord with the monetary understanding
and faithful to the trade agreement of
Hull

Amn. Embassy, Paris, reports that Blum has told
a reliable newspaper correspondent to publish
a statement to the effect that French Govt.
had decided against exch. control 3/2/37 194

Mallet brings message from Chamberlain to
HMJr 3/2/37 196

a) "His Majesty's Govt. has urged French
Govt. to take speedily most vigorous
action to restore confidence", in their
Stabilization

2 France

In reply, French Minister stated they were firmly refusing to impose exch. control and that measures under consideration include free movement of gold, a pause in increase of expenditure, use of a more elastic technique by French equalization fund to defeat speculation, limitation of rise in prices, and reduction of customs tariffs and abolition or limitation of quota restrictions.

1) Actual message

a) HMJr shows to FDR 2/3/37 and says that he' (HMJr) thinks obvious thing for French to do.
is to devalue other 8% 3/3/37

b) HMJr has been thinking for some time but has not wanted to propose to FDR as yet that best solution of French problem would be to ask Soviet Russia to join Tripartite Agreement; large holdings of Russian gold might make just the sufficient difference to tide French over present crisis.

c) HMJr transmits copy of message to Hull 3/3/37
Stabilization

3 France

Cochran reports on visits of Prof. Rist

a) France must choose **liberal** policies of U.S., Gt. Britain, etc., or closed economies of Italy, Germany, etc.

b) When Rist, as Chmn. of Committee of Trade Policy, called on Blum, he found Premier sympathetic with arguments **for** in favor of more centralized trade policies

c) Rist regrets that Blum Govt. financial policy does not inspire the confidence of the people

d) Rist admits disapproval of both Gov. of Bk. of France and Min. of Finance

e) If any loan is issued for France, it should be issued on the market in Paris
Stabilization

France

f) Strongly advises that Bonnet send communication to Blum setting forth impressions he has gained in U.S.

HMJr discusses Chamberlain message with Feis, Haas, Lochhead 3/3/37

a) Chamberlain thinks France cannot last more than one wk.; Cochran says 2 wks.; HMJr anxious to figure out what U.S. can do; HMJr's idea of inviting Russian participation to Tripartite Agreement discussed; Feis wonders whether Japan could not serve in place of Russia; Italy also suggested
Stabilization

France

"Petit Parisien" article stating that Wash. correspondent has cabled that Morgenthau gave Bonnet "unequivocal assurance" of support, discussed with (1) FDR, (2) Hull, (3) Jules Henry, Counsellor of French Embassy 3/4/37 57: 312

(4) at press conference

a) Denoyer's article in Petit Parisien 331

Feis 'phones that Amb. Bonnet "is wholly amazed at article in Petit Parisien"

3/4/37

HMJr reports incident to Cochran

3/4/37

HMJr explains to Mallet 3/4/37 352
Stabilization

6 France

Ann. Embassy, Paris, quotes Reuter cablegram in London Times, stating that Bonnet has informed reporters he intends to open war debt discussions with Govt. of U.S. 3/4/37

Ann. Embassy, London, reports on new measures under consideration by French Govt. 3/4/37

364
Stabilization
BIS
March meeting reported by Cochran 3/8/37 58: 357
Stabilization

France:

After Cabinet meeting, Blum announces restoration of freedom of gold movement, effective Monday, March 8, 1937.

a) Committee of experts to direct Equalization Fund set up: Labeyrie, Rueff, and Baudoin, Rist.

b) Beginning Monday, Bk. of France will buy and sell gold without identity requirements; hope that this will restore confidence, prevent further export of "frightened" capital, and convince investors to lend the Treas.

needed money.

c) Bk. of France will buy gold at current rate, thereby abandoning the previous policy of buying at pre-devaluation rate.
* (Bingham's cable

2/5/37 113)
Stabilization
2 France

HMJr discusses with FDR - 3/5/37

a) Explains law whereby gold could have been seized; instead, law is to be rescinded and the holders of gold to be given full benefit of devaluation

b) HMJr considers it a scheme which will not work

c) FDR approves of HMJr sending for Bonnet

HMJr's conversation with Knocks - 3/5/37

a) Both disappointed with last move of French

b) HMJr says Bonnet has been with him one hr. and has gone back to call up French; he (Bonnet) does not seem to understand move
Stabilization

3 France

c) As HMJr and Knoke understand it, French private individual gets profits under gold holdings

d) HMJr feels French should either devalue further or announce they have no intention of so doing

e) HMJr asks Knoke to call Bk. of France and Bk. of England (actual conversations pp. 36, 37)

Bonnet calls on HMJr; present: Jules Henry, Taylor, Lochhead, Feis 3/5/37

a) Conference as reported in Petit Parisien 3/5/37
Stabilization

4 France

HMJr-Cochran conversation 3/5/37
a) Entire Cabinet meeting discussed
b) Blum to appeal over the radio March 6 and on Sunday, March 7, the Pres. of France, the Pres. of Chamber (Gaillaux) and the Pres. of Senate

Oliphant memo: No foreseeable development in French situation where U.S. would have to prepare legal documents to safeguard Govt.'s interests 3/5/37

HMJr-FDR conversation at noon 3/5/37
a) Blum has made statement and said nothing about devaluation; French always rely on U.S. to support the franc and the lb. and so far today we have heard nothing
Stabilization

5 France

we think French Stab. Fund is exhausted; FDR agrees; HMJr tells Mrs. Klotz he thinks
"Hitler will strike either Sat. or Sunday"
1) HMJr repeats to Harrison that U.S.
will "sit tight" 3/5/37

Mallet calls on HMJr; present: Feis, Taylor, Lochhead, 12:30 P.M. - 3/5/37

a) Chancellor's communication states
"as regards gold movements position
imply of France today and of U.S.
in 1933, they seem to differ greatly;
French difficulty is largely that she
has lost great quantity of gold capital"
(actual message on p. 60)
b) HM Jr reports on last-minute action: since Blum's statement at 10 A.M. French time, franc has dropped from 4.641/2 - 4.59, and for first time, U.S. has no orders from French Govt. to buy francs at any price; French "did £ 13 million today and British did £15 million".

c) HM Jr has begged Chancellor for past wk. to make statement but he has not done so; U.S. will carry on for the rest of the day and will not let down sterling dollar rate.
Stabilization
7 France

d) Bonnet is returning at 4:30 and HMJr asks.
Mallet to return after that.

Rates finally received (price that works out at
4.41 - about 6%) and HMJr so informs Cochran
1:33 P.M. 3/5/37

Bonnet calls on HMJr; also present: Jules Henry,
Feis, Taylor, Lochhead 4:30 P.M., 3/5/37

(a) Bonnet reports official communication states
no change in monetary situation; merely a
new order: Bk. of France can now purchase gold
at daily price and until now could not do so;
this is the only change; no definite stabilization
of franc; Bonnet gives resume' leading up to
present step, which is promptly
Stabilization & France

Effort on part of Govt. to encourage holders of gold to bring it to the Treasury; HMJr adds: is it not better to put French currency in line with rest of world voluntarily rather than be forced to do so?

Upon departure of Bonnet, Mr. Henry, Mallet calls again on HMJr; present: Taylor, Feis, Lochhead 3/5/37 74

HMJr talks to Knoke at 5:15 P.M. 3/5/37 76

a) HMJr: "I hear you can't buy any sterling;
   we won't let you have it"

b) Knoke: "True, but we bought 50,000 at 13/16ths and at the moment we are fishing for a hundred at 3/4ths; we'll not lose money at 7/8ths"

b) HMJr: "Push it to the limit - 7/8ths"
Stabilization
9 France

HMJr: "French Amb. asked to phone Auriol tonight
and report 9:30 tomorrow morning

After Mallet's departure, Taylor hands HMJr his
"guess" on what will happen 3/5/37

Cochran cables after conference with Rueff
8 P.M. 3/5/37

(For previous Cochran cables, same day,
see pages 85, 111, 112)

a) Rueff inquires whether U.S. will object
if French Govt. named some bank of firm
in N.Y., such as J. P. Morgan, to act as
agent in U.S. for purpose of paying coupons
of proposed loan in cases where payment is
requested in dollars; stresses fact there
would be no subscription in U.S.
Stabilisation

10 France

Press comment on French Cabinet meeting
3/5/37

Bonnet and Henry call on HMJr at 9:40 A.M.
3/6/37

a) After departure of Amb., Geo. Harrison
   and Oliphant join group (Livesey,
   Taylor, Lochhead also present) 3/6/37
   1) HMJr tells group Amb. added nothing
      new
   2) Oliphant reports opinion of Dept. of
      Justice on "some bank of firm in N.Y.,
      such as J. P. Morgan, to act as agent
      in U.S. for purpose of paying coupons
      on French loan" that, while such designation
      might not be violation of Johnson Act,
nevertheless the sale of bonds to Americans would be a violation and no officer of the Govt. can undertake to approve any measure calculated to encourage such sales.

3) In midst of conference, ticker reports agreement under which Amn. bks. may invest in forthcoming French defense loan without infringing the Johnson Act

   (not officially confirmed)

   a) HMJr: "Nice thing about French is they never wait for your answer"

Mallet confers with HMJr at 10/35 A.M.

3/6/37
* Actual dictated opinion
Later, Atty. Gen. adds he deemed it largely a
question of policy
(Actual statement in Cummings' handwriting p.263)
Stabilization
12 France
a) Cable, probably from Sir Warren Fisher, states constant attention will be given to pound dollar fluctuations today
b) HMJr tells Mallet of French proposal that bank or firm in New York act for them in cashing coupons
HMJr informs Hull of conferences 3/6/37 58: 174, 235
Bk. of Eng. tells Knoke "things not too bad at the moment" 3/6/37
HMJr discusses Cummings' opinion (see page 263) with FDR 3/6/37
Stab.

13 France

Gaston reports newspaper reporters want conf.
"even though you won't tell them anything"
3/6/37

HMJr dictates Cummings' opinion to Cochran
at 3:30 P.M. 3/6/37

HMJr reports Cummings' opinion to French Embassy 3/6/37

Paris newspaper comment indicates French loan
may be postponed 3/6/37

Butterworth (Amm. Embassy, London) tells HMJr
British Tras. has been informed by French
that Bonnet has obtained HMJr's consent to allow
French loan to be xxxxxx to the Amm. Mkt.
3/6/37

a) HMJr tells Butterworth Lochhead will read
to him opinion from Justice Dept. which will
show "U.S. has turned him down."
French loan postponed for 2 or 3 days — Wilson reports confirmation at the Presidency of the Council (Cochran at Basel) 3/7/37

Mallet delivers to HMJr Chancellor's message, "We have already refused a corresponding request for paying arrangements in London."

3/8/37

a) HMJr informs FDR, who has no comment
b) Cochran reports receipt of French answer by French 3/8/37

1) Cochran has been requested by Rist.
14-a ask HMJr to reconsider refusal; HMJr says "No"

2) HMJr reports conversation to Hull 3/8/37 376
Stabilization
15 France


a) HMJr tells FDR he has asked Robinson's office to call in Committee of Foreign Affairs and let him (HMJr) tell them what he has done to save us from attack on the Hill; FDR says to omit Borah and Johnson - he wants to lay a trap for Borah

Press conf. 3/8/37
16 France

Bonnet confers with HMJr at 2:30 P.M.
3/8/37

a) Asks reconsideration of Ann. decision
b) HMJr says it is not fair to place responsibility for success of loan on decision of Ann. Govt.
c) HMJr Feis reaction

Mallet confers with HMJr at 4:45 P.M.
3/8/37

a) Chancellor’s message on British reaction to French position in spite of objections of both British and U.S. Govts., given
Stabilization
17 France

Ann. Embassy, Paris, cables concerning Blum's broadcast on March 6 and Chautemps speech at Chartres on March 6. 3/8/37 58: 437
Cochran cable on Rist call with regard to exchange option clause and Leith-Ross visit 3/8/37 437
Stabilization
France:
HMJr text - Harrison conversation
3/9/37

a) Rist had called on Cochran, making strong plea for change

b) Bonnet calls, telling HMJr U.S. is not interpreting Johnson Act correctly and then threatening to put in exchange control, etc., ending by saying that Auriol wanted HMJr to know that if French loan failed he(HMJr) would be personally responsible

c) British also turned down French and French than retorted whether it was liked or not they were going to do it and do it in London
Stab.

2 France:

d) HMJr goes to Hill and works it out so that Robinson gives out release

e) HMJr feels this brings Gt. Britain and U.S. closer together

f) French also approached BIS, asking them to do the paying, and BIS refused

g) Cochran reports he has never seen Norman so thoroughly angry at the French

RMJr—Cochran conversation 11 A.M., 3/9/37 59:19

a) Paris newspapers state that Bonnet will broadcast in English tonight at 7:45
Stabilization

3 France

HMJr-Harrison conversation 3/9/37 59: 29

a) Morgan and Co. (Paris) ask Morgan and Co. (N.Y.) the same question concerning acting as paying agent; N.Y. company, without knowing of Treas.

* Action, gave identical answer

Bonnet radio address; Hull reports on discussion

with Henry (Counselor, French Embassy) 3/9/37 32

a) Henry states that newspaper articles are entirely erroneous - have to do merely with original invitation to speak, delivered by NBC to Bonnet as to all new Ambassadors

b) Henry adds assurance that when Bonnet speaks any reference to question of repatriation of French investments from U.S. will be clearly in line with desires of Treas.
* Leffingwell's corroborating letter  3/10/37  141
Stab.

4 France:

c) Henry creates impression of displeasure that question should be raised

Paris market resume: 3/9/37

Translation of text of law authorizing issuance of loan just laid before Department Chamber of Deputies by Govt., transmitted by Cochran

3/9/37

a) Press comment concerning Blum’s supporting speech, resulting in uproar in galleries in which Madame Blum participated

3/9/37

Press comment on French loan (Paris and Wash.)
* Embassy cables concerning debate and final passage by vote of 470 to 46, with 94 abstentions

1) HMR-Cochran conversation
   9:20 A.M. 3/11/37, giving terms of loan
   a) HMR talks to Knoke: 4½% 60-yr. bond at 98
   b) HMR talks to Harrison

   c) Embassy cables passage of bill by Senate; vote 258-1 (Sen. Thibault - Repub. Union)

   * * * with 46 abstentions 3/11/37 264
Stabilization
5 France:

Amm. Embassy, London, reports terms of French loan to have aroused curiosity though no real money interest. British authorities reported as still anxious about the position in France 3/11/37 59: 254

a) On 3/12/37, Sir Frederick Phillips tells British Treas. French situation has immeasurably improved during past wk. 32 3/12/37 398
Stabilization
of France:

Text of decree establishing conditions for first issue of national defense loan 3/12/37

a) Mme. LeBrun, etc., broadcasting in favor of loan 3/12/37

b) Newspaper comment reports heavy demand for first installment of loan 3/12/37
Stabilization

France:

Subscriptions closed to first issue of natl. defense loan at 3/13/37 60: 28

a) Cochran cables
b) Press comment

Bk. of Eng. conversation with Knoke 3/16/37 113

a) Major change in French situation causes Bk. of Eng. to take time by forelock; conceivable there will be substantial repatriation of French money; therefore a buying and selling price with a tentative spread of 2 pence up and down from price fixed daily in London at 11 A.M. has been established
* Subscriptions of leading bks. reported by Cochran 3/19/37

60: 250
b) Reports also on large ams. of gold which came from Russia, were trans-shipped in Eng., and are on way to U.S.; believes there must be at least £200 million in State Bk. of U.S.S.R.; new production ran somewhere in region of £60 million to £70 million per year.
Stabilization

Ear-marked gold: Taylor resumed of steps taken from time of conference on 12/1/37 with representatives of 6 countries. France, Netherlands, Switzerland, Belgium

a) letters from each country indicating reports to
Treasury's proposed
b) new gold license for Fed. Res. Br. N.Y.
For acknowledgment by Royal Netherlands Legation (Wash.) of authorization from Netherlands Govt., see Bk. 65, p. 210.
Stabilization

England: Possibility of engaging price of gold dismissed with Bowley at sea island, Jan. 26/67

2) Harper was not warmed anything in Tregistil agreement necessitates consultation with partners in regard to engaging price

- Bowley disturbed

b) Harper also Heavis, Mitchell, gold channel
Eng

be purchased only for designated agents of
Grants, as for e.g., Central Banks; hence Russian
sales is to earn money to buy raw materials
Stabilization

France: Le

For Denoyer story in Petit Parisien, stating that Margaret HM Jr gave Bonnet "unequivocal assurance," see Book 57, p. 212.

Gaston-Nilson (UP Assns.) correspondence concerning article 3/16/37 - 3/30/37

61: 280
Stabilization

Market movements resume' (Cochran) 3/25/37 61: 139
Stabilization

France:

Market movements 4/2/37

- 62: 200
Stabilization
See BIS

Amn. Embassy, London, reports that in House of Commons Chancellor of Exchequer was asked today to allay public anxiety by giving assurance that British Govt. does not intend taking action to check rise in commodities by raising price of sterling in terms of gold in view of inflationary effect 4/13/37  64: 311
Stabilization

See Gold

U.S.S.R. (Southworth)

Amn. Embassy, London, reports on meeting at British Treasury and the recent recrudescence of uncertainties in French situation 4/16/37

a) O.M.H. Sprague’s speech again commented on

Cochran transmits resume of interviews with Cariguel and Rist as introduction to general review of financial developments of during present wk. 4/17/37

Resume of European situation by Raffalovich in Paris transmitted to W. C. Taylor 4/17/37
b) In another conversation with Ross had taken position that there is not excess of gold in world today that when France, etc. begin to absorb their fair proportion the problem will move into the back ground.

c) Phillips apparently does not share this point of view; say if U.S. wishes to exchange with others they will make exchanges.

1) Mr. phone Buttermoth to ascertain whether exchange of views can take place in Washington.
Stabilization

See also Govt. Bond Mkt.

Amn. Embassy, London (Butterworth), reports further exchange of info.: Phillips reports complete understanding of U.S. point of view; thinks it desirable to keep matter in the back of one's mind for it is not pressing at this time; 6:33

also asks Cochran to make inquiries

French situation also discussed in above conversation; Phillips thinks a crisis point may be approaching

"Cochran's resume' of situation in France

Frank Altschul writes HMJr at length concerning "hot money" 4/26/37

Knoke reports to HMJr on conversation with de Jong of De Nederlandsche Bank concerning change in instructions with regard to sale of guilders 4/27/37
1) Cochran reports Minister of Finance bitterly complained before Chamber of Finance Com. yesterday against circulation of stories of imminent peril in finance situation and suggests that campaign is the work of political enemies 4/29/37
2 Stabilization

4 principal causes of present uneasiness on exch., security, and commodity markets in Europe reported by Cochran 4/28/37 66: 200

1) Amn. gold scare
2) French situation
3) Remarks by FDR on commodity prices
4) Taxation by Gr. Britain and borrowing

Butterworth reports that Clay (Econ. Adviser to Bk. of Eng.) has emphasized that decline in London Stock Exch. prices has reached panic proportions 4/29/37
Stabilization

HMJr—Arthur Krock conversation 4/29/37

a) Ferdinand Coons' article: "stocks fall in London" discussed

  1) HMJr suggests article: due to FDR's constant warnings, investigation shows U.S. bks. have not made commodity loans, brokerage houses are in good shape, etc.
Stabilization

See also BIS: annual meeting, May 1937, for resume of conditions

Chamberlain asked in House of Commons whether he was aware that since December, 1936, U.S. Treas. had bought and sterilized at considerable expense over $500 million of gold and whether, with a view to stabilizing world currencies and prices and reviving internatl. trade, the British Govt. was prepared to cooperate with U.S. in purchase of such fresh supplies of gold as were available for monetary purposes 5/4/37

a) Answer to first part of question is "yes"
b) No change in policy of general cooperation with U.S. and other parties to the Tripartite Agreement is contemplated
Lamont, Thos. - in Eng. after visit to France expresses opinion that "the situation will have to get worse before it gets better" 5/5/37
Stabilization

Bullitt reports on visit with Paris Morgan partner and Winfield Riefler § 5/12/37 68: 30

Gold: Gordon Rentschler discusses with HMJr "further continental gold liquidation"
5/13/37

a) HMJr discusses with Knoke 139

146
Stabilization

See also Van Zeeland, Paul

Resumed by Cochran of situation in France
5/20/37

Resumed by Butterworth of situation in England 5/20/37
Stabilization

Stock market resumed by Cochran and Butterworth
5/25/37 - 5/21/37

Knocke-Cariguel conversation 5/26/37

a) Amount of Russian balances in Paris mkt. discussed; K. asks whether their presence has created a problem; Cariguel replies, "Not yet - they may some day"

HMJr discusses with Cochran recent transactions of Swiss Natl. Bk. 5/28/37

Cochran reports daily losses of foreign exchange by Bk. of France every day for the past 10 business days at the rate of approx. 50 million francs per day; French Stabilization Fund now has on hand slightly over 3 billion francs in foreign exchange and gold; to meet end-of-month requirements, Treas. will probably exhaust its
2 Stabilization
balance with Bk. of France and will be obliged
to draw upon its credit 5/28/37 70: 21$$, 221

Cochran visit to Switzerland authorized by
State Dept. 5/28/37 228

Knoke and HMJr discuss gold scare which has
again broken out over week-end 5/29/37 253
Stabilization

Cochran reports on visit to Switzerland 6/1/37

HMJr statement "nothing imminent on gold in spite of rumors developing over week-end" carried by Dow-Jones 6/1/37

With regard to possible addition of Japan to Tripartite Agreement, Hull tells Amn. Embassy, London, "We believe it only sensible to withhold comment until Britain or U.S. has actually been approached by Japan" 6/1/37

Cochran authorized to continue with investigation and report in Belgium and Netherlands 6/2/37

Netherlands Bank discusses with Fed. Res. Bk. of N.Y. the release of the $27 million under earmark in U.S., getting dollars, buying bonds, and immediately taking gold off London gold mkt. in the same amt. two reasons (1)
a) HMJr talks to Cochran about report; does not think Bachmann is telling the whole truth 6/2/37

**

a) Cochran reports on financial press (in Paris) 6/2/37

*** a) Butterworth discusses situation with Maley, of British Treas., who also has an appt. with Arakawa a little later 6/3/37
Stabilization to help support mkt; (2) to make profit
6/3/37
71: 191,197
Stabilization

See Stabilization

Eccles, Ransom, Taylor, Upham, and HMJr discuss at luncheon: 6/1/37

a) Bk. of Eng. advises that present dehoarding of gold is just about exhausting the gold hoarding

b) HMJr speaks of proposal from Trip (at Holland) concerning some sort of control over gold production

Stabilization

Chancellor of Exchequer questioned as to whether he would propose control of gold output or alternatively discuss its demonetization as remedy against dangers following accumulations annually of 250 million pounds of fresh raw gold which two signatories to Tripartite Agreement are now compelled to buy and put out of use to prevent unsettlement of trade; answer is "no" 6/1/37 71: 53

Butterworth (Amn. Embassy, London) reports "process of dehoardling continues its snowballing course aided by rumors galore" 6/4/37 223
5 Stabilization

Butterworth cables (1) message of good-will from new Chancellor of Exchequer (Sir John Simon) stating his ardent wish that same close cooperation between 2 Treasuries as existed under his predecessor be maintained; (2) 2 questions which have been asked in House of Commons and which must be answered on Monday; Sir John Simon "will be glad to know that you agree to the proposed answers thereto" 6/4/37 71: 278

Meeting to discuss answer to Sir John Simon;

a) Answer with regard to cooperation between 2 Treasuries in response to May 31 message from Neville Chamberlain sent to Sir Ronald.
6 Stabilization

Lindsay for transmission 6/5/37

b) Answer to Sir John Simon sent to Butterworth for transmission 6/5/37

1) Sincere wish that relationship be as cordial and successful as it was with predecessor

2) No suggestions to make with respect to proposed answers to 2 questions to be put to him in Parliament on Monday

a) Answer discussed with Butterworth by 'phone 6/5/37
Stabilization to be delivered verbally by Mallet Conf. concerning message for Sir John Simon; present: HMJr, Taylor, Lochhead, White, Mallet 6/7/37 72: 35

a) When Triparaticite Agreement was set up, purpose was to handle foreign exchange and not to handle gold; large amt. of gold expected to come out of hoarding but the world problem which it has now become was not anticipated; just as U.S. was ready to discuss question of stabilization when world was ready, so now it is prepared to discuss question of gold

b) U.S., however, does not consider that solution lies in dropping price of gold

(For reply see Book 14 p. 11, 6/28/37)
Stabilization

Sir John Simon's speech in House of Commons stating that he will follow policy laid down by predecessor and answering certain questions 6/8/37

Message as transmitted to Chancellor of Exchequer (through Sir Ronald Lindsay) in answer to recent message addressed to Secretary of Treas. (5/31/37)
Stabilization

Belgium:
* Cochran reports on visit 6/8/37 72: 170

Netherlands:
Cochran reports on visit 6/7/37 42

Switzerland:
HMJr informs Butterworth he is displeased
with manner in which Swiss have been
conducting their exchange operations
in U.S. and asks him to inform the British 6/12/37

Cochran cable concerning message he is
to deliver to Bachmann 6/12/37 310

a) Cochran talks to HMJr from Basel
6/14/37 315

1) Knöke-and HMJr discuss Cochran
conversation 6/14/37 317
Stabilization

France

Cochrane comments on growing flight from the franc 6/9/37

a) Knoke and Bolton discuss reaction in London 6/10/37

b) Knoke-de Jong (De Nederlandsche Bank) discuss 6/11/37

c) Knoke-Cariguéel discuss 6/11/37

HMJr and FDR discuss French situation 6/12/37

a) Discount rate has been raised from 4 to 6% (For conversation with Bullitt, see page 357)
3-A (2) Stabilization

France:

Ann. Embassy, Paris, reports probability that French equalization fund will be drained of its last franc almost immediately and that Blum government will probably fall.

6/12/37
Switzerland:

Hull tells Butterworth of Bachmann conversation with Cochran 6/14/37

a) Swiss decided some days ago on program of not increasing holdings of gold of Swiss Natl. Bank; they will sell in the London market any further gold acquired by the Bk. from hoardings; they will dispose of remainder of gold in their Stabilization Fund (approx. $25 million) in U.S.

1) U.S. has made no comment on this plan pending receipt of confirmation of this information
Stabilization

**Stability:** See also BIS

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**France:** See page 1-A

Cochran reports continued heavy pressure on franc 6/15/37

Meeting with regard to French crisis; present:
HMJr, Taylor, Bell, Oliphant, Lochhead, Oppen, Upham, Viner, Riefled 8:45 A.M. 6/16/37

a) Conversations with Cochran

HMJr tells Hull of Montagu Norman’s desire that Cochran visit England without Amn. Embassy in Paris knowing or: it 6/16/37

a) Hull advises clearing with FDR

b) FDR advises that British Amb. be told and Sir John Simon asked his wishes;
Emergency bill authorizing Govt. up to $ to take measures necessary for Reconstruction on public finances laid before Chamber 6/15/37

73: 19

a) Amn. Embassy (Paris) reports on conversation with Blum concerning these powers 6/14/37

b)(over)

Meeting with regard to French crisis; present: HMJr. Taylor, Bell, Oliphant, Lockhead, Oppar, Upham, Viner, Riefler 8:45 A.M. 6/16/37

1) Conversations with Cochran
b) Bullitt reports on dramatic special session of Chamber of Deputies and passage of bill 346-247 6/16/37

c) For text of emergency bill, see page 175

d) Crisis arises during consideration of bill in Senate 6/18/37

e) Blum Govt. falls 6/21/37
2 Stabilization

2 France:

HMJr so informs Hull 6/16/37

* Amn. Embassy, London, asks for info. concerning report under Wash/date line that France may be forced to withdraw from Tripartite Agreement presumably due to institution of a control system 6/16/37

a) Hull told U.S. has had no intimation of such intention

Second meeting on French crisis; present: HMJr, Taylor, Oppen, Viner, Riefler, White, Lochhead, Haas, and Oliphant

9 A.M. 6/18/37

a) Conversation with Cochran
b) " Butterworth
c) " Knoke
c) Conf. with British Amb. Trentham, Feis and Taylor and Trentham; Feis and Taylor present 6/16/37

d) Montagu Norman's answer 6/17/37

e) Hull's instructions to Cochran through Amn. Embassy, Paris, to proceed to London 6/18/37

f) Cochran's report from London 6/21/37

1) Fall of Blum Govt. discussed
Stabilization

3 France:

d) Conversation with Hull

- Amb. Bonnet calls to say goodbye - leaving for France 6/22/37

- Cochran reports on exchange market movements 6/22/37

- Formation of Cabinet unfavorably impresses foreign exchange market 6/22/37
Switzerland:

Butterworth reports on Swiss transactions in London 6/15/37

Sir John Simon informs HM Jr. he is in complete sympathy with stand on Switzerland 6/18/37

Text of letter signed by Bachmann and Schnyder of Swiss Natl. Bk. and by Meyer, Chief of Swiss Dept. of Finance and Customs, transmitted by Cochran to HM Jr. 6/19/37
Stabilization

Conf. with Trentham (British Embassy); present:
Lochhead and Taylor 6/23/37

a) Reply from Chanc. of Exchequer to message delivered verbally by Mallet (see Book 72, p. 35 - 6/7/37) to the effect that just as U.S. was ready to discuss question of stabilization when world was ready so now it is prepared to discuss question of gold.

1) Sir John Simon considers any marked divergence in price of gold in U.S. and England inadvisable since it would lead to change of exchange rates and give leverage on which deflationary forces could act.

2) Sir John Simon prepared to take public action of the character calculated to restore confidence: submitting to Parliament...
Stabilization

Proposal for increasing resources of exchange equalization acct. by a further sum of £200 million; announcement to be made on Friday.

b) In connection with more personal contacts between 2 Treasuries, when Phillips is in Canada in Sept.
   Sir John Simon will arrange for him to visit Wash. if acceptable to U.S. Treas.

Taylor consults HMJr about reply to Simon message 6/24/37

   a) HMJr tells group to work out answer indicating pleasure at receipt of news, will be delighted to receive Phillips in Sept.
   c) Answer as transmitted by Taylor to Trentham 6/24/37
Stabilization

London press comment on Chancellor's proposal is favorable 6/26/37

Statement in House of Commons by Sir John Simon, in connection with move to increase exchange stabilization fund, that brief public statement will be made at end of each June and December regarding amt. of gold and foreign exchange holdings of fund as of the previous March and Sept.; British fund now possesses approx. 26,674,000 oz. of gold which, together with that in Bk. of Eng. of 73,842,000 oz., makes total of 100,516,000 oz. worth over £700 million 6/28/37
Stabilization

France: knox-Bolton conversation 6/23/37

a) French exchange fund entirely gone
b) British have taken as much as £8 million to £9 million in a single day
c) In addition to fleeing from franc into sterling, English feel French are now beginning to sell their [illegible] dollars against sterling
d) Present French flight of capital, Bolton thinks is one definitely into currencies and not into commodities, stocks, etc.

Cochran reports that Rist and Baudoin resigned from Experts' Com. which advised French Stab. Fund because their advice was not followed by Govt. 6/23/37
Stabilization

2 France

Tripartite Agreement abandonment by France rumored in London 6/24/37

Exchange market movements (Paris) resume

6/24/37
6/25/37
6/26/37
6/28/37

Cochran reports on visit to Ministry of Finance at midnight; Rueff reports on bold program proposed by Bonnet; if not accepted, Bonnet will return to Washington; Bourse to be closed Tues., June 29, when
Stabilization

3 France
Govt. asks for certain powers of control over exchange situation 6/29/37

a) HMJr calls meeting in his rooms at Carlton Hotel following Kung dinner given by Chinese Ambassador; present: HMJr, Eccles, Taylor, Viner, Riefler, White, Lochhead, and Feis.

1) HMJr has asked Fed. Res. Bk. to take appropriate steps to carry out French request that N.Y. bks. do not engage in transactions in French francs while Paris Bourse is closed, as was done last Sept.

2) Possibility of withdrawal by France from Tripartite Agreement also discussed.

a) Feis memo in furtherance of meeting 6/29/37
Cariguel informs Knoke Bk. of France has stated willingness to convert into gold on basis of yesterday's rate any francs which U.S. might buy; "in other words, you see, Tripartite Agreement remains in full force"; Cariguel also states that British will make statement today that in their opinion what France now plans is within scope of Tripartite Agreement; it is hoped HMT/F will make similar statement 6/29/37

Butterworth reports Monick is pleasantly surprised at boldness of Bonnet's proposal but apparently expects a further crisis 6/29/37
Stabilization 5 France

Butterworth-Taylor conversation 6/29/37

a) Butterworth has just returned from British Treas.; HMJr's instinct "not to believe French on stack of Bibles" is correct; British Treas. has not told

b) Sir John Simon with same statement Monick or anyone else that they think French are still acting within Tripartite Agreement; Sir John Simon asks that this be transmitted to HMJr

b) Treas. reports to Butterworth that Bk. of Eng. has suspended quotations, that is, London is not dealing in francs but has arranged for Bk. of France to supply francs at 110.55 per pound; Bk1 of Eng. will not, on its own acct, buy any francs at all