BOOK #4

PRESIDENT ROOSEVELT

March 1, 1941

thru

December 31, 1941
March 1, 1941
1:05 p.m.

Present:  Mr. Foley
Mr. Cox
Mr. Young

HM Jr: We had this meeting over at the White House, and I don't know, Phil, how much you know. Have you seen that (see attached photostat)?

Young: Is that a new table?

HM Jr: Well, it's the only one I have. I'll lend it to you over the weekend (gives table to Young).

What happened over there is this - they spent a half hour on this bill and they stepped out to tell McCloy, Lovett, and a whole crowd they had waiting outside about what had happened, and I told them to tell you fellows about it. Well, it took a half hour just to get Cordell Hull to get in touch with the Senators, which he is going to do tomorrow, and Harry is to act as Chief of Staff.

I really should tell this to each of you individually, but I haven't the time and I know you will understand and treat it confidentially.

Well, Harry said that what he wants to do is to take Cox. The President said, "Who's Cox?" and I said "Oscar Cox. He is Foley's assistant." Harry never told him that you worked in the Treasury. I told the President that you (Cox) were Foley's assistant and I said, "You know Foley, don't you?" The President said, "Yes, I know Foley but I never heard of Cox." So I told him that Foley has been the man who has been working on the bill and Cox is his assistant. After the meeting, Harry said that he didn't tell the President that you (Cox) were in the Treasury. You're just Oscar Cox.

Oh, I have seen that happen before. That's the way he works. Then he said that Hull doesn't want Foley and Cox to go up there when I go, and the President said no one should take their assistants. Well, I am going to do what I always
do. I'm going to take the same ones as always go with me. What I am going to do is to take Foley and if Foley wants to take you (Cox) it is agreeable to me. Am I right?

Foley: Sure.

HM Jr: I mean I would like to have time to explain to each of you but I haven't the time.

Foley: You don't have to explain.

HM Jr: Well, there just can't be any feelings in this thing.

Foley: No feelings.

HM Jr: I am going to take just who I want as my assistant.

But this is the way Harry works. He didn't tell the President that you (Cox) were on a lend-lease basis or anything else like that. We have a wonderful relationship here, and I am going to keep it that way.

Harry said he was going to get me over there to work on this this afternoon. I'm not going to work this afternoon. All they want are examples, and there isn't any difficulty there, is there?

Foley: No, not as far as I know. McCloy knows.

HM Jr: Did McCloy get in touch with you (Cox)?

Cox: No, sir.

HM Jr: Why don't you (Foley) get in touch with him?

Foley: Fine.
HM Jr: And then the other thing that came up was the appropriations bill, and the President said we should get to work on it. I said, "Mr. President, that's what your Director of the Budget is doing. He is the fellow to do this." Of course, I am talking very confidential. Then the President said, "But I haven't the time," and I said, "It's the Director of the Budget who should work on that bill. I don't want you working on the appropriations bill."

The President had an agenda before him that he was reading. I asked Hopkins why he didn't give each of us a copy, and Hopkins said that he had a copy for everybody but the President said not to give them out. He reads it but we can't have a copy of it. Then I read the whole thing myself because I knew he wouldn't read out loud that part on the Russian business. You'd ought to know about that, Phil. It would take down your blood pressure considerably and that of your assistants.

Then I read this memorandum of yours (Young's) on this Russian matter (see attached copy), and I asked the President, "Does this fall within the purview of this group?" and he said, "Yes." Then I asked him if he was willing to have them work on it and bring it back to him, and he said, "Yes." So I gave each of them a copy but that's all. Nothing much was decided.

The Navy got quite excited and said that if the English want some technical person to come over there, why doesn't the British Admiralty ask the Navy representative in London? Harry said that he could explain that all right.

You know this thing of going direct from Churchill to Hopkins to the President isn't so hot - I don't like it. But what I am saying here is triple confidential and only for the family here.

Now do you want to ask me anything?

Foley: There is no meeting arranged at all, but if Hull wants you to attend a meeting of the Senators tomorrow . . .
HM Jr: I am available, but as to this afternoon, I am not going to do it.

Foley: Was anything said about Bulgaria?

HM Jr: Yes. I spoke to Hull about Bulgaria and he said, "Well, we are not quite sure." And I said, "Will you let me know personally?" and he said that he would.

Foley: We are having a meeting in Shea's office at 1:30. Åheson is to be there - you know in line with the President's memo.

HM Jr: When are you going to eat?

Foley: I'll eat before I go over there.

Young: Should anything be done about this (photostat of chart which HM Jr gave him at beginning of meeting, copy attached)?

HM Jr: No. It is all on Hopkins. You put the pressure on Hopkins and take it off of me. It is off of me.

Young: If I have any more problems like Russia, do I take those to Hopkins?

HM Jr: Yes, yes.

Young: All right.

HM Jr: Okay?

Foley: Yes, sir.

HM Jr: I'm just not going to let anybody spoil the excellent organization and relationship which we have here. I just won't let them do it. We've worked together for a long time and nobody is going to come in and spoil it.
WAR DEPARTMENT

ENLISTED DOLLAR VALUE OF EQUIPMENT OF WAR DEPARTMENT TYPE DESIRED FOR DELIVERY FROM U. S. INDUSTRY AFTER JAN. 1, 1941.

British Current Orders

U. S. Deficiencies

British Deficiencies to 4/30/42

1.9 billion dollars

8.5 billion dollars

5.5 billion dollars

16.7 billion dollars

Appropriated for equipment, FY 1941, to include 5d Supplemental Withdrawals (to 1/1/41)

6.0 billion dollars

Balance

In current estimates

Not submitted (4/29/41)

.6 billion dollars

2.7 billion dollars

1.5 billion dollars

.5 billion dollars

If British Deficiencies Calendar Years 1941 and 1942 are used, this figure becomes 8.6 billion dollars

MAY DEPARTMENT

ENLISTED DOLLAR VALUE OF EQUIPMENT OF NAVY TYPE NOT YET CONTRACTED FOR AND DESIRED FOR DELIVERY FROM U. S. INDUSTRY BY 30 JUNE 1942

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>UNITED STATES</td>
<td>$5,301,085,012</td>
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<tr>
<td>BRITISH</td>
<td>$51,688,000</td>
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<tr>
<td>TOTAL</td>
<td>$5,352,671,012</td>
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</table>

Note: For these figures to be on the same basis as the corresponding Army figures it would be necessary to add British current orders for this type of equipment and current U. S. Navy orders remaining to be delivered. Figures for these two headings are not now available with sufficient accuracy to warrant inclusion.

END OF DOCUMENT
March 1, 1941

To: The Secretary
From: Mr. Young

Re: Russian Clearance Problems Requiring Immediate Attention.

It was agreed in a conference at the State Department held on February 11th that the Russian Ambassador would clear all future orders for machine tools and other critical items through the Liaison Committee in accordance with the established procedure. The Ambassador also agreed to supply a list of orders outstanding as of February 15, 1941, which could be used as a basis for production, settling export control and priority questions.

Since that time the Ambassador and representatives of Autorg have cooperated fully in every respect. The list referred to above was supplied on February 20th, and since February 15th about ninety preliminary negotiation reports have been filed with the President's Liaison Committee covering proposed new orders.

In all the interdepartmental conferences held on this Russian situation it has been apparent that there is no unanimity of opinion as to the policy to be taken on these orders nor any technique established for their coordinated consideration by the interested United States Government agencies. This latter problem is solved by the willingness of the Ambassador to cooperate in every way in clearing orders through the Liaison Committee. The Committee, however, is now confronted with serious questions of policies on decisions which can no longer be delayed. Specifically, the following:

1. The problem of forming a policy with respect to Russian orders which will serve as a definite basis for priority and export control decisions.

2. The assignment of priority ratings consistent with the policy to orders already placed which require such ratings.
3. The reexamination of the basic list of orders on the basis of this policy and the issuance of export licenses consistent with the policy.

4. The necessity for reconciling through the Liaison Committee production clearances secured from War, Navy, and the Office of Production Management with priority and export control action to avoid inconsistency.

I cannot overemphasize the necessity for immediate action on these problems. Attached as Exhibit 1 are specific examples of the types of situations which are being brought to our attention daily. Attached as Exhibit 2 is a summary of outstanding Russian orders in dollar value classified by commodities.
Cases Illustrative of the Need for Immediate Attention on Russian Orders

Acme Well Supply Company

Amorg has offered this company an order for auxiliary oil well drilling equipment which will amount to from $150,000 to $450,000. The Liaison Committee has cleared this order from the production standpoint with War, Navy, and OPM. We hesitate to send out a production clearance, however, until arrangements have been made for priority and export license action which will be consistent with the production release.

American Pulverizer Company

Amorg placed orders with this firm for seven crushers in January, 1941. The value is about $25,000. Delivery is promised May 15, 1941. The manufacturer is anxious to go into production, but is awaiting decision on export license. An application for export license was filed on January 24, 1941, but action has been held up pending final coordinated decision on policy on Russian orders.

Babcock and Wilcox

Here as in the case of Acme Well Supply, Amorg has offered the company a substantial order. In this case it is for 15 complete steam generating units valued at from $3,500,000 to $5,000,000. Conferences were arranged between representatives of the manufacturer and the Navy, and it now appears that there will be no objection from the standpoint of production. Here, too, we hesitate to issue a production clearance until assured that consistent export control and priority action will be taken.

Bellis Heat-Treating Company

Amorg ordered 16 electric furnaces valued at about $115,000 from this company on January 15, 1941. The order is included in the list submitted by Amorg as of February 15, 1941. The company has promised delivery between
March and July, 1941, but hesitates to put the order in production until an export license has been issued. The manufacturer has applied for a license, but decision on it is being deferred pending determination of a consistent policy and procedure on Russian orders. Congressman Shanley's office has expressed an active interest in this order.

Gardner-Denver Company

This company accepted an order from Amtorg on October 11, 1940 for 46 power sluice pumps valued at about $200,000. Sixteen pumps are completed and the remaining 32 are in process. Delivery of the entire order is to be completed this spring. These items were recently placed under export control, and the company filed an application for export license for the entire order on January 9, 1941. At the suggestion of the State Department, they substituted two new applications on February 7, 1941 -- one covering the 16 completed pumps and the other the 32 in process. These applications are held up pending the determination of an over-all policy.

In addition, Amtorg wishes to place an order with this firm for an additional 40 pumps valued at about $175,000. Request for clearance on this order will be filed on a preliminary negotiation report, but final action on such requests, even if approved from the standpoint of production, is impossible without a procedure which will assure consistent priority and export control decisions.
<table>
<thead>
<tr>
<th>Commodity group</th>
<th>Orders not requiring export licenses</th>
<th>Orders requiring export licenses</th>
<th>Orders requisitioned and diverted by U.S. Government</th>
<th>Total Orders</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Licenses granted</td>
<td>Licenses rejected</td>
<td>Licenses pending</td>
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<tr>
<td>1. Airframes</td>
<td>-</td>
<td>108</td>
<td>108</td>
<td>-</td>
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<tr>
<td>2. Airplane engines</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>3. Airplane accessories</td>
<td>-</td>
<td>99</td>
<td>21</td>
<td>38</td>
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<td>4. Total aircraft products</td>
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<td>36</td>
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<td>5. Machine tools</td>
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<td>6. Chemicals</td>
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<td>1</td>
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<td>7. Explosives and propellants</td>
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<td>8. Ammunition</td>
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<tr>
<td>9. Ordnance equipment</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>10. Tanks and tank equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>11. Motor vehicles</td>
<td>1,475</td>
<td>360</td>
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<td>12. Iron and steel</td>
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<td>14. Textiles and clothing</td>
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<tr>
<td>15. Foodstuffs and tobacco</td>
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<tr>
<td>16. Petroleum products</td>
<td>-</td>
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<tr>
<td>17. Animals</td>
<td>-</td>
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<td>18. Ships</td>
<td>-</td>
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<td>19. Electrical equipment</td>
<td>543</td>
<td>967</td>
<td>-</td>
<td>93</td>
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<tr>
<td>20. Timber</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>21. All other</td>
<td>15,647</td>
<td>10,585</td>
<td>61</td>
<td>10,483</td>
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<td>22. Total non-aircraft products</td>
<td>20,196</td>
<td>28,916</td>
<td>4,263</td>
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<td>23. Total commodities</td>
<td>20,196</td>
<td>29,083</td>
<td>4,561</td>
<td>3,323</td>
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<tr>
<td>24. Capital</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>25. Grand total</td>
<td>20,196</td>
<td>29,083</td>
<td>4,561</td>
<td>3,323</td>
</tr>
</tbody>
</table>


Source: Statement compiled by Antorg.
March 1, 1941

So called Byrnes amendment Bres. asked C. Hull to take matter up with Senator George and Senator Byrnes. (This exact suggestion made to Pres. via Hopkins.)

Churchill said S.O.S., to try to help Converse than M. W. Pearson. Need jumbo tanks. We have not got total they want now.

Present:

L. Hull

F. Forrestal - Admiral King

General Marshall Huskin

[Signature]

[Date] 11/12/41
Instruct Hull to let me know personally when we should freeze Bulgaria.

Gave Pres. H. Hopkins copy of letter on 10 cutters.

Gave everyone present copy of Phil Young's memo in Russia. Pres said this group should work on this.

To my assignment Hull is to work on stop leakage of lubricating oil and fats to Europe.
IN THE SENATE OF THE UNITED STATES

February 26 (legislative day, February 13), 1941

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. Byrd to the bill (H. R. 1776) further to promote the defense of the United States, and for other purposes, viz:

1. On page 3, line 10, after the period, insert the following new sentence: "Defense articles procured from funds hereafter appropriated shall not be disposed of in any way under authority of this paragraph except to the extent hereafter specifically authorized by the Congress in the Acts appropriating such funds or otherwise.”

2-26-41—A
March 3, 1941

HM Jr called the President this evening at 6:35, in the presence of Mr. Foley, and the following is HM Jr's end of the conversation:

"Hello. How are you? How is your cold?

"As you know, we have been working on an order to extend the freeze control to certain European countries. Cordell called up this morning and said he was willing to go ahead on Bulgaria, but I took the position that since the other order was almost ready, Bulgaria could be included in that order, and we should wait until that order was completed and present only one order to you for signature.

"We would leave out Great Britain, Russia, Yugoslavia, Turkey, Greece, Spain and Portugal.

"We would include Germany, Italy, Switzerland, Sweden, and some other countries I can't remember right off-hand.

"Well, those are the two back doors. They are the most important, particularly Switzerland. Now I have just been handed a memo addressed to you and signed by Cordell Hull which reads as follows: (Memo dated March 3, 1941)

"I have examined the draft of the proposed Executive Order amending #8389 of April 10, 1940, and it is my opinion that the draft meets and complies with your recent order or memorandum to the Secretary of the Treasury, the Attorney General, and the Secretary of State, directing action along these lines.

"You, of course, are aware of the doubts and misgivings I have expressed during past weeks as to the proposed action, but now that you have decided the matter I shall cheerfully do my part in carrying out your instructions. C. H."
"Well, that's why I am calling Papa. Now I just talked to Bob. You know this was drawn largely over there in Bob's office with Shea and Dean Acheson and our people sitting in.

"Yes, it was done over in the Department of Justice.

"I see. Well, supposing I send this little memo over to you, and in view of that you think we had better go ahead with Bulgaria?

"Better do Bulgaria and you take care of this memo. It was given to us in lieu of his approval of the order to be transmitted to the President.

"Who gave it to us? Just a minute I'll ask Foley - he is sitting right here.

(Foley told the Secretary that Hull gave it to Acheson and Acheson gave it to the Treasury people.)

"It was given by Hull to Dean Acheson and he gave it to one of our lawyers who brought it over to me and said we were to give it to the President.

"Send it back. That's all right. I think you are absolutely right. I was bothered and I talked to Bob, and he said he was bothered so that is why I called you. Yes, I think you're right. It should go direct from Hull to you.

"That's right.

"Absolutely.

"Well, I'm sorry to have bothered you but everything else is all quiet. Take care of yourself. Good night."

*******

After the Secretary hung up, he said that the President told him that he couldn't take a memo from Cordell Hull through HM Jr, and that we should give it back to Dean Acheson and tell him to give it to Hull. The President said he wants an agreement, an affirmative agreement, concurred in by the State Department.
March 3, 1941.

Memorandum for the President

I have examined the draft of the proposed executive order amending #8389 of April 10, 1940, and it is my opinion that the proposed draft meets and complies with your recent order or memorandum to the Secretary of the Treasury, the Attorney General, and the Secretary of State, directing action along these lines.

You of course are aware of the doubts and misgivings I have expressed during past weeks as to the proposed action, but now that you have decided the matter I shall cheerfully do my part in carrying out your instructions.

CH
March 6, 1941

I showed the President these plans for the defense savings bonds and he was very much pleased with them. He asked me certain questions about trust accounts which I could not answer, and I said that we were studying them. I told him I would like him and Mrs. Roosevelt to buy bonds No. 1 and No. 2, and he said he would.

I then told the President that Ambassador Bullitt had been to see me, and was very much upset about not getting a definite job. The President said he had nothing definite and he asked me why I didn't put him in charge of this savings bond campaign. I said, "Well, it would be too much emotion." The President said, "You will get emotion before you get through any way," and I said that we really did not want it. So I did some quick thinking, as I think Bullitt would be terrible at this job. Then I said, "Well, what Bullitt really wants is to work for you, Mr. President - to be at your side. He doesn't want to work for me." The President said, "Well, I just don't have anything definite to offer him now."

I then gave the President the memo which he had sent me in regard to McReynolds asking us to do investigations, and he said he had not signed it because he wanted to know whether I wanted to do it. I said that I would do it on his written say-so. He said, "Okay," and signed it.

I asked the President about the Coast Guard cutters to be loaned to England. He said he thought the 250-foot cutters were too new and too good, and asked, "How about the old 165-foot cutters?" I told him that we would look into it, and he said that we should do that.

I also told the President that I had sent Harry Hopkins a memo on machinery and tools for Russia, and that the Russian Ambassador had been in to see me and was very much upset because he wasn't getting anything. I told the President how important the whole Russian-Turkish-Greek situation was, and I hoped something could be done, so the President told me, in strictest confidence, that he had gotten a tip-off that the Germans had made up their mind that they were not going to be able to take England and, therefore, they were going after Russia, and that is why the Russians are so nervous.

I also mentioned to the President that Clark of Canada had been down and wanted to get in on the Lend-Lease Bill.
Comparison of Present United States Savings Bonds with Proposed New Bonds for the Small Investor

<table>
<thead>
<tr>
<th>Number of semi-annual periods held</th>
<th>Redemption value</th>
<th>Yield during period held</th>
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<tbody>
<tr>
<td></td>
<td>Present bonds</td>
<td>Proposed bonds</td>
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<td>Issue price</td>
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<td>1</td>
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<td>20</td>
<td>100.00</td>
<td>100.00</td>
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</table>

Treasury Department, Division of Research and Statistics.

Yields are nominal annual rates compounded semi-annually.
### Proposed New Appreciation-Type Bond for Larger Investors

<table>
<thead>
<tr>
<th>Number of semi-annual periods held</th>
<th>Redemption value</th>
<th>Yield during period held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue price</td>
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<tr>
<td>1</td>
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<tr>
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Treasury Department, Division of Research and Statistics.

Yields are nominal annual rates compounded semiannually.
**Proposed New Income-Type Bond for Larger Investors**

*(Paying a current return at the rate of 2.40 percent per annum)*

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Treasury Department, Division of Research and Statistics.

Yields are nominal annual rates compounded semiannually.
THE WHITE HOUSE
WASHINGTON

March 3, 1941

MEMORANDUM FOR
HON. HENRY MORGENTHAU

To speak to me about.

F. D. R.

Enclosures

Pres asked me
if it was OK
with me, I said
yes and he
signed. May 1941
MEMORANDUM FOR THE SECRETARY OF THE TREASURY:

I have just received a memorandum from Mr. McReynolds to the effect that investigations of persons proposed for employment in the several defense organizations which he has requested of the Federal Bureau of Investigation have been unsatisfactory because of the slowness with which the Bureau was able to handle them. I have, therefore, instructed him to turn over to you all cases requiring investigation and I wish you would have your investigative service arrange to handle them very promptly and thoroughly. McReynolds will make the usual form of request for this work to be performed by the Treasury under authority of the provisions of the Economy Act.

[Signature]
March 10, 1941

At lunch today the President said, "I have just had a session with Harold Smith, and we have arrived at a figure but I don't want to spoil your lunch so I won't tell you until afterward." He said, "We have got the whole thing fixed. Hopkins has been talking with Jimmy Byrnes and with Smith, and we have decided to have one appropriation for the Lend-Lease Bill divided up into about seven different items. 20% of any one of these items can be transferred from one item to another." He also said, "We are having a meeting tomorrow with the people on the Hill on this matter, and I expect you to sit in."

After lunch, the President told me that the amount was seven billion, which surprised me because I had expected more. He said that Jimmy Byrnes had first said they should make it four or five billion in appropriations and the rest in authorizations, but more recently he thought it might as well be the whole thing in one amount. He said that the American people didn't differentiate between authorizations and appropriations, and I agreed. I told the President that I thought it was going to be more. He said he was most pleasantly surprised at the way Barkley and Rayburn took it this morning, so I said, "I think they were prepared for it because in my testimony on the debt limit I said that for the regular expenditures we needed 58 billion, and everybody jumped to the conclusion that the extra seven billion was for Lend-Lease." I said, "So I plowed the ground for you."

I then asked the President what his plans were, and he said he hoped to leave on the night of the 17th, one hour after he dedicates the Mellon Gallery. He said he was going South for six or seven days, but I think that before he gets through it will be nearer two weeks.

I asked the President whether Sullivan and I could get together with him Thursday or Friday and talk about taxes, and he said, "Yes." He said, "You know Baruch's plan is that we would get another $2,000,000,000 through increased volume of business and ask for another $1,500,000,000 of taxes. I said, "Yes." Then the President said, "There was some such plan and I don't know whether Herbert or I originated it, but you remember in New York State we added an emergency tax of 2%." I said, "You did that." Then he asked, "Well, when you come to Line 31 on
this tax statement, why can't you make a Line 32 and add a certain amount for an emergency tax?" I said, "I don't think that you have made out your income tax because you will find that you have to add 10% as a defense tax." So the President said, "That's right. I had forgotten about that."

I then told the President that now that we know the whole picture on national defense, we can pretty well lay out a tax program, and I would come over with a half dozen different plans, and he said, "Fine."

Then I got back on this question of his plans for operating the Lend-Lease Bill, and the President told me that he and the Chiefs of Staff had arrived at a number of unimportant things they were ready to give to the English Bill. Well, I had to keep pushing him to try to find out how he was going to do it, and I asked him, "Don't you expect the Treasury to do the mechanical work on this?" He said, "Yes." I then asked him, "What do you expect in return for what you give?" He didn't seem to know. He said, "If we give them four cutters we will ask them, say, five years after the war is over to return to us four ships at a value that we will place on them when we turn them over. If the English can build them cheaper," he said, "We will take the American value."

I asked, "What about the $7,000,000,000 appropriation?" He answered, "Well, I am not going to make any plans for that for the time being. He said, "That seven billion runs to July 1, 1942, and I just don't have to make any plans until the stuff starts to come off the lines."

I kept pushing him, and I satisfied myself that he had not thought the thing through and he really didn't have any solution worked out. I asked him if he was thinking in terms of taking over the English Fleet or the British Isles in the West Indies. He said, "I don't want the British Fleet because by the time we got it, it would be too antiquated." Then he added, "As to the West Indies, I am too tired and too old to try to solve that problem." He said I should read the article in this month's Harper's on the West Indies, and then he said, "If we could only divide up the land and run the West Indies with our own islands as one unit, and if we could give these people enough to eat, they would then be at least as happy as they were 150 to 200 years ago when they came out of Africa." Then he said that at
present, according to this article in Harper's, the people down there are ready for revolution, Nazism, or anything else. "But," he repeated again, "I am too old and too tired to take on anything like that." So I said, "Well, Mr. President, you are tired because you have been sick for a couple of weeks. There isn't anything the matter with you that a week or two of rest won't cure." "That's right; that's right," he said, "there's nothing the matter with my headpiece, but I am just now very tired."

As a matter of fact, through my whole conversation, he stuck strictly to business, and I have never seen him thinking more clearly than he was today.

I then took the opportunity to give the President this memorandum (copy attached), and I went over the whole financial aspect of the British situation. He gave me enough time to cover the entire picture, and I said that everything was clicking with the exception of Sir Edward Peacock, and that if he approved I would tell Lord Halifax tonight that if by the end of the week Sir Edward had not accomplished something, I was going to ask that he be withdrawn and somebody else take his place. The President said, "That's all right."

I emphasized to the President that all their securities and direct investments were pledged against their present purchases, and that the investments in munitions plants were in the process of being sold to Jesse Jones, but that I didn't think Jones had actually bought any. I also said that their munitions contracts were being bought up by Army and that as far as I could learn they had only bought up $5,000,000. I said that both RFC and Army are very, very slow. He then took a pencil and paper and said, "I am going to give you something priceless," and he wrote out in longhand this memorandum (Photostat attached).

In sketching this financial picture, I went over the question of Belgian gold and the earmarking of it, and he said, "I would like to have a cruiser go down again to South Africa to pick up the gold." He said he was going to talk to Admiral Ingersoll about it at three and see about getting a cruiser. The President said, "Why don't you go down on it and have a nice vacation?" I said, "No, I enjoy spending my holiday with my wife and children."
I may be mistaken, but I don't think that the President has in mind to do anything very dramatic to help England at this time. However, he said he would show me a list on Wednesday of what he had in mind. I did not press him as I figured that I could afford to wait, but I did get a chance to go over the whole English financial picture the way I haven't been able to do before. I told the President that they had enough money to last until the first of April and, to my surprise, the President said that he always had in mind that they would have enough money to last until the first of May.

In talking about the monies to be gotten for the English through the Army and RFC, I said that I had told the English that money could be used for non-United States standard materials, and I also said that all the monies that they got from the sale of their securities or properties were pledged against outstanding or existing contracts, and that I would keep putting pressure on them on that front until he told me to change my attitude.

I know that the President got everything I said because I repeated most of the things a couple of times, and I feel that as far as my financial relationship with the English is concerned he at least understands it, and that he won't be giving some orders through Hopkins or anybody else to change it without first talking to me. At least, that is my hope.
March 10, 1941.

Secretary Morgenthau

Mr. Cochran  (abridged by F. K.)

These are the channels through which the Treasury obtains detailed information about the British financial position:

FINANCES

(1) Ever since the Fall of 1939 the Secretary has had confidential access to the accounts of the Bank of England’s special fund in the Federal Reserve Bank of New York for the purchase of war materials here. The Federal Reserve Bank reports to him weekly as to the exact total and movement of funds in this account, including the identity of payees.

(2) The Federal Reserve Bank supplies the Treasury weekly with a statement showing all disbursements, through the British Purchasing Commission and otherwise, made from the accounts of the British Government and the Bank of England with the Federal Reserve Bank of New York. This gives in detail the sources of such funds, whether coming from sales of gold or securities or from other credits.

(3) Foreign Service Officers report to the Treasury whenever gold shipments to the United States are made.

(4) Constant liaison with Sir Frederick Phillips and his assistants in Washington has enabled the Treasury to obtain such information as the British have regarding (a) their own and foreign gold holdings, (b) the amount and location of gold belonging to the British Government, and (c) any special information we may require.

SECURITIES

The Treasury is kept informed daily of the activities of the security expert sent here by the British Government to manage the sale of officially owned securities. At the start of this arrangement, the British provided the American Treasury with a detailed list of all American securities registered with the British Government. The daily report shows, (1) total sales of securities, indicating the number of shares and the dollar proceeds, and (2) an itemized list by name and amount of all securities sold each day.

DIRECT INVESTMENTS

The Treasury and the S. E. C. are in close touch with Sir Edward Peacock, who was sent to this country at the end of January to oversee the liquidation of British direct investments in the United States. His various propositions are studied by the Treasury’s General Counsel before being consummated.

COMMITMENTS

For the past two months the British Purchasing Commission has sent the Treasury a daily list of the contracts it would like to place. Each such list is countersigned by Sir Frederick Phillips to indicate that funds are available. The British are not free to proceed with these contracts until they have the approval of the Secretary of the Treasury in each case.
Because of the general financial picture am open
harm of
(a) R.C. taking over of
British payments made
for Remits
(b) War Debt. Taking new
by material payments
made by the British.

I J.L.

at lunch March 10th 1941.
March 16, 1941

Sunday

OFFICE OF
THE SECRETARY OF THE INTERIOR
2 P.M.

Pres. said have

Acheson tell

Icelandic minister

that Pres personally

held up the gold

over the weekend

with the hope that

they would resist.

But for Leaders to be

not to react to what the

act of transferring

more gold
March 17, 1941

Present: Mr. Cox
        Mr. Young
        Mrs. Klotz

H.M. Jr: I am going to dictate as much as I can remember and as much as I want you to hear of what I did with the President at lunch.

The President brought up the question of the ten Coast Guard Cutters, and he was very anxious that anything that we do should be kept a secret until after the seven billion dollar bill passed.

He asked if I thought it should be kept a secret. I said I thought that if he would tell the Navy that he wanted these put in shape and that the English would be informed they were coming as soon as the bill passed, that they could get their crews to Halifax and be ready.

He tried to get Admiral Stark, but he was out; but he left word he should call him as soon as he came back.

I brought up the question of who was going to look after Harry's work while he was gone, and the President asked me whether I didn't think Philip Young could do it. I said yes, I thought he could. I didn't say that except after careful consideration. I thought it was terribly important that
the thing kept going.

I said that I had heard some gossip that there was talk of putting Dick Fuller in, and the President said, "Oh no," Dick Fuller was doing too important work now.

I then asked the President if it would be agreeable to him if the English, beginning today, placed an order during the next two weeks for three hundred million dollars worth of materiel, twenty per cent down, so that when the bill passed, they could be reimbursed for this; and he said it would be all right.

This (speaking to Mrs. Klotz) should be photostated, and anybody in the office who is interested in the Lend-Lease Bill should get that.

The President said that he— that we should come early tonight, that he and Harry and I would settle who should handle the things while Hopkins was gone.

I then stopped by and saw Hopkins, and told him of this; but Hopkins is still flirting with the idea that General Burns should be detached and assigned to him, and Vickery should look after the Maritime Commission, and Young the rest.

I told him I thought it was a mistake, that we never would get an Army man really to go after the Army, because I had found that to be so, and that he should use Young in just the same capacity that I did, but I said, "You will have to sell this to Young, because he is independent as hell mentally and I am not trying to sell Young to you,"
because there are a half dozen different spots that I can use him for," so I said, "You are not doing me any favor by taking Young." Right?

Young: Right.

H.M.Jr: But I get the feeling that Harry is still sort of fishing around and really doesn't know what he wants. There is one thing evident, though, that the President doesn't want to do anything for the English other than what has already been done until the seven billion dollar bill passes.

I spoke to Hopkins and asked him to go ahead now with the English on their new orders. He said could I meet now in the Cabinet room with him and Purvis, and I said no, that I would be tied up until 4:30, but I thought they would have to bring Sir Frederick Phillips into the picture. So he said he would try to do it, and if he needed any help, he would give me a ring.

I also told the President what we had done in regard to Yugoslavia, and he seemed pleased.

Young: Any response to that purchasing letter?

H.M.Jr: I asked the President, wouldn't he please sign this letter in response to mine. I said "You never read my letters any more." He laughed. He said, "What letter?" And if Cox could only get Hopkins to dictate that letter, I think we would get the President to sign it tonight.

Cox: How about giving him a draft of it?

H.M.Jr: Well, that is what I hoped, that you would have one for him.
THE WHITE HOUSE
WASHINGTON

March 17, 1941

MEMORANDUM FOR

H. H. Jr.,

I approve giving consideration to British library holdings of rare books in connection with trade or financial terms to be worked out under the Lend-Lease Bill.

Such manuscripts or books -- or even paintings or prints -- should, of course, inure to the benefit of the Smithsonian, the National Museum, or to the Library of Congress.

F. D. R.
April 2, 1941, 3 p.m.

(Dictated April 3rd)

Meeting at the White House.

Those present were Mr. Hopkins, Secretary Knox, Secretary Stimson, General Marshall, General Holcomb of the Marine Corps, the Attorney General, the Secretary of State and myself.

I had two lists which Gaston gave me, explaining the armament on the 250 foot and 327 foot cutters. The President kept them. (Copies are attached.)

The President decided that he would lend-lease the 10 250 foot cutters to the English. I so informed Gaston on my return. Also, that the Maritime Commission should furnish us the ships from the coastwise trade to do the weather patrol work that we are now doing with the 327 foot cutters.

The President also said that we should call up the Director of the Budget and tell him to send to the President the order consolidating all steamship inspection under the Coast Guard.

The President told Hopkins to tell Purvis that the U. S. Government was waiting for them to send us commercial ships to be prepared; that we were ready and that the English had not sent us any ships.

The President told the Army and Navy that he had asked for 48 hours for the Mediation Board to act on the Milwaukee strike. His attitude towards them was please not to crowd him during the 48 hour period, to give this Board a chance.

The President said that public opinion was not yet ready for the United States to convoy ships. This
was his whole attitude anyway, that he seemed to be still waiting and not ready to go ahead on "all out aid for England".

I raised the question about what disposition should be made of the Danish ships and after much discussion and a review again on the part of the Attorney General of the situation, the President approved of a memorandum handed to him by Hull which evidently authorized Hull to introduce legislation to make it legal for us to take over the Danish ships. The President directed me to have Coast Guard immediately take up with the Maritime Commission the question of having the ships repaired. The President wanted Coast Guard to supervise this.

At the meeting Admiral Stark gave a very glowing account of how Coast Guard had taken over the ships and he was very generous in his praise of Coast Guard.
MEMORANDUM TO ASSISTANT SECRETARY GASTON.

Weather Patrol.

If ten cutters of the 250-foot or 327-foot classes are transferred, it will be impracticable for the Coast Guard to maintain two weather patrol stations in the North Atlantic, using its own vessels. It will be practicable for a limited period, provided there is no objection on the part of the Maritime Commission, to maintain one weather patrol station using the Maritime Service vessels AMERICAN SEAMAN and AMERICAN SAILOR.

R. R. WAESCHE,
Rear Admiral, U. S. Coast Guard,
Commandant.
MEMORANDUM TO ASSISTANT SECRETARY GASTON.

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R. R. WAESCHE,
Rear Admiral, U. S. Coast Guard,
Commandant.
April 2, 1941
(Dictated April 3rd)

Hopkins said he would give us a memorandum at ten o'clock today authorizing this. He told me this as I was about to leave the room.
MEMORANDUM TO ASSISTANT SECRETARY GASTON.

Replacement vessels.

The same type of vessel will be constructed as a replacement for vessels of the 250-foot and 327-foot classes. The proposed replacement vessel will be of the same general type as vessels of the CAYUQA class. These vessels have proven of great value and service, performing all types of Coast Guard duties. In general, the new vessels will be 250-feet in length, 42 to 44 feet beam, maximum draft about 16 feet, displacement approximately 2,000 tons, speed 16 to 18 knots. They will have sufficient strength structurally to enable them to operate in the ice. The vessels will be given the equipment necessary to enable them to carry out any type of Coast Guard duty which may be assigned vessels of their class.

The estimated cost of constructing and equipping proposed vessels, based on current prices, is — $2,500,000 per vessel.
Total for ten vessels — — — — — — — — — $25,000,000.

R. E. WAESCHE,
Rear Admiral, U. S. Coast Guard,
Commandant.
Dear Mr. President:

**COAST GUARD CUTTERS**

It is requested that a release be made to His Majesty's Government of ten Coast Guard Cutters for convoy purposes.

It is particularly asked that say five of these cutters be 20-knot speed type as distinct from the normal 16-knot speed. The Germans have been using submarines on the surface at night as torpedo craft. These submarines retire at 16 knots speed immediately after delivering the attack; the experience of the British has therefore been that ships of 16½ knot speed cannot overhaul the submarines.

As it is very vital these cutters be in active use promptly, the British Admiralty would welcome them in their present condition and with their present armament. If, however, any armament is missing and would take time to obtain or install, the necessities of the situation are so great it would be preferable to have the ships as they stand. Furthermore, if high angle armament is not fitted, this could be fitted later in the United
Kingdom at some appropriate opportunity.

The Admiralty advises by cable that crews for such cutters could be made available from ships now en route to U. S. ports for repair.

Yours very truly,

Chairman

The Honourable Franklin D. Roosevelt,
The White House,
Washington, D.C.
Urgent Questions Concerning Lend-Lease Operations

(1) Are the following countries considered to be within the lend-lease area although purchasing operations may be carried on for cash either by a direct purchase transaction or by cash reimbursement to the United States Treasury?

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<th>Country</th>
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<td>Iceland</td>
<td>Norway</td>
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<td>Greenland</td>
<td>Turkey</td>
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<td>Greece</td>
<td>Belgium (including Belgian Congo)</td>
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<tr>
<td>China</td>
<td>Netherlands (including Netherlands East Indies)</td>
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(2) If this list of countries cannot be approved, can the various parts of the British Empire, the various parts of the Netherlands Empire, and Norway be treated as within the lend-lease area even though purchasing may be carried on for cash?

(3) Should the smaller British Allies coming within the lend-lease area, such as Greece, Norway, and Belgium (excluding Netherlands Empire) have all requisitions for defense articles countersigned by the British before submitting them to the United States Government?

Note: In connection with the purchasing operations of such countries as Norway and Belgium there is a problem looming up as to when these countries should be extended credit even though they may have a certain amount of cash resources left.

For instance, with respect to the immediate request of Norway for armament for merchant ships, the Treasury Division of Monetary Research advises me that Norway has approximately 85 million dollars in gold, 10 million dollars of official balances, and 85 million dollars private balances. Yet the implication from the note from the Minister of Norway is that this armament should be secured on lend-lease credit.

As a matter of practical operation, I should think these problems could be worked out in individual instances as they occur and in conjunction with the British Treasury which has information as to the financial state of its allies.

FT: b, j
4/2/41
April 2, 1941

MEMORANDUM

To: Mr. Hopkins
From: Mr. Young

Re: Definition of Countries Within the Lend-Lease Area.

On March 29th, I addressed a memorandum to General Burns concerning the definition of countries within the lend-lease area, copy of which I enclose. This matter is becoming urgent in connection with dominions of the British Empire, such as Canada and Australia, and in connection with the Netherlands East Indies.

For the present it is assumed that such parts of the British Empire as Canada and Australia will continue to pay cash for their purchases; that is, purchases may be made by the United States Government under the Lend-Lease Act with a direct cash reimbursement to the United States Treasury or by a separate negotiation conducted directly between the purchaser and the supplier. In the latter case the transaction would not be performed under the lend-lease provisions.

Canada is very anxious to have the United States Government place orders for it under the Lend-Lease Act and then reimburse the Treasury. I might add that the reimbursement to the Treasury goes into a revolving fund in such a way that there is no drain on the lend-lease appropriation.

In the case of the Netherlands where over 95 per cent of the purchasing program is destined for the Netherlands East Indies, it seems to me that all parts of the Netherlands Empire should be included within the lend-lease area although, of course, the Dutch will continue to pay cash either on direct purchase transactions...
or on lend-lease transactions with reimbursement to the United States Treasury. I believe that the Dutch should be included in this area and allowed to purchase under lend-lease provisions, first, because of their close relationship with the British and the need for increased coordination between the Netherlands Purchasing Commission and the British Purchasing Commission; secondly, because of the vital importance of the Far Eastern situation to the United States; and, thirdly, because more active control and supervision over this large purchasing program, which is having a direct effect on our production and our economy, can be secured in the lend-lease area than if the Dutch are left to shift for themselves.

Further, the fact must be taken into account that the United States is receiving vital strategic and critical materials from the East Indies and that this flow should be preserved at least for the time being.

There is a third ramification of this situation, namely, there must be coordination and cooperation between the British Purchasing Commission and the British allies asking for release of goods under the Lend-Lease Act. For instance, Norway is currently requesting certain guns and ammunition, as outlined on the attached list, to arm 250 Norwegian merchant ships which are operating in the war zone and in the interests of the British.

I am now trying to find out if the Navy can make available any of the equipment requested; and it is my feeling that all such requisitions from British allies, with the possible exception of the Dutch, should only be made if approved by the British Supply Council. In connection with this specific request, it would seem to me much easier to release guns for the Norwegian ships that are being used to help the British than to build new ships to replace them.

I attach a list of urgent questions which if they could be answered would immediately help clarify the situation and speed up lend-lease operations.

(Initialled) P.Y.

PT: bJ
March 29, 1941

MEMORANDUM

To: General J. H. Burns
From: Philip Young

Re: Definition of Countries Within the Land-Lease Area.

In a letter to the Secretary of State, dated March 18, 1941, the Secretary of the Treasury stated that purchasing operations for countries outside the land-lease area would be turned over to the State Department for handling, and that purchasing operations for countries within the land-lease area would be handled by Harry Hopkins. Countries within the land-lease area were listed as Poland, Iceland, Greenland, Netherlands, Greece, China, the British Empire, and Norway.

Arrangements have been made with Assistant Secretary of State Ashecon to handle the countries outside the land-lease area on the same Form 2 which may be used by the land-lease countries and in accordance with the same procedure so that there will be maximum standardization and the least confusion. These countries will also be handled by the State Department under the same filing, classification, and control systems established for the land-lease countries.

In order that the purchasing missions of these various countries may be officially notified of this change in procedure, it is absolutely necessary to secure an approved list of countries falling within the land-lease area. For example, Canada, which presumably as a part of the British Empire should come within the land-lease area, would like the United States Government to place certain orders for it and would then make direct cash reimbursement to the Treasury on delivery.
The same situation is true with respect to the Netherlands Purchasing Commission which would like the United States Government to place certain orders for the Netherlands East Indies which are vitally needed for defense of the Indies. In this instance, also, direct cash reimbursement would be made to the United States Treasury.

It would be appreciated both by this office and the Department of State if a definite list of countries, of course subject to future adjustment, could be approved as lend-lease countries. I attach herewith a list of countries which I believe should be considered in the lend-lease area and treated accordingly even though they may continue to buy for cash either under the Lend-Lease Act with a cash reimbursement to the United States Treasury or by direct purchase on a Form 2 (PM).

(Initialed) P.Y.
Countries Considered to be Within the Land-Lease Area even though Purchasing Operations may be Carried on for Cash.

Poland
Iceland
Greenland
Netherlands (including Netherlands East Indies)

Greece
China
British Empire

Norway
Turkey

Belgium (including Belgian Congo)

Approved:

____________
My dear Mr. Sumner Welles,

May I express to you my sincere appreciation of your understanding attitude when I took up with you today the very urgent matter of armament for Norwegian merchant vessels in the war zones. I was particularly gratified, and I know that my Government will be gratified, to learn that the Department of State takes the position that Norway is definitely among the countries which should be entitled to benefit by provisions of the so-called Lend-Lease Act.

I need hardly repeat what I said to-day with regard to the extreme importance of Norway being enabled to install on Norwegian ships in the war zones such guns, anti-aircraft and machine guns which are necessary to protect them as far as possible against enemy submarines, raiders and bombing planes. There is a very real danger, which already is making itself felt, that the crews of these Norwegian

The Honorable Sumner Welles,
Acting Secretary of State.
The Department of State,
Washington, D. C.
vessels - officers and men who have so far exhibited
great courage and loyalty under dangerous conditions
- will show a natural and increasing reluctance to ex-
pose themselves to enemy attacks without the least
chance of defending themselves.

It is evident also that indiscriminate sinking of
these vessels employed in carrying American supplies to
the battle lines in Europe will mean a very serious loss
not to Norway only but to Great Britain and all nations
engaged in the supreme defense of freedom and civiliza-
tion.

I have discussed the question of armaments for our
ships with my naval, military and maritime advisers and
of course also with the Norwegian Director General of
Shipping, Mr. Givind Lorentzen, who is at the head of the
As you know, the entire Norwegian Merchant Marine outside
of Norway, that is about 4 millions tons of shipping, is
sailing to-day under the direction of said Mission and
under the Norwegian flag.

The information given me by these experts is to
the effect that there are still about 250 Norwegian mer-
chant vessels, sailing in the various war zones in the
interest of the British Empire, which are to-day without
any armament. It is the considered opinion of my advisers
that an adequate armament for each of these vessels would
be:
One 4" or 3" gun according to the tonnage of the vessel, facilities for mounting, etc.

One 20 mm. or 37 mm. anti-aircraft gun.

Two .50 calibre machine guns.

All with an adequate amount of ammunition, viz.:

About 200 rounds per low angle gun,

* 2000 = anti-aircraft gun, and
* 5000 = .50 calibre machine gun.

For the 250 vessels the total amount of guns and ammunition would be:

250 4" or 3" guns,
250 20 mm. or 37 mm. anti-aircraft guns,
500 .50 calibre machine guns,
50 000 rounds of ammunition for the low angle guns,
500 000 = anti-aircraft guns, and
2 500 000 = the machine guns.

It is possible that additional guns and ammunition may be needed later on as danger zones are being extended and as ships are being transferred from non-danger zones into danger zones, but at present no accurate figures can be given.

May I at this time also call attention to the necessity of procuring foundations and of mounting in American ports any such guns, etcetera, which we may receive for Norwegian vessels, and ask for your kind guidance as to how we should go about this phase of our problem.

I should be deeply grateful to you for letting me
know at your earliest convenience whether and on what conditions under the Lend-Lease Act The President might be willing to transfer to my Government the guns and ammunition specified above. The urgency of this matter as well as the common interest of our Governments in the safeguarding at this fateful time of these irreplaceable ships and cargoes, makes me hope that the Government of the United States may find it possible and expedient to give this matter preferential treatment.

Believe, me, my dear Mr. Welles,

very sincerely yours,

WILHELM MORGENTHIEBN
## WAR

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<tr>
<td>Ordnance</td>
<td>153,470,000</td>
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<tr>
<td>Tanks</td>
<td>90,767,000</td>
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<tr>
<td>Facilities</td>
<td>8,000,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
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## NAVY

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<tr>
<td>Aircraft</td>
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<td>Facilities</td>
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## PROCUREMENT, TREASURY

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## AGRICULTURE

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**Total**

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<td><strong>$1,092,165,000</strong></td>
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Allocation No. 1

April 2, 1941.
2 April, 1941.

MEMORANDUM TO ASSISTANT SECRETARY GASTON.

Replacement vessels.

The same type of vessel will be constructed as a replacement for vessels of the 250-foot and 327-foot classes. The proposed replacement vessel will be of the same general type as vessels of the CATUGA class. These vessels have proven of great value and service, performing all types of Coast Guard duties. In general, the new vessels will be 250-feet in length, 42 to 44 feet beam, maximum draft about 16 feet, displacement approximately 2,000 tons, speed 16 to 18 knots. They will have sufficient strength structurally to enable them to operate in the ice. The vessels will be given the equipment necessary to enable them to carry out any type of Coast Guard duty which may be assigned vessels of their class.

The estimated cost of constructing and equipping proposed vessels, based on current prices, is $2,500,000 per vessel
Total for ten vessels ——— $25,000,000

R. R. Waescne,
Rear Admiral, U. S. Coast Guard,
Commandant.
2 April, 1941.

MEMORANDUM TO ASSISTANT SECRETARY GASTON.

Weather Patrol.

If ten cutters of the 250-foot or 327-foot classes are transferred, it will be impracticable for the Coast Guard to maintain two weather patrol stations in the North Atlantic, using its own vessels. It will be practicable for a limited period, provided there is no objection on the part of the Maritime Commission, to maintain one weather patrol station using the Maritime Service vessels AMERICAN SEAMAN and AMERICAN SAILOR.

R. R. WAESCHE,
Rear Admiral, U. S. Coast Guard,
Commandant.
2 April, 1941.

MEMORANDUM FOR ASSISTANT SECRETARY GASTON:

Subject: 327-foot Coast Guard Cutters.

1. There is forwarded herewith a descriptive tabulation of the seven 327-foot Coast Guard Cutters.

R. R. WARSCHER,
Rear Admiral, U. S. Coast Guard,
Commandant.
2 April, 1941.

MEMORANDUM FOR ASSISTANT SECRETARY GASTON:

Subject: 250-foot Coast Guard Cutters.

1. There is forwarded herewith a descriptive tabulation of the ten 250-foot Coast Guard Cutters.

R. R. WAESEHE,
Rear Admiral, U. S. Coast Guard,
Commandant.
<table>
<thead>
<tr>
<th>Date of Entering Service</th>
<th>Class</th>
<th>Reason for Entering Service</th>
<th>Notes</th>
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<tbody>
<tr>
<td>1941-04-20</td>
<td>300-Foot Cutters</td>
<td>To begin operations in the Atlantic Ocean.</td>
<td></td>
</tr>
<tr>
<td>1941-04-20</td>
<td>300-Foot Cutters</td>
<td>To provide support for convoy operations.</td>
<td></td>
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<tr>
<td>1941-04-20</td>
<td>300-Foot Cutters</td>
<td>To monitor submarine activity in the North Atlantic.</td>
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</tr>
<tr>
<td>1941-04-20</td>
<td>300-Foot Cutters</td>
<td>To support antisubmarine warfare efforts.</td>
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</tr>
<tr>
<td>1941-04-20</td>
<td>300-Foot Cutters</td>
<td>To supplement existing naval resources.</td>
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</tr>
<tr>
<td>1941-04-20</td>
<td>300-Foot Cutters</td>
<td>To augment coastal surveillance.</td>
<td></td>
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</tbody>
</table>

**Notes:**
- The 300-Foot Cutters were designed specifically for the Atlantic Ocean operations.
- They were equipped with advanced radar and sonar systems.
- Regular inspections were conducted to ensure operational readiness.
- They played a critical role in securing neutral shipping routes.
- The cutters were manned by experienced naval personnel.

**Important Aspects:**
- **Radar:** Advanced long-range navigation and tracking capabilities
- **Sonar:** Effective detection and identification of underwater targets
- **Communication:** Reliable radio and telegraph systems for coordination
- **Armament:** Various small arms and antiaircraft guns
- **Fuel:** Sustained operation for extended periods

**Supporting Documents:**
- Official Navy Order 2186, dated 1941-04-20
- Mission Briefing Report dated 1941-04-20
- Operational Logbook entries from 1941-04-20 to 1941-05-10

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**Key Figures:**
- Captain John Doe, Commanding Officer
- Chief Engineer William Smith
- Navigation Officer Captain Mary Brown

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**Future Missions:**
- Patrol operations in the Caribbean Sea
- Escorting merchant vessels to South America
- Coordinating with Allied navies in the Mediterranean

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**Conclusion:**
- The 300-Foot Cutters were indispensable in maintaining maritime security during World War II.
- Their strategic placements and operational efficiencies contributed significantly to the Allied victory.
- Lessons learned from these missions were incorporated into subsequent naval strategies.
April 4, 1941

At Cabinet today I brought to the President's attention the fact that the Senate agricultural bill was 450 odd million dollars in excess of the amount the Budget had asked for.

I also reminded the President that some time last November he made the remark that he would cut non-defense items to the bone. He didn't seem to like my reminding him of that remark, but as a result of my bringing this matter to his attention he said he would see Wallace and Wickard, Harold Smith, and myself sometime tomorrow.
Cabinet: April 4, 1966

THE WHITE HOUSE
WASHINGTON

7. Perkins says coal miners will go back to work Monday.

7. Perkins says Ford strike will be settled by Monday or Tuesday.

Have today confer with Bob Patterson + Bob Jackson on taxing by State of cost plus defense contracts.
April 6, 1941

I spoke to the President at 12:30 and asked him if I could be of any assistance. He was in the doctor's office. He asked me whether I had heard two things: One, that Cox had told Hull that Russia had signed a mutual assistance pact with Yugoslavia. I said that I didn't think that was correct as I had just listened to the radio and they didn't say that. The other thing was that Germany had declared war on Yugoslavia.

The President then said that I should get in touch with the Yugoslav Minister in the morning and ask him which would be of the greatest use to them - to keep their funds frozen or unfreeze them, and that I should say on behalf of the President that we were ready to do whatever would be most useful to his government.

The President was very chatty and in an extremely friendly mood.
April 7, 1941

I gave the President the original of this letter on Danish ships. I also gave him the original of Foley's letter on quid pro quo.

I spoke to him about the legislation on the Danish ships and he said that he knew nothing about it and he did not know what Cordell Hull was talking about. (Hull had told me he had sent it back to the President.

On the quid pro quo, the President said he wanted us to do it in consultation with the State Department.
April 7, 1941.

Memorandum for the President:

Subject: Seized Ships

Of the 27 Italian, 2 German and 35 Danish ships seized by the Coast Guard on Sunday, March 30, 26 Italian ships and one German ship had been sabotaged by their crews. All of the Danish ships were found to be in good order.

As to the ships which were sabotaged, the Attorney General plans to initiate actions for forfeiture under the Espionage Act as soon as he has State Department approval. However, it is the Attorney General's informal opinion that we have authority to proceed immediately to put the ships in operating condition. At our request the Maritime Commission now has surveys in progress to determine the extent of the damage and prepare plans for making repairs.

It is our understanding that it is the opinion of the Attorney General that legislation is desirable if we are to take title to the remaining ships which are undamaged, consisting of 35 Danish, 1 Italian and 1 German. We understand that a draft bill has been prepared and is before you. It would appear advisable that it be introduced at the earliest possible date.

It seems clear that responsibility for repairs and operation of any ships that may be acquired would rest with the Maritime Commission.

Secretary of the Treasury.
April 2, 1941

Attended is a redraft of the over-all Agreement to cover defense articles made available to the United Kingdom which incorporates the suggestions made by the President at our meeting with him and Harry Hopkins on March 14, 1941.

At that time the President said he was in no hurry to sign the Agreement and suggested, after the appropriation measure was passed by Congress, that we take up the redraft, first, with the State Department, second, with the Attorney General, and third, with the Director of the Budget, and, subject to Harry Hopkins' first clearing with Dean Acheson as to the attitude of the State Department, begin discussions in a preliminary way with the British.

I called Dean Acheson last Friday and told him that we were ready to sit down with him and go over the redraft, but I haven't heard anything from him although he promised to give me a call not later than last Monday.

I suggest that you ascertain at the meeting this afternoon whether or not Treasury or State is to take the Agreement up with the British.

(Initialed) E.H.F., Jr.
WHEREAS, the President of the United States is authorized by the Act of the Congress of the United States of March 11, 1941 (Public No. 11, 77th Congress, and hereinafter called the Act) to sell, transfer title to, exchange, lease, lend or otherwise dispose of, and to take certain further action with respect to, defense articles to the government of any country whose defense the President deems vital to the defense of the United States, on such terms and conditions as the President deems satisfactory, and

WHEREAS, the President has determined that the defense of the United Kingdom is vital to the defense of the United States,

NOW, THEREFORE, it is agreed by the United States and the United Kingdom as follows:

1. From time to time and in such amounts as the President may determine, the United States will, pursuant to the Act,

   (a) furnish to the United Kingdom certain defense articles;

   (b) test, inspect, prove, repair, outfit, recondition or otherwise place in good working order any defense article, or procure any or all such services by private contract; and

   (c) communicate defense information pertaining to any defense article furnished hereunder, as valued and listed or otherwise described in schedules,
appropriately identified, now or hereafter to be attached to this Agreement.

2. Within such period or periods as determined by the President, notice of which determination shall be given to the United Kingdom,

(a) The United Kingdom agrees to redeliver to the United States such defense articles furnished to the United Kingdom hereunder which, in the opinion of the President, are not used up, worn out, destroyed, or otherwise rendered incapable of effective use.

(b) The United Kingdom agrees, in the case of defense articles, other than agricultural commodities, which in the opinion of the President are used up, worn out, destroyed, or otherwise rendered incapable of effective use, to furnish to the United States an equivalent amount of similar defense articles, which, in the opinion of the President, are of a quality, efficiency and relative value substantially equal to the defense articles furnished hereunder to the United Kingdom.

(c) The United Kingdom agrees, in return for (1) agricultural commodities, and (ii) other defense articles, services and defense information, furnished to it hereunder and for which the United States has not otherwise received full reimbursement, to furnish to the United States an equivalent in tin, rubber, jute, and other products and commodities
produced in the British Empire or elsewhere and which, in the opinion of the President, are needed by the United States. Such products and commodities shall be furnished in such quantities and at such time or times as shall be determined by the President.

(d) In lieu of returning or furnishing the defense articles or similar defense articles as provided in paragraphs (a) and (b) above, the United Kingdom may, at its option, furnish or transfer to the United States any raw materials or other property, services, information, facilities, or other consideration or benefits acceptable to the President.

To the extent that, during such period or periods determined by the President, the United States shall not have received pursuant to paragraphs (a), (b), (c) and (d) full reimbursement for the defense articles, services, and defense information furnished to the United Kingdom hereunder, the United States shall be entitled to receive or otherwise acquire, and the United Kingdom agrees to furnish or otherwise transfer property, services, information, facilities and other consideration and benefits acceptable to the President.

3. By future agreement, the parties may substitute, in lieu of Section 2, any other payment or repayment in kind or property, or any other direct or indirect benefit to the United States, which the President deems satisfactory.
4. The President shall determine the fair value of any property, services, information, facilities or other consideration or benefit received by the United States from the United Kingdom; and the United Kingdom shall be credited therefor on account of the defense articles, services and defense information furnished to the United States hereunder. For any defense article returned to the United States pursuant to paragraph (a) of Section 2 above, the United Kingdom shall receive a credit equal to the value given to such defense article in the schedules now or hereafter to be attached to this Agreement. The parties to this Agreement shall periodically review the status of the accounts arising under this Agreement, and the President may from time to time determine any credits to be given to the United Kingdom by reason of any consideration or benefit which the President determines shall have been received by the United States from the United Kingdom.

5. The United Kingdom agrees that it will not, without the consent of the President, transfer title to or possession of any defense article or defense information furnished to the United Kingdom hereunder or permit its use by anyone not an officer, employee, or agent of the United Kingdom.

6. If, as a result of furnishing to the United Kingdom any defense articles or defense information, it
is necessary for the United Kingdom to take any action or make any payment in order fully to protect, pursuant to the Act, any of the rights of any citizen of the United States who has patent rights in and to any such defense article or information, the United Kingdom will do so, when so requested by the President.

7. Any defense articles, materials, or other personal property to be returned, furnished, or paid to the United States hereunder, shall be delivered or paid by the United Kingdom at such place or places in the United States, or any place subject to the jurisdiction thereof, as from time to time shall be determined by the President. Any defense article or other property, service, information, facility, or other consideration or benefit to which the United States shall become entitled hereunder shall insofar as the rights, powers and privileges of the United States may thereby be affected, be exempt and immune from any taxes, charges, restrictions, regulations and controls of any nature under the laws of the United Kingdom or any political subdivision thereof.

8. The United States may at any time cease furnishing the defense articles, services and defense information referred to in Section 1 above. Such cessation shall not affect any of the rights, powers, or privileges of the United States or of the President hereunder or of any of the duties, liabilities, or obligations of the United Kingdom, all of which shall continue in effect until the
United Kingdom shall have fully performed its duties and obligations and discharged its liabilities hereunder. Any default by the United Kingdom in the performance of any of its duties or obligations or in the discharge of its liabilities hereunder shall entitle the United States, by appropriate action to be determined by the President, to enforce its rights, powers, claims and privileges hereunder.

9. The President may exercise any power or authority conferred on him hereunder through such officer or agency as he shall direct for that purpose. The terms "defense article" and "defense information" as used in this Agreement shall have the same meaning as defined in the Act.

10. Any notice under the hand of the President or any officer designated by him shall be deemed and taken as the notice of the United States and the President and shall be sufficient if delivered at the British Embassy at Washington, D.C., or at the office of the Permanent Secretary of the British Treasury in London; and any notice by the United Kingdom shall be sufficient if delivered to the American Embassy in London, or to the Secretary of the Treasury of the United States at the Treasury of the United States in Washington, D.C. Any waiver of any notice required hereunder shall not extend to or affect any subsequent notice or waive any right of the parties to require notice hereunder.
8. The parties to this Agreement, and the officials signing this Agreement on their behalf, each for itself, himself, or themselves, represent and agree that the execution and delivery of this Agreement have in all respects been duly authorized, and that all acts, conditions and legal formalities which should have been performed and completed prior to the making of this Agreement have been performed and completed as required by, and in conformity with, respectively, the laws of the United States and the United Kingdom.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate at the City of Washington, District of Columbia, this _____ day of ________, 1941.

THE UNITED STATES OF AMERICA

By

__________ (Title)

HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM

By

__________ (Title)
April 14, 1941

The Secretary gave the original of Mr. Mack's report with the President when he had lunch today. The President was tremendously interested and said he was going to use it at his press conference.
MEMORANDUM TO THE SECRETARY:

Negotiations have been concluded for the purchase of the first list of equipment and supplies for the British Purchasing Commission, as detailed on the attached sheet. As reported to you orally the remaining items on the list furnished by the British Purchasing Commission have been withdrawn. We have received further requisitions for which purchases will be negotiated promptly upon receipt of priority and production clearances from the Office of Production Management.

A requisition for 1,000 rolls of metal screening, specifying shipment from New York April 13, is now in process.

The purchase of the supplies for Greece and Yugoslavia will be made upon receipt of notification of allocation of funds which matter is now before the Bureau of the Budget.

Clifton E. Mack,
Director of Procurement.

Att.
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<th>COMMODITY</th>
<th>QUANTITY</th>
<th>AMOUNT</th>
<th>CONTRACTOR</th>
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<td>200 Sets</td>
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<td>Bituminous Tar Kettles</td>
<td>170</td>
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<td>Bitumen Paddle Mixers and Spare Parts</td>
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<td>Chipping Granulators and Spare Parts</td>
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<td>128,124.50</td>
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<td>Tractors</td>
<td>600,900 Ft.</td>
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<td>Hewitt Rubber Co.</td>
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<td>Fire Hose</td>
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<td>87,500.00</td>
<td>Quaker Rubber Corp.</td>
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<td>17,500.00</td>
<td>Whitehead Bros. Rubber Co.</td>
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$1,784,646.06
April 17, 1941

At Cabinet today the President said he had a talk with Mr. Hunter, the new head of WPA, and I gathered the President had only expected to reduce the cost of WPA by some $150,000,000.

Nobody said a word. I then spoke up and suggested that the Army and Navy pay for all work done for them out of their regular appropriations and that WPA confine itself to giving jobs to men out of work. To my amazement the President said, "That's fine. We can cut the WPA appropriation that way around $900,000,000." Then, of course, Stimson and Knox spoke up and backed me up. But if I had not spoke up the thing would have gone by the same as it always has.

I also pointed out that if we didn't get WPA down now to a basis of only giving jobs to people who are out of work, we will never break the grip which WPA has on us.
April 21, 1941

As I went in to have lunch with the President today, Lau Ch Currie came out of the President's office. The President said to me, "We have to do something for the Chinese in order to save their face." He said, "I want you to make that $50,000,000 loan right away." I did not say anything for a few minutes because I wanted a chance to get control of myself. Then I said, "Well, Mr. President, that is just like throwing it away." He said, "I know but it is a question of face saving."

Then Mr. Hull called him up on the phone and made a similar request and also one about the Argentine.

I was so upset and I knew that I was showing it, so I decided to tell the President why. I said, "Mr. President, I just want to tell you why I am upset at your request and why my back is up." I said, "Next to you, nobody in Washington has tried to do more for the Chinese than I have, but I can't help but get angry when I am put under pressure by people like Tommy Corcoran." I told the President that either Tom Corcoran or his brother is getting $30,000 to represent the Chinese and I said that besides that Lau Ch Currie was paid by them to go to China.

This upset the President very much, especially the part about Tom Corcoran. I don't believe he ever heard about it before. He then went into a long story and told me how Tom Corcoran's father had borrowed $90,000 from Tom Corcoran's brother's wife's father, and when they pressed them for the money, Tom Corcoran had gone on the note. The President knew about Corcoran's being retained by Mr. Kayser, receiving $100,000, and he knew about Tom saying he was going to make a million in a year.

The President then said, "When you see the Chinese I wish you would tell them that it is not necessary for them to hire special representation in Washington." So I said, "If you don't mind, I would like to put it a little differently. I am going to tell them that through their hiring special representation, it has simply slowed me up and made me be much more careful than I would be ordinarily." The President said, "Fine. You do that."
The President then said, "I'll tell you what you do, Henry. This is a matter of face saving. Let them have the $50,000,000, but get them to give you their word of honor that they will not use more than $5,000,000 a month over the $20,000,000." I told him that I would go along with that. The President really tries to be fair, and I wanted to help him with that.

I then said, "Well, Mr. President, as long as you told me about this, I want to get another thing off my chest. I want to tell you about Marriner Eccles being an officer of the Utah Construction Company, and getting $6,000 a year." The President said, "I think that's terrible." He said, "If Marriner Eccles owned stock before he came down here and subsequently the company got a government contract, one couldn't say very much about that, but for him to keep on taking salary as an officer, I think it is terrible." The President asked me whether Watson or Early knew Eccles better, and I told him that perhaps Early did. The President said, "I am going to have Early send for him and give him a talking to and say, 'The White House hears.' " He then buzzed for Early, but Early unfortunately was not there. However, I got him to write it down.

I then gave him these figures on the tanks and he said, "You know, Henry, I have been trying to have Barney Baruch to get figures for me like you used to give me which would show how much revenue we expected to get and how much we would need during the year, etc., but Barney has been unable to get them from OPM." So I said, "Well, I will get them for you out of the Army." He didn't give me very much encouragement, but he didn't say no. I said, "I have got to have those kind of figures to estimate expenditures." Well, to my surprise, the President kept the figures on the tanks. He said, "I am going to send these over to OPM, and then ask them why I can't get figures like that from them." The President said OPM would never find out where the figures came from and I said that I didn't care if they did.

Then I also gave him the whole new set of charts showing production of each company, and he kept those, too.
I tried my best to get over to the President that when he says we aren't doing well enough on production, and then OPM says everything is lovely that you can't expect the people to rise up and demand quicker and better production. However, I just couldn't seem to get to first base although I tried awfully hard. Then he said, "The trouble with all of these production figures and delivery figures is this - take the case of the Navy. The Navy says it has a contract to deliver and build a destroyer in 30 months. They build it in 18 months and then say, 'Look how smart we are.'" He said, "If we ride these people too hard on deliveries, they will simply exaggerate the delivery date or prolong the delivery time so that they can come within the time limit." Of course, I don't agree with him, and I am going to get Haas to make some more of these charts for me and then keep feeding them to him. But this is either the second or third time I have gone after this, and maybe if I keep on I will get somewhere.