

● PSF

State Dept.

Jan. - Sept. 1944

State folder 2-43

(2297)
hms

Copy of this letter returned to the Secretary of State, as per the President's notation, 1/1/44.
hms



"C.H.
O.K.
F.D.R."

DEPARTMENT OF STATE
WASHINGTON

January 1, 1944

My dear Mr. President:

In accordance with the approval given by you to my memorandum of December 8, 1943 in regard to conversations with the British on oil in the Middle East, I am designating the Department's Petroleum Adviser as chairman of the group which will conduct the conversations, and the Chief of the Near Eastern Division of the Department as the Department's other member. I am requesting Secretary Iokes to designate an appropriate officer of his staff as the third member of the group.

Faithfully yours,

Cordell Hull

The President,
The White House.

Copy of this memorandum returned to the
State as per the President's notation

12/3/43

hms

December 8, 1943

"C.H.
D.K.
F.D.R."

FOR THE PRESIDENT FROM SECRETARY HULL

As you know, the full development of Middle Eastern oil resources is of tremendous wartime and long-range importance. Because of the complex problems involved, those resources, which are held to a substantial extent jointly by American and British interests, cannot be adequately developed unless the United States and British Governments reach an agreement providing for close cooperation.

Consequently, I addressed a note on December 2, 1943 to the British Ambassador inviting the British Government to designate representatives to meet representatives of this Government to initiate exploratory conversations regarding this matter. The Department understands on good authority that the British Government will welcome such conversations.

In view of the delicate situation of the Middle East and the close connection between foreign oil questions and the general conduct of our foreign relations, it is extremely desirable that any conversation with the British on oil be under the clear supervision and guidance of the Department of State. Accordingly, it is proposed that the group to conduct the conversations for this Government be composed of two representatives of the Department of State, one of which will act as Chairman, and a third member to be designated by the Secretary of the Interior.

If the foregoing meets with your approval you may wish to advise me immediately, whereupon Secretary Iokes will be requested to designate the member of the group to represent him.

C H

DEPARTMENT OF STATE
THE UNDER SECRETARY

December 30, 1943

Dear Miss Tully:

Here is the duplicate
original of the memorandum
of December 8 which I
promised to send to you.



Hayden Raynor

U:HR:IJ

THE WHITE HOUSE
WASHINGTON

December 29, 1943.

MEMORANDUM FOR

THE SECRETARY OF STATE:

FOR YOUR INFORMATION.

F.D.R.

Transmitting copy of letter which the President received from the Petroleum Administrator for War, 12/27/43, in re conference with the British. Original letter retained ~~xxxxx~~ for our files. This refers to development of Middle Eastern oil resources.

PETROLEUM ADMINISTRATION FOR WAR
WASHINGTON

THE WHITE HOUSE
DEC 27 2 59 PM '43
RECEIVED

December 27, 1943.

My dear Mr. President:

I am glad that Secretary Hull has started the ball rolling with the British and I hope that the proposed conferences get going speedily. We have been losing valuable ground that we are not likely to be able to recover. I will explain when I see you.

I probably will not feel like using Mr. Davies on this commission on account of his former oil interests, and so I would prefer it if I were made a member, with the right to indicate an alternate. I suggest this for several reasons, an important one being that, as Petroleum Administrator and as President of the Petroleum Reserves Corporation, I have a greater interest in the subject matter and a better advisory staff on oil than anyone else in the Government. Moreover, in a sense, this is my baby.

Naturally, the Secretary of State should take the lead. I should think that Secretary Hull might properly name himself as a member of the commission and thus automatically rank as chairman. Of course, he too can name an alternate to do the chores.

Sincerely yours,

Harold L. Ickes

Petroleum Administrator for War.

The President,
The White House.



DEPARTMENT OF STATE

THE SECRETARY

December 8, 1943

FOR THE PRESIDENT FROM SECRETARY HULL

As you know, the full development of Middle Eastern oil resources is of tremendous wartime and long-range importance. Because of the complex problems involved, those resources, which are held to a substantial extent jointly by American and British interests, cannot be adequately developed unless the United States and British Governments reach an agreement providing for close cooperation.

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If the foregoing meets with your approval you may wish to advise me immediately, whereupon Secretary Ickes will be requested to designate the member of the group to represent him.

CH

copy

Petroleum Administration for War
Washington

December 27, 1943.

My dear Mr. President:

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Naturally, the Secretary of State should take the lead. I should think that Secretary Hull might properly name himself as a member of the commission and thus automatically rank as chairman. Of course, he too can name an alternate to do the chores.

Sincerely yours,

s/ HAROLD L. ICKES
Petroleum Administrator for War

The President
The White House

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Amo

THE WHITE HOUSE
WASHINGTON

December 23, 1943.

MEMORANDUM FOR

THE SECRETARY OF THE INTERIOR:

What do you think of this?

F.L.R.

Memorandum for the President from the
Secretary of State, 12/8/43, in re Middle
Eastern oil situation. Copy retained for
our files.

6

THE UNDER SECRETARY OF STATE
WASHINGTON

December 7, 1943 December 8, 1943

FOR THE PRESIDENT FROM SECRETARY HULL

As you know, the full development of Middle Eastern oil resources is of tremendous wartime and long-range importance. Because of the complex problems involved, those resources, which are held to a substantial extent jointly by American and British interests, cannot be adequately developed unless the United States and British Governments reach an agreement providing for close co-operation.

Consequently, I addressed a note on December 2, 1943 to the British Ambassador inviting the British Government to designate representatives to meet representatives of this Government to initiate exploratory conversations regarding this matter. The Department understands on good authority that the British Government will welcome such conversations.

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If the foregoing meets with your approval you may wish to advise me immediately, whereupon Secretary Ickes will be requested to designate the member of the group to represent him.

CH

MISS GRACE TULLY
BY MISS TULLY

THE UNDER SECRETARY OF STATE
WASHINGTON

December 7, 1943

MEMORANDUM FOR MISS GRACE TULLY

Attached is the memorandum I
mentioned to you this afternoon relative
to the Middle Eastern oil situation.

Many thanks.



*State Dept folder
2-44*

THE WHITE HOUSE
WASHINGTON

January 4, 1944.

MEMORANDUM FOR

GENERAL WATSON:

The President would like to talk with Assistant Secretary of State Howland Shaw about this matter. Will you give it to him when Mr. Shaw comes in?

F.D.R.

*(appointment never arranged)
General Watson filed
Feb. 7-44*

WASHINGTON
2117 WHITE HOUSE

THE WHITE HOUSE
WASHINGTON

January 3, 1944.

GRACE:

I want to talk with some-
body in the State Department about
this.

F.D.R.



APOSTOLIC DELEGATION
ZAMALEK - CAIRO

9th December 1943

My Dear Mr President,

I desire to thank you
for your kindness to me yesterday.
It is a consolation to feel
that you will not forget the
points I wished to bring to
your notice, involving action that
should be the natural corollary of
the Atlantic Charter & subsequent
declarations of your high moral purpose.

I enclose a copy of a
letter just written by me to Mr
Chamberlain about four weeks ago when

girls kept in internment after the
release of their companions -
after, even, the release from prison
of persons accused of really
serious wartime offenses.

I also wrote a personal note to
McDonald asking that persons released
should be restored to their families &
expressing my horror at the vindictiveness
of the authorities in forbidding them to
go home & so causing sorrow &
unbearable expense to many unfortunate
families.

I recommend most heartily to you all
these matters as being too closely inter-
woven in the moral pattern of the war
effort for you not to be interested in
them.

With renewed thanks regards,
Yours very sincerely
Arthur Hughes

See Franklin D. Roosevelt, President of the United States of America



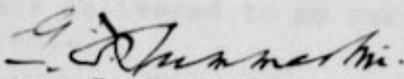
DEPARTMENT OF STATE
WASHINGTON

December 30, 1943

MEMORANDUM FOR GENERAL WATSON:

Dear Pa:

I am enclosing herewith a copy of a despatch dated December 8, 1943 from the American Legation at Cairo, together with its enclosure, a sealed letter addressed to the President by the Chargé d'Affaires of the Apostolic Delegation at Cairo.


George T. Summerlin

Enclosure:
Sealed letter.

FOR DEFENSE



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

THE FOREIGN SERVICE OF THE
UNITED STATES OF AMERICA

American Legation

Cairo, December 8, 1943

No. 1448

Subject: Transmitting Letter Addressed to the President
by the Chargé d'Affaires of the Apostolic
Delegation at Cairo

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith a letter addressed to the President by the Chargé d'Affaires of the Apostolic Delegation at Cairo which was delivered to me subsequent to the departure of the President.

I have undertaken to forward this letter as it is assumed to relate to a conversation between the President and the Chargé when the latter was received in audience.

Respectfully yours,

A. KIRK

Alexander Kirk

Enclosure as stated.

Sent to the Department in ozalid.
file no. 500



Cairo (Zamalek) — 7th December 1943

DELEGATIO APOSTOLICA

My Dear Prime Minister,

There are several matters which I was anxious to discuss with you personally. I would, however, beg you to give your personal attention to one point - a relatively small one. There are still four Italian ladies (or rather, in modern parlance, girls) interned at Mansurah Camp. Mansurah internment camp for women is a house built on a reclaimed swamp and has always been unsuitable for its purpose as a residence for ladies. Many of them have lost their health there. But I would ask you most earnestly to obtain the release of the four who remain interned: Norina Benessi, Giuseppina Benigni, Amelia Brancaccio, Edma Del Febbro.

In the name of God and religion I protest not only against the substantial and essential evil of this form of internment, but of the cruelty of its continuation in respect of these four girls and in view of the despair of their families. The cruel news of their continued detention was brutally broken to them during a visit of the mothers of two of them and ran counter to the previous declarations of Captain Turner during a visit to the Camp.

I would remind you in the name of mercy and humanity (words so often on the lips of allied statesmen) that even if certain persons had uttered indiscreet words, nay, even had they done indiscreet things (and in Egypt, before God, I declare to you that I am not satisfied of the initial justice and care of those who have controlled internment) three and a half years, or even one year of close internment is a sufficient expiation. I beg you, therefore, to obtain the release of these persons. In days when the voice of humanity and mercy is so often unheard I trust at least on this occasion you will give me a hearing.

The Right Honourable Winston
Prime Minister,
c/o The Embassy, Cairo.



Antonio Riboldi
Apostolic Delegate



APOSTOLIC DELEGATION
in Egypt
ZAMALEK-CAIRO

Personal

His Excellency Mr Franklin D. Roosevelt,
President of the United States of America,
c/o The Legation of the U.S.A.,
Cairo.



*file
Confidential*

But I think the delay was very long and that we should answer quickly.

DEPARTMENT OF STATE
WASHINGTON

F. D. R.

January 8, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: English language broadcast from Batavia as monitored by the Federal Communications Commission on December 29 to the effect that Japan's protests concerning alleged attacks on Japanese hospital ships by American forces having remained unanswered, Japan should retaliate upon American officer prisoners of war in Japanese custody.

I refer to your inquiry through Admiral Brown concerning the above subject.

On June 28, 1943 the Spanish Embassy in charge of Japanese interests in continental United States delivered to the Department in the name of the Japanese Government a protest alleging attacks on six Japanese hospital ships. The receipt of this protest was acknowledged on July 6, 1943 by the Department and on the same date communicated to the Navy Department for investigation in accordance with prescribed procedure. A reply to this protest has been delivered to the Spanish Embassy today January 8. (Copy attached)

On December 13 the Spanish Embassy addressed another protest to the Department alleging attacks on four Japanese hospital ships. On December 20 the Spanish Embassy delivered a protest concerning the alleged aerial bombardment by American forces and the sinking of the Japanese hospital ship Buenos Aires Maru with an alleged loss of about 374 in dead or missing, including nurses.

The last two protests above mentioned are still under investigation by the appropriate military authorities.

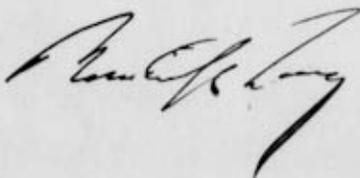
The delay in making a reply to these protests has been due not only to the time required to investigate the alleged attacks but to the necessity of determining upon a policy with respect to the treatment of hospital ships and of obtaining British concurrence in our policy and in our replies, in compliance with a directive issued by the Combined Chiefs of Staff.

Officers of the Department of State have already brought the above-mentioned broadcast to the attention of officers of the Army and Navy concerned with these matters, and everyone



-2-

is fully alert to the desirability of replying to such protests as soon as possible so that the Japanese Government may have no legitimate grounds for using our failure to reply to such protests as a pretext for retaliation upon American and other United Nations prisoners of war. Now that a policy has been agreed upon with the British, it is expected that answers to the pending protests and to any others that may hereafter be received may be expedited.



Enclosure:

To Spanish Embassy,
January 8, 1943.

MEMORANDUM

The Department of State refers to memorandum no. 148 of June 28, 1943 from the Spanish Embassy in charge of Japanese interests in the continental United States and to the Department's preliminary reply of July 6, 1943 regarding alleged attacks on six Japanese hospital ships.

1. The United States Government has caused a detailed investigation to be made of the alleged attacks on the six Japanese hospital ships and, as a result thereof, the following determinations have been made:

a. ASHIA MARU: On 4 January 1943 airplanes dropped bombs on a vessel, described as a transport, in the Rangoon River scoring hits and near misses, as a result of which heavy smoke was billowing up from this vessel when last seen. The Japanese protest refers to bombs dropped adjacent to the alleged hospital ship. The alleged jeopardy to the hospital ship must have arisen, therefore, from its proximity to a military target.

b. AMERICA MARU

b. AMERICA MARU: Enemy shipping in Rabaul Harbor was attacked by airplanes at 0505 on 30 January 1943 and at 1205 on the same date an airplane attack was made against a transport in the open bay. On neither occasion was any hospital ship or illuminated vessel observed in the area referred to in the Japanese protest. The Japanese allege the attack as occurring at 0420 and if it occurred it must, therefore, have been as a result of the presence of the hospital ship in proximity to military targets and without identifying illumination.

g. MANILA MARU: On 4 March 1943 in the area stated, but at 1257 - 1301, torpedoes were fired at a zigzagging light grey Japanese vessel during a rain squall. The ship was not painted as prescribed for hospital ships by the Hague Convention.

4. URAHU MARU: An airplane attack was made on a vessel near Kavieng at 1600 on 3 April 1943. At the time of sighting this vessel, the aircraft

concerned

concerned was at a height of 6,000 feet. The crew of the aircraft did not observe any of the conventional markings which indicated a hospital ship, but did see what appeared to be a canvas-covered gun position forward. From the photographs taken during the attack, it is not possible to distinguish with the naked eye any hospital ship insignia and only in one of these can such insignia be distinguished by the aid of a magnifying glass. No insignia appears from an overhead position, and no Red Cross flag was flown. The absence of distinctive and obvious markings from overhead made it quite impossible for the aircraft to determine the special status of this vessel and the presence on the deck of what appeared to be a gun, added strength to the presumption that the vessel was other than a hospital ship.

g. HUGO MANU: No operation by a United Nations aircraft has been reported against any ship on 15 April 1943 in any area adjacent to the alleged location.

location. On 16 April a night attack was made upon Kohili and Ballale where previous reconnaissance had revealed the presence of a number of warships and cargo vessels, presenting a legitimate military target. Among the targets attacked was a large ship, subsequently identified as a hospital ship. Illumination of the hospital ship was such that its identity was not apparent above 2,000 feet. The attack was abandoned immediately after identification.

f. BURNING AIRS MAIN: The Japanese report alleges an attack by submarine near Hongkong at 1545 on 25 April 1945. No United States submarine nor, as far as this Government is aware, any other United Nations submarine made an attack in the general vicinity of Hongkong on this date.

2. The Armed Forces of the United States are under strict instructions to observe scrupulously the terms of the Hague Convention applicable to hospital ships and to accord all due immunity to such vessels. The

United States

United States Government is satisfied that these instructions are complied with to the limit permitted by the compliance of Japanese hospital ships with their reciprocal obligations. The fact that the conventions are known to the personnel of the Armed Forces and that such personnel make every effort to observe them is demonstrated by repeated reports of the sighting of hospital ships which have not been molested when recognized as such.

3. It must be pointed out, furthermore, that international law expressly recognizes certain circumstances under which belligerents may be unable to accord immunity to hospital ships. These circumstances arise, for example, when a hospital ship at its own risk and peril stations itself in the vicinity of a legitimate military target whether in port or on the high seas, or when a hospital ship fails to provide itself with adequate and clearly visible markings and illuminations as it is under obligation to do by the terms of Article 5 of the Hague Convention.

4. The United States Government regrets that accidental attacks should have been made upon Japanese hospital

hospital ships. But the attacks alleged appear to be definitely attributable to the failure of the Japanese authorities either to insure the identification of their hospital ships or to remove these ships from the immediate vicinity of legitimate military targets, or to both causes.

5. The United States Government, while for the above reasons rejecting entirely the protests made by the Japanese Government, desires to assure the Japanese Government that it has every intention of continuing to respect the immunity of hospital ships in accordance with its assumed obligations and international practice. It is observed, however, that it is not always possible for aircraft to distinguish the identification for hospital ships prescribed by the Hague Convention. The United States Government points out that the markings prescribed by the Hague Convention must be considered the minimum rather than the maximum requirements, and that at the time they were prescribed the circumstances of naval warfare only were envisaged.

6. The United

6. The United States Government has accordingly taken steps to place upon its hospital ships markings additional to those prescribed by the Hague Convention and in order to facilitate their identification as such in the light of the conditions of modern warfare, has adopted the following policies, the adoption of which with respect to Japanese hospital ships should similarly facilitate their identification:

a. In order to acquire right to immunity at night, hospital ships must be illuminated continuously from sunset to sunrise.

b. In order to acquire right to immunity at night, the funnels and hulls of hospital ships must be illuminated from sunset to sunrise to show the Red Crosses, white painting and green band. Distinctive markings which must at all times be displayed on the decks for identification from the air must be similarly illuminated at night.

c. If markings are not illuminated at the time of an attack at night, no complaint can be entertained.

It is

It is not, however, illegal for a hospital ship to darken ship at her own risk on necessary occasions such as when lying in a port, passing through defensive minefields or in company with the fleet.

7. The United States Government notes that the altered markings of certain Japanese military hospital ships, as well as the provision for their illumination at night, which are described in the Embassy's memorandum no. 329 (Ex. 111.00) of November 8, 1943, are similar in nature to those referred to in subparagraph 6 b above.

Department of State,

Washington, January 8, 1944

740.00117 Pacific War/61

RECORDED

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*Hall folder
2-44*

**THE WHITE HOUSE
WASHINGTON**

January 10, 1944.

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT:

The Secretary of State called me late this afternoon to say that he gave you some brief information about an agreement between Mexico and the United States on the water problems of the Rio Grande and the Colorado -- this in regard to a settlement to be entered into.

The Secretary thought you might happen to repeat this to someone and he asks that you be cautioned about saying nothing, as it would ruin everything if anyone got an inkling of this agreement.

GGT

REGRADED UNCLASSIFIED



DEPARTMENT OF STATE
WASHINGTON

January 12, 1944

MEMORANDUM FOR MR. ROMAGNA
THE WHITE HOUSE

Referring to the President's request for a written copy of the remarks made by Heads of State at White House dinners, I attach hereto a list of the twelve Heads of State entertained between 1942 and 1943.

Despite our best efforts since the receipt of your memorandum of October 18, 1943, we have been able to obtain only the remarks of President Prado of Peru, Queen Wilhelmina of the Netherlands and President Benes of Czechoslovakia. The remarks of President Lescot of Haiti were recorded at his dinner, and I understand are on file in the White House.

The Chiefs of Diplomatic Missions concerned have all been requested to send in the remarks of their Heads of State, and copies of their replies are attached hereto for your information.

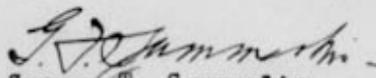
The unimpressive score now stands at four sets of remarks and eight missing. Furthermore, as most of the remarks were more or less extemporaneous, I am not sanguine about obtaining a complete set. Any others received will, of course, be sent to you at the White House.

The remarks made by President Roosevelt at the dinner in honor of President Batista of Cuba are returned to you herewith.

Arrangements



Arrangements have been made by the Department to furnish a stenographer to record the remarks of President Medina of Venezuela at the White House dinner on January 19, 1944.


George T. Summerlin

Enclosures:

List, with copy of Department's letter to certain Diplomatic Missions, October 26, 1943;
From Peruvian Embassy, October 30, 1943;
From Peruvian Embassy, November 23, 1943, with enclosure;
From Netherlands Embassy, November 2, 1943, with enclosure;
From Czechoslovak Embassy, November 11, 1943, with enclosure;
From Yugoslav Embassy, October 27, 1943;
From Colombian Embassy, October 30, 1943;
From Ecuadoran Embassy, November 26, 1943;
From Cuban Embassy, November 9, 1943;
From Bolivian Embassy, November 11, 1943;
From Liberian Consulate General, October 27, 1943;
From Paraguayan Embassy, November 2, 1943;
President Roosevelt's remarks at dinner for Cuban President, December 8, 1942.

Department of State

PR

BUREAU
DIVISION

ENCLOSURE

TO

Letter drafted 1/11/44

ADDRESSED TO

Mr. Romagna, The White House

DEPARTMENT OF STATE

DIVISION OF PROTOCOL

October 21, 1943

LIST OF CHIEFS OF STATE WHO HAVE BEEN ENTERTAINED BY THE
PRESIDENT OF THE UNITED STATES AT DINNER AT THE WHITE HOUSE
1942-1943

1. May 7, 1942 H.E. Manuel Prado
President of Peru
2. June 10, 1942 H.M. George II
King of Greece
3. June 24, 1942 H.M. Peter II
King of Yugoslavia
4. July 7, 1942 H.E. Dr. Alfonso Lopez
President-elect of Colombia
5. August 5, 1942 H.M. Wilhelmina
Queen of the Netherlands
6. November 23, 1942 H.E. Carlos A. Arroyo del Rio
President of Ecuador
7. December 8, 1942 H.E. Major General Fulgencio Batista
President of Cuba
8. May 5, 1943 H.E. General Enrique Peñaranda
President of Bolivia
9. May 12, 1943 H.E. Eduard Benes
President of Czechoslovakia
10. May 27, 1943 H.E. Edwin Barclay
President of Liberia
11. June 9, 1943 H.E. General Higinio Morínigo
President of Paraguay
12. October 14, 1943 H.E. Elie Lescot
President of Haiti

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DEPARTMENT OF STATE
WASHINGTON

October 26, 1943

My dear Mr. Ambassador:

I have been asked by the White House if it would be possible to furnish the President with the texts of the toasts given by the several Heads of State who have recently dined at the White House.

It occurs to me that you may have a transcript of the words given by His Excellency Manuel Prado, President of Peru, when he dined with the President on May 7, 1942. If so I would deeply appreciate it if a copy could be forwarded to me.

Sincerely yours,

George T. Summerlin
Chief of Protocol

His Excellency

Señor Don Manuel de Freyre y Santander,
Ambassador of Peru.

Note: Mutatis mutandis to missions on attached sheet.

PERUVIAN EMBASSY
WASHINGTON 6, D.C.

October 30, 1943

My dear Mr. Summerlin:

In reply to your kind letter of October 26, 1943, I beg to inform you that no transcript of the words given by Mr. Manuel Prado, President of Peru, when he dined with President Roosevelt on May 7, 1942 was kept in our files, as his remarks were purely extempore.

Nevertheless, I have cabled President Prado's Secretary to transmit any information in his files as to these remarks.

As soon as a reply is received I will be most pleased to forward it to you.

Sincerely yours,

Manuel de Freyre y Santander
Ambassador of Peru

The Honorable

George T. Summerlin

Chief of Protocol

Department of State

PERUVIAN EMBASSY
WASHINGTON 6, D.C.

November 23, 1943.

My dear Mr. Summerlin:

With reference to your kind letter of October 26, 1943, and my reply of October 30, 1943, I take pleasure in transmitting to you, herewith, the Spanish version of the toast given by President Prado when he dined with President Roosevelt at the White House last year.

The text has been sent to me by the Secretary of President Prado.

With my personal regards, I am,

Sincerely yours,

(s) M. de Freyre S

Manuel de Freyre y Santander
Ambassador of Peru

The Honorable George T. Summerlin
Chief of Protocol
Department of State

[TRANSLATION]

Mr. President:

An invaluable opportunity for the Government of Peru and for me is offered me by your kindness in inviting me to visit your country in my capacity as Chief of State, because it has permitted placing the seal, in an eloquent manner, on the bonds of close friendship which have always united our two peoples and which have today, in face of the common peril, acquired the character of a vital and indestructible solidarity.

Never before have such grave problems preoccupied rulers and added to their responsibility as today. An old world is sinking and another is rising in the painful but promising travail of this unceasing struggle, between those who wish to abolish democracy and those who aspire to strengthen it within an enduring readjustment. America never has vacillated in assuming the position assigned to her by her history and her tradition, and it is a great honor for me to interpret the sentiments of my Country and to confirm its adherence to the cause which is represented by your noble nation, which is also the cause of the Hemisphere and of all the peoples of the earth which love their liberty and will not renounce their right to live with self-respect.

The process of the spiritual union of the Continent has developed following a course which emerges from the very depths of the past, and to Your Excellency belongs the honor of having dissipated old suspicions and distrusts, forging the beautiful doctrine of the good neighbor, which is given high prestige by the value of concrete facts.

I bring to Your Excellency and to the noble American nation the cordial greetings of Peru, and I thank you for the honor of your invitation and your kind hospitality.

Gentlemen:

I beg you to join me in expressing the most sincere wishes that Providence may crown the efforts of this great Republic with the triumph of the cause of democracy, of which it is the symbol in America and in the world.

Excellency: I toast your personal happiness and the greatness of your Country.

TR:FGH:MDG

NETHERLANDS EMBASSY
WASHINGTON 9, D.C.

November 2nd, 1943.

My dear Mr. Summerlin:

On behalf of the Netherlands Ambassador, who is ill at the present time, I have the honor to reply to your letter of October 26th. In accordance with your request, I take pleasure in sending you herewith enclosed, copy of the text of the toast given by Her Majesty, Queen Wilhelmina of the Netherlands on the occasion of her dining with the President on August 5th, 1942.

Sincerely yours,

(s) W. van Boetzelaer

Minister Plenipotentiary

Mr. George T. Summerlin
Chief of Protocol
Department of State
Washington, D.C.

Text of Her Majesty, Queen Wilhelmina of the Netherlands'

Toast Given at the White House Dinner

August 5th, 1942

"I am greatly touched by the friendly welcome you and Mrs. Roosevelt have extended to me at the White House. This visit to this capital city is to me the culminating point of my stay in the United States. Great thoughts have been thought here, and great decisions taken, and the portraits of your predecessors which adorn these walls are a most expressive epitome of America's stirring history. I know that, when you make me feel a welcome guest, your thoughts are, like mine, with my country, where at this time, in East and West, oppression breeds resistance, and cruelty increases determination to hold out. These hard times will pass, and when at last victory will be ours, my compatriots like myself will know that this will be largely thanks to American spiritual and material forces alongside those of the other United Nations. I therefore raise my glass to drink the toast of your health, Mr. President, as the head of this great country, and of the success of its armed forces."

VELVYSLANECTVÍ ČESKOSLOVENSKÉ REPUBLIKY
CZECHOSLOVAK EMBASSY
WASHINGTON, D.C.

6528/43

DrW/ZH

November 11, 1943

The Honorable George T. Summerlin
Chief of Protocol
Department of State
Washington, D.C.

Dear Mr. Summerlin:

Complying with your request of October 26, I
take pleasure in enclosing herewith a copy of Presi-
dent Beneš' toast to President Roosevelt, May 12, 1943.

Very sincerely yours,

(s) V.S.Hurban

V.S.Hurban
Ambassador of Czechoslovakia

Enclosure.

Toast to Pres. Roosevelt at White House, May 12, 1943, by
Dr. Edward Benš, President of the Czechoslovak Republic.

Mr. President:

The honor and hospitality you bestow upon the President of Czechoslovakia in the White House, merits more than my mere words of gratitude can express -- for my expression of personal gratefulness is an attempt to convey the heartfelt thanks of all my people, whose endurance of untold sufferings and sorrows in the past several years was lightened immeasurably, again and again, by the words and deeds of your great nation and yourself, from the very beginning of this tragic period of Czechoslovak modern history.

My very presence here, at this time, in the light of the present international and military situation, will give new inspiration and courage both to these Czechoslovaks who are fighting to restore freedom, justice, democracy and peace with the other Allied armies and those who wage a secret battle, waiting for the signal for action in the open. In spirit all Czechoslovaks join me, Mr. President, as I drink to your health, inspired leadership, the prosperity and glorious future of the people of the United States.

Royal Yugoslav Embassy
Washington

October 27, 1943

My dear Mr. Summerlin:

I should be very glad to accede to your request to send you the text of the toast given by His Majesty Peter II, King of Yugoslavia, when he dined at the White House with the President on June 24, 1942. But, if I remember correctly, the King's reply to the toast of greetings delivered by the President was extemporaneous.

In his reply the King expressed how pleased he was to accept the invitation of the President to visit the United States, and he especially stressed how much the people of Yugoslavia and he himself value the friendship which the President has always shown toward them. He spoke of the Yugoslav resistance to the enemy which showed the determination of the people of Yugoslavia to fight to the end for common victory.

Unfortunately, it did not occur to us at the time to make a verbatim report either of the President's speech or of the King's reply. I have drawn the few lines above only from my own recollections.

Believe me, my dear Mr. Summerlin,

Yours very sincerely,

(s) Constantin Fotitch
Constantin Fotitch
Ambassador of Yugoslavia

The Honorable
George T. Summerlin,
Chief of Protocol,
Department of State

EMBAJADA DE COLOMBIA
WASHINGTON

No. 2969

October 30, 1943.

Mr. George T. Summerlin,
Chief of Protocol,
Department of State,
Washington, D.C.

Dear Mr. Summerlin:

I am pleased to acknowledge receipt of your kind communication of October 26, regarding the texts of the toasts given by several Heads of State who have recently dined at the White House.

With respect to President López, this Embassy has not the transcript of the words given by him on July 7, 1942, and as far as I have been able to investigate, the speech was not written. However, I have been pleased to write to his Private Secretary in Bogotá requesting him to take the matter up with the President and ask him if he has any record of the toast.

In the event that I receive an affirmative reply, I shall be glad to communicate with you again.

Sincerely yours,

(s) A. Vargas

Alberto Vargas
Chargé d'Affaires a.i.

Mr. George T. Summerlin
Chief of Protocol
Department of State
Washington, D.C.

TRANSLATION

EMBASSY OF ECUADOR

WASHINGTON

November 26, 1943.

Mr. Chief of Protocol:

In reply to your kind letter of October 26, in which you requested from me the text of the speech delivered by the President of Ecuador on November 23, 1942 in the White House, I regret to advise you that Doctor Arroyo del Río, when I asked him for it in Ecuador during my recent visit, informed me that he had not kept a written version.

Nevertheless, the President is prepared to reconstruct his speech if in this way he could comply with the desire of the White House to keep a copy thereof.

I avail myself of the opportunity (etc.)

C. E. Alfaro
Ambassador of Ecuador.

Mr. George T. Summerlin
Chief of Protocol
Department of State
Washington, D.C.

EMBAJADA DE CUBA
Washington, D.C.

November 9, 1943.

My dear Mr. Summerlin:

I wish to refer to your letter of October 26, in which you ask whether I could furnish you with a transcript of the words given by President Batista when he dined with the President at the White House on December 8, 1942.

I am sorry to inform you that there is no record available of said words, but it is possible that if you have a transcript of the words of His Excellency the President on that occasion, and will be so kind as to send them to me, I would be very pleased to transmit same to President Batista, who, in this way, may be able to recall his words at that time.

Sincerely yours,

(s) A. F. Conchoso

Honorable George T. Summerlin, Jr.,
Chief of Protocol,
Department of State,
Washington.

TRANSLATION

EMBASSY OF BOLIVIA

WASHINGTON

November 11, 1943

Mr. George T. Summerlin
Chief of Protocol
Department of State
Washington, D.C.

My dear Mr. Summerlin:

I have the honor to acknowledge receipt of your courteous letter of October 26, in which you are pleased to request, by order from His Excellency President Roosevelt, that I furnish you with the text of the speech delivered by President Peñaranda on the occasion of the banquet given in his honor by the Chief Magistrate of the United States last May 5th.

Due to the fact that the speech delivered by President Peñaranda was extemporaneous, it is not possible for me to supply you with the text in question. In order to satisfy your request, I have applied to the Office of the Private Secretary of the President in La Paz, asking that immediate attention be given to my request.

Proposing to notify you again as soon as the pertinent answer is received, I take pleasure in repeating to you, my dear Mr. Summerlin, (etc.)

(signed) Luis Guschalla

Excellency George T. Summerlin,
Chief of Protocol,
Department of State,
Washington, D.C.

CONSULATE-GENERAL
of the
REPUBLIC OF LIBERIA
25 Beaver Street
New York, N. Y.

Ref:
PR

October 27, 1943

My dear Mr. Summerlin:

I regret that I do not have a transcript of the words given by President Barclay when he dined with President Roosevelt on May 27, 1943. I am not certain that he spoke from notes. I will, however, convey your desires to President Barclay to have a copy of such notes if he made any, and I feel certain that if he still has them he will be only too glad to forward me a copy for the purpose expressed in your letter of October 26th.

Sincerely yours,

(s) Walter F. Walker

WALTER F. WALKER,
Liberian Consul-General

Honorable George T. Summerlin,
Chief of Protocol,
Department of State,
Washington, D.C.

EMBAJADA DEL PARAGUAY
WASHINGTON, D.C.

November 2, 1943

My dear Mr. Summerlin:

I wish to acknowledge your letter of October 26th requesting a transcript of the words given by His Excellency General Higinio Moríngo when he dined with His Excellency Franklin D. Roosevelt on June 9, 1943.

Unfortunately, we do not have such a transcript at this Embassy, but I am writing to our Minister of Foreign Affairs in Paraguay asking him to obtain one. When we receive it, I shall be glad to forward it to you.

Sincerely yours,

(s) Celso R. Velázquez
Ambassador

Mr. George T. Summerlin
Chief of Protocol
Department of State
Washington, D. C.

MEMORANDUM FOR MR. H. L. ELLER:

Please note and then return to me.

Thanks.

has

*Noted
Eller*

(2/99)

Carbon of this memorandum sent to the Sec. State
2/8/44
Lms

State Dept folder

2-44

"C.H.
O.K.
F.D.R."

DEPARTMENT OF STATE
WASHINGTON

January 28, 1944

My dear Mr. President:

Since the Honorable Anthony J. Drexel Biddle, Junior, resigned before presenting his credentials as Envoy Extraordinary and Minister Plenipotentiary of the United States near the Government of Luxembourg now established in London, it is suggested that Mr. Rudolf E. Schoenfeld, American Foreign Service Officer who is automatically acting as Chargé d'Affaires near the Governments to which Mr. Biddle was accredited, be assigned in accordance with the provisions of Sec. 24 of the Act of February 23, 1931, as amended, to act as Chargé d'Affaires near the Government of Luxembourg pending the appointment of a Minister.

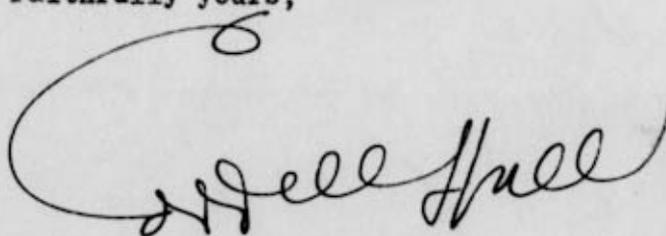
The provision cited reads: "Sec. 24. Within the discretion of the President, any Foreign Service officer may be assigned to act as commissioner, chargé d'affaires, minister

The President,

The White House.

minister resident, or diplomatic agent for such period as the public interests may require without loss of grade, class, or salary: Provided, however, That no such officer shall receive more than one salary."

Faithfully yours,

A handwritten signature in cursive script, appearing to read "Charles Hall". The signature is written in dark ink and is positioned below the typed text "Faithfully yours,". The signature is somewhat stylized, with a large, sweeping initial letter that forms a large loop.

*State Dept. folder
2-44*

**THE WHITE HOUSE
WASHINGTON**

*File
Kessner*

January 31, 1944.

MEMORANDUM FOR

THE PRESIDENT

Under Secretary Stettinius spoke to me yesterday about reminding you to talk with the Secretary of State about the reorganization in the State Department. Mr. Stettinius said he hoped very much that they could get people like McCloy, Will Clayton, and a third one whose name I have forgotten.

Mr. Stettinius said the Secretary was leaving town in a day or so and that is the reason they are anxious to get moving on this.

G. G.T.

[attached to Hull to FOR 2-7-44]

~~Secret~~

AMERICAN EMBASSY

NO DISTRIBUTION

MOSCOW

As a result of preliminary discussions which have taken place regarding postwar trade and reconstruction with the Soviet Union (Department's _____, _____, _____), the following procedure has been approved by the President:

1. You should continue to make clear to the Soviet Government the desire of the United States Government to assist, as far as it may be possible, in the post-war reconstruction of the Soviet Union. In order that plans may be made as soon as possible and in order that there shall be no delay in the delivery of such goods as the United States may be in a position to furnish to the Soviet Union, you should impress upon the appropriate Soviet authorities the desirability of obtaining as soon as practicable, accurate information regarding the amount and type of post-war reconstruction goods which they feel may be purchased in the United States.

In discussing this question you should request the Soviet authorities to furnish detailed information regarding

REGRADED UNCLASSIFIED

immediate needs which cannot legally be furnished under Lend-Lease and as full information as possible regarding longer term needs.

2. As indicated in NY _____, _____, _____ Hopkins is studying the question of the three hundred million dollars worth of goods under Lend-Lease and will communicate with you on this question. In regard to long-term financial arrangements you should make it plain to the Soviet authorities that while we are disposed to assist them in every way possible in this matter we cannot at this time indicate either the amount or the exact nature of these long-term financial arrangements.

For your background information, the only agency of this Government having authority to extend credits for developmental purposes and the export of capital goods is the Export-Import Bank. Legal limitations now exist on the extension of credit by the Bank to countries such as the U.S.S.R. in which there are outstanding unsettled
intergovernmental

intergovernmental obligations. Moreover the total lending authority of the Export-Import Bank is limited and the ceiling has been virtually reached. Thus the Bank has no existing authority to make credits in anything like the amount suggested.

Careful study is being given to both of these problems as well as to the general question of methods of financing immediate trade which cannot be arranged under Lend-Lease, as well as long-term, post-war development credits.

3. In order to coordinate here the work of the interested governmental agencies, there will be set up under a State Department chairman, a committee composed of representatives of the following organizations: Commerce, Tariff Commission, Treasury Department, Foreign Economic Administration, and perhaps the War and Navy Departments, *as well as the War Shipping Administration.* The duties of this Committee will be to study and coordinate all matters related to this question resulting from negotiations in Moscow and to set appropriate machinery in motion in order to finance and expedite the delivery of goods to the Soviet Union.

FMA:EGC:EEG

EE:ED:LIS

1/27/44

*State Dept. folder
2-44*

THE WHITE HOUSE
WASHINGTON

PRIVATE

February 15, 1944.

MEMORANDUM FOR
THE ACTING SECRETARY OF STATE

Please read enclosed to my
Missus from Dorothy Brown in
Boston -- the wife of my old
classmate, Larue Brown.

You might speak to me about
it when I next see you. Don't
pass it around.

F. D. R.

Enclosure -- letter to Mrs.
Roosevelt, dated Feb. 7, 1944, re
del Vayo, who spoke before the
Foreign Policy Association recently
in Boston and whom Mrs. Brown feels
could be of great help in Costa
Rica, Bolivia, and in fact, all of
Central and South America.



DEPARTMENT OF STATE
WASHINGTON

State Dept. folder 2-44
PSF
E.R.S. Jr.

O.K.

F.D.R.

February 19, 1944

MEMORANDUM FOR THE PRESIDENT

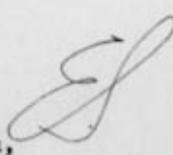
Subject: Exit visa and reentry permit for
Julio A. del Vayo.

I failed to discuss with you yesterday the attached letter from Mrs. Larue Brown relative to Julio A. del Vayo which you sent to me with your note of February 15.

We have considered this matter carefully in the Department and are inclined to grant him permission to leave the country for his trip to Mexico and to give him a reentry permit. Unless you feel otherwise, we will proceed accordingly.

Do you approve this proposed action?

Enclosure:
From Mrs. Larue Brown,
February 7, 1944.



Copy

78 Revere Street, Boston
February 7, 1944

Dear Eleanor:

A matter has come to my attention that seems to me of very great importance; I wish I could talk to you about it, but as I cannot come to New York till the end of the week, and you may not be there then, I will try to put it before you as briefly and clearly as I can.

Our Foreign Policy Assn. luncheon here on Saturday was on "Hitler Franco and South America", and the principal speaker was del Vayo. He stayed here for the night and we had a chance to talk - hence this letter.

He is now in this country on the quota (they all went to Montreal a few months ago and came back regularized, as it were) and so is entitled to normal treatment as to visas, re-entry permits, etc. He has applied to the Immig. and Naturalization Service for a re-entry permit in order to visit Mexico early in March for a meeting of the Free World Association, and has had the usual formal acknowledgment, but he has been told unofficially that getting the permit may - because of necessary consultation with the State Dept., etc. - take several months. This would make it useless for his immediate purposes, - and of course it is nonsense if the govt. really is willing to give it to him. I don't understand the procedure - just where the Dept. of Justice stops and the Dept. of State begins - but it is obviously possible to expedite these things when it seems important to do so. The number on his card from the Philadelphia office of the Immig. and Nat. Service is P - 1355223 R & E P U. - which may and may not be important!

So that is problem No. 1, but it hitches up to something much more important. When I was in New York Freda told me that she had been talking to some of her Latin-American friends, and that they all spoke of what enormous influence del Vayo had in South and Central America, and what a help he could be to the cause of the United Nations if he were permitted or even encouraged to go to sore spots like Costa Rica, Bolivia, etc., to speak and to talk to key people, as Freda said, he would be worth more to us than all the movie actors and business men, and good will ambassadors generally, put together! I have heard the same thing from Spaniards here who know Latin-America well - that the people of good will throughout Latin-America have the deepest respect and admiration for him, and that he has enormous influence.

His speech here on Saturday was eloquent and moving, even tho in his remarkable English, and I am told that when he speaks in Spanish he is one of the most effective speakers anywhere in public life - an orator, but with content and intelligence as well as eloquence. So - problem No. 2 is - is there any way in which, unofficially, he could be given the administration's blessing to go where he may be useful in Latin America? He is constantly being invited, and urged - so the going would be simple if the State Dept. could be told to help and not to thwart it. I say unofficially, because obviously we can't ask the

Foreign Minister of the Spanish Republic to do official errands for us while we recognize Franco, but to help him informally, while he helps us, would certainly be no funnier than lots of things we're doing - e.g. Yugoslavis and plenty of other places!

The other reason it would have to be unofficial - and insisted upon by Franklin - is that Hull is completely misinformed about del Vayo and looks upon him as a "dangerous revolutionary", a Communist, and all the rest of it. I'm quite sure Hull has never met him, and where he gets that gem of misinformation I don't know - and I don't need to tell you that del Vayo is just about as much of a revolutionary as Franklin himself. But knowing that Hull feels that way - and I'm pretty sure that it is true - makes the problem more complicated.

All of which leads to my third and last point: don't you think it might be possible to persuade Franklin to have a long but private conference with del Vayo about the whole Spanish, Latin-American situation? He knows so much - and he is so wise, and so full of dignity, and so magnanimous and free from the bitterness a lesser person might so easily feel, that I am sure Franklin would like him and would be impressed by him. The special reason why I think that is important is del Vayo's conviction that all this pressure on Spain is absolutely useless as long as Spain is run by Fascists; that if we put it up to Franco to break with us and with Germany, he will cheerfully, and officially, break with Germany - and keep on doing her work - which is also his - just the same, especially in Latin America; that the only hope of killing off the Fascist structure being built there with the aid of Spain is to return Spain to its people - i.e. to the Republic - which would then clean house all over the world; and finally that Franco has lost every particle of popular support in Spain, so that if Great Britain and the United States withdrew their support, his regime would fall instantly - and the Republic could, very shortly, take over again. Incidentally, he urged everyone at the F.P.A. meeting to read the Dorothy Thompson article in this week's Nation - "Fascist International - Headquarters Madrid", which he said was an excellent analysis and accurate. This seems to me of such tremendous importance not just to Spain but to the whole world picture that I wish Franklin would talk to him - if possible before he goes, if he does go, to Mexico. I know it is political dynamite to risk offending the Catholic Church - but perhaps it's worse dynamite in this case not to. And after all lots of American Catholics don't like Franco! Anyway, I wish he'd see him. And no one would need to know if he didn't want them to! You could have del Vayo come to breakfast and take him in to Franklin with Falls, the newspapers and the second cup of coffee!

Well, these certainly are castles in Es-Spain, as Vayo would say - but I do think it's important enough for you to think over and do what you can about, beginning with Problem 1, - getting the re-entry permit in time to have it of some use. And in any case, would it perhaps be possible for you to see him some time when you are in New York. He is at the Nation office part of every day - 55 Fifth Avenue, tel. Alg. 4-3311, and lives I think on Sullivan St. just a block or two below the Square. Perhaps we could do something about it jointly when I come down? I mean get together for a little talk?

I hope to go on Saturday and will be with Freda as usual, at 37 Wash. Sq. - A13. 4-2524. LaRue has cabled that he hopes to come about the middle of the month - subject delay! - and I want to be in New York a few days before he arrives. Then I imagine we will come fairly soon to Washington. When will you be in New York - and where next week?

Please forgive this tome - I wish my typing weren't so slow that I can only do it when I have plenty of leisure! My excuse is that this matter is what the Quakers would call a "concern" of such real importance that I know you won't mind having my picture of it dropped on your burdened but brave shoulders.

Blessings on you and my always affectionate greetings to Franklin and to you.

Dorothy K. B.

State Dept. folder 2-44



DEPARTMENT OF STATE
WASHINGTON

February 17, 1944

MEMORANDUM FOR THE PRESIDENT

The Civil Affairs Division of the War Department has indicated its desire to proceed at once with civil affairs planning for Indo-China and before doing so has requested political guidance from the State Department.

A number of important decisions depend upon whether French troops are to be used in the military operations to regain control of Indo-China, and whether French nationals are to be used in civil administration and planning. There is ample evidence that the French hope to be consulted and to play a part in driving the Japanese from that area.

Subject to your approval, the State Department will proceed on the assumption that French armed forces will be employed to at least some extent in the military operations, and that in the administration of Indo-China it will be desirable to employ French nationals who have an intimate knowledge of the country and its problems. We would assume further that the use of French forces or civilians would be without prejudice to the question of the ultimate status of French Indo-China and would be related solely to problems directly connected with and flowing from possible military operations.

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E. B. Pettibone

DEPARTMENT OF STATE

DIVISION OF COMMUNICATIONS AND RECORDS

4/25

Mr. Drissel,

Photostat copy recorded as
85lg.01/49.

BLK

Send to Miss Tulley
W. H.

W



DEPARTMENT OF STATE
WASHINGTON

*State Dept. folder
2-44*

*file
personal*

February 19, 1944

MEMORANDUM FOR THE PRESIDENT

You will recall that at the Cabinet meeting on February 11 you referred to a discussion you had had with Win Riefler in which he had said that the Germans are getting raw materials from Turkey in exchange for munitions, and that we have the opportunity of getting more of these same materials for cash.

I have gone into this matter with our Wartime Economic Office, and I find that the major item which we have been attempting to keep out of Germany is chrome. In order to do so we have bought all the chrome we could get, without reference to price, at a total cost of between ten and fifteen million dollars.

We have also purchased many other items desired by the Germans, such as catgut, copper, linseed, sheep skins, etc., at a cost of about eighteen million dollars since September 1, 1943. No chrome went to Germany in 1941 or 1942, and in 1943 only 46,000 tons as compared with 90,000 tons which the Germans had scheduled.

In general we have been acquiring the maximum obtainable quantities of materials the Germans want in Turkey, without regard to financial expense. A more detailed memorandum is attached.

Enclosure:
Memorandum.

E. Protting



2-1-5

With reference to the Under Secretary's memorandum of February 11 to Mr. Acheson attached, the British and we have been conducting for more than eighteen months an extensive and expensive preclusive purchasing campaign in Turkey. Since September first of last year the British and we together have spent the equivalent of approximately eighteen million dollars on the following products: catgut, copper, cotton clippings and rags, gallnuts, linseed, sesame and other oil-bearing seeds, woolen rags, mohair, sheep, lamb and goat skins, silk cocoons, silk waste and valex. The loss on these purchases is shared equally by the British and ourselves.

In connection with the above it must be remembered that our most important single preemptive object in Turkey is and always has been chrome. We have been operating with the British to prevent or reduce German takings of this ore since before Pearl Harbor. About a year ago the British purchased, with a loss-sharing agreement with us, all the chrome stocks then above ground at a cost which will range between ten and fifteen million dollars. A contract was also secured for the purchase of any chrome produced in 1943 and 1944 in excess of the amounts the Turks were required to deliver under contract to the Germans.

The British have also been expending substantial additional sums for supply purchases in Turkey for such materials as timber, opium and dried fruits.

In general it can be said that we have been acquiring the maximum obtainable quantities of materials the Germans have been seeking in Turkey. Our program from the outset has been designed to inflict the maximum injury to the enemy without regard to financial expense.

In the operation of this program, decisions to buy or not to buy are made by FEA and MEW. Purchases are executed in Turkey by USCC and UKCC. The coordinating medium in Washington has been and is the Committee on Turkish Preclusive Operations which has been meeting regularly in the Department under my Chairmanship for more than a year and a half. On it are representatives of the British Embassy, FEA, USCC and UKCC.

In the past week or so our preclusive campaign has been supplemented by a joint decision with the British to withhold export of copper manufactures to Turkey until Turkey delivers a certain quantity of blister copper in return. Similar action is being contemplated in connection with cotton

tion with cotton

tion with cotton textiles in order to reduce the quantity of Turkish cotton moving into Axis Europe. Shutting off exports of wool to Turkey has likewise been under consideration for some time as a means of securing a Turkish embargo on the export of woolen rags to the Axis.

During the last week, the Department has been considering with the Foreign Office the possible advisability of suspending our preemptive campaign as a part of our war on Turkish nerves. London's preliminary reaction to this idea was negative.

February 11, 1944

SUBJECT: Subjects brought up at
Cabinet meeting today.

During the course of today's Cabinet meeting,
the following subject was brought up.

Economic Warfare.

The President reported he had had a talk with
Mr. Wyn Riefler and had discussed Turkey, Sweden and
Spain. He specifically stated that the Germans are
getting raw materials from Turkey in exchange for muni-
tions and that we have the opportunity of getting more
of these same materials for cash.

The President asked me to discuss this with
Mr. Leo Crowley, but, in addition, I think it would
be well for you to take up the matter with the appro-
priate person at FEA.



DEPARTMENT OF STATE
WASHINGTON

February 21, 1944



MEMORANDUM FOR THE PRESIDENT

SITUATION IN ARGENTINA AND BOLIVIA

On February 19 the police in Buenos Aires released a memorandum on German espionage activities. This report implicates twenty Germans in espionage activities, but fails to indicate any complicity on the part of the Argentine Government.

At the same time the release from house arrest of the German Military Attaché and the Japanese Naval Attachés was announced with a statement that the freedom of these individuals will not affect espionage investigations. An official communique has been issued stating that the Argentine Government never considered any proposal to declare war on the Axis as was reported in the press. A struggle is still apparently going on within the Government between pro-Axis nationals and those who brought about a break in relations.

The recent changes which the Bolivian Junta has announced, namely the replacement of one military Cabinet officer by another military man, and of two MNR (National Revolutionary Party) Ministers with two other members from the same political party, would not seem to alter greatly the situation in so far as recognition by us is concerned. Although the new officials are somewhat of an improvement over the former the change leaves in power the MNR, the anti-democratic tendencies of which are well known.

A number of arrests have recently been made, which indicates that the Junta is fearful of a counter-revolution.

At present Major Villarroel, President of the Junta, is in the hospital for a few days, having just undergone a successful operation.

E. D. [Signature]
Acting Secretary



State Dept. folder
file 2-44

THE WHITE HOUSE
WASHINGTON

February 22, 1944

MEMORANDUM FOR GRACE TULLY:

Dear Grace:

I think the President would be interested in the attached reproductions of "secret documents bearing on the belligerent policy of the President of the United States," translated from the German propaganda book -- "Roosevelts Weg in den Krieg."

I give you, therefore, the memoranda and the documents with a copy of the book itself I have just received from the State Department.

S.T.E.



In reply refer to
RP 103.7/7859

file

DEPARTMENT OF STATE
WASHINGTON

February 18, 1944

MEMORANDUM FOR MR. EARLY

Our Legation at Stockholm, which has shown outstanding initiative in procuring enemy publications for use by our war agencies, recently sent to the Department a German propaganda book entitled Roosevelts Weg in den Krieg, which contains facsimile or textual reproductions of "secret documents bearing on the belligerent policy of the President of the United States". I enclose a copy of the book, a translation of the table of contents, and a few pages of translated extracts from the introduction. You may wish to bring this reading matter to the President's attention.

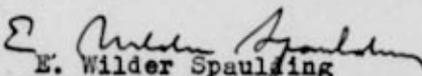
The documents printed in the book are allegedly diplomatic notes and reports of French, Polish, Belgian, and other origins which have fallen into German hands. The volume is described in its foreword as the first of a series which is to be published by the Archives Commission of the German Foreign Office and which is intended to clarify the origin of the war "by making secret documents from European archives available".

Some of the documents in the book are admittedly reprinted from the German White Book issued after the Polish archives were captured by the Nazis. The

statement

- 2 -

statement which the Secretary of State issued on the supposed conversations reported in that White Book is printed in the enclosed copy of the March 30, 1940 issue of the weekly Department of State Bulletin.


E. Wilder Spaulding
Acting Chief, Division of
Research and Publication

Enclosures:

1. Roosevelts Weg in den Krieg.
2. Table of Contents (translation).
3. Introduction (excerpts, translation).
4. Department of State Bulletin,
March 30, 1940.

Enclosure:

Roosevelt's Weg in den Krieg

Berlin. 1943

Film Krieg

same as
in list of
ambassadors
approved

Department of State

BUREAU
DIVISION

RP

ENCLOSURE
TO

Letter drafted 2/9/44

ADDRESSED TO

Mr. Early

Enclosure no. 1 to despatch no. 2470, dated November 19, 1943, from the American Legation, Stockholm, Sweden, entitled: "Review of Book Published in Germany, Entitled: 'Roosevelt's Way to War. Secret Documents Bearing on the Belligerent Policy of the President of the United States (of America)'".

TRANSLATION FROM GERMAN.

Title: Roosevelt's Way to War (Roosevelts Weg in den Krieg), Secret Documents Bearing on the Belligerent Policy of the President of the United States (of America).

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EAA/af

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EXCERPTS.

Title: Roosevelt's Way to War (Roosevelts Weg in den Krieg), Secret Documents Bearing on the Belligerent Policy of the President of the United States (of America).

Subtitle: Summarized Introduction.

Attitude vis-à-vis Germany.

The reticence displayed by President Roosevelt on his assuming office in 1933 in regard to foreign political matters did not prevent him from giving public vent to his anti-German feelings as early as in January 1934

Policy of Bases in Latin America.

President Roosevelt was keenly interested in building up a network of bases extending over the Caribbean islands and the area of the Panama Canal. A cruise taken by the President in 1935 to Cocos Island, allegedly for recreation purposes, proved the personal interest taken by him in the possibilities existing in Latin America for an extension of naval and air bases.

"Quarantine" speech of October 5, 1937.

As a first attempt to cleave or to ignore the strong isolationist tendencies rampant in the United States, President Roosevelt delivered a speech in Chicago in which he called the nation to arms against "the epidemic of world anarchy" and threatened to introduce a "quarantine". This speech proved a milestone in Roosevelt's career. For henceforth he openly ventured on a policy of interference in European and world matters. To quote Count Potocki, Polish Ambassador in Washington at the time, this was a welcome deviation of attention of the American public from internal problems.

France Driven against Japan.

President Roosevelt immediately threatened Japan. In addition to morally supporting China, the United States' Government brought pressure to bear on other powers, particularly France, with a view to safeguarding China's

supply

supply of arms. When, in 1937, the French Government prohibited the sending of arms and munitions from Indo-China to China, the President interceded personally. In this connection, the French Chargé d'Affaires in Washington felt called upon to warn his Government from attaching exaggerated importance to the assurances of Roosevelt since "the majority in the country do not share his personal views in regard to foreign politics".

In pursuit of his anti-Japanese policy, the President was also quite willing to forego the ideological and other apprehensions existing in regard to Soviet Russia.

"Education" of Public Opinion.

In his active policy of a determined rejection of everything the Totalitarian Powers stood for, the President was far "ahead" of his Government and, to an even greater extent, of public opinion in his country. To educate the latter in the desired direction, numerous speeches were made, with the help of which the President endeavored to instill hatred against Fascism and dictatorships. Beginning with the spring of 1938, the President's interest in European affairs became even more marked.

Influence of the Jews.

In his determined drive to "educate" public opinion, the President was ably assisted by the Jews, who, in the words of the above-quoted Polish Ambassador, constituted "the most able champions of the creation of a war psychosis". The virulence of their feelings in regard to Germany and the fact that almost 100 percent of the radio, film, daily press, et cetera, were in Jewish hands, constituted a powerful factor in favor of the President's anti-German (and anti-totalitarian) policy.

The Adherence of Austria.

The adherence of Austria being regarded as a concession on the part of the Chamberlain Cabinet, President Roosevelt redoubled his efforts to bring about the consolidation of the striking power of the Western Democracies. In pursuit of this aim, France was given irrefutable evidence of the attitude of the President by the latter's significant statement that, "were France to perish, America would also perish".

Neutrality Act.

The attitude of the President and the consequences evolving therefrom could in no way be reconciled with the Neutrality Act. However, the latter was never taken seriously by the President. Moreover, by various ways of circumvention, the efficacy of this law was rendered problematical. In this policy, the President was fully supported by his Government.

Munich.

Nowhere was there more bitter disappointment over

the treaty made at Munich than at the White House. Not being in a position to turn back the wheel of history, the President did his utmost in order to bring to nought the future results anticipated from that treaty.

"Good Neighbor" Policy.

Beginning with 1937, there was also an activation in the President's policy vis-à-vis Latin America. Under the pretext of having to beware of Nazi conspirations in that continent, everything was done in order to promote the policy of trade treaties which, through Secretary of State Cordell Hull, had become a sort of ideological dogma. This policy of penetration, which was imperialist and pan-American throughout, resulted in --

The Conference in Lima in December 1938.

This conference proved a success in so far as it resulted in a joint proclamation to the effect that all Latin-American States were declared co-guarantors of the Monroe Doctrine, et cetera. For the rest, the Secretary of State used the opportunity for openly agitating against the Axis Powers.

Working Methods of the White House.

The energies devoted by the President to the pursuance of his political aims, were, to quote Count Potocki, merely a craving for self-assertion. By assuming personal control over foreign affairs, through appointing trusted friends to the posts of foreign ambassadors, et cetera, the President soon landed "on the dangerous path toward world politics."

Rearmament.

Parallel with his policy of agitation (Hetzpolitik), the President managed to carry out his policy of rearmament which was rendered acceptable by the people through the weighty implication that this was in the interests of the country's defense.

German-Polish Conflict. War Menacing by Bullitt.

After the setback suffered by the Munich agreement, Roosevelt devoted his particular interest to the study of the German-Polish relations, which seemed sufficiently tense for the desired explosion. The reports of Count Potocki throw a significant light on the eagerness and determination displayed by several leading officials of the State Department in their endeavors to prevail upon Poland (through its representatives) that an unyielding attitude should be adopted by the latter country vis-à-vis Germany.

Concerted Action with the Western Powers.

To clear the field for action, even neutral Belgium is given to understand how matters will be in the case

of a conflict. According to Mr. Cordell Hull, "it would take three days, three weeks or three months perhaps, but we would move".

Pressure upon England.

The policy adopted vis-à-vis England was that of relentless pressure -- of which the favorable trade treaty was but one means -- to drive that country against Germany. In this connection, Ambassador Bullitt was able to assure the Polish Ambassador in Paris that America had "most effective means of coercion", the threat alone of which would be sufficient to insure the pliancy of England.

Wire-Pullers of the Encirclement Policy.

Despite the most far-reaching promises, for example, to France, the President committed himself to no single binding promise. This was felt strongly by Foreign Minister Bonnet, who (in document no. 22) expressed the hope that the promises of support would be followed by more tangible proof of good will.

Outbreak of the European War.

Deep satisfaction must have ruled in the White House when, on September 1, 1939, the European war broke out.

Fight against the Neutrality Act.

Soon after the outbreak of war, Congress was convened for the purpose of bringing about certain amendments of the Neutrality Law, which resulted in the evolution of the Cash-and-Carry Clause. Neutrality had thus become but an empty phrase.

Non-neutral Measure.

In proof of the non-neutral attitude of the United States, the fact that America agreed to regard ships of the merchant marine which were armed in defense as not belonging to the Navy, may be quoted. Moreover, a notice to this effect was received "in confidence" by the French Minister President, while no such notification was sent to Germany.

The Panama Conference of September 1939.

The Extraordinary Pan-American Conference held on that date in Panama was a further step by President Roosevelt toward consolidating the results achieved in Lima and coordinating the work accrued therefrom. The dependence of the Central American States on the U.S.A. became absolute.

Zone of Security.

The security zone proclaimed at the Panama Conference

was just a further stage in the "education" of public opinion, since its practical realization was foredoomed to failure in view of the impossibility to insure the inviolability of so enormous an expanse of water.

The Mission of Sumner Welles in February 1940.

In February 1940, Under Secretary of State Sumner Welles left for Europe allegedly for the purpose of peace mediation. However, while Roosevelt's policy before the war had been under the slogan: "Rather war than a policy of mutual understanding", it was now guided by the principle: "No peace of mutual understanding (Kein Verständigungsfriede)!"

Propaganda Methods.

More energetically even than the President, Ambassador Bullitt in Paris had adopted a course the only outcome of which was war. Numerous notes from those critical times have been found among the French documents which testify to the unremitting zeal of Mr. Bullitt.

The Way into the War.

The disappointing impression made by the collapse of France was not of long duration. Other problems in connection with the systematic pursuit of the fixed goal arose. Toward this end, cooperation with England had to be intensified, et cetera.

In the meantime, further steps toward global war were undertaken. Yugoslavia and Greece were enticed into becoming belligerents and the Soviet Union was hailed as a welcome new partner. The "education" of public opinion progressed in the desired way; the Lease-Lend Bill opened new vistas for material deliveries, et cetera.

On December 8, 1941, at long last, the master of the White House had reached the desired goal -- in a war of the dimensions anticipated by the President. He shall bear the responsibility.

EAA/af

THE UNDER SECRETARY OF STATE
WASHINGTON

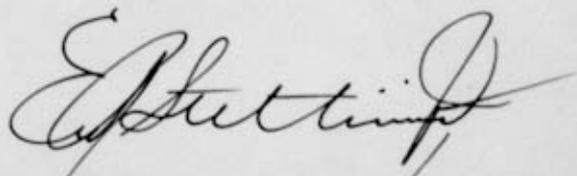
March 2, 1944

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personnel*

MEMORANDUM FOR MISS GRACE TULLY

Subject: Replies to Ambassador
Winant.

To complete your records I enclose herewith copies of two cables I have sent to Ambassador Winant in reply to messages which he sent directly to the President on February 27 concerning the forthcoming petroleum discussions with the British and a United Nations organization for economic matters.



Enclosures:

1. Copy of #1540 to London, February 29 midnight, on petroleum discussions.
2. Copy of #1565 to London, March 1, 10 p.m., on a United Nations organization for economic matters.

NO DISTRIBUTION

February 29, 1944
10 p.m.

AMEMBASSY

LONDON NO. 1565

PERSONAL FOR THE AMBASSADOR FROM THE ACTING SECRETARY.

1. The President has turned over to me your telegram of February 27 regarding his messages to the Prime Minister.

2. Our thought, as explained in the messages, is that the time has come for pushing vigorously forward the question of creating some kind of United Nations machinery to plan and coordinate activities in the field of international economic cooperation. The messages were prompted in part by the fact that we have had no reaction from either the British or the Soviet governments to the suggestion made by Secretary Hull at Moscow (see document entitled "Bases of Our Program for International Economic Cooperation" attached to the Protocol of the Moscow Conference), and in part by the emerging question of what to do about the future of the Combined Boards.

3. The message regarding United Nations machinery was sent to both the Prime Minister and Marshal Stalin. The message regarding the Combined Boards went only to the

Prime

Prime Minister, since these Boards are still an Anglo-American affair.

4. What we are after fundamentally is the inauguration of discussions looking toward the following:

a. Creation of some United Nations machinery for joint planning of international discussions and possible conferences in the various separate fields of international economic relations;

b. Creation of some general United Nations agency for the coordination of the activities of such separate agencies as may be set up in the various fields -- for example, food and agriculture, monetary relations, labor etc. It may well be that a United Nations conference, held within the next few months, would provide the most effective method of setting up such a general agency.

c. Development of a policy for the possible utilization, especially during the transitional period, of such wartime mechanisms as the Combined Boards.

5. The Moscow proposal envisaged the creation of a small Commission to do the initial planning. Such a Commission could well, at the beginning, be a kind of steering group. We proposed a Commission of seven --

the four

16

the four major powers plus Canada, the Netherlands and Brazil. It may well be that a Commission of the four major powers only would be more effective.

6. The British Government may have other ideas as to procedure. If so, we should very much like to have their views.

TELEGRAM SENT

MW

This telegram must be closely paraphrased before being communicated to anyone. (MC)

February 29, 1944

Midnight

AMERICAN EMBASSY

LONDON

1540

PERSONAL FOR THE AMBASSOR FROM THE ACTING SECRETARY.

In reply to your telegram of February 27 to the President regarding oil situation, please refer to our 1332, February 22 and our 1359, February 23. The following is the substance of a telegram sent by the Prime Minister to the President on February 25:

I told Winant, when he brought to me your telegram dated February 22, that the way things were developing was causing me much concern. That a technical inquiry should be made regarding the world-wide oil position is quite agreeable to our Cabinet. We both would then know how we stand. However, our Cabinet has expressed the following definite

views:

at the 1

-2- 1540 February 29, 1944 midnight to London
views:

- (1) That the inquiries should be on official level to determine the facts;
- (2) That the inquiries should preferably be held in London;
- (3) That we be given the authority to tell Parliament that there will be no proposal made to alter the present ownership of oil interests in the Middle East, on which the British Navy is dependent, or elsewhere. If you will allow me to say so, your telegram seems to convey your decision on these matters and dismisses these points.

This evening I read the telegrams to the Cabinet, and the apparent possibility of a wide difference opening between the British and the Government of the United States on such a subject and at such a time was very disturbing to them. Ministers particularly concerned have been asked for reports and in a few days this matter will again be brought before the Cabinet. In the meantime I trust that you will not commit
yourself

-3- 1540 February 29, 1944 midnight to London
yourself to any public announcement as I am not
at all certain it could be endorsed by us. If
this matter should become public in any manner
other than by agreement, there will be debates
in Parliament, with many things being said
which would be resented on your side of the
Ocean and which would darken counsel (sic).

That all these troubles should have
arisen at this time when you have so many
worries to contend with grieves me deeply,
and I wish to assure you that I will do my
best to be helpful on every occasion. However,
it is my firm belief that real harm might be
done to Anglo-American relations by opening up
these matters with maximum publicity without
knowing where they will lead.

We are now awaiting further word from London as
a result of Cabinet meeting referred to in paragraph
3 above.

The President has clearly indicated that he
desires the conversations on oil to be held on a
high level with no oil problems excluded from the
agenda

-4- 1540 February 29, 1944, midnight to London agenda and that the conversations be held in Washington at an early date. As indicated above, the position of the British Government is that they desire the conversations to be held first on the technical level, that no discussions should be undertaken involving a change in the present existing ownership of concessions in the Middle East, and further that they would prefer to have the conversations take place in London.

With the exception of the exchange of communications between the President and the Prime Minister, the exchanges in preparation for the oil discussions have been between the Department and the British Embassy here. While it is believed this should continue to be the usual channel of communication, you are authorized to make any inquiry you consider advisable. Would you be good enough to report any information you may obtain and your reactions. We shall keep you posted of developments here.

STETTINIUS
(ACTING)
(RJL)

CD:JCS:
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(5617)

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State Dept. folder 2-44

THE WHITE HOUSE
WASHINGTON

March 7, 1944.

MEMORANDUM FOR

HON. E. R. STETTINIUS, JR.

FOR YOUR INFORMATION.

F.D.R.

Transmitting carbon of memorandum which the President received from the Director of the Bureau of the Budget, 2/1/44, in re letter which the President received from Hon. E. R. Stettinius, 2/23/44, in re exempting Foreign Service personnel from income tax on cost-of-living allowances. *

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D. C. 25

MAR 1 1944

MEMORANDUM FOR THE PRESIDENT:

This is with reference to your memorandum of February 26, 1944, transmitting to me, for preparation of reply, the enclosed letter from Under Secretary Stettinius, dated February 23, 1944, relative to exempting Foreign Service personnel from income tax on cost-of-living allowances, to which was attached my memorandum to you of December 3, 1943, on the same subject.

The act "To provide revenue, and for other purposes," which became a law February 25, 1944, contains the provision desired by the State Department, exempting from income tax amounts received by Foreign Service personnel as cost-of-living allowances. The State Department is now aware of this, and as the matter presented in these papers is now a closed incident, it would seem to be unnecessary for you to take any further action on the suggestion made by Under Secretary Stettinius in his letter of February 23, 1944.

[Handwritten signature]
Director

Enclosures:

Letter to the President from
Acting Secretary Stettinius.
Memorandum to the President
from the Director.

MEMORANDUM FOR THE PRESIDENT
EXECUTIVE SECRETARIAT

THE UNDER SECRETARY OF STATE
WASHINGTON

February 23, 1944

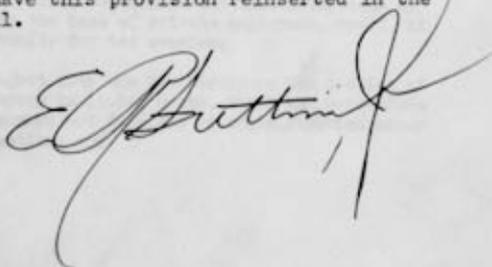
MEMORANDUM FOR THE PRESIDENT

Subject: Exemption from federal income tax of cost of living allowances paid to Foreign Service personnel.

On February 14 you asked me for a recommendation concerning the memorandum of the Director of the Bureau of the Budget, dated December 3, 1943, on the exemption from federal income tax of cost of living allowances paid to Foreign Service personnel.

I have made a careful review of this question and I feel that these allowances should be tax-exempt. It seems to me they are identical to Army and Navy cost of living allowances, which are tax-exempt, inasmuch as they represent reimbursement for official, as opposed to personal, expenditures.

The tax bill which you just vetoed contained a satisfactory provision on this question. It would be most helpful to have your permission to attempt to have this provision reinserted in the next tax bill.



EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D. C. 25

DEC 3 1943

MEMORANDUM FOR THE PRESIDENT

On October 22, 1943, the State Department transmitted to this office, for submission by the President to Congress, a draft of proposed legislation "To amend the Act entitled 'An Act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor,' approved February 23, 1931, as amended."

The principal objectives of the proposed bill are (1) to raise the present ceilings on salaries of Foreign Service clerks and authorize administrative promotions within the salary range prescribed; (2) authorize the recruitment, for foreign service duty, of special, technical and scientific personnel, without examination; (3) remove the present provision of law which precludes the Chief of the Division of Foreign Service Personnel from appointment as minister or ambassador; and (4) exempt the cost of living allowances to foreign service personnel from the income tax levy.

Except as to its income tax exemption provision, this office found no objection to the proposed bill. It was felt, however, that the matter of exempting the cost of living allowances from income tax requirements was a matter which directly concerned the Treasury Department, and on October 26, 1943, the bill was referred to that Department for an expression of its views. In its reply to this reference, the Treasury Department, on November 13, 1943, registered its objection to the tax exemption provision of the proposed bill on the ground --

(1) that it would grant the beneficiaries of the legislation preferential treatment over other taxpayers in the United States and abroad; and that this would lead to demands for like exemptions by other employees, which, in the case of private employees, would, if granted, afford an opportunity for tax evasion;

(2) that it would inject into the tax structure the problem of disparities between taxpayers in living costs, which has heretofore been carefully avoided because not feasible of administration under the present system of taxation; and

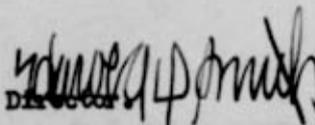
(3) that it would be inadvisable from a legislative standpoint as, in effect, it would constitute an amendment of the tax law which should be done only through an amendment of the Internal Revenue Code.

On November 19, 1943, this office transmitted a copy of the Treasury Department's letter to the State Department with a view to obtaining a further expression of its views in the light of the Treasury's observations. We are now in receipt of the reply of the State Department, dated November 26, 1943, in which it renews its former recommendation, and attaches a copy of its letter of March 25, 1943, to the President, on which the President wrote "O. K.", and which letter proposed for foreign service personnel (a) a \$3,500 income tax exemption, and (b) an income tax exemption on cost of living allowances. Neither of these proposals was considered favorably by the Congress in passing the June, 1943 Revenue Act. The State Department apparently then abandoned the salary tax exemption proposal, but now wishes to again present, in connection with the other Foreign Service legislation it is requesting, a provision exempting the cost of living allowances from income tax levy.

Since the objections which are now raised by the Treasury Department were not before you at the time you gave your sanction to the State Department's seeking Congressional action which would exempt the cost of living allowances from income tax levy, and since the Congress subsequent to that time has taken an adverse position on this proposal, I am submitting this matter to you for determination of the character of reply to be made to the Secretary of State.

It seems to me that the position of the Treasury Department is well taken, and that the preferential income tax treatment proposed here for a particular civilian group would unjustly discriminate against other groups and supply to these other groups what they are likely to seize upon as good grounds for the same recognition.

If you concur in this view I will then be in a position to advise the Secretary of State that the other provisions of the bill for the betterment of conditions in the Foreign Service would be in accord with your program.


Director

THE WHITE HOUSE
WASHINGTON

February 26, 1944.

MEMORANDUM FOR
THE DIRECTOR OF THE BUDGET
FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F. D. R.

Memorandum for the President from the Acting Secretary of State, Hon. E. R. Stettinius, Jr., 2/23/44, with accompanying ~~interxxx~~ memorandum which the President received from the Director of the Bureau of the Budget under date of 12/3/43, in re exemption from federal income tax of cost of living allowances paid to Foreign Service personnel.

February 23, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Exemption from federal income tax of cost of living allowances paid to Foreign Service personnel.

On February 14 you asked me for a recommendation concerning the memorandum of the Director of the Bureau of the Budget, dated December 3, 1943, on the exemption from federal income tax of cost of living allowances paid to Foreign Service personnel.

I have made a careful review of this question and I feel that these allowances should be tax-exempt. It seems to me they are identical to Army and Navy cost of living allowances, which are tax-exempt, inasmuch as they represent reimbursement for official, as opposed to personal, expenditures.

The tax bill which you just vetoed contained a satisfactory provision on this question. It would be most helpful to have your permission to attempt to have this provision reinserted in the next tax bill.

A. R. STETTINIUS, JR.

THE WHITE HOUSE
WASHINGTON

PERSONAL AND
PRIVATE

February 14, 1944.

MEMORANDUM FOR
THE ACTING SECRETARY OF STATE
FOR RECOMMENDATION

F. D. R.

Memorandum to the President, 12-3-43, from
Harold S. Smith, Director of the Bureau of
the Budget, re salary tax exemption for the
Foreign Service of U.S.

THE WHITE HOUSE
WASHINGTON

February 11, 1944

MEMORANDUM FOR MISS GRACE TULLY

Dear Grace:

I think this is all
right.

H.L.H.

encls.

THE WHITE HOUSE

WASHINGTON

December 14, 1943.

MEMORANDUM FOR:

Mr. Hopkins.

Give me a recommendation on
this.

F.D.R.

A.A.B. Jr.

O.K.

F.D.R.

DEPARTMENT OF STATE
WASHINGTON

March 9, 1944

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Proposed Airline Merger

A major domestic airline is proposing to purchase and merge with the American Export Airlines. They have asked State whether we have any policy objection. I have answered that there is no law administered by us which requires it, but that we have no jurisdiction either to approve or object.

Do you have a view? There is no law against it. The effect would be to create the only serious overseas airline outside of Pan American.

car
Adolf A. Berle, Jr.

*Sent at the
suggestion of
Secretary Stultz*

DECLASSIFIED
State Dept. Letter, 1-11-72
By J. Scauote Date MAR 2 1972

COPY

THE WHITE HOUSE
WASHINGTON

March 16, 1944.

MEMORANDUM FOR
THE PRESIDENT

I have shown this to Admiral Brown and he tells me the Navy was notified last night and issued the orders this morning. Therefore, this has been taken care of.

GGT

(Copy filed - Navy Dept. folder, 2-44)

State Dept folder
2-44

DEPARTMENT OF STATE
WASHINGTON

March 10, 1944

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

This memorandum will confirm the statement made to you last night by Mr. Stettinius to the effect that, in view of changed conditions in Argentina, it seems to me undesirable to proceed with current plans for the visit to Montevideo of certain naval units under Vice Admiral Ingram.

Ambassador Armour reports that the situation in Buenos Aires is now such that a visit of the kind contemplated would hinder rather than favor the possibility of favorable developments in Argentina since it would be interpreted and resented by our friends and foes alike as a threat of eventual military pressure. I agree with this analysis.

It is therefore recommended that Admiral Ingram's present orders be canceled and that he be instructed to return to his Brazilian base. In view of the fact that he plans to arrive in Montevideo tomorrow, these fresh orders must be issued urgently.

CH

DECLASSIFIED.

Published in its entirety in
Foreign Relations of the United States, 1944
Vol. I, 1944
Page(s) 589, 586 f

Copy of this memorandum and attached
memorandum sent to Hon. Cordell
Hull 4/20/44

PSF, State Dept folder
2-44

CH
OK
FDR

THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

April 1, 1944

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Soviet memorandum concerning British suggestion
to modify principle of unconditional surrender
for satellite countries.

The Soviet Ambassador last night handed me the
attached memorandum concerning the British suggestion to
the Soviet Government that the principle of unconditional
surrender as adopted at the Moscow Conference be abandoned
in the case of Axis satellite states.

You will note that the Soviet Government appears to
favor the British suggestion, but would like to have the
opinion of this Government before making its final deci-
sion. In view of your decision on the British proposal
as set forth in the memorandum to me of April 1, I shall
inform the Soviet Ambassador that this Government does
not favor at this time any modification of the principle
of unconditional surrender as applied to the satellite
states.

CH

Enclosure:

Memorandum from
Soviet Ambassador,
March 31, 1944.



Department of State

BUREAU
DIVISION

EE

ENCLOSURE

TO

Letter drafted 4/1/44

ADDRESSED TO

The President

COPY

File

M E M O R A N D U M

On March 19, the British Ambassador, Mr. Kerr, sent a letter to Mr. V. M. Molotov, People's Commissar for Foreign Affairs and, on behalf of the British Government, informed him that the British Government gave consideration to the question of application of the principle of unconditional surrender in regard to European countries - satellites of Germany, in the light, as it was said in the letter, of the new situation developed as a result of the terms which were proposed by the Soviet Government to Finland and which, as it is known, do not contain a demand of unconditional surrender and provide negotiations on certain questions.

The letter contains a summary as to how the British Government interprets the formula "unconditional surrender" and points out in detail the disadvantages which may arise for the Allies in the case of strict application of this principle in regard to the European satellite countries and expresses the thought that, on the contrary, not-application of this principle may in certain cases be advantageous for the

A
Allies,

Allies, the policy of whom should be that of withdrawing small countries from the war, as it is said in the letter, as soon as possible.

The letter further says that while it is desirable to insist on unconditional surrender in the case of Germany, it is not necessary that the same formula is to be applied as obligatory to small European countries.

Having in view that the principle of the unconditional surrender in regard to all Axis countries with whom correspondingly are in a state of war the Soviet, British and American governments was confirmed at the Moscow Conference, the British Government in the above-mentioned letter asks "whether the Soviet Government, on its part, agrees that all the three governments be freed from the Moscow decision as far as the small European Axis countries are concerned, in regard to their propaganda in these countries, as well as in connection with any peace moves, which these countries may undertake, in order that in the future the three governments, as far as these countries are concerned, were free to decide, in the light of existing circumstances and, after consultation with each other, whether to insist or not to insist on the unconditional
surrender"

surrender"

At the end of the letter the Soviet Government was asked to give a speedy reply in view of the fact that serious appeals for peace from the Rumanian, Hungarian and Bulgarian governments may be received. It was also stated in the letter that a similar request was being made to the United States Government.

On March 29, the Soviet Government gave the following reply to Ambassador Kerr's letter:

"In connection with your letter of March 19, in regard to the application of unconditional surrender to European countries - satellites of Hitlerite Germany, the Soviet Government informs, that, as it was already clear from the Soviet peace terms to Finland, the Soviet Government considers it possible, under certain circumstances, not to apply the principles of unconditional surrender to the satellites of Germany to what and the British Government agreed.

The Soviet Government considers that the demand of unconditional surrender from European satellite countries under certain circumstances may yield not

a positive

a positive but a negative effect, helping not to weaken but to strengthen the bonds of satellite countries with Germany and thereby delaying the process of disintegration of these bonds. Besides, the principal task of the Allied governments in regard to the countries - satellites of Germany, especially under the present conditions, must be that of assisting the rupture between these countries and the Hitlerite Government and their going over to the side of the Allies for the purpose of hastening the defeat of Germany. Proceeding from the above-mentioned considerations, the Soviet Government regards favorably the proposal of the British Government that, in modification of the decisions of the Moscow Conference, the three Allied governments, in each separate case, could make decisions after having consulted each other, whether they should insist on the unconditional surrender in regard to a particular satellite country, or, instead of that, to put forward moderate concrete terms of agreement between this country and the Allied countries.

As to the question of applying the principle of

unconditional

unconditional surrender to Germany, the Soviet Government considers that this principle should not be subjected to any doubt and that it should be preserved in regard to Germany to the full extent."

The Soviet Government, until making final decision regarding the proposal of the British Government, would like also to know the opinion of the American Government on this question. The Soviet Government would appreciate a speedy reply from the Government of the United States.

March 31, 1944

This document
was originally
declassified
on March 8, 1972
and has been
stamped incor-
rectly.

EKD

4-13-73

THE WHITE HOUSE
WASHINGTON

*full
secret*

April 1, 1944.

MEMORANDUM FOR

THE SECRETARY OF STATE

I think this should be handled differently. It would be a mistake, in my judgment, to abandon or make an exception in the case of the words "unconditional surrender". As a matter of fact, whom do we mean those words to apply to? Evidently our enemies.

In August, 1941, at the time of the Atlantic Charter, and in January, 1943, at the time of Casablanca, Hungary, Bulgaria, Rumania and Finland were the Axis satellites. But they were not our enemies in the same sense that Germany and Italy were. These four little satellite states were enemies under the duress of Germany and Italy.

I think it a mistake to make exceptions. Italy surrendered unconditionally but was at the same time given many privileges. This should be so in the event of the surrender of Bulgaria or Rumania or Hungary or Finland.

THE WHITE HOUSE

WASHINGTON

-2-

Lee surrendered unconditionally to Grant but immediately Grant told him that his officers should take their horses home for the Spring plowing. That is the spirit I want to see abroad -- but it does not apply to Germany. Germany understands only one kind of language.

F. D. R.

*State Dept. folder
2-44*



DEPARTMENT OF STATE
WASHINGTON

March 25, 1944

MEMORANDUM for the PRESIDENT

The British Ambassador has given me the attached telegram from Mr. Eden recommending that the principle of unconditional surrender as laid down at Casablanca and confirmed at Moscow be abandoned in the case of the Axis satellite states in order that, for purposes of both propaganda and peace feelers, all three Governments should be free to decide in consultation, according to the circumstances, whether they should insist on unconditional surrender. In the case of Germany and Japan, the principle of unconditional surrender will continue to apply.

While the British telegram correctly points out that the Soviet terms to Finland definitely do not impose unconditional surrender, such terms are not required under the Joint Four Nation Declaration for the reason that Finland is not a member of the Axis, whereas the other satellites are. Although the premise of the British reasoning may not be strictly correct, I recommend, however, that we concur in the proposal in order to obtain more flexibility vis-à-vis the Axis satellite states.

The events of the past few days make it unlikely that the question of surrender terms for Hungary and Rumania will have any immediate importance. Furthermore, Mr. Molotov has indicated that he is not yet prepared to discuss Bulgarian surrender terms in the European Advisory Commission currently meeting in London. Nevertheless, for the purpose of handling either propaganda or peace feelers, I think it would be advantageous now to free ourselves from the Moscow decision on the unconditional surrender of Axis satellite states.

CJ

No - The British Foreign Office
has always been back of this &
it is N.G.



DECLASSIFIED
State Dept. letter, 1-11-72
By PK Date APR 10 1973

DEPARTMENT OF STATE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20520

RECEIVED

MAY 10 1944

DEPARTMENT OF STATE



OFFICE OF THE SECRETARY
DEPARTMENT OF STATE
WASHINGTON, D. C. 20520

Department of State

BUREAU
DIVISION

CE

ENCLOSURE
TO

Letter drafted

ADDRESSED TO

PRESIDENT

OPY: 3/24/44

Text of a telegram from Mr. Eden to His Majesty's Ambassadors
at Washington and Moscow of March 17.

Application of principle of Unconditional Surrender to minor
Axis European States.

2. I have examined this question in the light of new situation created by Soviet action in the case of Finland. The Soviet terms for Finland to which we have agreed do not impose unconditional surrender. They definitely provide for "negotiations" on certain specified subjects and the Soviet Government indeed announced in a broadcast on February 29th that "the rumours spread by some organs of Foreign Press to the effect that the Soviet Government had demanded Finland's unconditional surrender are without foundation".
3. I interpret the term "unconditional surrender" as meaning that when an enemy state offers to surrender it is barred from attaching any conditions to this offer, and that we shall insist on that enemy state accepting without any discussion and without any argument our requirements, whether those requirements are all presented at once or some at once and others later.
4. Whilst it may be desirable to continue to apply unconditional surrender as interpreted above to Germany and Japan it does not follow that on that account it must apply also to minor European Axis states. In fact it seems to me that in the case of these states we may achieve better results by dropping it either tacitly or openly. Rigid application of this principle is liable to hinder our desire to get these minor Axis European States out of the war as soon as possible. We may wish to give these countries some assurance that their desertion of Germany and any material contribution they make towards hastening Germany's defeat will earn them some reward and we want to be able to discuss with them such questions as military collaboration, future frontier claims, or the possibility of our giving them assistance against the Germans. All this is ruled out if unconditional surrender is literally interpreted.
5. As stated in paragraph 2 the U. S. S. R. have not applied this principle to Finland and I consider there will be similar advantage in not invoking it as a hard and fast rule in the case of the other minor Axis European States and that the question of applying or waiving it should be considered in each case on its merits.
6. The principle of unconditional surrender was laid down at Casablanca Conference and confirmed at Moscow Conference where it was applied specifically to all Axis powers with which the United Kingdom, United States and Soviet Governments are respectively at war. It is thus clearly necessary to discuss any change in application of this principle with the United States and Soviet Governments.
7. Please therefore approach the United States Government (and) Soviet Government and, using arguments set out above, propose that for purpose both of propaganda and peace-feelers, all three Governments

should be

REGRADED UNCLASSIFIED by British
Govt., State Dept. tel., 3-29-72
APR 10 1973

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PSF: State Dept. folder 2-44

THE WHITE HOUSE
WASHINGTON

April 5, 1944.

MEMORANDUM FOR
THE SECRETARY OF STATE

I have your memorandum of April fourth in regard to exceptions to be made to the unconditional surrender principle as applied to the satellite Axis states in Europe. I understand the problem thoroughly but I want at all costs to prevent it from being said that the unconditional surrender principle has been abandoned. There is real danger if we start making exceptions to the general principle before a specific case arises.

We all know that this would happen if we were to make any exceptions to the principle which would thereafter apply in all cases.

I understand perfectly well that from time to time there will have to be exceptions not to the surrender principle but to the application of it in specific

THE WHITE HOUSE
WASHINGTON

-2-

cases. That is a very different
thing from changing the principle.

If the Soviet and British
Governments will advise us of any
case of this kind, I am quite sure
that we will agree with them.
This should be made clear to both
of these Governments. Then they
cannot accuse us of having rendered
more difficult the Soviet military
task.

"F. D. R."

F. D. R.

No papers accompanied the original of
this memorandum to the Secretary of State.

DEPARTMENT OF STATE
WASHINGTON

April 4, 1944

My dear Mr. President:

I have received your memorandum of April 1, 1944 in which you express your disapproval of the British suggestion that there be an exception made to the unconditional surrender principle as applied to the satellite Axis states in Europe. Since that time you will have received the Soviet memorandum which I forwarded to you on the same date in which the Soviet Government expresses its support of the British suggestion.

Although I told you that because of your decision on the British request I would inform the Soviet Ambassador of the views of this Government on this question, upon further reflection I am very much afraid that the Soviet Government will not understand our refusal to accede to the desire of both the British and Soviet Governments on this point. Since the Soviet Government itself has to some extent laid down without objection

from

The President, -

The White House.

-2-

from us definite conditions in the case of Finland, I am sure they will not understand why there should be any objection to doing the same in the case of Rumania and Hungary as in their opinion there is a definite military advantage to be gained. We might find ourselves in the position of being accused of having rendered more difficult the Soviet military task.

I hope you will let me have your views in the light of the above considerations and in the meantime I will withhold reply to the British and Soviet Ambassadors.

Faithfully yours,

Cordell Hull