

● PSF

State Dept.

Oct. - Dec. 1944

THE WHITE HOUSE
WASHINGTON

Not used

October 10, 1944

MEMORANDUM TO MR. HASSETT
FROM BLAKE:

State Department requests following
change in Columbus Day speech:

In paragraph 7, the first sentence
now reads:

"We all regret that one country is at
present missing from our otherwise united
company."

State Department should like to change
this to the following:

"We all regret that one government has
been absent from our otherwise united
company."

- - -

1:15pm - c

DEPARTMENT OF STATE
DIVISION OF THE AMERICAN REPUBLICS
DEPARTMENT OF STATE

October 9, 1944

MEMORANDUM FOR MR. BLAKE,

MEMORANDUM FOR W.D.H. FROM BLAKE:

At the request of the State Department, the following correction should be made in the draft speech submitted for possible use by the President on October 12, 1944, in speaking to the Latin American Diplomatic Corps.

On page 1, paragraph 1, the second sentence should be revised to read as follows:

"Although the meaning of this day varies somewhat among the twenty-one Republics of North, Central and South America, the people of all Republics join in commemorating the cry of 'land ho' which came from a lookout of Columbus' little fleet on October 12, 1492 and in paying respect to the courage, the vision and the determination which enabled Christopher Columbus and his men to overcome the dangers of unknown seas and give to western civilization a New World in which human liberty could be more effectively realized."

This is done because Columbus claimed to have seen land during the night of October 11 or 12, but according to Samuel Eliot Morison, the real landfall was made by a lookout on the small ship, Pinta, not by anyone on the Santa Maria.

DEPARTMENT OF STATE
DIVISION OF THE AMERICAN REPUBLICS
Analysis and Liaison

October 9, 1944

MEMORANDUM FOR MR. BLAKE,

THE WHITE HOUSE.

at the request of the State Dept
The following correction should be made in the draft speech submitted for possible use by the President on October 12, 1944, in speaking to the Latin American diplomatic corps.

On page 1, paragraph 1, the second sentence should be revised to read as follows:

"Although the meaning of this day varies somewhat among the twenty-one republics of North, Central and South America, the people of all republics join in commemorating the cry of "land ho" which came from a lookout of Columbus' little fleet on October 12, 1492 and in paying respect to the courage, the vision and the determination which enabled Christopher Columbus and his men to overcome the dangers of unknown seas and give to western civilization a New World in which human liberty could be more effectively realized."

This is done because JCD
John C. Dreier

(Note: Columbus claimed to have seen land during the night of October 11 or 12, but according to Samuel Eliot Morison, ~~historian well-known to the President,~~ the real landfall was made by a lookout on the small ship Pinta, not by anyone on the Santa Maria.)

DEPARTMENT OF STATE
DIVISION OF THE AMERICAN REPUBLICS
Analysis and Liaison

October 10, 1944

MEMORANDUM FOR MR. BLAKE & Hasselt;

THE WHITE HOUSE

state Dept request
following change in Columbus Day speech
If it is possible we should like to make one more change in the draft of the speech for the President on October 12 to the Latin American Ambassadors.

In paragraph 7, the first sentence now reads:

"We all regret that one country is at present missing from our otherwise united company."

Dept. We should like to change this to the following:

"We all regret that one government has been absent from our otherwise united company."

JCD
John C. Dreier

RW
1157P
RL:JCD:CFN

3633

Anno

*Original of this memo, and enclosure, returned to
to Mr. Beale 10/26/44 state dept folder 2-44*

~~SECRET~~

"A.B. Jr.
O.K.
FDR"

MEMORANDUM FOR THE PRESIDENT

October 25, 1944

European Inland Transport Organization

You may recall that a conference is being held in London to work out a coordination of European inland transport. Ambassador Winant and Major General Ross are our representatives.

This conference appears to be approaching agreement to form an organization to coordinate railway, waterway and highway transport in Continental Europe. The question is whether this agreement can be signed and ratified by you as an Executive agreement or whether it should go to the Congress. Our opinion is that it can be treated as an Executive agreement, since it is primarily in aid of our military operations and the ensuing occupation and transitional period. We would be in a position to withdraw from the organization after two years if our interests no longer required participation. If you agree and O.K. this memorandum, we will authorize signature in London.

Attached is a copy of the draft agreement as submitted to the conference and an outline thereof.

- Enclosures:
1. Draft agreement.
 2. Outline.

DECLASSIFIED
State Dept. Letter, 1-11-72
By J. Scheulte Da MAR 2 1972

~~SECRET~~

PSF: State Dept.

October 21, 1944

OUTLINE OF DRAFT AGREEMENT FOR EUROPEAN INLAND TRANSPORT ORGANIZATION

(This outline is based on the Draft Agreement submitted to the conference in London which is subject to further amendment.)

Organization and Administration Each member government is to be represented on a Council in which are vested legal and financial powers. An Executive Board, with representatives of the U.S., U.K., the U.S.S.R., France, and a fifth country, would perform the executive functions.

The Organization would have power to own property. Budgets covering administrative and other expenses would be submitted by the Executive Board to the Council. Upon approval, they would be met in such manner as may be agreed between governments.

Scope of the Organization The Organization would operate in areas of Continental Europe upon the approval of the Allied Commanders-in-Chief and would treat with occupation authorities on the same basis as with sovereign governments. Its functions relate to all forms of transport by road, railroad, waterway or pipe line, and exclude sea-going shipping and aviation. The Organization would work closely with and assist the military at all times. The Organization would be related to any over-all international organization which may be established.

Functions The Organization would have the following functions, and in order to insure their fulfillment the member governments would assume specific obligations:

- a. To allocate and determine the distribution of transport equipment and material, and to arrange the orderly restoration of displaced equipment.
- b. May direct the movement of traffic of common concern and may regulate the use of transport equipment therefor.
- c. To make recommendations with respect to transport charges.
- d. To make recommendations to promote the rehabilitation of transport systems and assistance in the rehabilitation or operation of transport.
- e. To initiate and coordinate action to secure international cooperation between railways, to restore international waterway administrations and to facilitate road transport.

Duration The agreement would remain in force for two years, and thereafter any member could withdraw.

DECLASSIFIED

State Dept. Letter, 1-11-72

By J. Schauble Date MAR 2 1972



DEPARTMENT OF STATE
WASHINGTON

November 2, 1944

MEMORANDUM FOR THE PRESIDENT

United States Bases on Ecuadoran Territory
and Preservation of Wild Life in the
Galápagos Archipelago

I believe that you will be interested in the most recent developments concerning our prospective negotiations for military bases on Ecuadoran territory and for climatological research and wild life preservation in the Galápagos Archipelago.

The Department of State and the Joint Post War Committee of the Joint Chiefs of Staff have agreed on a draft of a bilateral agreement for the leasing of bases on Ecuadoran territory over a period of 99 years. The principal points are: (1) the leasing of three islands (Baltra, North Seymour and Santa Cruz) in the Galápagos Archipelago and of a small area (Salinas) on the mainland; (2) the joint surveillance for security purposes of that part of the Archipelago not leased; (3) the payment of an annual rental to be decided upon in the course of negotiations.

For negotiation simultaneous with the base agreement, the Department has prepared a bilateral climatological research and wild life preservation agreement to be applied to the Galápagos Archipelago. The Joint Post War Committee of the Joint Chiefs of Staff has studied this and offers no objection.

The two agreements are to be transmitted immediately to our Ambassador in Quito with instructions to begin negotiations at the earliest possible moment.

E. A. Tamm



3665

OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.

Carton of this memo & enclosure, sent to Mr. Stettinius 11/4/44.

Post. State Dept. folder

2-44



"ERS JR
OK
FER"

DEPARTMENT OF STATE
WASHINGTON

Nov 2, 1944.

MEMORANDUM FOR THE PRESIDENT

There is attached for your information the translation of a note received from the Soviet Embassy dated October 28, 1944 which refers to a request received from the Polish Committee of National Liberation to be represented in the Conference presently being held in London concerning inland transport, in place of the delegation from the Polish Government-in-exile for the reasons set forth.

You will note that the Soviet Government declares that unless this "well-founded and just" request of the Polish Committee is granted and it is permitted to participate in place of the present Polish delegation in the Conference "the Soviet Government will not find it possible to take any further part in the work of the above-mentioned Conference". This is the first time that the Soviet Government has made its participation in any United Nations conference or discussions dependent upon what amounts to the enforced recognition of the Lublin Committee as the only legal representative of the Polish nation.

With your concurrence, we feel that it would not be wise to reply to this communication from the Soviet Embassy until a later date. In order to avoid having the issue raised immediately in the Conference on Inland Transport in London, on an entirely different basis dealing with the work of the Conference we have suggested that it recess until further instructions from this Government.

Enclosure:

Translation, from
Soviet Embassy,
October 28, 1944.

E. Stettinius



TRANSLATION

Embassy of the
Union of Soviet Socialist Republics
Washington, D. C.

October 28, 1944

Your Excellency:

In connection with the Conference of Allied Countries now being held in London on Internal European Transport, I am instructed by my Government to inform you as follows: The Polish Committee of National Liberation has approached the Government of the USSR with a declaration in which it draws attention to the circumstance that at the Conference which is studying a very important problem of the national economic life of the allied countries--the problem of transport, which directly and specifically concerns also Polish territory, the interests of Poland are not represented and are not protected. The Participation in the Conference of representatives of the Polish emigre government, which has no connection whatsoever with Polish territory, cannot obviously be regarded in any sense as a representation safeguarding the interests of Poland. In view of this fact the Polish Committee of National Liberation requests the Soviet Government to inform the Government of the United Kingdom and the Government of the United States that the Polish Committee of National Liberation, which is functioning on Polish territory, insists that instead of the Polish emigre government the Polish National Committee be invited to participate in the Conference on Internal European Transport, and, that the Committee will appoint for that purpose its delegation.

The Soviet Government finds the request of the Polish Committee of National Liberation well founded and just.

The Soviet Government declares that without the participation of the Polish Committee of National Liberation in the Conference on Internal European Transport, it [Soviet Government] will not find it possible to take any further part in the work of the above mentioned Conference. A similar communication is being simultaneously conveyed to the British Government by the Ambassador of the USSR in London.

Accept, Your Excellency, etc.

(s) A. Gromyko

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

filed 12/30/44

PS F. State Dept. folder 2-44

SECRET

THE UNDER SECRETARY OF STATE
WASHINGTON

11-8-44

MEMORANDUM FOR THE PRESIDENT

Subject: United States policy in Eastern and South-eastern Europe and the Near East.

During recent months the Department has given the most serious thought to the conditions prevailing in Eastern and Southeastern Europe and the Near East and has considered the possibility that these countries might become the object of rivalry between Britain and Russia to a degree which might endanger not only their own independence but the stability of the post-war settlements.

The Policy Committee of the Department has carefully drawn up a statement of basic principles fundamental to United States foreign policy all over the world but which are especially applicable to Eastern and Southeastern Europe and the Near East. I enclose herewith a copy of this statement.

At the same time more detailed statements of policy country by country have been prepared. If you would be interested in reviewing these, I should be delighted to send you copies.

If you should approve the statement of principles it might be transmitted at such time and in such a manner as you deemed appropriate to Britain and the Soviet as a statement of United States policy. It may be that you would prefer not to transmit it to the other governments until the time of your meeting with the Prime Minister and Marshal Stalin.

I would appreciate it if you would let me have your instructions on this.

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



~~SECRET~~
~~SECRET~~

THE UNDER SECRETARY OF STATE
WASHINGTON

November 8, 1944

UNITED STATES INTERESTS AND POLICY IN EASTERN AND
SOUTHEASTERN EUROPE AND THE NEAR EAST

While the Government of the United States is fully aware of the existence of problems between Great Britain and the Soviet Union, this Government should not assume the attitude of supporting either country as against the other. Rather, this Government should assert the independent interest of the United States (which is also believed to be in the general interest) in favor of equitable arrangements designed to attain general peace and security on a basis of good neighborship, and should not assume that the American interest requires it at this time to identify its interests with those of either the Soviet Union or Great Britain.

In Eastern and Southeastern Europe and the Near East, as elsewhere, the United States Government should consistently maintain and actively endeavor to further the following general principles irrespective of the type of territorial or political settlements which may result from the war:

1. The right of peoples to choose and maintain for themselves without outside interference the type of political, social, and economic systems they desire, so long as they conduct their affairs in such a way as not to menace the peace and security of others.

2. Equality of opportunity, as against the setting up of a policy of exclusion, in commerce, transit and trade; and freedom to negotiate, either through government agencies or private enterprise, irrespective of the type of economic system in operation.

3. The

DECLASSIFIED

State Dept. Letter, 1-11-72

MAR 2 1972

By J. Schaubte Date _____

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THE UNDER SECRETARY OF STATE
WASHINGTON

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3. The right of access to all countries on an equal and unrestricted basis of bona fide representatives of the recognized press, radio, newsreel and information agencies of other nations engaged in gathering news and other forms of public information for dissemination to the public in their own countries; and the right to transmit information gathered by them to points outside such territories without hindrance or discrimination.

4. Freedom for American philanthropic and educational organizations to carry on their activities in the respective countries on the basis of most-favored-nation treatment.

5. General protection of American citizens and the protection and furtherance of legitimate American economic rights, existing or potential.

6. The United States maintains the general position that territorial settlements should be left until the end of the war.

DECLASSIFIED

State Dept. Letter, 1-11-72

By J. Schauble Date MAR 2 1972

Ludley Turner

Have me the original
of this? If so, send this
copy to Secy, Stettinius

LSL

THE WHITE HOUSE
WASHINGTON

November 10, 1944.

MEMORANDUM FOR MR. STETTINIUS:

I am returning to you the copy
of your memorandum of November 1, 1944
to the President, as you requested in
your memorandum of November 8th to me.

Grace G. Tully
Private Secretary

THE WHITE HOUSE
WASHINGTON

November 3, 1944.

MEMORANDUM FOR

ADMIRAL LEAHY:

Will you speak to me about
this?

F.D.R.

Mr. Stettinius thinks this
matter can be settled
between the departments
He asks that his
letter be returned

State Dept. folder
2-44

THE UNDER SECRETARY OF STATE
WASHINGTON

November 1, 1944

PERSONAL AND PRIVATE

MEMORANDUM TO MISS GRACE TULLY

As busy as you all are, I hate to refer anything to you such as the attached, but I have no choice. Perhaps if you show it to Admiral Leahy he could save the President's time and energy in considering the matter.

E. A. Tamm

THE UNDER SECRETARY OF STATE
WASHINGTON

November 1, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Forthcoming Bilateral Staff
Conversations.

I am reluctantly compelled to refer to you for settlement a serious difference of opinion involving the respective jurisdictions of the State Department on one hand and the War and Navy Departments on the other.

The immediate issue relates to the role which our chiefs of diplomatic mission in the other American republics should play in connection with military and naval staff conversations which are shortly to be held in all the republics except Argentina in order to lay the groundwork for future military collaboration.

In essence the position of the War and Navy Departments appears to be that these conversations are military and technical, and therefore the role of the chief of diplomatic mission should be limited to (1) making the necessary preliminary and protocolary arrangements, (2) being kept informed of the progress of the talks, (3) giving guidance on political questions which may be interjected and being consulted in case of an impasse, and (4) expressing his views when agreement is reached or at the conclusion of the talks.

This Department on the other hand is firmly convinced that its responsibilities and those of the chief of mission in the field of foreign policy require that the latter should be entirely free to decide, after consultation with the United States officers who will participate in the talks, how they should be conducted and what part he or members of his staff should take in them. The basis of this position is (1) that, although preliminary and technical, the staff conversations involve political questions of the highest order; and (2) that only the chief political officer

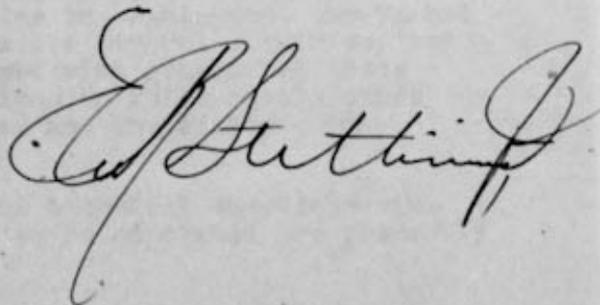
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on the spot can determine the most effective way to guard against the possibility of political issues imperilling the success of the talks; and (3) that as a matter of principle all conversations, negotiations and other activities of official United States personnel in a foreign country outside of active theaters of military operations should be conducted by or under the direction of the Ambassador, who as your personal representative, is the supreme responsible representative of this Government. (This last appears to be in accord with the general principles laid down by you on May 20, 1942, in clarification of Executive Order No. 9125 of April 13, 1942, relating to the Board of Economic Warfare.)

It is highly desirable that these conversations should begin in the near future. It is impossible to proceed with any country except Brazil until this question is settled.

If you concur in the views of this Department, I should appreciate receiving your permission to communicate your decision to the Secretaries of War and Navy.

I have sent copies of this memorandum to the Secretaries of War and Navy and there are attached for your convenience copies of the pertinent correspondence.



Enclosures:

As described above.

COPY

August 24, 1944.

In reply refer to
RL 810.24/5-3044

~~██████████~~
My dear Admiral Leahy:

I refer to your letter to me of May 30 and to previous correspondence concerning the holding of bilateral staff conversations with representatives of the armed forces of other American republics.

The Department of State is anxious to do everything in its power to ensure the success of these conversations as the first step in promotion of future inter-American military and naval cooperation for the defense of the hemisphere. As you will readily understand, such conversations are not only important for the future relationships between the armed forces of the United States and those of the other American republics concerned but the manner in which they are conducted may also have substantial effects on the political relationship between the United States and those countries. For that reason I believe that it is essential that there be a clear understanding between this Department, the military authorities of the United States in Washington, the United States diplomatic officials in the several countries, and the officers who will be charged with conducting these conversations as to the relationship which should exist between the diplomatic missions and the officers concerned.

While recognizing that the technical questions with which these conversations are to be concerned are primarily

military

Admiral William D. Leahy, USN,
Chief of Staff to the
Commander in Chief of the
Army and Navy,
White House.

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

military matters, I feel that the chiefs of diplomatic missions, on whom the responsibility squarely rests for maintaining friendly relations, and who are fully cognizant of political forces and personalities within the individual countries, should be in a position to guide the conversations within proper channels.

As you are doubtless aware the Department of State has already requested its chiefs of diplomatic missions in Brazil, Mexico, Chile, Ecuador, Peru, Colombia, Uruguay, Venezuela and Cuba to propose to the governments of those countries that bilateral exploratory staff conversations be held. It will shortly instruct its chiefs of diplomatic missions in all other American republics (except Argentina) to make similar proposals after word has been received from the nine countries named that they are prepared to appoint officers to join with representatives of the United States Army and Navy in such conversations.

As soon as replies have been received, the appropriate officers of the War and Navy Departments will be informed of the fact. It is my understanding that upon receipt of favorable replies officers will be ordered to proceed to the several capitals in an order suggested by the Department of State.

These officers should report upon arrival in each country to the chief of diplomatic mission who will make the necessary arrangements to introduce them to the proper officials of the other government and to facilitate the holding of conversations. The officers should not enter upon any formal discussions with representatives of the other government until after the chief of mission has indicated to them that all the arrangements are complete.

The chief of diplomatic mission should be kept regularly informed of the progress of the conversations, and shall, if he so desires, appoint a political officer on his staff to be present during the discussions. This political officer would not participate directly but would be present to advise the officers on political questions. The officers should be guided by the judgment of the chief of diplomatic mission. It is assumed that the officers in charge will consult regularly with the Military and Naval Attachés and the Military Attachés for Air.

Special

Special exception to the above should be made with respect to the following countries: Cuba, Mexico, Colombia, Panama. In the first three cases, it is regarded as of the utmost importance that not only the preparations for, but the actual conduct of the conversations be under the active direction of the chief of diplomatic mission. The political situation in those countries and the relations between the military and civilian authorities of the governments are such that, unless this is done, the purpose of holding the conversations may be defeated. The question as to what part the ambassador should play in these conversations should be left to his determination. If he considers it advisable, he should himself take charge of the actual conversations, in whole or in part, being advised on all technical matters, of course, by the military and naval officers.

The situation in Panama is unique in that Panama has no army or navy. Nevertheless, it is believed to be desirable that conversations on military cooperation be held with the Panamanian Government with a view to ascertaining the plans and expectations of that government in so far as future military collaboration is concerned. In this connection it is well to bear in mind that provision must be made in due course for arrangements following the termination of the Defense Sites Agreement of 1942. Because of the local situation it is the opinion of this Department that the conversations should be conducted with the Foreign Office of Panama by the American Ambassador in collaboration with the commanding officers of the Caribbean Defense Command and the Panama Sea Frontier, or officers designated by them.

It is the opinion of this Department that conversations should be held with Brazil and Mexico before they are initiated with any other republic. It is believed desirable, for political reasons, that conversations should be inaugurated with Colombia, Chile and Uruguay as nearly simultaneously as possible after those with Brazil and Mexico are completed. The Department of State has no further recommendations to make at present with respect to the order to be followed. However, it may be that political considerations will make it desirable to furnish further information on this point at a later date.

While the Department would like to see these conversations initiated in the immediate future, present indications are that neither Brazil nor Mexico will be ready for several weeks and in consequence there must be some further delay in the inauguration of these talks.

It is

It is requested that a copy of this letter be furnished to the officers who will conduct the staff conversations. Similarly this Department will transmit to each chief of diplomatic mission the substance of those sections of the letter which are of general interest and those which refer to his particular country, as well as a copy of the instructions as agreed upon by the Joint Advisory Board on American Republics and representatives of the Department.

Sincerely yours,

/s/ CORDELL HULL

COPY

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

COPY

Date- 5-22-78

Signature- *Wal*

September 20, 1944

~~SECRET~~
The Honorable,

The Secretary of State.

Dear Mr. Secretary:

The Joint Chiefs of Staff have referred your letter of August 24, 1944 relative to the bilateral staff conversations which are shortly to be held with representatives of the armed forces of the other American Republics to the War and Navy Departments for action they deem necessary.

Prior to receipt of your letter of August 24, 1944, the War and Navy Departments had included in the letters of instructions for the conduct of staff conversations the following specific instructions:

- a. A statement to the effect that preliminary arrangements for the staff conversations would be made through diplomatic channels.
- b. Upon arrival in each country, the United States Ambassador would advise on protocol arrangements and make the necessary introductions to the foreign representatives designated to conduct the staff conversations.
- c. The United States Ambassador would be kept fully informed of the progress of the conversations and his guidance secured on all political matters which might be interjected.
- d. A copy of the estimate of the foreign policies of the country concerned furnished by the Department of State was enclosed.

Upon reference by the Joint Chiefs of Staff of your letter of August 24, 1944, and in order to assure complete cooperation and understanding between the representatives of the three departments, the War and Navy Departments agreed to issue identical letters of instructions to the military and naval representatives containing additional specific instructions substantially as follows:

- a. The senior

- 2-
- a. The senior diplomatic representative will arrange the time and place of the meetings and preside over the initial meeting in each country in order to clarify political matters.
 - b. The military and naval representatives will proceed with conversations with their opposites in the country concerned consulting with the senior diplomatic representative in case of an impasse.
 - g. When agreement is reached or conversations terminated, the senior diplomatic representative should express his views privately or in full conference as circumstances may dictate.

The War and Navy Departments consider that the instruction furnished, and to be furnished, the United States military and naval representatives will insure complete coordination and obviate the possibility of misunderstanding or the possible injection of topics foreign to the purpose of the conversations. It is, therefore, requested that the Department of State inform the senior diplomatic representative in each country concerned of the instructions listed herein that have been furnished the military and naval representatives by the War and Navy Departments.

Sincerely yours,

(HENRY L. STILSON)

Secretary of War.

(FORESTAL)

Secretary of the Navy.

Library of the President
John F. Kennedy

DECLASSIFIED

DOB DIR. 6200.9 (4/27/89)

Date- 5-22-76

Signature- JAR

~~SECRET~~
My dear Mr. Secretary:

The Department is in receipt of the letter of September 20, 1944, signed jointly by yourself and the Secretary of the Navy in which you set forth in reply to the Department's letter of August 24 to Admiral Leahy, the instructions which have been given to the officers who are to hold staff conversations with representatives of the other American republics.

A careful study of these instructions makes it clear that they do not incorporate fully the views expressed in the Department's letter under reference with respect to the relationship between the officers holding the staff conversations and the chiefs of diplomatic missions. The Department regrets that under the circumstances it can not agree with the statement in your letter that "the instructions to be furnished United States military and naval representatives will insure complete coordination and obviate the possibility of misunderstanding or the possible injection of objectives foreign to the purpose of the conversations".

The conflict of views between this Department and the War and Navy Departments is, in the opinion of this Department, a basic one, involving the authority and responsibility of the Department of State in the field of foreign relations, the maintenance of good relations with the other American republics, and the very success of the staff conversations themselves. The Department therefore is reluctantly compelled to refer the entire question to the President for his decision. There is enclosed a copy of a memorandum which is being sent to him on this subject. You will doubtless wish to communicate your views on this matter to him at the same time.

A similar letter is being sent to the Secretary of the Navy.

Sincerely yours,

The Honorable
Henry L. Stimson,
Secretary of War.

Acting Secretary:

THE UNDER SECRETARY OF STATE
WASHINGTON

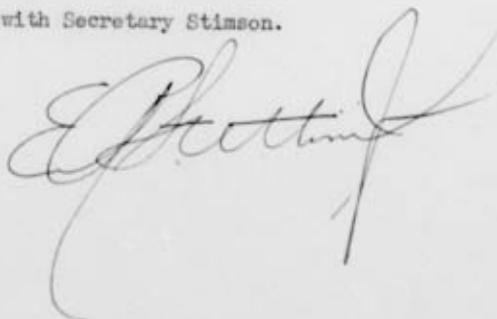
November 8, 1944

MEMORANDUM FOR MISS TULLY

Subject: Memorandum on Bilateral
Staff Conversations.

A few days ago I sent a memorandum to you on bilateral staff conversations with the suggestion that you might wish to show it to Admiral Leahy before bothering the President with it.

Secretary Stimson has just talked with me about it and we feel that we can settle the matter without bothering the President. Therefore, unless he has already taken some action on it, I would appreciate it if you would simply send the memorandum back to me and I shall discuss it directly with Secretary Stimson.



State Dept folder 2-44

THE UNDER SECRETARY OF STATE
WASHINGTON

file

November 11, 1944

MEMORANDUM FOR MISS GRACE TULLY

I have just received your memorandum of November 10th, and I appreciate your kindness in returning to me a copy of my memorandum for the President of November 1st on the subject of the Forthcoming Bilateral Staff Conversations.

E. P. Huntington

3709
ams

State Dept folder
2-44

THE WHITE HOUSE
WASHINGTON

November 20, 1944.

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

F. D. R.

Transmitting carbon of Secret memorandum for the President from Mr. Stettinius, 11/14/44, with enclosure, in re State Department Budget for Fiscal year 1946, the originals of which have been retained for our files. These papers were sent to Budget marked "Confidential".

THE UNDER SECRETARY OF STATE
WASHINGTON

~~SECRET~~
November 14, 1944

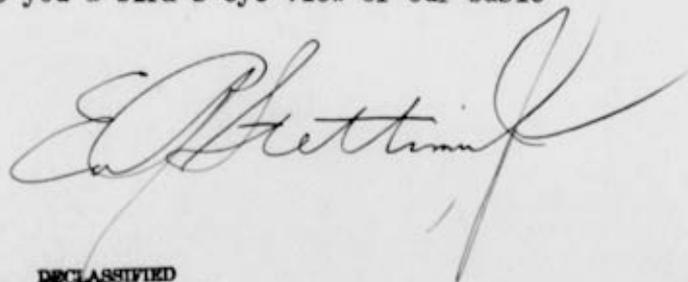
MEMORANDUM TO THE PRESIDENT

Subject: State Department Budget for Fiscal Year 1946

You and I have talked many times about the State Department's need for adequate staff and adequate funds to carry forward its important work in keeping with its responsibilities.

I have made a careful survey of our needs, diplomatic, economic, and consular, both in Washington and abroad. We have been understaffed during the war period, and with the load the Department will have to carry in the immediate future, particularly in view of our participation in the post-war organization, we must have more people and more funds. This week I submitted estimates to the Bureau of the Budget asking for substantial increases all along the line. It may be difficult to get these through, particularly the Appropriations Committees of the House and Senate, with everyone's mind made up to watch expenses more than ever this coming year.

The purpose of this note is to ask your support when the figures come to you for approval. I hope some time before long, in one of our talks, that I may have an opportunity to give you a bird's-eye view of our basic needs.



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

Department of State

Estimates for 1946 Compared with Appropriations for 1945

Purpose	Funds		Increases for 1946	Authorized Personnel		Increases for 1946
	1945	1946		1945	1946	
Department-----	\$11,268,000	\$13,247,964	\$ 1,979,964	3,767	4,896	1,129
Foreign Service-----	27,104,500	41,708,047	14,603,547	6,069	9,034	2,965
Emergencies Arising in the Diplomatic and Consular Service-----	1,500,000	21,250,000	19,750,000	---	---	---
International Obligations-----	3,596,000	4,034,645	438,645	---	---	---
Cooperation with the American Republics-----	3,450,000	5,437,840	1,987,840	---	---	---
Public Works-----	220,000	10,561,000	10,341,000	---	---	---
GRAND TOTAL-----	47,138,500	96,239,496	49,100,996	9,836	13,930	4,094

"E.R.S. Jr., O.K. F.D.R."
Carbon initialed and returned to
Mr. Stettinius 12/5/44.

State Dept folder
2-44

THE UNDER SECRETARY OF STATE
WASHINGTON

November 28, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Recommendation of Navy Department for
Additional Funds for Liberian Port Project

Under date of September 4, 1943, the Department placed before you a proposal for the construction of a port in Liberia to be financed from Lend-Lease funds in an amount estimated at approximately \$8,665,000. The matter was referred by you to the Joint Chiefs of Staff, who gave their approval, and in a letter dated September 14, 1943, you authorized the allocation of lend-lease funds for the port project in the amount indicated above.

The Department has now been informed by the Navy Department, through FEA, that although the site of the port has not as yet been definitely determined and that a final estimate of the cost cannot be made at this time, sufficient overall data have been obtained to indicate that the construction of a suitable port with a minimum of facilities cannot be accomplished within the amount of \$8,665,000 now allocated. The Navy Department believes that a total of approximately \$12,500,000 will be required for the work, within a probable variable range of 10 percent. While it may be possible to construct a less extensive port within the original estimate, the Navy Department states that the wisdom of doing so is decidedly questionable, and it is the recommendation of the Bureau of Yards and Docks that additional funds be made available for the project. The Department concurs with this recommendation.

The Foreign Economic Administration has indicated that it has available the additional funds recommended by the Navy Department, but that it is reluctant to allocate the funds without authorization from you. The Foreign Economic Administration therefore requests to be advised, through this Department, whether you approve the further expenditure mentioned.

E. Stettinius

November 29, 1944

MEMORANDUM FOR MISS GRACE TULLY

Herewith are the three wires that we discussed on the telephone this afternoon and which it is important that the President send promptly in the event that he does not find it convenient to make telephone calls to the three individuals.

*State Dept. folder
file
Bromel 2-44*

Signal Corps, United States Army

Received at

~~TOP SECRET~~

MR-OUT 560:

28 NOVEMBER 1944.

TO THE PRESIDENT FROM HARRY HOPKINS. PERSONAL AND TOP SECRET.

I HAVE TALKED TO BRECKINRIDGE LONG. HE DOES NOT WANT TO GO TO MEXICO. HE SAYS HIS EUSTACHIAN TUBES, IF YOU KNOW WHAT THAT MEANS, WILL NOT STAND THE PRESSURE OF 8,000 FEET ALTITUDE.

ED TELLS ME THAT BRADEN COULD GO TO MEXICO AND LONG TO CUBA. I DO NOT BELIEVE ANYBODY BUT YOU CAN HANDLE BRECK. I THINK HE WILL DO WHAT YOU WANT HIM TO DO BUT THINK YOU WILL HAVE TO CALL HIM UP YOURSELF.

I HAD A GOOD AND VERY FRANK TALK WITH BERLE IN CHICAGO. HE DOES NOT LIKE THE IDEA OF GOING TO BRAZIL VERY MUCH BUT HE SAYS IT IS ONE OF THE MOST IMPORTANT POSITIONS THERE IS BUT HE SIMPLY IS UNWILLING TO GO IF IT IS MERELY PROVIDING HIM WITH A NICE EXIT FROM THE GOVT. HE IS QUITE WILLING TO RESIGN BUT I TOLD HIM THAT YOU DID NOT WANT HIM TO RESIGN AND THAT YOU HAD NO NOTION OF PERMITTING HIM TO LEAVE THE DEPARTMENT AND THAT YOU WANTED HIM VERY MUCH TO GO TO BRAZIL.

ED IS GOING TO TALK TO BERLE TONIGHT AND I TOLD ED TO BE COM-
DECLASSIFIED

~~TOP SECRET~~

S. C. Form No. 7
(Revised Aug. 1942)

Signal Corps, United States Army

Received at

~~TOP SECRET~~

- 2 -

COMPLETELY FRANK WITH HIM BECAUSE BERLE REALIZES A NEW SECRETARY OF STATE SHOULD CHOOSE HIS OWN ASSISTANTS.

CLAYTON HAS MADE SOME KIND OF A COMMITMENT TO JIMMY BYRNES TO WORK FOR HIM BUT CLAYTON TOLD ED TODAY THAT HE WOULD COME TO THE STATE DEPARTMENT IF THAT WERE YOUR WISH. I THINK THE THING TO DO IS FOR YOU TO SEND A WIRE TO CLAYTON TELLING HIM YOU WANT HIM TO GO TO THE DEPARTMENT AND, AT THE SAME TIME, EXPLAIN TO JIMMY WHY YOU WANT CLAYTON OVER THERE. THE STATE DEPARTMENT IS UNQUESTIONABLY THE PLACE FOR CLAYTON. I THINK HE WOULD GET IN DIFFICULTY IN THE DOMESTIC SCENE BUT BE A GREAT SUCCESS IN THE FOREIGN FIELD. IN THIS AREA HIS VIEWS ARE IDENTICAL WITH YOURS AND HULLS.

ED TELLS ME THAT JIMMY DOES NOT WANT TO LET BEN COHEN GO WHICH IS UNDERSTANDABLE AND THAT HE, JIMMY, IS WRITING YOU DIRECT IN REGARD TO THIS. I THINK PERHAPS NOTHING NEED BE DONE ABOUT THIS FOR A FEW DAYS.

ED IS ANXIOUS TO GET THE LONG AND BERLE BUSINESS SETTLED AT

DECLASSIFIED

By Deputy Archivist of the U.S.

W. J. Stewart Date

MAR 2 1972

~~TOP SECRET~~

S.C. Form No. 7
(Revised Aug. 1943)

Signal Corps, United States Army

Received at

~~TOP SECRET~~

- 3 -

AT ONCE.

THE APPOINTMENT OF STETTINIUS WAS TAKEN EXTREMELY WELL.

HENRY MORGENTHAU IS CLEANING UP THE AFFAIRS WITH LORD KEYNES
NICELY.

RECEIVED



NOV 28 1944 PM

DECLASSIFIED
By Deputy Archivist of the U.S.

By W. J. Stewart Date MAR 2 1972

~~TOP SECRET~~

**THE WHITE HOUSE
WASHINGTON**

November 30, 1944.

MEMORANDUM:

Mr. Robert Lynch, Assistant to Mr. Stettinius called and stated that the Secretary is anxious to see the letter that Mr. Breckenridge Long has written to the President. It is in answer to the telegram which the President sent to Mr. Long, and draft of which Mr. Stettinius prepared. The letter is supposed to have been sent from Palm Beach, Fla. on Nov. 28th. Mr. Lynch said that the letter could be read to him over the phone - just so he got the gist of the content.

Audrey Turner

S. C. Form No. 7
(Revised Aug. 1942)

PSF state rept. folder 2-VV
file

Signal Corps, United States Army

Received at

MR-OUT-570

NOVEMBER 29, 1944

FOR MISS TULLY FROM SECRETARY STETTINIUS.

JUST HAD A SATISFACTORY TALK WITH THE PRESIDENT. WOULD YOU PLEASE LET ME KNOW AS SOON AS HE RECEIVES REPLIES FROM CLAYTON, LONG AND BERLE IN ORDER THAT I MAY SEND TO YOU FOR SIGNATURE THE NOMINATIONS TO THE SENATE.

NO SIG.



NOV 29 1944 m

PSF State Dept. folder
2-44

December 1, 1944.

This telegram was phoned from the Aviation Conference in Chicago, over the State Department line, thru Mr. Mundy's office --

"To The President:

Your extremely kind telegram of November 29th asks a very quick answer.

This has been difficult to give here where the work has been so continuous as to leave no time for thought or for consultation with my family who, of course, are in Washington. Under all the circumstances I feel that I cannot accept, though I much appreciate the confidence you place in me. The reasons can wait until I get back to Washington next week, but they are very solid and would, I think, appeal to you.

My congratulations on your choice of Under Secretary since it is the man I would have urged myself as the best man in the country for the job.

(signed) ADOLF BERLE"

ld

Sent to President
by wire + asked
Mr Mundy to
give Mr Spillane's
office copy + am
advised that
it has been
done

C
O
P
Y

OFFICE OF WAR MOBILIZATION
Surplus War Property Administration

November 30, 1944

My dear Mr. President:

Your telegram asking me to be Assistant Secretary of State in charge of all economic affairs reached me last night.

I keenly appreciated this renewed expression of your confidence.

Of course, I accept!

Sincerely yours,

(Signed) WILL CLAYTON

W. L. CLAYTON

The President
The White House

COPY

THE WHITE HOUSE

TELEGRAM

WASHINGTON

NOV 30 11 58 AM 1944

WU20 76

WESTPALMBEACH FLO NOV 30 1139A 1944

THE PRESIDENT
THE WHITE HOUSE

IN RESPONSE TO YOUR VERY CONSIDERATE TELEGRAM OF LAST NIGHT I REPLY THAT I THINK THE ANSWER LIES IN THE LETTER I HAD THE HONOR TO ADDRESS YOU ON NOVEMBER 28 AT HARRY'S SUGGESTION AND WHICH SHOULD REACH YOU PRESENTLY. A PERIOD OF REST FOR A TIME AT LEAST IS NEEDFUL AND DURING IT I SHOULD NOT UNDERTAKE RESPONSIBILITIES. IF AFTER THAT MY EXPERIENCE CAN BE OF USE IT WILL OF COURSE BE AT YOUR SERVICE.

BRECKINRIDGE LONG.

Y

TELEGRAM

THE WHITE HOUSE

WASHINGTON

November 29, 1944

THE HONORABLE

ADOLF A. BERLE, JR.,

STEVENS HOTEL,

CHICAGO, ILLINOIS.

HARRY HAS TOLD YOU OF MY DESIRE TO HAVE YOU TAKE OVER THE EMBASSY AT RIO. YOU KNOW FULLY THE GREAT IMPORTANCE OF THAT POST AT THIS PARTICULAR TIME AND AFTER REVIEWING MANY POSSIBILITIES I HAVE COME TO THE CONCLUSION THAT I NEED YOUR ABILITY AND EXPERIENCE IN THAT POST IN ORDER TO INSURE THE PROPER CARRYING OUT OF THE PROGRAM WE NOW HAVE BEFORE US IN MAINTAINING THE WHOLE HEMISPHERIC POLICY AGAINST THE INSIDIOUS INFLUENCES OF WHICH YOU ARE AWARE. THIS IS A VITAL JOB AND A CHALLENGE, AND YOUR SERVICES ARE NEEDED RIGHT IN THAT PARTICULAR JOB.

PLEASE LET ME KNOW AS SOON AS YOU CAN WHETHER YOU WILL ACCEPT THIS APPOINTMENT AS I WISH TO PROCEED WITH THE ARRANGEMENTS IMMEDIATELY BEFORE CONGRESS ADJOURNS, POSSIBLY SOON, IN ORDER THAT WE MAY BE IN A POSITION AS SOON AS POSSIBLE TO TAKE CARE OF THE RESPONSIBILITIES WE HAVE IN THE WHOLE INTER-AMERICAN SYSTEM AND THE

PART WE SHALL PLAY IN THE FORTHCOMING WORLD ORGANIZATION.

ROOSEVELT

Y

TELEGRAM

THE WHITE HOUSE
WASHINGTON

November 29, 1944

THE HONORABLE WILL CLAYTON,
2812 WOODLAND DRIVE,
WASHINGTON, D. C.

I AM MOST ANXIOUS TO STRENGTHEN THE STATE DEPARTMENT
HIGHER COMMAND AND FEEL THAT WE REALLY NEED YOUR SERVICE
AS ASSISTANT SECRETARY OF STATE IN CHARGE OF ALL ECONOMIC
AFFAIRS. I BELIEVE ED STETTINIUS HAS SPOKEN TO YOU ABOUT THIS
AT MY REQUEST AND I HOPE THAT WE CAN COUNT ON YOUR ASSISTANCE
IN THIS CAPACITY IN THE TREMENDOUS PROBLEMS WE ARE NOW FACING
IN PREPARING A SOUND FUTURE COMMERCIAL POLICY IN THE INTERESTS
OF THE PEACE AND SECURITY OF THE COUNTRY. PLEASE LET ME KNOW
THAT YOU WILL ACCEPT IN ORDER THAT WE MAY EXPEDITE THE NEW
MOVES NECESSARY IN THE DEPARTMENT. I NEED YOUR HELP IN THIS.

ROOSEVELT.

Y

TELEGRAM

THE WHITE HOUSE

WASHINGTON

November 29, 1944

THE HONORABLE
BRECKINRIDGE LONG,
BRAZILIAN COURT,
PALM BEACH, FLORIDA.

AT MY REQUEST HARRY TOOK UP WITH YOU MY DESIRE THAT YOU ASSUME THE AMBASSADORSHIP TO MEXICO. HE SAID THE ALTITUDE WOULD CAUSE YOU SOME DIFFICULTY. IN THAT CASE I WOULD BE GLAD IF YOU WOULD ACCEPT AN APPOINTMENT TO HABANA AS I NEED YOUR SERVICES THERE AND COULD MAKE THE NECESSARY ADJUSTMENTS. I FEEL SURE YOU WILL REALIZE THE ENORMOUS RESPONSIBILITY WE HAVE IN SO CONDUCTING OUR RELATIONS WITH EITHER OF THOSE COUNTRIES THAT WE WILL HAVE TRANQUIL AND HELPFUL NEIGHBORS AND WILL ALSO HAVE THEIR WILLING, ENTHUSIASTIC ASSISTANCE IN DEALING WITH PROBLEMS OF THE HEMISPHERE AND THE WORLD ORGANIZATION. YOU HAVE, AS I KNOW, SERVED YOUR COUNTRY LONG AND FAITHFULLY AND HAVE BEEN READY AT ALL TIMES TO MAKE PERSONAL SACRIFICES FOR THE PUBLIC SERVICE.

I FEEL THAT YOUR GREAT ABILITY AND EXPERIENCE WOULD INSURE THAT THE BEST INTERESTS OF THE NATION WOULD BE SAFEGUARDED WERE YOU TO TAKE OVER THE RESPONSIBILITY OF

THE EMBASSY IN CUBA, I DO NOT CONSIDER THE LANGUAGE
FACTOR A BARRIER, AND I DO HOPE WE CAN COUNT ON YOU TO
DO YOUR PART AT THIS TIME, AT LEAST FOR THE WAR PERIOD.

PLEASE LET ME KNOW AS SOON AS YOU CAN WHETHER WE
CAN HAVE YOUR SERVICES IN CUBA AS I WISH TO MAKE THE
NECESSARY ARRANGEMENTS PROMPTLY BEFORE CONGRESS POSSIBLY
ADJOURNS EARLY NEXT MONTH.

ROOSEVELT

*State Rept. folder
2-44*

THE WHITE HOUSE
WASHINGTON

December 1, 1944.

MEMORANDUM FOR
THE SECRETARY OF STATE

Will you talk with Lister
Hill about this? It is all
right as far as I am concerned.

F. D. R.

Memorandum for the President from Mr. Latta,
11/30/44, in re telephone call from Sen. Lister
Hill protesting possible appt. of Will Clayton
as Asst. Secy. of State. Attached is letter
to the President from Hon. Will Clayton,
11/30/44, in reply to the President's telegram
and accepting the appt. to be Assistant
Secretary of State in charge of all economic
affairs.

*State Dept. folder
2-44*

ams

THE WHITE HOUSE
WASHINGTON

December 1, 1944.

MEMORANDUM FOR
THE SECRETARY OF STATE
FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F. D. R.

Telegram from Hon. Breckinridge Long, West Palm Beach, Florida, 11/30/44, to the President, in reply to the President's telegram of 11/29. States the answer lies in his letter of 11/28 which should reach the President soon. He is taking a rest but if, at the end of that time, his experience can be of use, he will be at the President's service.

State Dept. folder
2-44

THE WHITE HOUSE
WASHINGTON

December 3, 1944.

MEMORANDUM FOR
THE SECRETARY OF STATE:

IS THERE ANYTHING FURTHER
I SHOULD DO ABOUT THIS?

F.D.R.

Telegram from Adolf Berle, which was telephoned from the Aviation Conference in Chicago, over the State Dept. line, through Mr. Muncy's office, on 12/1/44, addressed to the President, in reply to the President's telegram of 11/29/44, advising he does not feel that he can accept the President's offer, but states he will discuss the matter further upon his return to Washington.

~~3759~~

hms

PSF State Dept. folder

2-44

THE WHITE HOUSE
WASHINGTON

December 3, 1944.

MEMORANDUM FOR

THE SECRETARY OF STATE:

FOR PREPARATION OF REPLY FOR
MY SIGNATURE.

F.D.R.

Transmitting copy of letter which the President received from Hon. Breckinridge Long, 11/28/44, in re his talk with "Harry" about Mexico. He feels that the altitude would not be good for him. Offers to resign from the Dept., and, after a vacation, he will do what the President wishes.

RECORDED
THE WHITE HO...

File
Journal

State Dept folder
2-44

Brazilian Court Hotel
Brazilian Avenue at Hibiscus
Palm Beach, Florida

Norwalk 26, 1944.

My dear Mr. President -

Henry talked to me this afternoon about Mexico and suggested I write directly to you.

I appreciate your thought of me but I could not stay in that climate without serious discomfort - and some amount of danger. So while I want to do what you want I hope you will not think it advisable for me to go there.

I am talking a little hot, and I have had very little of it for five years. My office in the Department of State is ready to evacuate my personal things and can do so any minute which will suit your convenience.

You might just let me step out of the Department - even while I am away - and then if in the future you want me

Brazilian Court Hotel
Brazilian Avenue at Hibiscus
Palm Beach, Florida

To do something you can be sure I
will do what you want in so far as
I can - particularly leaving the car.
But you do it whichever way suits your
convenience best.

I hope you get a good rest - but
you can't sleep like others can
With every good wish

Very respectfully
A. H. H. H.

The President
The White House.

State Dept. folder
2-44

December 3, 1944

MEMORANDUM FOR

**THE HONORABLE,
THE SECRETARY OF STATE:**

The President has tonight signed the six individual nominations.

The President desires that in being listed for submission to the Senate, the nominations appear in the following order:

1. Mr. Grew
2. Mr. Clayton
3. Mr. MacLeish
4. Mr. Rockefeller
- *5. Mr. Dunn
6. General Holmes

I am returning all six nominations to you so that if it is desirable you can forward the first four to Mr. Latta for transmittal to the Senate.

I am assuming that you may wish to hold the papers of Mr. Dunn and Mr. Holmes, listed Number Five and Number Six, respectively, until the necessary legislation has been enacted.

WILLIAM D. HASSETT
Secretary to the President

wdh:aw

DR
Geo
FDR

THE WHITE HOUSE
WASHINGTON

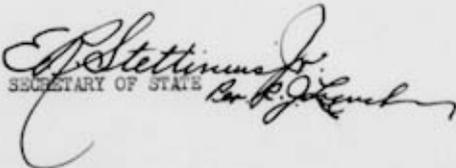
December 3, 1944.

MEMORANDUM FOR MR. HASSETT

Subject: Nominations of Under Secretary and
Assistant Secretaries of State.

You will find herewith the nominations of the new Under Secretary and the new Assistant Secretaries. In order to appoint all of them, the pending legislation providing for two new Assistant Secretaries will first have to be approved on the Hill. We have every assurance that this will be done within a few days. It has already passed the House. Therefore, I am forwarding the nominations to you by special courier for the President's signature in order to save precious time. It may become necessary to submit all of them except two to the Senate immediately. These other two can then be sent up to the Senate as soon as the legislation has been enacted.

If the President will sign these this evening and return them to me by the special courier, I shall see that they are sent to your Executive Clerk for transmission to the Senate.


SECRETARY OF STATE

Enclosures.

December 4, 1944

My dear Howlands:

I have received your letter of resignation of November twenty-eighth which you urgently request me to accept in order that you may undertake other important duties.

I am very sorry indeed to learn of your decision but in the circumstances which you so clearly set forth in your letter I most regretfully accept your resignation and approve your retirement as provided by law.

In doing so I wish to express to you my deep appreciation of your work in the Foreign Service and the Department of State over a period of twenty-seven years. I recall your outstanding record in the American Embassy in Turkey and know from closer association here in Washington of the tireless assistance, without thought of personal advantage, you have rendered in the administration of the Department of State and the Foreign Service. Your influence will be missed. I am indebted to you especially for having brought before the American people, through your speeches and radio talks, a more realistic conception of our Foreign Service and the work it does.

You mention in your letter your increasingly deep interest in problems of the correctional and related fields, particularly juvenile delinquency. I am aware of the valuable work which you have done in these fields and I hope I may feel free, when an opportunity arises, to appoint you to an important position in one of them which will afford you an even wider scope for enlightened public service.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

Honorable G. Howland Shaw,
Assistant Secretary of State,
Washington, D. C.

DEPARTMENT OF STATE

SPECIAL ASSISTANT TO THE SECRETARY

December 4, 1944.

Mr. Maurice C. Latta,

The White House.

I hand you herewith for the White House files Mr. G. Howland Shaw's letter of November 28 resigning as Assistant Secretary of State. I also enclose a memorandum from Secretary Stettinius for the President regarding Mr. Shaw's resignation, together with a suggested letter of acceptance for the President if he approves. The texts of these two letters have already been wired to Warm Springs and we are at this moment awaiting word from there concerning them.

M. J. McDermott

MSL

DEPARTMENT OF STATE
WASHINGTON

December 2, 1944

MEMORANDUM FOR THE PRESIDENT

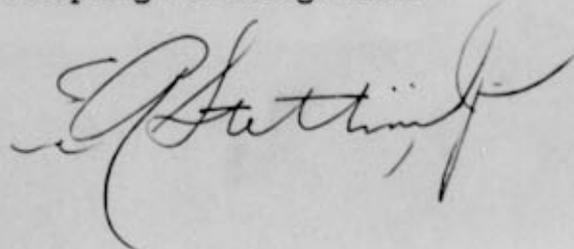
Subject: Resignation of G. Howland Shaw

Herewith is Mr. Shaw's resignation. As agreed in one of our recent conversations, Mr. Shaw was offered the Ambassadorship to Turkey, but he declined it, preferring to devote his time and efforts in the future to social work and in the field of correctional activity with delinquent youth. Mr. Shaw has been active in this work since 1929. For two years he was President of the National Conference of Catholic Charities and is a leader in the National Catholic Movement. It has been mentioned to me that Mr. Shaw would be interested in serving on the United States Parole Board when there is a vacancy, and that Judge Wood will retire within the next few months.

It would be a satisfaction to Mr. Shaw and to his many friends in the correctional and social fields, if possibly, in your letter accepting his resignation as Assistant Secretary of State it could be mentioned that he will be considered for an important government position in that particular field. The substance of your letter could then be released to the press when his resignation is announced, if you approve.

For your convenience there is attached a suggested letter for your signature accepting his resignation.

Attachments



ASSISTANT SECRETARY OF STATE
WASHINGTON

November 28, 1944

My dear Mr. President:

I hereby tender you my resignation as Assistant Secretary of State and I respectfully ask that it be accepted at your early convenience and that you approve my retirement in accordance with law. I have been deeply appreciative of the confidence which you have placed in me and it has been not only an honor but a source of keen personal satisfaction to me to have tried to serve you in the Department of State as Chief of the Division of Foreign Service Personnel and during the past four critical years as Assistant Secretary of State. I have come more and more to feel however, that there is a field in which I can now serve more usefully during the rest of my active life than in the Foreign Service to which I have been happy to devote my energies for the past twenty-seven years. The problem of making democratic principles more effective in certain aspects of our national life, the problem of juvenile delinquency and the problem in general of youth--these are the problems which chiefly enlist my interest at present and to which I am anxious to devote all of my efforts from now on. The resignation which is very rightly customary at the beginning of a new Administration furnishes me with the opportunity to write you with complete frankness on matters which have been much on my mind for some time and concerning which I have heretofore

not

The President,

The White House.

-2-

not felt free to speak. I need not add how sincerely I wish for the success of both the Department of State and the Foreign Service under your direction and that of Secretary Stettinius during the momentous days that lie ahead of us.

Yours faithfully,

G. Howland Shaw.

G. Howland Shaw

ASSISTANT SECRETARY OF STATE
WASHINGTON

The President,
The White House.

THE WHITE HOUSE
WASHINGTON

My dear Howland:

I have received your letter of resignation of November 28 which you urgently request me to accept in order that you may undertake other important duties.

I am very sorry indeed to learn of your decision but in the circumstances which you so clearly set forth in your letter I most regretfully accept your resignation and approve your retirement as provided by law.

In doing so I wish to express to you my deep appreciation of your work in the Foreign Service and the Department of State over a period of twenty-seven years. I recall your outstanding record in the American Embassy in Turkey and know from closer association here in Washington of the tireless assistance, without thought of personal advantage, you have rendered in the administration of the Department of State and the Foreign Service. Your influence will be missed. I am indebted to you especially for having brought before the American people, through your speeches and radio talks, a more realistic conception of our Foreign Service and the work it does.

The Honorable
G. Howland Shaw
Department of State

You mention in your letter your increasingly deep interest in problems of the correctional and related fields, particularly juvenile delinquency. I am aware of the valuable work which you have done in these fields and I hope I may feel free, when an opportunity arises, to appoint you to an important position in one of them which will afford you an even wider scope for enlightened public service.

Sincerely yours,

W. A. Rorer, Director
Department of Corrections
State of North Carolina

of your increas-
of the
-ly

THE WHITE HOUSE

The Honorable

G. Howland Shaw,

Department of State.

December 4, 1944

Dear Breck:

It was with deep regret that I received your letter of resignation as Assistant Secretary of State and the subsequent reports you gave me regarding your health. I hope that after a period of rest and recuperation you will be ready once more for public service, either at home or abroad.

I wish to express my sincere appreciation of the splendid and untiring assistance you have rendered to me and to the Secretary of State during the past five years in the Department of State, and previously in Italy, in carrying forward the policies of this Government in the field of international relations. This has been but a continuation of the devoted services which you rendered to the country in the Administration of Woodrow Wilson. For more than a quarter of a century you have labored for the cause of international peace and cooperation.

I am looking forward to your speedy recovery and the continuation of your aid to the cause which is so dear to both of us.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

Honorable Breckinridge Long,
Assistant Secretary of State,
Washington, D. C.

jhl

State Dept. folder 2-44

file

ASSISTANT SECRETARY OF STATE
WASHINGTON

November 11, 1944.

My dear Mr. President:

Especially after this election you are entitled to an entirely free hand. Your responsibilities in the future are to be very heavy and you should have full freedom of choice to select the persons you now think will best help you in discharging those responsibilities and best serve you in achieving your new purposes.

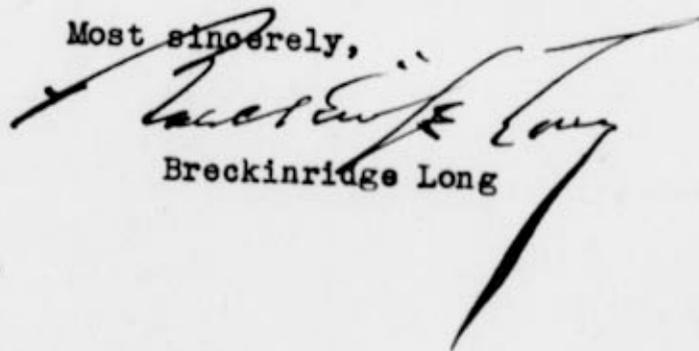
For these reasons I place my resignation at your disposal.

It is a great honor to have been identified with your administration and a matter of very real interest to have served under you.

I continue my active and loyal support of you and for your objectives. Consequently the presentation of my resignation is not indicative of a desire to seek inactivity but simply to support your untrammelled freedom of choice.

With great respect and with expression of affectionate regard, I am

Most sincerely,



Breckinridge Long

The President,
The White House.

December 4, 1944

Dear Adolf:

It is with great regret that I accept the resignation you sent to me by telegram yesterday as an Assistant Secretary of State, a post which you have filled with such distinction during the past seven years. I expect you, of course, to continue as head of the United States Delegation to the Civil Aviation Conference, the proceedings of which you have conducted with such skill and ability. As you suggest, upon your return from Chicago, we can discuss the new work which I am anxious for you to undertake and in which I especially need your outstanding abilities.

You and I have been friends and have worked together for a long time, and I am eternally grateful to you for your never-flagging loyalty and cooperation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Honorable Adolf A. Berle, Jr.,
Assistant Secretary of State,
Washington, D. C.

*Berle folder
2-44*

file

THE WHITE HOUSE
WASHINGTON

28wh mc

Dec. 3, 1944.

The President:

With this my resignation go my most cordial good wishes to you, to Secretary Stettinius and to the new group who are now to take over in the Department of State.

Let me take this opportunity to thank you for your many kindnesses to me during the past twelve years in which I have been connected with your administration, nearly seven of which have been spent as Assistant Secretary of State under the leadership of Secretary Hull. Particularly I must thank you for your offering me the ambassadorship to Brazil, a country for which I have the greatest admiration and affection.

As Secretary Stettinius knows, acceptance of that embassy is not possible at this time.

With warm personal regards I am,

Faithfully yours,

Adolf A. Berle, Jr.

TELEGRAM

State Dept. folder 2-44

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4407

**The White House
Washington**

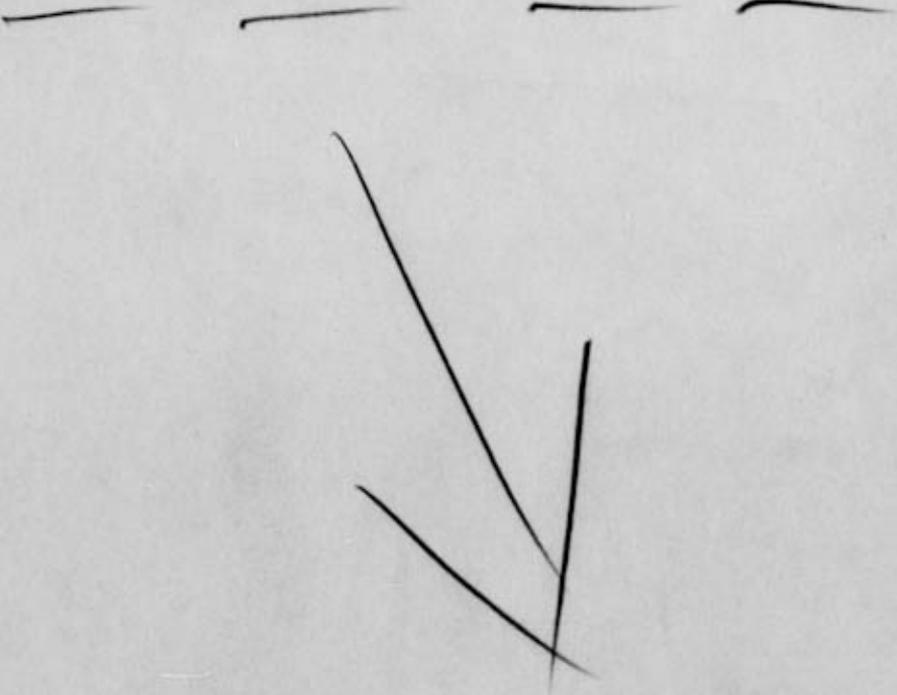
December 4, 1944

TELEGRAPHIC MEMORANDUM FOR MR. HASSETT:

Following are drafts ^{when} for the President's approval of letters accepting the resignations of Adolf Berle and Breckinridge Long. Letter accepting the resignation of G. Howland Shaw was sent ~~to~~ you last night and remains unchanged. Will you please advise McDermott ~~if~~ these are approved? We have signatures on blank stationery here which can be used as soon as Latta receives word that the President approves.

Stettinius is anxious that these letters be approved today and put in the hands of the three gentlemen. Stettinius also desires that the letters of resignation and the letters of acceptance be released to the press today. State Department will do the releasing in accordance with the President's wishes.

S. T. E.



DEPARTMENT OF STATE

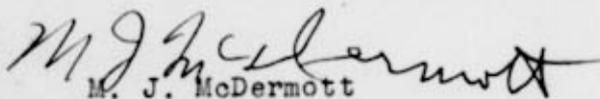
SPECIAL ASSISTANT TO THE SECRETARY

December 3, 1944.

~~SECRET~~

Mr. William Hassett,
The White House.

Secretary Stettinius wishes to speed the transmission of a long message by wire. The message concerns, among other things, a White House press release at noon tomorrow about nominations to the posts of Under Secretary and Assistant Secretaries of State. Mr. Stettinius has asked that it be wired to Warm Springs tonight. However, there may be some changes in it and he requests that the message not be delivered to the President until he gets word to you by telephone, which will be early Monday morning.


M. J. McDermott

DECLASSIFIED

State Dept. Letter, 1-11-72

By J. Schauble Date MAR 2 1972

Department of State

Washington,

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TO THE PRESIDENT:

I am sending herewith a press release for your approval which I recommend you authorize be issued from the White House at noon today, Monday, December 4th, following the submission to the Senate of the appointments of Grew, Clayton, Dunn and Holmes. Also attached are drafts of letters to Berle, Long and Shaw which you undoubtedly would wish to issue to the press simultaneously with this release. Senator Connally agreed that it would be a mistake to put yourself in the position of anticipating the action of the Senate on creating the two new posts of Assistant Secretaries. Therefore, we cannot at this time, we feel, mention Rockefeller and MacLeish as possible Assistant Secretaries. However, both have agreed to come into the Department at your request as Special Assistants to the Secretary in charge of Latin American Affairs, and Public and Cultural Relations, respectively, pending the passage of the legislation and committing these two new posts to them as soon as they are made available. I am planning to see Senator Lister Hill early tomorrow morning regarding Will Clayton, as requested by you.

Draft press release: ^{Page 1} ~~copy~~ I have today sent to the Senate the nomination, for the important post of Under Secretary of State, of the Honorable Joseph C. Grew of

New Hampshire.

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

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

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New Hampshire. Mr. Grew's wide and varied experience in the Foreign Service, the duties of which he has dispatched with such great distinction for the past forty years, will be of tremendous value in the conduct of our foreign relations.

I have also sent to the Senate nominations to fill three posts of Assistant Secretary of State made vacant by the resignations of the Honorable Adolf A. Berle, Jr., the Honorable Breckinridge Long, and the Honorable G. Howland Shaw. I have accepted these resignations with great regret. All three have rendered outstanding service to the country in the posts which they have filled with great distinction. I am making public today my letters to them.

The Honorable Dean Acheson, of Maryland, will continue as Assistant Secretary of State. Mr. Acheson will have general responsibility for all matters concerning the Department's relations with the Congress and will assume important duties in connection with our participation in international conferences.

The nominations to fill the above vacancies are:

The Honorable William L. Clayton, of Texas, to be Assistant Secretary of State in charge of foreign economic affairs. Mr. Clayton's outstanding ability and his broad experience in

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commercial life and in government service have eminently qualified him for this important assignment. Mr. Clayton, at Mr. Stettinius' request, will report directly to me on matters pertaining to civil aviation.

Mr. James Clement Dunn, of New York, to be Assistant Secretary of State. Mr. Dunn will be in charge of international political relations with the exception of relations with the American Republics. Mr. Dunn is particularly qualified because of his outstanding record in the Foreign Service and in the Department of State. He has been very closely associated with Mr. Hull during the past twelve years.

Brigadier General Julius C. Holmes, of Kansas, to be Assistant Secretary of State in charge of administration and organization. General Holmes had a splendid record as a Foreign Service Officer for many years. He is a successful and experienced industrial executive. More recently he has been a high administrative officer in the Mediterranean and European theaters under General Dwight D. Eisenhower. He is particularly well qualified to assist Mr. Stettinius in the revitalization of the administration of the Department of State and of our representation abroad.

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In addition to the above, the Honorable Nelson A. Rockefeller, of New York, will be appointed to a high post in the Department of State. Mr. Rockefeller will be in charge of relations with the American Republics. As Coordinator of Inter-American Affairs he has demonstrated a thorough knowledge and appreciation of the Good Neighbor Policy, has traveled extensively throughout the Republics and understands the problems of all the nations of the Hemisphere. He will have associated with him outstanding specialists in inter-American affairs not now in the Department. Mr. Rockefeller will resign as Coordinator of Inter-American Affairs. No successor to that office will be appointed as Mr. Rockefeller will continue to direct the policies of the Office during the time necessary to integrate the programs of the Office into the permanent structure of the Government and to terminate the strictly wartime activities of the organization as war conditions permit.

Mr. Archibald MacLeish, of Virginia, will be appointed to a high post. He will be in charge of our public and cultural relations. Mr. MacLeish's outstanding experience and talents in this field are well known.

Other appointments strengthening the State Department will be made in the near future. I feel confident that these

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appointments will give the Secretary of State a staff well balanced from the point of view of ability and experience.

I intend soon to send to Congress the nomination of the Honorable Norman Armour to an important diplomatic post abroad.

~~Suggested~~

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Sent by operator _____ M., _____, 19____

Department of State

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Suggested letter to Mr. Shaw to be released to press:

X QUOTE My dear Howland: I have received your letter of resignation of November 28 which you urgently request me to accept in order that you may undertake other important duties.

I am very sorry indeed to learn of your decision but in the circumstances which you so clearly set forth in your letter I most regretfully accept your resignation and approve your retirement as provided by law.

In doing so I wish to express to you my deep appreciation of your work in the Foreign Service and the Department of State over a period of twenty-seven years. I recall your outstanding record in the American Embassy in Turkey and know from closer association here in Washington of the tireless assistance, without thought of personal advantage, you have rendered in the administration of the Department of State and the Foreign Service. Your influence will be missed. I am indebted to you especially for having brought before the American people, through your speeches and radio talks, a more realistic conception of our Foreign Service and the work it does.

You mention in your letter your increasingly deep interest in problems of the correctional and related fields, particularly

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juvenile delinquency. I am aware of the valuable work which you have done in these fields and I hope I may feel free, when an opportunity arises, to appoint you to an important position in one of them which will afford you an even wider scope for enlightened public service. Sincerely yours UNQUOTE

Suggested letter to Mr. Berle to be released to press: QUOTE

X My dear Adolf: I had high hopes that in this momentous period in our foreign relations you would find it possible to accept the extremely important diplomatic work which I asked you to undertake and in which I especially need your outstanding abilities. I was therefore greatly disappointed to receive your telegram declining the appointment. I sincerely hope that you will reconsider your present decision and agree to assume the responsibilities of a post in which, in my judgment, you can at this time render eminently useful service.

In the meantime, with great regret I accept the resignation you sent to me by telegram yesterday as an Assistant Secretary of State, a post which you have filled with such distinction during the past seven years. I expect you, of course, to continue as head of the United States Delegation to the Aviation Conference, the proceedings of which you have conducted with

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Sent by operator _____ M., _____, 19____

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Department of State

Washington,

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such skill and ability.

You and I have been friends and have worked together for a long time, and I am eternally grateful to you for your never-flagging loyalty and cooperation. Sincerely yours UNQUOTE

Suggested letter to Mr. Long to be released to press:

x QUOTE My dear Breck: It was with deep regret that I received your letter of resignation as Assistant Secretary of State caused by the state of your health. I hope that after a period of rest and recuperation you will be available for public service either at home or abroad.

I wish to express my sincere appreciation of the splendid and untiring assistance you have rendered to me and to the Secretary of State during the past five years in the Department of State, and in Italy before that, in carrying forward the policies of this Government in the field of international relations. This has been but a continuation of the devoted services which you rendered to the country in the Administration of Woodrow Wilson. For a quarter of a century you have labored for the cause of international peace and cooperation.

I am looking forward to your speedy recovery and the continuation of your aid to the cause which is so dear to both of us. Very sincerely yours. UNQUOTE

Enciphered by _____

Following

Sent by operator _____ M., _____, 19____

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Dear Adolf:

It is with great regret that I accept the resignation you sent to me by telegram yesterday as an Assistant Secretary of State, a post which you have filled with such distinction during the past seven years. I expect you, of course, to continue as head of the United States Delegation to the Civil Aviation Conference, the proceedings of which you have conducted with such skill and ability. As you suggest, upon your return from Chicago, we can discuss the new work which I am anxious for you to undertake and in which I especially need your outstanding abilities.

You and I have been friends and have worked together for a long time, and I am eternally grateful to you for your never-flagging loyalty and cooperation.

Sincerely yours,

12-4-44

December 4, 1944

Dear Adolf:

It is with great regret that I accept the resignation you sent to me by telegram yesterday as an Assistant Secretary of State, a post which you have filled with such distinction during the past seven years. I expect you, of course, to continue as head of the United States Delegation to the Civil Aviation Conference, the proceedings of which you have conducted with such skill and ability. As you suggest, upon your return from Chicago, we can discuss the new work which I am anxious for you to undertake and in which I especially need your outstanding abilities.

You and I have been friends and have worked together for a long time, and I am eternally grateful to you for your never-flagging loyalty and cooperation.

Very sincerely yours,

Honorable Adolf Berle,^{yc}
Assistant Secretary of State,
Washington, D. C.

Dear Breck:

It was with deep regret that I received your letter of resignation as Assistant Secretary of State and the subsequent ^{reports you gave me} ~~word~~ regarding your health. I hope that after a period of rest and recuperation you will be ^{ready once more} available for public service, either at home or abroad.

I wish to express my sincere appreciation of the splendid and untiring assistance you have rendered to me and to the Secretary of State during the past five years in the Department of State, and in Italy ^{previously} ~~before that~~, in carrying forward the policies of this Government in the field of international relations. This has been but a continuation of the devoted services which you rendered to the country in the Administration of Woodrow Wilson. For ^{more than} a quarter of a century you have labored for the cause of international peace and cooperation.

I am looking forward to your speedy recovery and the continuation of your aid to the cause which is so dear to both of us.

Very sincerely yours,

12-4-44

December 4, 1944

Dear Breck:

It was with deep regret that I received your letter of resignation as Assistant Secretary of State and the subsequent reports you gave me regarding your health. I hope that after a period of rest and recuperation you will be ready once more for public service, either at home or abroad.

I wish to express my sincere appreciation of the splendid and untiring assistance you have rendered to me and to the Secretary of State during the past five years in the Department of State, and previously in Italy, in carrying forward the policies of this Government in the field of international relations. This has been but a continuation of the devoted services which you rendered to the country in the Administration of Woodrow Wilson. For more than a quarter of a century you have labored for the cause of international peace and cooperation.

I am looking forward to your speedy recovery and the continuation of your aid to the cause which is so dear to both of us.

Very sincerely yours,

Honorable Breckenridge Long,
Assistant Secretary of State,
Washington, D. C.

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December 4, 1944

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My dear Howland:

I have received your letter of resignation of November twenty-eighth which you urgently request me to accept in order that you may undertake other important duties.

I am very sorry indeed to learn of your decision but in the circumstances which you so clearly set forth in your letter I most regretfully accept your resignation and approve your retirement as provided by law.

In doing so I wish to express to you my deep appreciation of your work in the Foreign Service and the Department of State over a period of twenty-seven years. I recall your outstanding record in the American Embassy in Turkey and know from closer association here in Washington of the tireless assistance, without thought of personal advantage, you have rendered in the administration of the Department of State and the Foreign Service. Your influence will be missed. I am indebted to you especially for having brought before the American people, through your speeches and radio talks, a more realistic conception of our Foreign Service and the work it does.

You mention in your letter your increasingly deep interest in problems of the correctional and related fields, particularly juvenile delinquency. I am aware of the valuable work which you have done in these fields and I hope I may feel free, when an opportunity arises, to appoint you to an important position in one of them which will afford you an even wider scope for enlightened public service.

Very Sincerely yours,

Honorable^{G.} Howland Shaw,
Assistant Secretary of State,
Washington, D. C.

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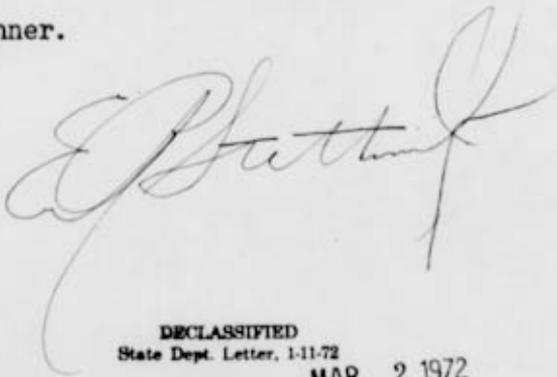
DEPARTMENT OF STATE
WASHINGTON

December 4, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Lister Hill

As you requested I discussed with Lister Hill this morning the Will Clayton appointment. Lister was most understanding and cooperative, and while he had certain views relative to Will's present relations with Congress on surplus property matters, he did not wish to press the point further. I am confident you will not hear of any objection on Lister Hill's part again, and the situation was disposed of in a harmonious manner.



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



THE SECRETARY OF STATE
WASHINGTON

file

December 12, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Statements before the Senate
Foreign Relations Committee.

Attached you will find copies of the statements made before the Senate Foreign Relations Committee this morning by Mr. Grew, Mr. Rockefeller, Mr. Dunn, Mr. MacLeish, Mr. Clayton and me, which may be of interest to you. General Holmes was questioned for only a few minutes and did not have a formal statement.

E. A. Tamm



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THE SECRETARY OF STATE
WASHINGTON

December 13, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Palestine Question
x

Attached is a brief summary statement of the effect on our position in the Near East of recent developments on the Palestine question based on the best information from the field available to the Department.

I am sending this to you so that it will be readily available to you for background purposes in the event that this issue continues extremely active.

Enclosure

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

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THE SECRETARY OF STATE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

Subject: Palestine Question and the American
Position in the Near East.

As agreed in our recent conversation regarding Palestine, I am giving below a brief account of the effect upon our position in the Near East of recent developments.

The bipartisan endorsement of a Jewish state during the recent campaign in this country produced a strong reaction in the Near East. You will recall in this connection that last year assurances were given on your authority to King Ibn Saud that in our view no decision should be reached regarding Palestine without consultation with both Arabs and Jews. These assurances were repeated subsequently to various Governments in the Near East and are regarded by them as a solemn commitment in harmony with the Atlantic Charter.

The recent pro-Zionist statements in this country accordingly gave rise to a wave of shocked disillusionment and protest in the Near East. There were demonstrations in Syria, an intensive anti-American campaign was carried on in the press of several countries, and many telegrams of protest were dispatched to political leaders in this country as well as to our representatives in the field. In Palestine itself, the reaction took the form of a boycott of the Culbertson Economic Mission, and there was a press campaign in favor of a complete boycott of American trade. A significant comment was

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MAR 2 1972
By J. Schaubte Date _____

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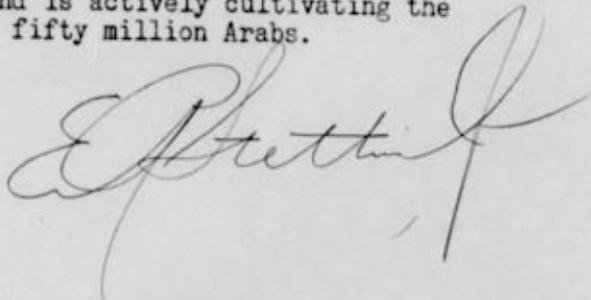
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that made by the Amir Abdullah of Trans-Jordan, who suggested that economic concessions might well be withheld from countries which did not respect "Arab rights".

If this trend should continue, it would seriously prejudice our ability to afford protection to American interests, economic and commercial, cultural and philanthropic, throughout the area. It, of course, would have a very definite bearing upon the future of the immensely valuable American oil concession in Saudi Arabia, where the King's opposition to Zionism is well known.

From the broad political view, moreover, our position in the area vis-a-vis Great Britain and Soviet Russia would be weakened. The British, whose situation with regard to Palestine is already difficult, naturally welcome any development which strengthens their own position with the Arabs. The Russians are showing a growing interest in the Arab world and are quite plainly anxious to expand their influence in the area, particularly toward the Persian Gulf. Such expansion would, of course, be in the direction of the oil fields in Saudi Arabia and Bahrein as well as those in Iran, Iraq and Kuwait. The Soviet Union has never endorsed Zionism. In fact, and on this point you recently had some first-hand information from Ambassador Harriman, we now have reason to believe that Soviet Russia definitely opposes a Jewish state and is actively cultivating the good will of the fifty million Arabs.



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

TELEGRAM

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The White House
Washington

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Dec. 13, 1944.

The President:

The Senate Foreign Relations Committee closed its public hearings early this afternoon. Will Clayton testified this morning and Archibald MacLeish and I were recalled after lunch. Nelson Rockefeller, James Dunn and I have been requested to appear before an executive session of the committee tomorrow morning. Everything appears to be going satisfactorily and we are hopeful that all the nominations will be reported favorably to the Senate by the committee tomorrow afternoon.

E.S.

TELEGRAM

State Dept. folder 2-44

The White House
Washington

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DECEMBER 12 1944

FOR THE PRESIDENT
FROM THE SECRETARY OF STATE

THIS MORNING'S PUBLIC HEARINGS BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE PROCEEDED SATISFACTORILY. GENERAL HOLMES, AMBASSADOR GREW, NELSON ROCKEFELLER, JAMES DUNN, ARCHIBALD MACLEISH AND I WERE CALLED UPON TO TESTIFY. A GREAT MANY DELICATE QUESTIONS WERE RAISED BUT WERE DISPOSED OF WITHOUT DIFFICULTY. I HAVE FULL CONFIDENCE AS TO THE OUTCOME AND EXPECT THAT THE HEARINGS WILL BE CONCLUDED TOMORROW. CONFIRMATION BEFORE END OF WEEK.

E P STETTINIUS JR.

1230pm/d

DEPARTMENT OF STATE
THE SECRETARY

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7
December 12, 1944

FOR THE PRESIDENT FROM THE SECRETARY OF STATE:

This morning's public hearings before the Senate Foreign Relations Committee proceeded satisfactorily. General Holmes, Ambassador Grew, Nelson Rockefeller, James Dunn, Archibald MacLeish and I were called upon to testify. A great many delicate questions were raised but were disposed of without difficulty. I have full confidence as to the outcome and expect that the hearings will be concluded tomorrow. Confirmation before end of week.

E. R. STETTINIUS, JR.

|| Note: This message sent to the President by wire 12/12/44.
M.C.L.

DEPARTMENT OF STATE
—
THE SECRETARY

file

December 13, 1944

Miss Grace Tully,

Attached are the enclosures
which were inadvertently omitted
from my memorandum to the President
of December 12 on the subject of
Statements before the Senate Foreign
Relations Committee.

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Statement by Mr. Joseph Clark Grew before the
Senate Committee on Foreign Relations

Mr. Chairman and members of the Committee:

I have served the Government of my country for forty years wherever it chose to send me. When the President and the Secretary asked me to undertake the duties of Under Secretary of State I placed myself entirely at their disposal. The duties to which I have been assigned are arduous and slogging. I know this because I performed them for three years twenty years ago. I am no longer a young man, but so long as I can serve I shall do so wherever I can be of use. I am happy to serve in this post for the following reasons:

First, because my country is at war.

Second, because I believe in the President, I highly admire the grit and vision with which he has been and is conducting the war, and I heartily support his determination that effective machinery shall be erected to insure future international peace and security.

Third, because I believe in Mr. Stettinius and am profoundly happy to follow his dynamic and inspiring leadership. He is "the man who gets things done."

Fourth, because the job of Under Secretary is a very different proposition from twenty years ago. Now a new and liberal pattern is emerging. A newspaper sketch of me -- presumably based on the thought that, like the late George Apley, I hail from conservative elements in New England -- said that I am "inhospitable to change." Well, if I were inhospitable to change, I would certainly not have been asked or have been willing to join this team. I think that this new pattern is going to commend itself to the Congress and to our people. The world is in flux and malleable. It can be a better world and we shall try to make constructively helpful our contribution toward building it anew.

Fifth, because I want to see the work begun at Dumbarton Oaks carried through to a successful conclusion and, with your help, we intend to do it. No work in the world can be of greater importance.

This is all, Mr. Chairman.

* * *

Statement by Mr. James Clement Dunn before the Senate
Committee on Foreign Relations

The Department of State is not new to me. In fact, after two years as a Naval officer in the last war, I have served twenty-five years either in the Foreign Service or in the Department. After Mr. Hull became Secretary, I served as Special Assistant to him, as Adviser on Political Affairs, and as Director of the Office of European Affairs. I was adviser to Mr. Hull at the Moscow Conference. No one serving under Secretary Hull could fail to become imbued with his faith in this country and in its constructive influence in world affairs.

These have been trying years, years which have seen much evil and suffering. But they have also brought new strength and a toughened moral fibre to the people of this country and to free peoples everywhere. Free men whose liberty has temporarily been lost or threatened gain new strength and determination to safeguard it in the future.

In our democracy the basic determination of foreign policy rests with the people. Foreign policy is and must be a living thing; it is the process of dealing with a constant succession of new developments in the light of our fundamental principles and interests.

After the complete defeat of our enemies all necessary measures, however rigorous, must be taken to prevent their being able to make war again. Meanwhile, our national interest requires that we encourage the establishment of strong democratic governments in liberated countries. Our security and welfare will be best served by having in other countries liberal governments which will be dedicated, as we are, to improving the standards of living of their peoples and to creating the atmosphere and conditions conducive to the preservation of peace and security. We look forward to the development in other countries of freedom, of increased opportunities and improved social welfare of their people.

I am deeply conscious of the new responsibilities which the President and Mr. Stettinius have asked me to assume.

Shortly before Secretary Hull started for Moscow Mr. Stettinius came to the Department of State as his principal assistant. I was one of his advisers at Dumbarton Oaks and I have seen at first hand his skilled leadership, and his deep sense of the importance of the task and of the responsibilities which lie ahead.

Public office today, especially in the field of foreign relations, carries a heavy responsibility. The President and the Secretary of State are devoting themselves to the advancement of the interests of the American people and the establishment of peace and security. So long as I can be of use in any capacity in carrying out the policies laid down by the President, Mr. Hull, and Mr. Stettinius, I shall consider it a duty and an honor to do so.

* * *

The President has done me the honor of nominating me to the position of Assistant Secretary of State and in so doing has defined my responsibility to be in charge of relations with the American republics.

In agreeing to accept this nomination I was guided, first, by my abiding belief in the Good Neighbor Policy enunciated by the President and so ably and effectively developed by Secretary Hull. They have charted a course for cooperative action among the free nations of this Hemisphere, which has proved to be a great source of strength in these war years and which is indispensable to our future security and well-being;

Secondly, by the fact that the Congress and the people of the United States have looked with favor on the program and given it their support;

Thirdly, by my faith in and respect for Secretary of State Stettinius. His broad vision and forward-looking point of view will provide the leadership which will make possible the carrying forward of these objectives during the difficult days that lie ahead;

Fourth, by the loyalty and devotion to their country of the Foreign Service officers of the United States with whom it has been my privilege to be associated during the past four and a half years as Coordinator of Inter-American Affairs.

In recent years relations among the American republics have moved toward broader contacts among the peoples. The people of these republics realize increasingly that their best interests are inseparably interwoven with those of their neighbors.

These are days that call for complete honesty and straightforward dealing - a frank facing of our common problems - the working out together of solutions which reflect the mutual best interests of all.

Democracy must be felt throughout this Hemisphere as a dynamic force which is constantly working for the security, well-being and future opportunity of the peoples of the Americas.

Because of my deep conviction of the importance of the unity of the Hemisphere to the future of our country, if confirmed I will be happy to accept the responsibility of Assistant Secretary of State charged with the formulation and conduct of United States policies affecting our relations with the other American republics within the lines of foreign policy laid down by the president, the Secretary of State and the Congress. In so doing I am fully conscious, as a result of my four years as Coordinator, of the complexity and difficulty of the responsibilities which it will entail.

In appearing before the Senate Committee on Foreign Relations for examination regarding my fitness to serve as Assistant Secretary of State for economic affairs, I wish to make a brief preliminary statement which may clear up some questions at once and save the Committee's time.

I was one of the organizers of the cotton merchant firm of Anderson, Clayton & Company in 1904 and, with the exception of a short period in the first World War, was continuously in that business until August 1940. At that time I resigned as Chairman of the Board of Anderson, Clayton & Company to enter Government service, first with Nelson Rockefeller, Coordinator of Inter-American Affairs, then as Deputy Federal Loan Administrator, then as Assistant Secretary of Commerce, to which position I was appointed by the President and confirmed by the Senate.

I resigned as Assistant Secretary of Commerce in February 1944 to become Surplus War Property Administrator, under Executive Order 9425.

On October 3, 1944, I resigned as Surplus War Property Administrator, effective when the new Surplus Property Board takes office.

It has been suggested by some persons that I am a believer in cartels.

Nothing could be farther from the truth.

My commercial experience has been confined to the cotton business. The merchandising of raw cotton is known to be one of the most highly competitive businesses in the world.

Webster defines a cartel as "A combination of separate firms to maintain prices above a competitive figure."

The nature of the cotton merchandising business excludes any such arrangements.

Numerous investigations by the Committee on Agriculture of the Senate and the Federal Trade Commission have failed to disclose collusive practices in the cotton merchandising business.

That there are no such practices is further evidenced by the fact that net profits in the business over a long period of years have been only 1 to 1-1/2% of the dollar volume.

Having been brought up in this school of hard, keen competition, and liking it, I early formed a strong antipathy, in principle, to cartels.

I quote as follows from a speech I delivered at the Harvard Tercentenary Celebration in 1936:

"Agreements between competitors to curtail production or fix prices, with or without Government sanction, are to be condemned on economic grounds."

There

We are inclined to denounce cartels on what we buy and favor them, although under a different name, on what we sell.

A cartel smells the same to me by whatever name it may be called or for whatever commercial purpose it may be organized.

If international agreements are entered into between Governments in respect of some commodities in which burdensome surpluses have resulted from the war and other causes, the consuming countries should participate in the formation and administration of such agreements, the agreements should be temporary in character and should contemplate as their principal objective the shifting from inefficient to efficient production.

The Committee may wish to know my views on other international economic questions.

For many years, I have been an ardent, outspoken, and consistent advocate of Cordell Hull's philosophy regarding international economic matters.

May I quote two paragraphs from a speech which Secretary Hull delivered on April 9, 1944:

"Along with arrangements by which nations may be secure and free must go arrangements by which men and women who compose those nations may live and have the opportunity through their efforts to improve their material condition. We will fail indeed if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair.

"The heart of the matter lies in action which will stimulate and expand production in industry and agriculture and free international commerce from excessive and unreasonable restrictions. These are the essential prerequisites to maintaining and improving the standard of living in our own and in all countries. Production cannot go forward without arrangements to provide investment capital. Trade cannot be conducted without stable currencies in which payments can be promised and made. Trade cannot develop unless excessive barriers in the form of tariffs, preferences, quotas, exchange controls, monopolies, and subsidies, and others, are reduced or eliminated. It needs also agreed arrangements under which communication systems between nations and transport by air and sea can develop. And much of all this will miss its mark of satisfying human needs unless we take agreed action for the improvement of labor standards and standards of health and nutrition."

I unreservedly subscribe to this thesis!

Now, may I say a word regarding the operations of Anderson, Clayton & Company which have been mentioned in some quarters in connection with my nomination to be Assistant Secretary of State.

The capital,

The capital, surplus, and undivided profits of Anderson, Clayton & Company is now a little over fifty million dollars, of which members of my family and I own approximately 40%.

My only connection with the Company is as stockholder. I have not attended a stockholders meeting since resigning as Chairman of the Board in August, 1940; in fact have not been back to my home in Houston, Texas, since March, 1941.

Anderson, Clayton & Company has offices throughout the cotton belt and cotton consuming centers of the United States, and maintains branch offices or agencies in the principal cotton consuming countries of the world.

The Company also operates, through subsidiaries, in the following foreign cotton producing countries:

Mexico	Paraguay
Peru	Brazil
Argentina	Egypt

The present book value of the Company's fixed assets in these countries is about \$10 million.

Anderson, Clayton & Company have never owned any fixed assets or investments of any kind in Japan or Germany, although for many years prior to the war the Company maintained sales agencies in both countries. The Company also for many years did a very large business with Russia; was one of the first American firms to establish business relations with the Soviet Government after the revolution, long before recognition of that Government by the United States Government, and one of the few firms in the world to extend them substantial credits in those early days.

At the outbreak of the war between Germany, France and England, about September 3, 1939, Anderson, Clayton & Company discontinued business with Germany and so instructed all its foreign subsidiaries.

The Company and its subsidiaries made no sales to Japan for sometime prior to Pearl Harbor.

Some persons apparently fear that my business interests abroad may influence my opinions and actions in the economic affairs of the United States Government.

The only answer I know how to make to this is to say that if any Senator believes that my own foreign interests would prevent me from taking an objective and patriotic position with reference to the interests of my country, I would expect him to vote against my confirmation.

I merely want to add that I am glad this hearing is an open one and that I freely invite any question regarding my private or public acts which may have any bearing, even though remote, on my fitness to serve in the position to which I have been nominated by the President.

* * *

The President and the Secretary of State have done me the honor to nominate me for the position of Assistant Secretary of State in charge of public and cultural relations. I assume the Committee would like to know how I see the duties of the position and on what principles I would expect to perform them.

Since the position is a new one in the Department, I should like to go into these questions, with the Committee's permission, a little more fully than might be necessary in the case of positions, the duties of which are already established.

As I understand the Secretary's wishes, the duties of the Assistant Secretary in charge of public and cultural relations are to be of two kinds: first, to direct the information policies and activities of the Department at home and abroad; and, second, to direct the Department's activities in connection with what has been called "cultural cooperation" - which means, in plain English, the Department's activities in connection with the exchange with other countries of scientific, technical, artistic, literary, and professional knowledge.

The duties of the position so far as information at home is concerned require, I think, no comment. Mr. Hull, in his great speech of April 9, defined the foreign policy of the United States as "the task of focusing and giving effect in the world outside our borders to the will of 135 million people." This will remain, I venture to think, the classic definition of a democratic foreign policy. Its implication, as regards the duty of the Department in information matters, is obvious. To focus and give effect to the will of 135 million people, it is necessary that the people should have access to information on the basis of which they can shape their will. Unless the people are aware of the nature of the problems their government is contending with in the field of foreign relations they cannot reach conclusions of their own, and if they cannot reach conclusions of their own the democratic foreign policy which Mr. Hull defined cannot be realized. It is the duty of the Department, therefore, to make available to the people, through the channels of public communication which now serve them, the information they require.

In addition to his responsibility for information policy and activities at home, the Assistant Secretary in charge of public and cultural relations will be responsible, as I understand it, for the Department's activities in furnishing information about the American people abroad and, in particular, about their life and civilization - their arts, sciences, professional and educational interests, advances in health, in agriculture, in industry, - in brief, their activities and accomplishments as a nation.

The introduction of these responsibilities into the Department under Secretary Hull, and the decision of Secretary Stettinius to assign them to an Assistant Secretary, is a reflection of the Department's recognition of the basic change in the relation of peoples to each other which the modern development of the art and technique of communications had brought about. Prior to the development of the modern newspaper with its rapid foreign correspondence, the modern radio with

with its instantaneous communication with all parts of the earth, the airplane which carries persons and publications from one continent to another in a matter of days and even hours, the motion picture with its world-wide dissemination - prior to these developments, the foreign relations of peoples were largely confined to relations between governments through diplomatic representatives.

Today, whole peoples are in direct and continuing contact with each other through day-to-day and even hour-by-hour exchanges of ideas, news dispatches, magazine articles, books, broadcasts, persons, works of art - all the innumerable instruments of modern communication. The result is that the attitudes of entire peoples, and particularly their attitudes toward each other, become major influences in foreign relations. It would not be too much to say that the foreign relations of a modern state are conducted quite as much through the instruments of public international communication as through diplomatic representatives and missions.

This development imposes a new responsibility upon government. The day-to-day, hour-by-hour, contact of the peoples of the world offers a better hope than the world has ever had before for the creation of mutual understanding and therefore of mutual confidence and therefore of enduring peace. But it offers, at the same time, greater danger of international misunderstanding and suspicion. If the closer communications with each other of the peoples of the world are to result in mutual understanding, they must provide the full exchange of information and of knowledge upon which understanding rests.

The necessity of seeing to it that the full exchange is made - that the whole story of a people's character, its arts, its sciences, its national characteristics, is truly told - is a necessity which no modern government can, or would wish to, evade. This does not mean that the job is a job government should attempt to do itself. Clearly, no government can accomplish that tremendous labor, and no democratic government should try to undertake it. All the various instruments of communication - press, radio, motion picture, book publishing, works of art - must and will play their part. Those who direct the great instruments of communication in this country are fully aware of their responsibility in this matter. The American Society of Newspaper Editors has recently declared its conviction: "That complete friendship with any other sovereign power is dependent, among other considerations, on the freedom, the abundance, and exchange of information between people". Officers of the great news-gathering agencies have also expressed their sense of the importance of the right to secure and disseminate news internationally. Government's responsibility is not to do the job itself - not to supplant the existing instruments of international communication. Government's responsibility is to see to it that the job gets done and to help in every way it can to do it.

These, as I see it, are the essential duties of the position for which I have been nominated. The principles which would control my performance of these duties are the principles of freedom of the press and freedom of the exchange of information. The right to a free press - the right of the people to read and to hear and therefore to think as they please - is, I deeply believe, the basic right upon which freedom rests. Freedom of exchange of information between the peoples of the world is the extension into international relations of the basic democratic right of freedom of the press. Belief in the freedom of exchange of information rests upon the conviction that

if the peoples of the world
peace will be maintained
the common cause

if the peoples of the world know the facts about each other, peace will be maintained, since peace is the common hope and the common cause of the people everywhere.

I should consider it a very great honor to work under Mr. Stettinius toward the accomplishment of the ends of full information to the people of this country and free exchange of information between the peoples of the world in which he so deeply believes.

In closing, I should like to express my profound appreciation of the generous and unfailing support three Congresses have given me in my work as Librarian of Congress. I have looked forward, as many Members of Congress have looked forward also, to the future of an institution which is already the largest library in the world and which, with the continuing Congressional support on which it has always been able to rely, may shortly become the greatest. I have resigned my position as Librarian of Congress only because it is my deep conviction that the work of the position to which I have been nominated is work of the greatest potential importance to the public service.

* * *

FOR THE PRESS

DECEMBER 12, 1944
NO. 632STATEMENT BY THE HONORABLE EDWARD R. STETTINIUS, JR.,
SECRETARY OF STATE,
Before the Senate Foreign Relations Committee

Mr. Chairman and members of the Committee:

May I, first of all, express my deep appreciation for the generous confidence which this Committee and the Senate placed in me when confirming my nomination by the President as Secretary of State. I assume the duties of this office with a full realization of the grave responsibilities that have now passed to me in this challenging period of our history. I am strengthened for the task by the example of my predecessor Cordell Hull -- who is one of the truly great statesmen of our times and whose principles and objectives will continue to be guiding posts for our foreign policy in the days ahead. It was one of the most inspiring experiences of my life to serve under Cordell Hull during the past year and I hope and believe that his health will soon permit me to have the continuing benefit of his wisdom and counsel in the days ahead.

The task before our country is a very great one. Together with the other United Nations we must carry through to complete and final victory the great war in which we are now engaged. Together with the other United Nations we must, at the same time, continue building the foundations of a secure and lasting peace in which there will be wider freedom and opportunity for our own people and for all peoples. This is a task which can be accomplished only in full cooperation with the Congress and with the participation, understanding, and support of the whole American people.

In the months and years ahead, the United States will have far greater responsibilities in world affairs than ever before in our history. We have great moral and material power, which we must exercise in the long-range mutual interests of our own people and of the peoples of other nations.

Our major objectives may be stated very briefly, as follows:

(1) The fullest possible support in the conduct of our foreign relations for our armed forces, so that the war may be won at the earliest possible moment.

(2) Effective steps to prevent Germany and Japan, after victory by the United Nations, from again acquiring the power to wage aggressive war.

(3) Establishment at the earliest possible moment of a United Nations Organization capable of building and maintaining the peace -- by force if necessary -- for generations to come.

(4) Agreement on measures to promote a great expansion of our foreign trade and of productiveness and trade throughout the world, so that we can maintain full employment in our own country and -- together with the other United Nations -- enter an era of constantly expanding production and consumption and of rising standards of living.

(5) Encouragement

(5) Encouragement of all those conditions of international life favorable to the development by men and women everywhere of the institutions of a free and democratic way of life, in accordance with their own customs and desires.

These are the major objectives toward which the Department of State is working, under the President's direction and in close cooperation with the Congress. We shall not achieve them overnight. Their achievement will require months and years of constant and effective work by all of us.

With the wise guidance of Cordell Hull we have made a beginning on these tasks. But we have much more to do and we have no time to lose.

Among our first requirements is to build up the strength of the Department of State so that it will be able to meet the much heavier responsibilities which it must from now on assume. We need a State Department which can carry out in the interests of the United States a liberal and forward-looking foreign policy with level-headed and businesslike effectiveness. That is the kind of a Department of State we all desire.

During the past year, the first steps have been taken to strengthen the Department. We have improved our organization and have brought in new men to work with the existing staff. Now that the Congress has approved creation of two additional posts of Assistant Secretary of State, we are ready to take further steps in this direction.

Our plan calls for six Assistant Secretaries of State in addition to the Secretary and the Under Secretary. The operations of the Department will be regrouped under these Assistants and this new organizational framework will then make possible further strengthening of the Department down the line on a continuing basis. However, we cannot carry through this program until the men who will work on it with me are established in office.

At your invitation, the team which the President and I have chosen to assist me in directing the Department of State is with me here today. The nominations of six of them are now before you for confirmation. I welcome this opportunity to present them to you and to discuss with you their qualifications for the positions to which they have been nominated. Each of them is, in my opinion, wholly qualified by character, experience and abilities for the responsibilities he has been asked to assume. Each of them, I believe, whole-heartedly supports the principles and objectives of the foreign policy of the United States as they have been expressed by the President, by Mr. Hull, and by the Congress.

Our choice for Under Secretary of State is the Honorable Joseph C. Grew. He has devoted 40 years to serving our country with great distinction and honor in the conduct of our foreign relations in all parts of the world. He has served three years as Under Secretary of State and nine years as Ambassador to Japan. He knows at first hand both fascism and aggression and hates them both. As Under Secretary he would be a strong right arm in the tasks of building now for a more democratic world after victory and of making peace secure.

Under our reorganization plan, Dean Acheson, who has served the Department with distinction as Assistant Secretary of State for the past four years, will continue in that capacity,

capacity, but with a new assignment. I want to tell you about it, even though his name is not before you for confirmation. He will be in charge of Congressional Relations and International Conferences. He will seek to keep the Congress currently informed of all developments in our foreign relations and generally to maintain the strongest and closest possible working relationship between the Department, the Foreign Relations Committee and other committees of Congress. I regard this as of the utmost importance and I know that you will agree with me that Mr. Acheson is ideally suited to the task. His responsibility in connection with international conferences is a new departure and is made necessary both by the greatly increased importance to us of our participation in international conferences and by the imperative need of keeping in close touch at all stages in the work of these conferences with the members of Congress.

The geographical divisions of the Department will be re-grouped, under the reorganization plan, under two Assistant Secretaries of State -- one for all countries except the Americas, and the other for American Republics Affairs. For the first position the President has nominated James C. Dunn and for the second Nelson A. Rockefeller.

Mr. Dunn was one of Mr. Hull's most valued lieutenants in the State Department throughout his twelve years as Secretary of State. He served as his Special Assistant, as Advisor on Political Relations and as Director of the Office of European Affairs. He was Mr. Hull's political advisor at Moscow, when the Moscow Four Nation Declaration was agreed upon. In the work of preparing for and carrying through to success the Dumbarton Oaks Conference Mr. Dunn was of great value to me. I have the highest confidence in his ability to fill the post of Assistant Secretary with distinction and with benefit to our country.

Mr. Rockefeller has served as Coordinator of Inter-American Affairs since 1940. Before that he was President of Rockefeller Center in New York. As Coordinator, Mr. Rockefeller has done much in the past four years to develop better understanding and closer relations among the American Republics. In support of the Good Neighbor policy and of the war effort. He knows intimately both the governments and peoples of our neighbor republics. As Assistant Secretary of State he would be, I believe, unusually well qualified by a combination of experience, energy and judgment to contribute much to further strengthening of inter-American relationships in the days ahead.

For the post of Assistant Secretary of State in charge of Foreign Economic Affairs the President has nominated William L. Clayton. Before entering the Government in 1940 Mr. Clayton had been engaged for more than 25 years in the cotton business in many parts of the world. He has thus had a long business experience in foreign trade. Since 1940 he has served the Government with distinction, as Deputy Federal Loan Administrator, then as Assistant Secretary of Commerce and finally as Surplus War Property Administrator. He was a member of the United States delegation at the Food and Agricultural Conference at Hot Springs. He has worked closely with the Department on many matters involving foreign economic affairs. I believe he would bring to the Department great executive ability, practical experience and whole-hearted support for the liberal economic objectives of our foreign policy.

The post

The post of Assistant Secretary of State in charge of Public and Cultural Relations is a new one in the Department. It covers current activities and future problems of great importance to our foreign relations. To this position the President has nominated Archibald MacLeish, Librarian of Congress since 1939. I believe that the new problems involved in making a secure peace require that much fuller information about United States foreign policy should be made available through the established press, radio and other media both to the people of this country and the people of other countries. I also believe that further advances in the cooperative exchange of scientific, technical and professional knowledge among all peoples and the promotion of freedom of information throughout the world are of equal importance for the same reason. Mr. MacLeish has been a soldier, lawyer, editor, writer and -- as Librarian of Congress -- a proven executive whose experience and abilities ideally qualify him in my opinion to take up these responsibilities under my direction.

For the other Assistant Secretaryship, the President has named Brigadier General Julius C. Holmes. He would be in charge of Administration and Management for the Department of State and the Foreign Service. General Holmes was in the Foreign Service and the State Department from 1925 to 1937, when he entered private business. In this war he has served with General Eisenhower in the Mediterranean Theatre and on the European Continent. He is now Deputy Chief of Staff for Civil Affairs in the European Theatre. General Eisenhower and the War Department have reluctantly consented to release him for this highly important task. I look forward to an invigorated and enlarged Foreign Service and Department of State in which there will be new and greater opportunities for able men from all walks of life to serve their country, including returning members of the armed forces, whose experience we shall need in the field of foreign relations after the war. General Holmes has been chosen in order to carry forward under my direction the strengthening of the Department and the Foreign Service toward these objectives.

With your approval, I have been given the responsibility of running the Department of State under the President's direction. These are the men whom the President and I have chosen to assist me in that job. They have been chosen only for the abilities which we believe they can contribute to the work of the State Department and to the conduct of a progressive and vigorous foreign policy which will express as nearly as possible the will of the whole American people.

They are here today to speak for themselves and to answer any questions that you may care to put to them.

We have a tremendous job ahead. I am naturally anxious to put into effect as rapidly as possible the program for reorganizing and strengthening the Department of State. The war will not wait, nor should we delay in carrying forward the planning essential for the peace. We must move effectively and rapidly now to meet our responsibilities to the men in our armed forces and to their families.

But I also believe that it is only by understanding each other and working together that we can achieve that unity based on the democratic processes of give and take which is one of the fundamental strengths of our country. This hearing is a part of our democratic processes at work. In that spirit these men welcome the opportunity to appear here, as I do.

* * *

*State Dept. from
2-44*



Signal Corps, United States Army

Received at

for ~~TOP SECRET~~

DEC 18 1944 AM

18 DECEMBER 1944.

TO THE PRESIDENT FROM SECRETARY STETTINIUS.

SENATOR CONNALLY HAS JUST ADVISED THAT UNDER THE LEADERSHIP OF PEPPER AND GUFFEY FILLIBUSTER IS LIKELY TO DEVELOP THAT WILL DELAY ACTION ON THE STATE DEPARTMENT NOMINEES UNTIL THERE IS NO LONGER A QUORUM PRESENT TO MAKE POSSIBLE A VOTE AT THIS SESSION.

THIS WOULD MEAN THAT PEPPER AND GUFFEY WOULD HAVE SUCCESSFULLY BLOCKED CONFIRMATION OF YOUR NOMINEES FOR THE STATE DEPARTMENT POSTS.

PEPPER IS SAYING THAT THESE NOMINATIONS ARE NOT IN FACT YOURS. SENATOR CONNALLY FEELS YOU MUST MAKE YOUR POSITION CLEAR AND THAT IT IS IMPORTANT THAT YOU EITHER WIRE OR PHONE PEPPER AND GUFFEY AND ANYONE ELSE YOU THINK BEST FROM YOUR NEXT STOP POINTING OUT TO THEM THAT YOU ARE BEHIND THESE NOMINEES AND EMPHASIZING THE IMPORTANCE TO THE COUNTRY OF IMMEDIATE CONFIRMATION THIS WEEK BEFORE ADJOURNMENT BECAUSE OF THE WORLD SITUATION AND THE NECESSITY OF THE MEMBERS OF THE NEW STAFF AT THE STATE DEPARTMENT ASSUMING THEIR IMPORTANT DUTIES IMMEDIATELY.

Attach great

NO SIG.

DECLASSIFIED

State Dept. Letter, 1-11-78

~~TOP SECRET~~

By J. Schauble Date MAR 2 1972

Form No. 7
Revised Aug. 1942

Signal Corps, United States Army

Received at

~~TOP SECRET~~

FROM THE PRESIDENT TO SECRETARY STETTINIUS.

PLEASE CHANGE THIRD PARAGRAPH OF YOUR MESSAGE TODAY RE NEW STATE
DEPT NOMINEES AS FOLLOWS: AFTER EMPHASIZING "THAT I ATTACH GREAT
IMPORTANCE ETC."

PLEASE SHOW THIS TO SENATOR CONNALLY ASKING HIM TO TELL GUFFEY
AND PEPPER.

NO SIG.

SENT AT:
18/1707Z

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

~~TOP SECRET~~

2 V 7

DEPARTMENT OF STATE

SPECIAL ASSISTANT TO THE SECRETARY

December 20, 1944

Miss Brady:

Returned for your files.

R. J. Lynch

State Dept folder 2-44

OFFICE OF WAR MOBILIZATION
SURPLUS WAR PROPERTY ADMINISTRATION

OFFICE OF ADMINISTRATOR

November 30, 1944

811 VERMONT AVENUE NW.
WASHINGTON 25, D. C.

THE WHITE HOUSE
NOV 30 2 56 PM '44
RECEIVED

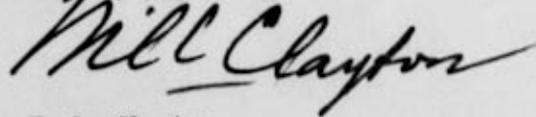
My dear Mr. President:

Your telegram asking me to be Assistant Secretary of State in charge of all economic affairs reached me last night.

I keenly appreciate this renewed expression of your confidence.

Of course, I accept!

Sincerely yours,



W. L. Clayton

The President
The White House

State Dept. memo 2-44

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file →

DEPARTMENT OF STATE
WASHINGTON

December 27, 1944

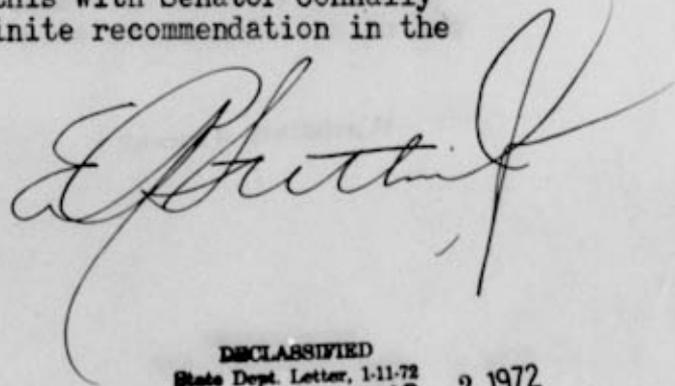
MEMORANDUM FOR THE PRESIDENT

Subject: Anglo-American Petroleum Agreement

Misunderstandings have arisen concerning the purposes and scope of the Anglo-American Petroleum Agreement which, as you know, was submitted on August 24, 1944, to the Senate for its advice and consent to ratification. Senator Connally has publicly stated his belief that the Agreement would not be ratified in its present form. Opposition has been expressed by certain sections of the American petroleum industry indicating concern lest implementation of the Agreement might lead to the mandatory regulation of its operations.

Therefore it is the intention of the State Department to recommend that you request the Senate to return the Agreement in order that consideration may be given to a revision of the Agreement in order to remove grounds for misunderstanding.

We have discussed this with Senator Connally and will send you a definite recommendation in the next few days.



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

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time

*Carbon of this memo returned to Mr. Stettinius
1/1/45*

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State Dept. folder - 2-44

DEPARTMENT OF STATE
WASHINGTON

December 29, 1944

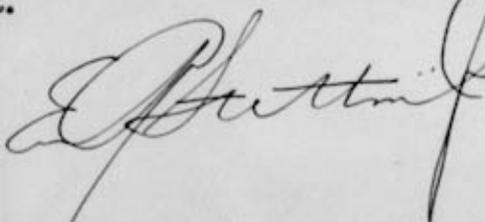
MEMORANDUM FOR THE PRESIDENT

Subject: Allied Economic Policy Toward
Neutral Countries

There is submitted herewith a statement, "United States Proposal for Allied Economic Policy toward Neutral Countries", which has been approved by the Executive Committee on Economic Foreign Policy. In brief, the objectives set forth in the document are (1) to obtain from the neutral countries assistance in gaining control over German foreign assets, looted property, and foreign economic activities, and (2) to enlist their cooperation and assistance in procuring Allied requirements and in contributing to relief and rehabilitation of liberated areas. The means of implementing this policy consists principally of economic pressures which the Allied countries are in a position to exert so long as they have need to retain economic controls such as navicerts, export and import licensing, government purchase, exchange control, and freezing regulations. The application of the policy would, of course, vary, depending on the neutral country involved.

I believe it would be desirable, if you approve, to discuss with other Allied governments the policy broadly outlined in the document.

"ERS JR
OK
FDR"



Enclosure:

Secret document
ECEFP D-90/44
December 8, 1944

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

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ECEFP D-90/44
December 8, 1944

EXECUTIVE COMMITTEE ON ECONOMIC FOREIGN POLICY

UNITED STATES PROPOSAL FOR ALLIED ECONOMIC POLICY
TOWARD NEUTRAL COUNTRIES

(As approved by the Executive Committee on Economic
Foreign Policy December 8, 1944)

Those countries which have up to this time maintained neutrality or a non-belligerent status (including but not necessarily limited to Spain, Switzerland, Sweden, Portugal, Turkey, Eire, Argentina, and Tangier) constitute a special problem for Allied economic policy for a period beyond the close of hostilities in Europe. It is recognized that no policy which is adopted can be applied equally to all neutrals, that each situation must be dealt with as it arises, and that similar objectives, particularly with regard to supply matters, must be sought from some of the other Allied countries including liberated areas. Since it is essential that economic policy toward neutral countries represent agreement among the major Allied powers, it is recommended that the policy set forth herein be used as a basis for discussions on this subject with our principal Allies.

The problem has several aspects:

1. During the war these neutral countries have maintained commercial and other relations with Germany, often with considerable profit to themselves, and contributed in greater or less degree to German purposes.
2. The Germans have taken advantage of the neutral status of most of these countries to cloak enemy-owned and looted property, to undermine the effect of the Allied blacklists, and otherwise to promote German economic objectives.
3. The neutrals have not associated themselves with the United Nations and thus are not committed to United Nations decisions regarding the control of

Germany

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

Germany and Japan and long-term measures for political and economic security.

4. They are not committed to assume any responsibility for assisting in the rehabilitation of areas devastated as a result of the war.

5. As a result of their neutral position and in part as a result of their collaboration with the enemy, they are in many cases stronger economically than neighboring countries which have cooperated with the United Nations.

6. As they will be the only areas beyond the reach of direct Allied control, a residue of Axis activity is likely to remain in neutral territory, financed by enemy assets.

Because of these circumstances, therefore, the United States must seek certain special objectives in these neutral countries.

The principal objectives are as follows:

1. To obtain enactment and implementation by the neutrals of:

A. effective measures which will prevent export of enemy property into or through neutral territory, will circumvent German economic penetration or control of neutral economies, and will assist in restitution of loot, in preventing secretion of flight capital, and in disclosing all Axis assets;

B. measures recognizing Allied authority within their jurisdiction over all enemy assets; and

C. effective measures to prevent goods, particularly those of low volume but high strategic value, from going from or through their countries to Japan.

2. To obtain neutral cooperation in resolving the confusion of property relationships arising from enemy occupation of various Allied countries

and

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State Dept. Letter, 1-11-72

By J. Schauble Date MAR 2 1972

and the enemy's attempts to cloak their dealings through neutral agents.

3. To obtain agreement with the neutral countries not to obstruct the program adopted by the Allies for continuing the Statutory and Proclaimed Lists.

4. To prevent the disruption, by neutral competition, of Allied procurement arrangements for goods in tight supply.

In addition to the above, the following objectives should also be sought:

1. To enlist a contribution by the neutral countries in proportion to their resources for the relief and rehabilitation of liberated areas.

2. To obtain the cooperation of the neutral countries in supplying Allied requirements.

Assistance from the neutrals in providing for relief and rehabilitation and in supplying Allied requirements should not, however, be regarded as satisfying in any way the four principal objectives indicated above.

Implementation of Policy

Since it is probable that some of the detailed controls involved in allocation of supplies and United States export regulations will be relaxed within a relatively short time, it is important to consider what controls should be developed if any substantial economic levers for obtaining our objectives in the neutral countries are to be retained. The following may be useful for this purpose:

1. In the European neutral countries, the navicert machinery has provided a direct and complete control over all important neutral imports. So long as it is maintained, it will be effective in providing the necessary machinery to attain our objectives in the European neutral countries.

2. United Nations export and import controls, commodity allocation machinery, government purchase programs, exchange control and freezing regulations

will

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State Dept. Letter, 1-11-72

By J. Scheuble Date MAR 2 1972

will, so long as they are retained, be effective in providing necessary machinery for the attainment of our objectives in the neutral countries.

3. The Allies will have direct control over the exports, imports, exchange and other financial transactions of enemy countries. By the exercise of such controls it might be possible to obtain assistance from the neutrals in attaining to a substantial extent the objectives indicated above.

4. The determination of when neutrals may be admitted to United Nations associations for international cooperation will depend in some measure upon the extent to which they cooperate in the recognition and implementation of the above objectives.

The policy of the United States is to remove wartime restrictions on international trade as completely and rapidly as is feasible. So long, however, as our national interest requires the retention of control measures, including those listed above, such controls will be available to secure the objectives outlined in this document. In practical terms, it is probable that the second and third control measures listed will be the most effective in the attainment of the particular objectives under discussion.

Some of the specific problems to be dealt with under the policy set forth above are indicated in the attachment hereto.

DECLASSIFIED

State Dept. Letter, 1-11-72

By J. Schauble Date MAR 2 1972

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ATTAINMENT OF ALLIED OBJECTIVES IN NEUTRAL COUNTRIES

For a period which may extend beyond the collapse of German resistance, it will be necessary for the neutrals to make arrangements with the Allied nations to obtain the supply of certain scarce commodities essential to their economic existence. During this period the bargaining power of the Allies will probably be at its height and the relatively strong position of the Allied countries in relation to the neutrals should be used to attain our economic objectives.

The first three objectives arise out of the special relationship in which the neutrals have stood vis-a-vis Germany. During the war period they have maintained close commercial and financial relations with Germany and have assisted Germany to a greater or less degree in carrying out her economic plans. For example, European neutral financial institutions have assisted the enemy in reorganizing European industry and finance to serve the German war economy and German long-range interests. In this reorganization the property relationships existing prior to the war have been drastically affected, and German interests and control have replaced those of the occupied and satellite countries. Many of these transactions have been conducted through neutral channels and cloaked under nominal neutral control. The assistance and cooperation of the neutral governments will be essential in unravelling this extremely complex situation.

Enemy Assets

Upon the outbreak of war certain neutral interests undertook to cover German ownership and control of properties outside Europe, thus helping to prevent Allied seizure of German assets and destruction of German economic power. During the war German owners of property, looted or otherwise, have frequently sought haven for their assets in the neutral countries. Whether the purpose of these Nazi nest eggs is to preserve private wealth or to promote German national interests, it is important to gain control of them through every means possible, both to restrict Germany's economic influence and to provide assets from which restitution or reparation payments can be made.

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The neutrals are already being requested to take measures to prevent the influx of flight capital and to detect and counteract the presence of German economic influence within their jurisdiction, and their willing assistance in this program would be most valuable. Far-reaching measures need to be taken, however, which will involve powerful interests in the neutral countries. It is certain that the utmost pressure will be brought to bear upon their governments to prevent restoration to the legitimate owners or confiscation by the Allies of assets held for or acquired from the enemy. Where voluntary cooperation proves insufficient, we must be prepared to use direct pressure upon the neutral governments.

Neutral Confiscation of Enemy Property Not Subject to Specific Allied Claims

There is a considerable danger that the neutrals may attach or confiscate certain enemy property against the deficit in the German-neutral clearings. Agreement should be reached with the neutrals concerning all German-neutral clearings, the clearings of the satellite countries with the neutrals, and other enemy indebtedness to the neutrals pending permanent settlement. The clearing deficits represent, in effect, credits granted by the neutral governments to Germany and the satellite governments against the strong representations of the Allies.

The Proclaimed List

It is important that the Proclaimed and Statutory Lists be continued for a time beyond the end of hostilities. During the war the effectiveness of Allied blacklists in the neutral countries has been very uneven. In the European neutrals adjacent to enemy territory, listed persons could always trade with the enemy - they were in fact given special considerations by the enemy - while Allied sympathizers have frequently been subjected to serious loss because of their friendship for us. The Allies have stated that they would protect the interests of persons and firms in neutral countries who have been of assistance to the Allied cause during

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the war, by restricting in so far as possible the ability of persons on the Proclaimed and Statutory Lists to carry on trade or obtain supplies from other areas.

To this end American nationals should be prevented from trading with Proclaimed List persons or firms in neutral countries under sanction of the Trading with the Enemy Act, and the other Allies should be requested to follow a similar policy in so far as possible. The neutral countries should also be requested not to obstruct the program adopted by the Allies for continuing the Statutory and Proclaimed Lists.

The effective enforcement of restrictions against blacklisted persons is not only an obligation arising out of our wartime program but will also greatly reenforce the potential effectiveness of the blacklist as a sanction to be used by a future international security organization to enforce peace.

Supplies

The neutral countries in return for supplies from United Nations sources should certainly be asked to contribute goods or services such as shipping and technical assistance to the rehabilitation of devastated areas in Europe and the Far East, or, where that is not possible, to provide needed goods or services at reasonable prices. Such rehabilitation is as important to their future prosperity and security as to that of other countries.

Considerable support can be expected within the neutral countries themselves for cooperation in European rehabilitation. The European neutrals in many cases have an uneasy conscience about their performance during the war and are anxious to redeem themselves by assisting economically in the postwar period. At the same time, however, considerable pressure will be exerted within the neutrals against any action which would reduce profits or lessen commercial advantages to their citizens.

The neutrals are now in a favorable position to obtain special advantages over the liberated areas and other Allied countries by preempting export markets. They have built up large foreign exchange balances and other liquid assets; their economies have been substantially unimpaired by the war, the essential requirements of their populations have

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been well supplied; they have been able in some cases to build up substantial stocks of fuel and raw materials; they have merchant fleets independent of United Nations control; and they are in a strong position to undertake a rapid expansion of peacetime production and exports. There is danger that due to these circumstances, all resulting essentially from their neutrality and their willingness to cooperate economically with the enemy, they may be able to get a long head start over other countries in the production of goods for export. The neutrals should not, however, be permitted to expand their commercial exports at the expense of a reduction in supplies available for the liberated areas and other Allied requirements. Commodities in tight supply should not be provided to the neutrals beyond their essential requirements (presumably about the rate at which they have imported during the war period) plus the amounts required for use in the manufacture of products needed for relief and rehabilitation.

Coordination of Purchasing

In order to prevent the disruption of Allied procurement arrangements by neutral competition, the neutrals should be asked to purchase certain commodities in exceptionally short supply through Allied procurement machinery. Experience during the war has demonstrated the danger of neutral competition, which may become even more serious as the war draws to a close and during the immediate post-hostilities period. The European neutrals have in general found it to their advantage to purchase through Allied machinery, so that it should be possible without great difficulty to obtain their agreement to similar measures in the immediate future. Agreement to their importing goods from Allied sources should also be conditioned upon their willingness to surrender to the Allies, for allocation elsewhere, stockpiles which they own and which the Allies are not willing on supply grounds to permit them to import.

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