

● PSF

State Dept. - A.A. Berle, Jr.

"file personal" PSF State: Berle
! (2)

June 30, 1936.

My dear Caesar:

I am writing swiftly and bluntly lest time be lost. A situation has developed in the State Department with which you are probably acquainted; but I am writing to make sure.

Phillips' appointment to Rome leaves the Under-Secretaryship open. Both Sumner Welles and Cordell Hull consider that Sumner is entitled to it on all counts; and they are right. It is possible Sumner would not care to remain if passed over. Were Hull otherwise constituted he would probably say so to you; but as you know, Hull does not make representations, especially just now.

Hull considers he was personally repudiated and insulted at the Philadelphia convention. I was there; and I thought he was. He is in no mood to make requests of the White House just now. Fortunately, the newspapers have not yet got hold of it. Perhaps to make sure they did not, Hull left Philadelphia Thursday and has not yet come back to Washington; arranging not to be back till after you leave.

I think it would be wholly unjust not to appoint Welles as Under-Secretary. He has been substantially doing that work for the last three years; pulls his political weight not only Maryland but also in the confidence which LaGuardia and the majority of the Eastern Liberals have in him. This may make considerable difference both in Maryland and New York; and in the Congressional support we get in foreign affairs in the next Congress. Sumner happens to be the kind of man who asks no favors; but I wish (since Hull will not be available) that you would make an opportunity to talk things over with Sumner.

I am sailing for France July 3, returning August 3. It looks to me like the beginning of a real French revolution. The result may leave Britain and America as the last of the Democratic powers.

My congratulations on the Philadelphia speech! If and when I can be of help, let me know. As always,

Faithfully yours,

Adolf Berle

A. A. Berle, Jr.

The President,
The White House,
Washington.

I am writing swiftly from the R.F.C., so as not to lose any time

file
Roosevelt

PSF
Berle
Stat
The Case -
Volume 2-37

142 EAST NINETEENTH STREET
NEW YORK

February 4, 1937.

My dear Caesar:

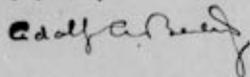
In Buenos Aires you asked me whether Mayor LaGuardia intended to run again for Mayor of New York; otherwise he might be brought into the government. He expects to run, feeling that if he takes a job with your government and declines to run, he will be accused of making a deal by which in return for a safe berth in Washington he clears the decks for a combination between Tammany and Farley. I think he is right. As things stand now, he has a better than even chance of being elected. Anyhow we would rather be defeated trying to do something we believe in than throwing up the sponge.

I hope you can keep clear of this. As in 1933, there is nothing in this for you; the alleged Democratic machine include the very people who tried to cut you and did cut Lehman. In return they are apparently asking you to give them the City.

When, just before election, Marinelli finally got his order to turn in the usual majority for you, he demurred. The high command (I think Steve Ruddy) said he mustn't cut. To cut the President would come back on Tammany Hall. Marinelli was cast down, but he came up smiling with an idea. "At least I can hold an honest election, can't I?" said he.

With kind regards, I am, as always,

Faithfully yours,



Hon. Franklin D. Roosevelt,
The White House,
Washington, D. C.

*file
Personal*

*PSP
Berke
Stats*

142 EAST NINETEENTH STREET
NEW YORK

February 4, 1937.

My dear Caesar:

The other day the law committee of the Stock Exchange took up a proposal made by one of its members to hire a Washington representative. They never had one. A small minority pressed the necessity of a lobbyist and proposed Karl Bvoir, pointing out that he had an easy entrée to the White House, and that he wanted the job; and that he had safely piloted Cities Service Co. through the mess without legislative investigation.

I opposed, with the immediate support of Charles Gay, Frank Altschul and eventually of a large majority of the governors. The Exchange has no business to be hiring any kind of lobbyist; certainly not Tom Chadbourne's old Havana representative. But I think you ought to know this. These fellows have no desire whatever to go into the lobbying business; they are told, however, that this is the only way of avoiding constant attack.

When the time comes to replace Landis I hope you will consider Bill Douglas who is perhaps the ablest man on the Commission. He is one of the few intellectual liberals to whom you could say with some force that what they need in the S.E.C. mainly now is an instinct to make the place simple. At the moment with the best intention in the world it is rather more complicated than an Einstein formula. A man like, say, Carl Wheat who is investigating the A.T.T. for the F.C.C. could contribute a lot to that situation were he on the Commission.

But I cannot convince anybody that in government as in mechanics simplicity is essential.

Faithfully yours,

Adolph Suedy

Hon. Franklin D. Roosevelt,
The White House,
Washington, D.C.

File
Berle
Gen - 13 - Drawer 2 - 37

ASF
Berle

THE WHITE HOUSE
WASHINGTON

State
file

Missy

~~Confidential~~

February 11, 1937.

MEMO FOR MAC

Get hold of Berle and tell him to be darn careful in what he writes me because the Staff see his letters and they are highly indiscreet. Tell him a little later on I want him to come down and lunch with me.

F. D. R.

Did do.

First two sheets to be destroyed

DATE FORWARDED

SEP 11 1937

AVENUE

THE WHITE HOUSE

212

THE WHITE HOUSE
WASHINGTON

February 9, 1937.

MEMORANDUM FOR THE PRESIDENT

Rudolph Forster and Mac and I are much disturbed over these letters which are sent to you by Berle. Undoubtedly he has a copy in his files of everything, and also they are not sent through me. Consequently, they are seen by the Staff who open the mail. They are highly indiscreet. Can we not ask him to bear in mind that he is writing to the President of the United States?

M. A. L.

70 PINE STREET
NEW YORK

PSF
Berle
State

November 9, 1937.

President Franklin D. Roosevelt,
The White House,
Washington, D. C.

My dear Mr. President:

It appears that Jerome Frank has been considered for a post on the Circuit Court of Appeals for the District of Columbia in the event that Clark declines that judgeship, as he is likely to do. I hope you can find it in the stars to appoint him.

On the strictly political side, I think it would be useful here. Jerome Frank is more or less recognizably on the side of the American Labor Party which just at the moment is hanging in the wind. Obviously, it ought to be annexed definitely to you, and I think Jerome's appointment would be a considerable help in that direction.

The campaign being over, I hope to see you some time. The real difficulty begins now. The Democratic machine, thanks to Tammany and Lehman, has to be completely remade if there is to be a Democratic party at all.

I am, as always,

Faithfully yours,

Walter Berle

' It will try to
stop being Democratic -
& end by ceasing to
be a machine.

*PSF: Berle
State*

DEPARTMENT OF STATE

THE SECRETARY

January 25, 1938.

MEMORANDUM FOR
THE PRESIDENT

*file
plus mail*

Referring to the proposed appointment of Mr. Adolph Berle as Assistant Secretary of State, you may recall that I stated the proposal is agreeable to me; that he impressed me, on the trip as delegate to Buenos Aires, as being a person of splendid ability and excellent practical judgment.

I herewith return your note and the other enclosure to which it was and is attached.

True

*RA
Will keep my hand
the nomination
made out?*

~~PSF~~
~~Hill~~

THE WHITE HOUSE
WASHINGTON

PERSONAL AND CONFIDENTIAL

January 25, 1938.

MEMORANDUM FOR

THE SECRETARY OF STATE

I thought you should see this
as I think it should have come through
you. What do you think?

F. D. R.

RECEIVED BY THE SECRETARY OF STATE
JAN 24 1938
LIVE WHILE YOU LIVE



DEPARTMENT OF STATE
WASHINGTON

January 24, 1938.

My dear Mr. President:

The Secretary asked me this morning to find out whether you did not think it would be wise, now that Hugh Wilson has left, for you to send to the Senate without further delay the nomination of Adolf Berle as Assistant Secretary of State. If the Secretary's suggestion meets with your approval, I will have the necessary papers prepared and sent over to the White House at once.

Believe me

Faithfully yours,

The President,
The White House.

*file
Presman*

DEPARTMENT OF STATE
—
ASSISTANT SECRETARY

*PSF
Berle
State*

March 21, 1938.

MEMORANDUM FOR THE PRESIDENT

The Canadian power notes were handed to the Canadian Minister on Friday. At his request, release to the press was held up until today. They will presumably be in the newspapers some time tomorrow.

cc of Berle
A. A. Berle, Jr.
Assistant Secretary of State.

March 22, 1938.

MEMORANDUM FOR THE PRESIDENT:

Secretary Hull suggested that I send you a line regarding Secretary Wallace's memorandum proposing the appointment of a Cabinet Committee to suggest a program.

Secretary Hull is up to his eyes in foreign matters and he questions whether it would be wise to make him, even pro forma, head of a committee on domestic affairs. As matters stand, he cannot give time to it; politically he has his work cut out for him in handling the present situation, including the British Trade Agreement.

Aside from this, he is wholly in accord with the move to bring out a brief and vivid domestic policy, which may accelerate the end of the current business recession. He feels that if it keeps on, we may lose a good deal of support in the next 90 days.

I personally agree with this last. I doubt if the recession gets any worse; I think it will end naturally in another three or four months. But we shall have political repercussions beginning.

Secretary Wallace was good enough to read his
memorandum

memorandum to me and I am for it. The program is actually going forward; it might well be crystalized as a matter of pysics at some appropriate time in the not too distant future.

Wally Berle

A. A. Berle, Jr.

March 24, 1938.

MEMORANDUM TO THE PRESIDENT:

RE: CAPITAL CREDIT BANKS.

As suggested, I talked with Governor Eccles, likewise Jesse Jones.

There appears to be no dispute anywhere on the principle.

I gathered that, since you have determined that this belongs under Jesse Jones' supervision, it is plain that the mechanics will be actually staffed by R.F.C. This is obviously necessary; to erect a new machinery would be a matter of many months and it is plain that time presses if next winter is not to be bad.

The immediate problem is whether it is feasible to draft and pass legislation setting up a capital credit bank, with 12 branches or in the alternative of 12 capital credit banks; to organize these and establish their standing quickly enough so that they can issue and sell debentures, and make and approve loans for capital construction this spring and summer. To this Jesse Jones answers that he can do the same thing by slightly increasing the powers of the R.F.C.; and using his 32 branches throughout the country; thereby getting things under way at once. The R.F.C., of course, has already established a market for its debentures, which the commercial banks freely take.

The R.F.C. now has everything except the power to buy long term securities at will. It already has power to sell its debentures. Probably the useful way would be to give it blanket power to buy, underwrite and sell securities of all sorts; and once legislation were passed, as it probably would be without question, to issue an Executive Order restricting the power as might be desired, so as to steer loans toward actual construction and activity. Ultimately legislation erecting the R.F.C. into a Capital Reserve Bank, (which it really is) will be needed.

I see no answer to Jesse's argument that he can act now; whereas the erection of a series of banks will take time.

An R.F.C. debenture is, of course, in effect the obligation of a government-owned investment trust, with a portfolio representing a cross section of the United States.

This leaves time to elaborate Bill Douglas' suggestion as a final organization which would carry on the functions of the R.F.C. It is, in effect, the creation of a capital reserve system. As one of the most significant pieces of legislation coming out of your Administration, it ought to be worked out during the summer, if it is decided to tackle the job on a large and final scale.

The attached annex puts in a few significant figures.

A. A. Berle, Jr.
A. A. Berle, Jr.

ANNEX.

CAPITAL CREDIT.

EFFECT ON THE NATIONAL INCOME

(1) The national income depends in considerable degree on capital construction activity. Roughly speaking, every billion dollars of capital construction increases the national income by about \$2,500,000,000. (Maynard Keynes: "General Theory of Employment, Interest and Money", 1936, page 128); the statement has been criticized, but appears to stand up.

(2) Actual new capital investment in the United States for the past ten years has been approximately as follows:

<u>Year</u>	<u>Total Capital Investment. Amount</u> <u>in millions.</u>	<u>Of Which U.S. Government Con-</u> <u>tributed</u>	<u>National Income.</u>
1929	10,182	-	80,757
1930	7,273	251	67,969
1931	4,856	1748	53,499
1932	2,838	1646	39,545
1933	2,565	1856	41,813
1934	4,624	3238	49,575
1935	4,566	3154	54,955
1936	5,998	4025	63,799
1937	2,949	900	69,000

Comment:

(a) Capital construction in any year may show up as national income in that year or in the following year. On this lay-out, the year 1938 would be very bad. Actually, it will not be as bad as that; but it will not be good.

(b) Of the new capital investment, substantially none was government money until the year 1930. From there on, the government begins to pick up until today it carries two-thirds of the load.

(c) Your Government picked up the load in 1933. Actually, 1937 was the best year for non-federal capital investment since 1931. A considerable part of this was state and municipal financing, rather than private.

(d) To all intents and purposes, the private capital markets have been closed for six years. A maximum of two billion odd of non-Federal investment (only reached in 1937) means that only one-third of a normal load was carried last year, and last year was the best since 1932.

(3) Source of funds: I have never seen any sense in the theory that all capital activity comes from "savings". I agree with Harold Moulton that it frequently comes from bank credit. If the R.F.C., or the capital credit banks sell debentures to the commercial banks, they top this credit. Naturally, if they can sell to private investors, so much the better. In practice, this is going on now. Government expenditures are financed by federal bonds, which are sold to banks, which create credit for the purpose.

(4) I see no danger of inflation. When bank credit is stagnant (as it is now) the banks can use or create credit and buy securities without danger of unduly raising commodity prices. When it begins to be active, they can sell securities and diminish the amount of bank credit. In this respect a capital credit system, whether it had the R.F.C., or a series of regional banks as a center, would work much like the Federal Reserve System, which can regulate bank credit by buying or selling federal bonds through "open market operations."

(5) I have continuously had in mind your suggestion of some years ago that there was no real reason why public agencies should pay more than nominal interest on money they, in effect, create; provided the credit or money is amortized and retired. I think this idea could be worked out through a capital credit financing medium; but that is a separate subject.

(6) Commercial banking has developed very far in the last century. Investment banking (capital finance) has hardly changed since the Rothschilds invented it.

State

April 18, 1938.

MEMORANDUM TO THE PRESIDENT.

The success of the Recovery Plan will be tested by the amount of actual private economic activity generally in the next few months. Unless the Government nationalizes great blocks of industry, reliance must be had on at least seven times as much private activity as government activity.

(1) Part of the stimulation will be automatic; but it ought not to be left to chance.

Private capital is now made available through the R.F.C. The easiest method of systematic stimulation would be through the R.F.C., unless some parallel organization created for the purpose is more desirable. Specifically, the R.F.C.'s regional branches or agencies have local advisory committees which might be used. These might be re-built into committees to stimulate commercial expansion and might take on, as part of their functions, the job of seeking commercial work which could be done; of bringing together the businessman and the capital he needs. It would be desirable to add to the various districts some labor leaders, who could be put on the committees.

(2) If the plan works, we should be approaching a boom crest early next year. We have used the controls set up in 1933 twice; once on the downside (last October through the Federal Reserve,) now on the upside (through the Federal Reserve and the Treasury). Both moves have been drastic. Any control of an upswing this time should be gradual and inconspicuous.

Such control has to be double-barreled. The banks will now have excess reserves of more than \$4,000,000,000. The Federal Reserve control of increasing reserves and buying Federal bonds will be insufficient. Consequently, the Federal Reserve and the Treasury will have to work together. A slow process of gradually raising reserves and reesterilization ought to be devised; but ought to be

adopted to gradual use. Both the Treasury and the Federal Reserve agree on this.

They actually have pretty regular conferences. These ought to be erected into a real committee and the committee ought to give you a very brief report, say once in two weeks, of their views. This is especially true now because it will need an extremely steady hand on the tiller next Fall *or winter*.

A. A. Berle, Jr.

*for
purposes
(1) State
Berle*

April 26, 1938.

MEMORANDUM TO THE PRESIDENT.

I have accepted Phil LaFollette's invitation to go to Madison on Thursday. I talked to LaGuardia on the telephone this morning. Matters call him to New York on Thursday and he has left his proxy with me. The instructions are to sign any declaration in support of the New Deal; together with any recognition that many more fundamental adjustments have to be made; to decline to join a third party at this time, but to express the hope for realignment adequately giving representation to the progressive thought of the country.

This will be of help in keeping the movement at least in sight of shore.

A. A. Berle, Jr.
A. A. Berle, Jr.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

May 3, 1938.

MEMORANDUM TO THE PRESIDENT.

I went to Madison, Wisconsin, on April 28th, and to lunch with Governor LaFollette. He had already determined to launch a new party; and was about to file articles of incorporation of the National Progressive Association (which he showed me), signed by himself, by his wife, Elizabeth Brandeis (whose husband teaches at the University of Wisconsin) and a few other local people. They were filed in Wisconsin and in (I think) twenty-six states that day and in the following days. James Causey, of New York, and David Niles of Massachusetts, were the only non-Wisconsinites I noticed who had signed them. Phil invited both LaGuardia and myself to sign it, if we wished, though he courteously said he would understand perfectly if we did not feel free to do so. He had been in discussion with several hundred people for months, including junior executives of many commercial firms, Progressives, heads of farm and labor organizations throughout the country. He described John Lewis as being in agreement.

I pointed out that we had had more liberal legislation under your administration than during the past twenty years; that groups with whom I was in touch were not prepared to divide forces until it became obvious that the Democratic Party would cease to be progressive in outlook. Phil thought that battle already lost. I suggested that, even if this were true, which was not yet clear, we still had to govern for the next two and a half years. Therefore, we could not now join without splitting the Liberal forces. Phil explained the general outlook of his party, giving a part of the substance of the speech which he later delivered.

The meeting was a good show, though Phil's effort "to make democracy as dynamic as fascism or other movements" (his phrase) induced adoption of a little drama which may go badly in the east. The background of a twenty foot banner with its circled cross recalled a different picture. Wisconsin Progressives were there in force, the third parties in other states were conspicuously absent.

I telephoned LaGuardia and found him in agreement with my feeling. He issued a friendly statement, indicating sympathy, but that the time for party formation was not yet ripe. He thought we ought now to stress realignment entering a new party only when it became clear that neither of the old parties would

represent

*PSF Berle
private
(11)*

represent a progressive point of view. The American Labor Party and other progressives shared and stated this view. The Wisconsin C.I.O., Labor's Non-Partisan League, some Wisconsin Progressive papers, some, at least, of the farm organizations, have gone on record in this sense. My estimate is that the new party may make progress in Minnesota, North Dakota, possibly Iowa; will probably pick up the Upton Sinclair forces in California; will go no further at present; but may develop strength rapidly later. Its paper organization will be extensive.

Returning to New York via Chicago, I picked up some reactions.

The appeal Phil made ought not to be underestimated. Curiously, it "took" in the New York financial district, and among the white collar classes. I had Louis Faulkner go out to gather opinions; several younger men have telephoned my New York office about it with enthusiasm. The emphasis Phil laid on production, on permitting recognition of superior ability in contrast to the equalitarian talk of the labor unions; on recognition of individual initiative, were popular. I do not think these people understand the implications of the program outlined by LaFollette (I doubt if Phil does); and I cannot imagine Wall Street going along with a program to nationalize the banks. The labor policy has not yet been disclosed. Times are hard, however, and the support it gets from disturbed Conservatives, big and little, seems due in part to political intrigue; but far more to a tropism toward another catharsis like that which the country wanted in 1932. Especially there was comment that Phil condemned nobody, but talked of sweeping constructive change.

A. A. Berle, Jr.
A. A. Berle, Jr.

June 1, 1938.

MEMORANDUM FOR THE PRESIDENT.Re: Canadian Power Negotiations.

As you see, we shot the Canadian draft treaty and intimated in the press the possibility of our being willing to finance for Canada, if they needed it. Wagner expresses approval as to the dam, but not as to the deep water canal. Yet, of course, the deep water canal will have to be built as a corollary if we dam the rapids. The Power Authority studies indicate that no damage will be done to New York.

I will see Wagner and talk to him, but perhaps, at your convenience, you may have a chance to put in a word with him. Perhaps we can block off some of the opposition which turned out for the old treaty.

A. A. Berle, Jr.
A. A. Berle, Jr.

PSF: Berle 77
State

DEPARTMENT OF STATE

ASSISTANT SECRETARY

August 15, 1938.

MEMORANDUM FOR THE PRESIDENT.

Re: Thousand Islands Bridge Speech.

1. This is a plea for prompt consideration of the St. Lawrence Treaty.

2. You talked to Mackenzie King when he was here sometime ago. He asked you to give him a year so that public opinion might be prepared. The year is up. I hope you get a chance to talk privately to him and that you talk to him like a Dutch uncle.

3. No mention is made of the Canadian Trade Agreement. This is because Norman Robertson, chief of their delegation, suggested it might be unwise. I do not see why, but perhaps we have to take their feelings into consideration.

4. Presumably, Mackenzie King will be host. He is addressed as "Mr. Prime Minister."

A. A. Berle, Jr.

727:Ber/c

DEPARTMENT OF STATE
ASSISTANT SECRETARY

"Transmittal"
Aug 15, 1938

August 15, 1938.

MEMORANDUM FOR THE PRESIDENT.

Re: Queens College Speech.

1. Queens College is a Presbyterian School, not unlike some of our denominational colleges. Two or three of its graduates are in the Canadian Government, among them the Under Secretary for Foreign Affairs.

2. The head of Queens College, Doctor Richardson, has the title of Chancellor. If Doctor Wallace is host, his title is "Mr. Principal."

3. The German Army is now partly mobilized and maneuvering in Bavaria within striking distance of the Czech frontier. We have to allow for the possibility that things may be on the way to a blow-up. I do not think so; and the Warsaw Embassy agrees, but other observers think the situation is worse than it was last May. The theory of the speech is an endeavor to create a certain amount of doubt abroad as to what our intentions may be. This, it is thought, may have a moderating effect.

4. You might consider taking someone from here on the train with you to keep up with developments and redraft, if need be. The situation might change over night. I think it will not, but it is certainly in a danger zone.

A. A. Berle, Jr.

PSF Box ~~██████████~~
(Berle, 1938-40)

PSF
Stats
Berle

file

Personal

ASSISTANT SECRETARY OF STATE
WASHINGTON

August 16, 1933.

Dear Mr. President:

I am enclosing my resignation, in accordance with my conversation. I made the date at your pleasure in September, but I hope to get away for a holiday about September 1st.

There was not sufficient time to go over the whole situation with you so that I merely note the following:

In academic work, I have pioneered certain economic fields. Development of them to a point where they may be useful in social evolution seems to me of major importance. I diverted from this some six years ago because of the crisis; and worked at various public jobs as situations arose. They included the campaign of 1933, the finances of the City of New York in 1934 and 1935, with the attendant reorganization of the City Government. 1936 brought a succession of foreign problems, culminating in the Buenos Aires Conference. This Winter, as you know, the thing that brought me here was the necessity of mobilizing some sort of agreement on a recovery plan - that is, that you would get unanimous advice at least on major outlines. We are getting our recovery.

There is a difference between this kind of work and the sort of thing Jackson is doing. He

The President

The White House.

is working on the progressive thesis of the 90's, which was old in the time of McKinley. The hole in the program is a way of supporting the fifty million ^{people} in a country today who live from the proceeds of a large scale industrial system.

The paramount necessity now is to do some thinking at least one lap ahead of the obvious financial and industrial crisis, which is plainly indicated within the next few years. In feeling this, my views agree with those of Marriner Eccles and Wayne Taylor. If Government can only use ideas which are already pretty well developed and discussed, there is no reason now for staying around except to do State Department administrative work, which twenty other men can do better than I, or the purely sentimental reason of staying by Sumner and the Secretary. Both of them seem to be doing pretty well now that the economic decks are clearing. Also things politically were looking bad last winter. Now they are looking very good; and, in any event, you need your supporters in the states and not in Washington.

My plan is to clear out on or about the first of September. I need hardly say that I will defend you against all your enemies, foreign and domestic.

I am, as always,

Faithfully yours,

Adolf

DEPARTMENT OF STATE

ASSISTANT SECRETARY

August 16, 1938.

MEMORANDUM FOR THE PRESIDENT.

Re: Meeting with Prime Minister Mackenzie King.

As suggested this morning, I hope you will take occasion to speak to Mackenzie King about the St. Lawrence Waterway Power Treaty. The Canadians expect that you will take it up with him.

You, of course, remember that, when you discussed this with him before, he asked for a year, during which to prepare the Canadian mind. The year is now up and considerable more besides. The State Department's position is that King will take the issue up if he has to, but he is not enthusiastic about it, particularly because, under the Canadian custom, there probably will be an election in a year and a half. As nearly as we can make out, Canadian sentiment is in favor of the Treaty. Montreal is generally against it; so also, but with less intensity, the rest of Quebec. As one gets progressively farther from Quebec, the sentiment becomes more favorable and is militantly favorable in Ontario and the lake provinces.

aa
A. A. Berle, Jr.

*file
for
Berle*

DEPARTMENT OF STATE

ASSISTANT SECRETARY

August 31, 1938.

*PSF: Berle
folder!
State*

MEMORANDUM TO THE PRESIDENT.

The following is for your information:

Kennedy cables from London that he talked to Neville Chamberlain just after the Cabinet Meeting; that Chamberlain opposed the group in the British Cabinet which advocated declaration of war should Hitler march; and that he would definitely not go to war until he was absolutely forced to, even though France went (Kennedy's cable No. 838,, August 30, 5 p. m.)

On August 31, 3 p. m. (cable No. 1372) Bullitt cables from Paris that Bonnet stated the "British Government had decided yesterday afternoon to give Henderson, British Ambassador to Berlin, an instruction to be read to the German Government in which it would be made entirely clear that, if German troops should cross the Czechoslovak frontier and France should go to war against Germany, England would go to war on the side of France."

These two cables do not gibe. Either (a) The British are deceiving the French; or (b) The French are giving out false information as to the British position; or (c) The British did issue the instruction to their Ambassador at Berlin, but were bluffing and allowing their allies to draw their own conclusions.

This comes terribly parallel to the situation in July of 1914, in which the Germans thought they had one commitment from the British, while the French thought they had another. Both cables obviously refer to the same Cabinet Meeting and in each case to the minister responsible for the conduct of foreign affairs.

I call this to your attention because plainly each of the other foreign offices is playing their own hand in the matter; we had, perhaps, best not become very emotional about it. The history books will probably debate this question about 1948, but it will not do us any good.

A.A.B.
A. A. Berle, Jr.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

September 1, 1938.

PERSONAL.

MEMORANDUM TO THE PRESIDENT.

It seems that the dénoue of the German situation will be a move by Hitler, followed by the virtual absorption of some, if not all, of Czechoslovakia. This will be successful and the rest of Europe will back down. But feeling will be intense; subsequent moves will bring recurrent crises. American emotion will steadily rise.

I venture to set down an opposite point of view. All thinking just now is emotional, based on our horror at the methods of Hitler and his group. We, therefore, identify Germany with him. Humanly this is sound. Historically there is a different side. During the Versailles Conference one branch of the American Delegation felt it was a mistake to break up the Austro-Hungarian Empire; and, indeed, the result reached was more dictated by French military considerations than by trained political men. It was then estimated that only an area roughly equivalent to present Germany, plus Austria-Hungary, could be nearly enough self-supporting to be in balance after Poland was reconstituted and Alsace-Lorraine restored. The sentiment generally favored anschluss. Liberal policy and thought favored this reconstitution right down to 1933, preferably in the form of a customs union or other cooperative or federal arrangement. The idea foundered always on the rock of the French support of the Little Entente.

It is now assumed that a reconstitution of that area will create a power which will invariably attack western Europe. This is emotion rather than analysis. Actually, that unit of sovereignty existed in Europe without upset for some centuries after the death of the Emperor Charles V, that is, after Spain and The Netherlands were detached. Instead of swallowing west Europe, it was principally occupied in maintaining its own organization and putting off the Turks.

I suggest this is likely to be true if a reconstituted great Germany, plus the old Austro-Hungarian region, were re-created today.

Some study of the German economic system shows that it rests entirely on extremely high organization. This becomes

increasingly

increasingly difficult as the march eastward takes non-German groups. Raw materials and food would be available; but you cannot fold into a high organization many millions of Czechs, Ruthenians, Magyars and Transylvanians without radically weakening the fabric. This was the experience of the old Hapsburg Empire.

Finally, in the not distant future the eastward march will meet the Russians, probably in Rumania or Hungary; and the new empire then finds itself occupied by the Slavs, just as the old one did by the Turks.

There is no particular reason to believe that the Italians will remain a tail to this kite. They are more likely to gravitate into the Anglo-French group, thereby reconstituting the balance.

The brief point is that our emotion is obscuring the fact that were the actor anyone other than Hitler, with his cruelty and anti-Semitic feeling, we should regard this as merely reconstituting the old system, undoing the obviously unsound work of Versailles and generally following the line of historical logic.

I think, accordingly, that the attitude has to be the attitude taken by Metternich, Pitt and Castlereagh during the time of Napoleon. Their view was that they disliked the man, but liked the French; that they would fight him when he transcended the logic of France, but even at the end, after Leipzig, were willing to grant him the then logic France. It is quite possible that this half mad "scourge of God" is the only instrument capable of re-establishing a race and economic unit which can survive and leave Europe in balance. In that case, American emotion ought to be reserved to combat the atrocities rather than by entering a general war to try to maintain a situation which was untenable from the time it was created by the treaties of Versailles and Saint Germain.

I take occasion to send you this memorandum because it is both difficult and even dangerous, in the existing state of emotion among a good many of your group, to set out any view other than that fascism must be vanquished. God knows there is so much to support this view that I hardly blame the people who will let loose personal attacks on anyone who lays out a colder analysis. The Russian Foreign Office, however, is taking all the advantage of that view it can; and the generous emotions of American liberals are as likely to be abused now as they were in 1914. We have yet to encounter the full weight of

British

British propaganda, should they decide to enter. We have not yet developed a Walter Hines Page or a Colonel House, who will secretly start us on the road to war behind your back and that of the State Department; but there are probably three or four candidates for these roles in the offing.

It seems to me, therefore, that we should be developing a north-south axis, and not be swung off base by either diplomacy or emotion. In this connection, requests from Halifax to Kennedy asking continual consultation and the similar moves of the French Foreign Office could easily and insensibly make us substantially "an associate power" before we knew it.

Summarized, I doubt if what is happening will precipitate a general war; but if it does, I doubt that Europe will disappear; or that even a successful great Germany will be forever the hideous picture it is today; and I reject the thesis that our intervention would have any results other than those achieved last time.

aa
A. A. Berle, Jr.



DEPARTMENT OF STATE
WASHINGTON

November 19, 1938.

MEMORANDUM FOR THE PRESIDENT

On November 7th you spoke to me about the possibility of a Spanish armistice, outlining the possible method. I went to work on this.

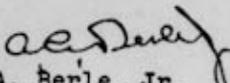
I believe the Secretary of State has already told you that he was working on the matter. The present idea of the people here is that in view of our changed relations with Germany it will be necessary to associate some South American countries with us; and if possible, make it a unanimous act of the Lima conference. A formula has been prepared which Sumner will probably take up with you. It seems to me that some move is essential. I think that Loyalist Spain would accept; there is a possibility that Franco might, but that if he did not, the knowledge that he had declined would liberate political forces which might force peace within a few months. Further, if he did refuse it would clear the way for changing our position in the matter of the Spanish embargo.

What

file personal
PSF
Berle 7
Berle 8
Berle PSF
State

What must be done here is to make sure, if possible, that the Vatican goes along. This would have to be handled while we are en route to Lima.

I feel no possible harm would come from making a strong move; great good might result; and the move works along with your policies whether successful or unsuccessful in immediate effect. The career people feel there is at least an even chance of its being successful.


A. A. Berle, Jr.

*Take care of
by phone -
file*

*PSF: Berle
Stat*

DEPARTMENT OF STATE

ASSISTANT SECRETARY

June 30, 1939

MEMORANDUM FOR THE PRESIDENT

Re: Turkish Police Mission

The Turkish Government, without giving us much notice, shipped the head of their police force over here, where he now is. He is Mr. Adil Başer, and he is looking for three American police people to reorganize the Turkish police force. The State Department tried to get Justice sufficiently interested to arrange a meeting for him with J. Edgar Hoover; but thus far we seem not to have been able to impress on Hoover the fact that Turkish relations are worth a little effort.

I covered the situation, as usual, through Fiorello, who is taking care of Başer today. But I wonder if you could reinforce our own requests to Justice that Mr. J. Edgar Hoover take a little time out to receive the Turk and show him some courtesy. As you know, almost any European government would go to any length to have the chance of organizing a Turkish police system.-- I hate to bother you about foolish little things like this, but we seem stuck.

W-ef
A. A. Berle, Jr.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

August 14, 1939

MEMORANDUM FOR THE PRESIDENT

At Denver I met, first, the Conference of Catholic Charities; and the following day, a group of Colorado political people. The following, for what it is worth, is my size-up of that Colorado situation, after talking to the Catholic Bishop (Conservative); his political Monsignor Mulroy (Conservative); Monsignor O'Grady, Washington, D.C. (Liberal); John Carroll, Denver District Attorney (a Liberal Democrat); Tom Morrissey, the strongest District leader in Denver, and several of his colleagues; likewise the old Costigan crowd; Joseph E. Roach, and later, the more conservative group, including Wilson McCarthy, the railroad men and one or two of the banking people.

The machine is at present in general controlled by Alva Adams. The men down the line are rather quietly talking about Garner. They figure that under the complicated mechanism in Colorado, which requires first a set of local caucuses that pick the delegates to the State Convention, which in turn calls a "State Assembly" and thus gets out nominations for final determination

determination in primaries, Senator Adams and his friends would normally choose a majority in the Convention and thus eventually control the delegation. It is assumed, without definite statement from Adams, that this delegation would begin by being for Garner.

I did not meet anyone who believed that Garner could carry the State, however. The Conservative group thought quite definitely that the State might easily go Republican were he elected, and stressed especially the fact that Hoover and his friends had been very active and that Hoover personally had been getting a good reception. The younger Liberal group, more particularly, John Carroll, the Denver District Attorney, were very clear that Garner would be defeated, if he ran. This made it practically unanimous.

Equally, it was unanimously agreed that none of the little group which the columnists delight to call "the New Dealers" (I suppose on the assumption that the New Deal is a private Washington group) had sufficient standing to get anywhere. Wallace was ruled out, as also Farley.

All discussions finally boiled down to two individuals, yourself and Mr. Hull -- in stating this last, I have discounted for the fact that he is, of course, my Chief and therefore might be talked of

on

on that account). The general theory seemed to be that unless you ran for a third term (as to which a great deal of discussion, pro and con: the anti-third term tradition is strong there), the likeliest winning combination would be Mr. Hull, flanked by a younger, capable fellow-Progressive, preferably able to act as a strong influence in Congress. A good many of the younger men on whom the Liberals have to place reliance politically are also men who got their start with the Adams machine and a good many of them were brought in to see me at various times. To their mind, the choice lay between being shepherded into a Garner delegation and ultimate defeat, or into the camp for a third term, which they thought might carry the State; or a Hull-Progressive combination such as that suggested.

Some additional gossip: Monsignor O'Grady, Secretary of the Catholic Charities, had been cruising the West. He reported Iowa as quite definitely gone; Nebraska rather broken for some sort of a Progressive or middle-of-the-road combination; California as very probably Democratic in either event, though he said that that State is always surprising in its political reactions.

The speech, substantially along the lines you suggested, was extremely well received by everybody

except

- 4 -

except the Denver Post (which is much like the Chicago Tribune); though it was interesting to note that the principal matter the Eastern papers carried was a plea for tolerance and lack of hatred, designed, of course, to counter the influence of Father Coughlin in the Catholic group. That influence is certainly not general; but stronger than I could wish in certain quarters.

A good vacation to you.

W. A. Berle, Jr.
A. A. Berle, Jr.

Private

PSF: Berle

DEPARTMENT OF STATE
ASSISTANT SECRETARY

State *PSF: Berle*

September 18, 1939

MEMORANDUM FOR THE PRESIDENT

Thank you for the copy of "The Week", which eliminates your guest of yesterday morning. Record of that conversation has gone to the White House for file.

This Department is not given to prediction, but I have taken the liberty of sending you herewith a rough map of what I believe to be the probable design for Poland. This means that the Russian mass is now in action. They have already forced the Turks to send an emissary to Moscow; Molotov will undoubtedly try to coerce the Turks into the Moscow orbit. If this is successful, the entire Danube Valley down to the Black Sea falls automatically to Germany; and the German-Russian domination from the Rhine to the Pacific is, as far as I can see, unchallenged. This looks to me as though it would be the new map of Europe and Asia within the next few months (if not few weeks); added to somewhat by the fruits of a Russian-Japanese "non-aggression" pact which really will divide China between them.

It seems to me that in any event we shall have to intensify our South American policy up to the limit.

AAB
A. A. Berle, Jr.

COPY No. 1

No. 332

THE WEEK

September 13, 1939

28 VICTORIA STREET,
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Note: Despite war conditions, THE WEEK remains the most outspoken, informative News Service of the world. It is more valuable than ever as the unique indicator of the future news of Europe.

- 0 -

"THE PEACE OFFENSIVE"

The Nazi whispering campaign referred to in the last issue of THE WEEK had within forty-eight hours after the publication of our information risen to a cackle which was heard all over Europe. Despite persistent rumours to the contrary, the situation as reported in our last issue remains in being: namely, that British public opinion is now so firmly determined on war to the death against Nazism that there is no British Government which at this moment would dare to enter into any sort of "peace" negotiations or which would survive for twenty-four hours if it did.

That is the central and vital fact of the European situation, and anyone who fails to appreciate the vast change in British public opinion reported in our last issue is missing the essential feature of the whole set-up.

The facts on the "peace offensive" are these:--

First: There are those in "high places" in London who regard it as axiomatic that the war must not be conducted in such a manner as to lead to a total breakdown of the German regime and the emergence of some kind of "radical" government in Germany. These circles are certainly in indirect touch with certain German military circles -- and the intermediary is the American Embassy in London (after all, nobody can suspect Mr. Kennedy of being unduly prejudiced against Fascist regimes and it is through Mr. Kennedy that the German Government hopes to maintain "contact").

Through these and other intermediaries it has been suggested to the mind of Goering the suggestion that if Hitler were eliminated -- gloriously, of course, with full funeral at Tannenberg -- there might be the possibility

of "settlement" on the basis of a standstill in Poland and the evacuation of main territories, to be complemented by the revival of the Wohltat plan. Though there is no doubt whatever that a section of German generals firmly believes such a "solution" to be possible, earnest investigation in London fails to reveal just who -- if anyone -- is funneling this sort of information to Berlin.

Certain is only that there does exist between the German General Staff and certain elements of the Nazi Party just sufficient tension to provide a basis for this current belief in the possibility of a sort of inverted June 30th; but our information still suggests that all such hopes are wildly premature.

The position to date is that a very considerable number of leading Nazi officials have been shot on the grounds that they criticized the Russo-German Pact as "capitulation to Bolshevism" and showed signs of desiring to continue what is now officially described in Berlin as an "extremist" tendency of the old anti-Comintern Pact and an attempt to recreate the Quadrangle of Berlin-Rome-Tokyo-Burgos which was broken by the Moscow-Berlin Non-Aggression Pact. That -- following some Anglo-French victories in the West -- this tension will be accentuated is certain; but it is entirely uncertain and, on the whole, unlikely that it will become apparent until after such victories. The cracks will only appear under pressure -- and not, according to all available information from Germany, under gentle stroking of the "Lansbury leaflet raids".

Parallel with this curious "feeling out" of possibilities in Berlin, is proceeding that negotiation with Rome of which everyone has heard something and nobody really knows anything. The position is that the stage reached in the Rome negotiations appears in general to have been grossly exaggerated. It has been suggested for instance, that Mussolini is likely at any moment to make a démarche in London and Paris in the sense of an appeal for some kind of peace conference. Well informed sources in London stated tonight that this is exceedingly improbable, though not entirely out of the question. It is thought in well informed circles here that the Italian Government is unlikely to make any such démarche for at least a month, and perhaps not then: in any case timing will be geared to the pace of events in Poland and on the western front.

The British Cabinet

The position regarding the possible further British Cabinet reconstruction foreshadowed in the last issue of THE WEEK remains virtually unchanged except that both those who are pressing for more drastic reconstruction at an early date and those resisting it have consolidated their positions, with reconstructionists now simply awaiting a suitable opportunity to push their plan to completion.

Such a "suitable opportunity" might be the result of either some hitch in operations on the western front, or some evidence that under the existing Cabinet, national effort and resources for war are being insufficiently rapidly mobilized.

General impression is that the present Cabinet situation can continue for several weeks but is very unlikely to continue longer than that. The reconstruction issue is judged likely to come to a head approximately at the same moment as the German "peace offensive" reaches its climax.

The French Cabinet

Developments in the French Cabinet will have important repercussions at the London end. The position in Paris is that while reconstruction and the removal of Bonnet are temporarily delayed, the General Staff is now in a position, or at least is approaching a position, where it will be able virtually to dictate at least half of the Cabinet appointments. The first round of the French Cabinet battle appears already to have been decided against Bonnet who wanted to bring in Flandin. The General Staff not only opposed Flandin and urged the inclusion of Petain but also favored the substitution of Herriot for Bonnet as Foreign Minister.

Though this is still entirely uncertain, the mere fact that Herriot has been approached (which is certain) is an important indication of the development of French policy -- particularly in relation to Russia. The appointment of Herriot would represent a gesture against the violently anti-Russian campaign which has been run in Paris since the signing of the Russo-German Non-Aggression Pact and has been run much to the satisfaction of Wilhelmstrasse which all along has been making (as already reported in THE WEEK) frantic efforts to use the Pact as a "terrorization" weapon in Paris and London. Secondly, such an appointment might represent the beginning of a new attempt in Paris to achieve a Franco-Russian rapprochement. This would seriously affect the position in London where similarly an anti-Russian campaign has been in progress among certain unofficial Conservative groups.

These groups have not had any official blessing and in fact the Foreign Office has been particularly careful to avoid falling into a German trap regarding the Pact, and has all along maintained the attitude that a rapprochement with Russia -- or at least the avoidance of any worsening of Anglo-Russian relations -- is and must be the cardinal feature of British war policy.

Despite the official attitude, it is nevertheless true that the anti-Russian groups, having delightedly witnessed the breakdown of the Anglo-Soviet talks, are now pursuing a general line of policy both in the Far East and in Europe which, were it to be successful, might produce very grave repercussions in Moscow and in consequence in Ankara.

Economic Changes in Britain

Heavily under-reported amidst war news, is the equally vital shifting in internal economic Britain, resulting in Government war measures being taken even in advance of the presentation of the War Budget.

Briefly checking the developments on the British economic front since the outbreak of war, we get the following outstandingly important points:

- (1) There have been drastic liquidations in the lower middle class -- particularly of small shopkeepers -- resulting partly from mobilizations of man-power, partly from the movement of prices, partly because of the heavy cut-downs in the staffs of small businesses and the widespread reduction of white-collar workers.
- (2) Parallel with this is in progress an enormous wage readjustment among industrial workers. The general principle appears to be to attempt to readjust the main industrial wage scales to the level of wages paid in the Civilian Defence Corps. This involves in many cases a wage reduction amounting to as much as twenty and thirty percent. So far this "readjustment" has been carried out without serious industrial resistance. This, however, is too early to say that it can be continued at the present pace without meeting such resistance, though the present policy of the Labor leaders is one of almost complete "co-operation" with the Government policy which has however resulted in a serious hardship for large sections of the industrial workers, particularly as their expenses -- so far as London workers are concerned -- have risen sharply as a result of the evacuation which forces them both to raise the necessary money to supply food for evacuated wives and children, and also to continue the payment of their London rent. The result has been a sharply "deflationary" movement in the consumption of goods which is likely to continue.
- (3) It appears certain that this "deflationary" movement in this section is part of the Government aim. Their policy is directed towards drastically eliminating "luxury" production. This process -- intended both to free man-power, capital, and factory resources for war aims -- is going on at a rate which would have seemed incredible a fortnight ago. It will be recalled that the last Budget was sharply criticized, particularly by Liberals and by those groups who were most earnestly engaged on war preparation, on the ground precisely that it did nothing to reduce luxury production or to prepare for a genuine "priority" in labor and capital for war production. This preparation has now begun with a rush and is for the moment the central feature of the planning for the three years' war announced on Saturday night.

While the above facts might suggest that the Government is pursuing a generally deflationary policy it is of course true that the inevitable inflationary tendency of war produces a situation in which the above mentioned policy for the time being merely tends partially to cancel the inflationary effects of war financing.

In an attempt to distinguish the general trends of British wartime financial policy -- with all its repercussions on American finance -- it is only possible at the moment to report on three general lines which can already be detected.

(1) There are those who are above all anxious to maintain wartime finance on an "orthodox" basis and who were responsible for doubling the bank rate.

(2) There are those temporarily allied with the orthodox who are pursuing an apparently orthodox and "Conservative" financial line but not for the sake of orthodoxy itself but rather in order to speed up, by methods already described, the complete change-over of the British economic system to a war production basis.

(3) There are those who consider that it is impossible to conduct wartime finance with any traces of old fashioned orthodoxy and who would combine with the methods of the second group a controlled but extensive and deliberate inflation which would be directed towards mitigating the violence of the change-over and towards avoiding the hardships and possible resulting diminution of the output of industrial workers resulting from the present drastic change-over.

The orthodox group naturally corresponds in the financial sphere to those who politically are alarmed less by the issue on the field of battle than by the fear of what may happen to the social structure of Germany and of England as a result of victory.

While it would be premature to attempt accurate prophesy regarding the future of these more or less proposed trends in view of the best informed observers the probability is that pari passu with moves towards a real reconstruction, Government group(3) will tend to assume increasing power and influence. For the moment it appears that the present Pound-dollar rate is likely to be maintained.

British experts are confident that so far as the mobilization of outside British resources is concerned, Britain in this war is in a very much stronger position than last time, particularly because of the huge development of British owned mines in South Africa and Canada. It is obvious that it would be possible for Britain to acquire enormous dollar reserves by the simple process of selling shares in South African mines for dollars. It is known that this matter has been gone into with expert care and in our opinion these surprisingly favorable conclusions are based on solid facts.

"Strategy of Neutrality"

The keenness with which Berlin is watching the progress of neutrality developments in the United States is based above all on great expectations from the effects of the present United States neutrality position in relation to neutrality of Italy.

The Bremen's change of nationality in mid-Atlantic is seen as a microcosm of the whole Nazi "strategy of neutrality."

As already reported in THE WEEK, the Germans have all along favored Spanish neutrality on the grounds that this would enable raw materials -- particularly minerals -- from Spain to be conveyed to Germany via Italy without the possibility of Allied interference or at least with the possibilities of blackmailing the Allies into non-interference by threats of neutrals jumping off the fence in the wrong direction in the event of a drastic blockade.

With the neutrality system now extended to Italy, German economic experts believe that if the present American Neutrality Law can be preserved, the Nazis will be able to acquire huge purchases on the Italian account in the United States and it is understood that Nazi agents are already launching a huge buying campaign in the belief that the Neutrality Law will be finally altered but that they can in the meantime acquire very large stocks of war materials via Italy before the Allies are in a position to do so.

It would of course also be possible -- though less convenient for the Germans -- to purchase through Spain.

The latest issue of "Diplomatische Correspondenz" with its threats to the Neutral Powers -- particularly directed at Holland -- confirms the report in the last issue of THE WEEK on the "strategy of neutrality" as a major element in the whole German attack. The German Government believes that as a result of the United States neutrality position, and as a result of Berlin's own "smart" action in temporarily assuring the neutrality of Italy and guaranteeing neutrality of Holland, Belgium, and Switzerland, they have prepared the ground for a battle to beat the British blockade of much greater extent than anything seen during the last War.

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(Claud Cockburn now cables THE WEEK to the American Office from which it is published simultaneously with the London edition.

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Kindly address all questions regarding subscriptions to:
THE WEEK, 20 Vesey Street, New York City.

PSF Berle
State

Memorandum for the President from A. A. Berle-dated- October 23, 1939

Re-Intergovernmental Committee on Refugees and the taking of
Myron Taylor into camp by the British and the French-their
views being that if they won the war there would be no
refugee problem.

See:Palestine folder-Drawer 1-1939 for letter.

For original memorandum to Mr. Berle
and Mr. Villard's Radiogram.

See: Villard-Gen corres-Drawer 2-1939

CONFIDENTIAL - FOR OFFICIAL USE ONLY
FOR MR. MITCHELL'S INFORMATION
BY MR. [unclear] TO MR. [unclear]

PS F
Purke
State

THE WHITE HOUSE
WASHINGTON

October 23, 1939.

**MEMORANDUM FOR
THE SECRETARY OF STATE**

**Will you and Adolf Berle
read the enclosed and return
for my files?**

F. D. R.

Radiogram to the President
from Oswald Garrison Villard
urging him to take steps toward
bringing combatants together
to prevent collapse of civi-
lization.

PSF: A.A. Berle
State

October 25 1939

My dear Mr. President:

You will recall that you recently signed a letter to President Ortiz of Argentina on the occasion of the tenth anniversary of the establishment of direct air service between that country and the United States.

The original of the reply made by President Ortiz has now been received from the American Embassy in Buenos Aires and is enclosed, together with an English translation. The text of your letter and the reply from President Ortiz were given to the press in Buenos Aires and in Washington on October 12, 1939.

Faithfully yours,

A. A. BERLE, JR.

Enclosures:

1. From President Ortiz, October 11, 1939.
2. Translation.

The President,

The White House.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

*PSF: Berle
File
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State*

December 20, 1939

~~(CONFIDENTIAL)~~

MEMORANDUM FOR THE PRESIDENT .

I have checked on the supposed connection between Djamgaroff and Hamilton Fish. It was said that they had split some commission on Mexican oil. The F.B.I. have turned up nothing yet; they are still investigating.

acs
A. A. Berle, Jr.

*file
Personal*

DEPARTMENT OF STATE
ASSISTANT SECRETARY

*BF
State*

December 20, 1939

MEMORANDUM FOR THE PRESIDENT

Referring to the proposed Christmas message to the Pope, designed to be sent also to Jewish and Protestant leaders:

The best candidate for spiritual leader of American Jewry that I can find is Dr. Cyrus Adler, President of the Jewish Theological Seminary of America, Broadway and 123rd Street, New York City.

As head of the outstanding Jewish Theological Seminary, he more nearly approaches theological leadership.

The President of the Federal Council of the Churches of Christ in America is Dr. George A. Buttrick. The address is 297 Fourth Avenue, New York City.

ae3
A. A. Berle, Jr.

PSF Berle
Stats 1

Letter from Berle-Dec 26, 1939

Enclosing last draft of the letter sent by President Roosevelt to Pope Pius XI on Dec 23rd. Glad the President approves idea of sending a photostat copy of the drafts to Archbishop Spellman in N. Y. In view of his great work in the matter, Attached is copy of transmission letter to Archbishop Spellman.

See: Italy folder-Drawer 1-1939

DEPARTMENT OF STATE

ASSISTANT SECRETARY

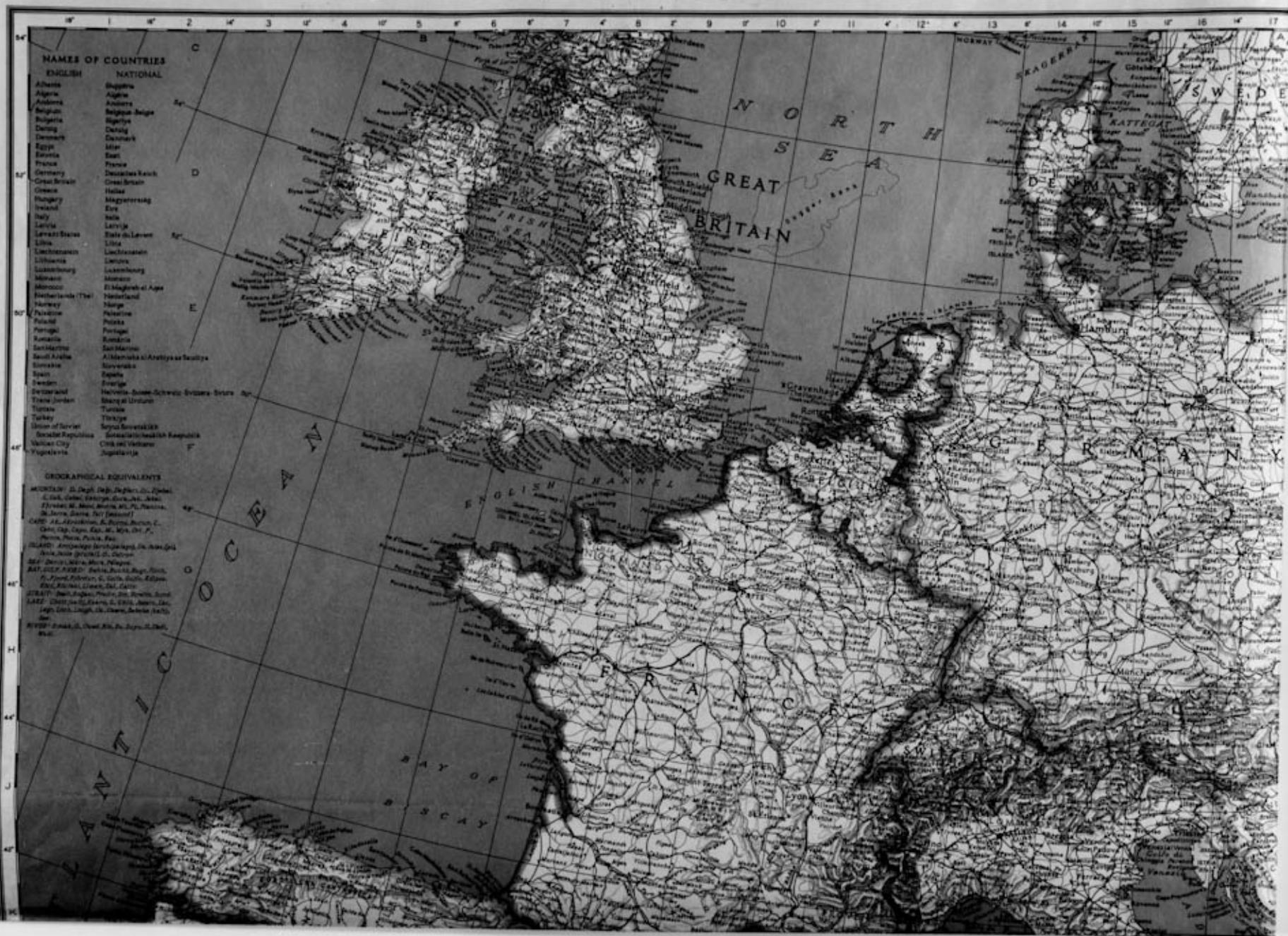
Note:

The line here suggested
is the line of the
Brest-Litovsk treaty.

The Russian newspapers
talk about a line
a little to the east of
that - the line being
"military"; and talk
of dividing Polish
Ukraine with Germany.

oag

THIS OVERSIZE ITEM HAS BEEN
MICROFILMED IN SECTIONS.





CENTRAL EUROPE AND THE MEDITERRANEAN

AS OF AUGUST 28, 1939

Compiled and Drawn in the Cartographic Section of
The National Geographic Society for

THE NATIONAL GEOGRAPHIC MAGAZINE

Gilbert Grosvenor, Editor

Scale 1:1,500,000 or 78 1/2 miles to the inch



Scale Projection with standard parallels at 24° and 36°

Capitals of countries	Railways	Elevations in feet	Relief	Stations
Other capitals	Cities	Areas below sea level	Islands	Waters

WASHINGTON, OCTOBER 1938

Albert H. Reeshead, Chief Cartographer, Culture by Jesse M. Darby, Physiography by C.E. Bickelmeier

THIS OVERSIZE ITEM HAS BEEN
MICROFILMED IN SECTIONS.

Best Sitovch Treaty line





17 18 19 20 21 22 23 24 25 26 27 28
LONGITUDE EAST OF GREENWICH

DEPARTMENT OF STATE
ASSISTANT SECRETARY

BSP
Berle
State

January 3, 1940

*file
personal*

MEMORANDUM FOR THE PRESIDENT

Re: Christmas Message to the Pope,
Dr. Buttrick and Dr. Adler.

You will be interested in the following despatch from the Jewish Telegraphic Agency, which reads in part as follows:

"The President's action came as a complete surprise to Jewish leaders here. At the Jewish Theological Seminary it was said that no one here had had any advance inkling of Mr. Roosevelt's intention and it was thought that even Dr. Adler, who has not been participating actively in public affairs because of his ill health, may have been taken by surprise when he received the President's message.

"Jewish leaders compared the peace action to the President's proposal for the Evian refugee conference in 1937 in the way it apparently had originated with Mr. Roosevelt himself and burst upon them without warning. How the Chief Executive came to choose Dr. Adler as the representative of the Jewish religion was similarly not known, but it was the consensus of Conservative, Orthodox and Reform Jews alike that no better choice could have been made."

It looks as though the divisions in the Jewish group have been successfully navigated.

ccs
A. A. B., Jr.

Hev
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December 23, 1939

My dear Rabbi Adler:

Because, at this Christmas time, the world is in sorrow, it is especially fitting that I send you a message of greeting and of faith. Realizing the spiritual kinship of all who believe in a common God, I have sent a like greeting to the President of the Federal Council of Churches in Christ and to the Pope, as head of the Catholic Church. You will, perhaps, permit me to send this message through you, as President of the Jewish Theological Seminary of America, to all members of that faith, among whose rabbis I have many friends.

The world has created for itself a civilization capable of giving to mankind security and peace firmly set in the foundations of religious teachings. Yet, though it has conquered the earth, the sea, and even the air, civilization today passes through war and travail.

I take heart in remembering that in a similar time, Isaiah first prophesied the birth of Christ. Then, several centuries before His coming, the condition of
the

the world was not unlike that which we see today. Then, as now, a conflagration had been set; and nations walked dangerously in the light of the fires they had themselves kindled. But in that very moment a spiritual rebirth was foreseen, - a new day which was to loose the captives and to consume the conquerors in the fire of their own kindling; and those who had taken the sword were to perish by the sword. There was promised a new age where in through renewed faith the upward progress of the human race would become more secure.

Again, during the several centuries which we refer to as the Dark Ages, the flame and sword of barbarians swept over Western civilization; and, again, through a rekindling of the inherent spiritual spark in mankind, another rebirth brought back order and culture and religion.

I believe that the travail of today is a new form of these old conflicts. Because the tempo of all worldly things has been so greatly accelerated in these modern days we can hope that the period of darkness and destruction will be vastly shorter than in the olden times.

In their hearts men decline to accept, for long, the law of destruction forced upon them by wielders of brute force. Always they seek, sometimes in silence, to find again the faith without which the welfare of nations and the peace of the world cannot be rebuilt.

I have the rare privilege of reading the letters and confidences of thousands of humble people, living in scores of different nations. Their names are not known to history, but their daily work and courage carry on the life of the world. I know that these, and uncounted numbers like them in every country, are looking for a guiding light. We remember that the Christmas Star was first seen by shepherds in the hills, long before the leaders knew of the Great Light which had entered the world.

I believe that while statesmen are considering a new order of things, the new order may well be at hand. I believe that it is even now being built, silently but inevitably, in the hearts of masses whose voices are not heard, but whose common faith will write the final history of our time. They know that unless there is belief in some guiding principle and some trust in a divine plan, nations are without light, and peoples perish. They know that the civilization handed down to us by our fathers was built by men and women who knew in their hearts that all were brothers because they were children of God. They believe that by His will enmities can be healed; that in His mercy the weak can find deliverance, and the strong can find grace in helping the weak.

In the grief and terror of the hour, these quiet
voices,

voices, if they can be heard, may yet tell of the rebuilding of the world.

It is well that the world should think of this at Christmas.

Because the people of this nation have come to a realization that time and distance no longer exist in the older sense, they understand that that which harms one segment of humanity harms all the rest. They know that only by friendly association between the seekers of light and the seekers of peace everywhere can the forces of evil be overcome.

In these present moments, no spiritual leader, no civil leader can move forward on a specific plan to terminate destruction and build anew. Yet the time for that will surely come.

It is, therefore, my thought that though no given action or given time may now be prophesied, it is well that we encourage a closer association between those in every part of the world - those in religion and those in government - who have a common purpose.

I, therefore, suggest that it would give me great satisfaction if you would from time to time come to Washington to discuss the problem which all of us have on our minds, in order that our parallel endeavors for peace and the alleviation of suffering may be assisted.

When

When the time shall come for the reestablishment of world peace on a surer foundation, it is of the utmost importance to humanity and to religion that common ideals shall have united expression.

Furthermore, when that happy day shall dawn, great problems of practical import will face us all. Millions of people of all races, all nationalities and all religions may seek new lives by migration to other lands or by reestablishment of old homes. Here, too, common ideals call for parallel action.

I trust, therefore, that all of the churches of the world which believe in a common God will throw the great weight of their influence into this great cause.

To you, whom I have the privilege of calling a good friend and an old friend, I send my sincere greetings at this Christmas Season.

Cordially yours,

(Signed) FRANKLIN D. ROOSEVELT.

Rabbi Cyrus Adler,
President, Jewish Theological
Seminary of America,
Broadway and 123d Street,
New York, New York.

A-B:AAB:GMH:SS

A true copy of
the signed original
[Signature]

DEPARTMENT OF STATE
ASSISTANT SECRETARY

PSF: *Barke*
Y
State

January 5, 1940

MEMORANDUM FOR THE PRESIDENT

I am concerned with this infernal article of Ernest Lindley's this morning. He cheerfully assigns to me the authorship of the Congressional Message; and as he had not talked to me first, my fear is that someone "planted" the story with him: presumably some of the youngsters, who are all for taking on in this Congress a huge domestic program. The only possible objective could have been to make trouble.

Ernest is an honest gentleman and I will try to have him correct it in print; but I cannot be quite sure. It is disheartening to have to cope with this nonsense when we are just getting off to Canada to try to get a really big job done on the St. Lawrence.

The two messages were actually the finest public documents I have read. I should have been proud to have had anything to do with either of them. This, perhaps, is why I am furious to see your own best work tarnished by false ascriptions of authorship.

Adolf

A. A. B., Jr.

I have since telephoned Lindley. He tells me he will print a correction.

DEPARTMENT OF STATE

FOR THE PRESS

JANUARY 31, 1940
NO. 50

CONFIDENTIAL RELEASE FOR PUBLICATION IN THE THURSDAY
MORNING NEWSPAPERS WHICH DO NOT APPEAR
ON THE STREETS BEFORE 9 P.M., E.S.T.,
WEDNESDAY, JANUARY 31, 1940. NOT TO BE
PREVIOUSLY PUBLISHED, QUOTED FROM, OR
USED IN ANY WAY.

ADDRESS BY THE HONORABLE ADOLF A. BERLE, JR.,
ASSISTANT SECRETARY OF STATE, AT THE YALE POLITICAL
UNION, YALE UNIVERSITY, JANUARY 31, 1940.

Mr. Chairman, President Seymour, Gentlemen:

I am glad to salute you this evening on the occasion of the fifth anniversary of the Yale Political Union. I do so with unconcealed envy. Young men, when they meet, can discuss the problems of the time with real freedom; and perhaps they alone can do so. To you all things are possible; all questions have answers; all wrongs can be righted; all hopes can be fulfilled.

Let me ask you to try to exchange ages for a moment, and to put yourselves for a moment in the position of my generation. It is not yet gray-headed. Yet our college life was colored by the World War and with the economic upset which came with it in 1914. Our university work was interrupted by service for two years in the American army; and in the years after 1919, we lived through demobilization and readjustments which changed the course of life for all of us. There followed a decade of materialist debauch which threatened to twist beyond recognition the ideals by which the United States had lived. In 1929 there began years of an economic crisis more severe than any known in modern times. These were also years of tension at home and especially abroad. Fierce attempts were made to tear old loyalties apart. Definite and powerful campaigns were waged to break down or undermine the moral concepts by which men had lived. In some areas force-politics became the accepted method of conducting international affairs.

affairs. These currents have now culminated in a new war. More than half our lives have already gone, without even a far-off vision of peace and economic justice. You discuss 25 years later, those same problems which we discussed in my university days.

Let me try tonight to draw, without decoration, a picture of one set of problems which you will presently encounter in practical life, as you have already encountered them in discussion.

Much of the old world is today engaged in war; and this war will end. Whether it ends in a few months or in a few years, makes little difference, as I see it, save in the intensity of the situation with which you will have to deal.

When orders are finally given to ground arms on all fronts, you are likely to find that practically every avenue of international trade is blocked. Old and normal traffic on which we relied to keep business going and national life on an even keel will have dried up. Great areas in Europe will be in grave physical distress. In some places many of the accepted comforts of modern life will have ceased to be available; but in other areas, populations will be literally starving, naked, and perhaps homeless.

The mere dropping of arms and ending of blockades will not put a prompt end to this situation.

Millions of men will be demobilized, and will return to civilian life to find that it is not easy for them to be re-absorbed. At least one-third of the life of Western Europe which is now devoted to making war and war supplies, will find itself without immediate purpose. The task of its readjustment into peaceful life and production of peacetime goods will be staggering. Dislocation will be at once commercial, financial, mechanical and spiritual.

You will face, in a word, a Western world which has got into as much of a mess as a world can conveniently do.

It is very nearly a foregone conclusion that there will be, at that time, a great movement of social unrest. Practically every population has been led, during the past twenty-five years, into a blank impasse. There is scarcely a single great nation whose people have lived as they wished to live; who have seen any real hope of attaining what they most desire. The struggle to escape, to rebuild, will be almost universal.

There will be no clear guide-posts to reconstruction. The newer forms of government which claimed to be revolutionary will have failed quite as signally as they insist the older forms of government did which they sought to overthrow. You will find great masses of men, without illusions, seeking and struggling for an idea of life which gives them hope; for an organization of peace which lets them work toward

that

that end; and for a freedom of life which permits them to walk in the land of the living without fear.

And what of the United States? In that hour we shall find ourselves one of the last great links with an older, slower, but freer development of affairs. This will have both its strength and its weakness.

Its strength will be that we shall, I think, offer the world a tremendous picture of the possibilities of peaceful life. Races and groups which lived in perpetual hatred in Europe have sent millions of their sons to the United States where they live side by side in peace and friendship. In the Western Hemisphere, in the main, we have been able to keep peace without standing armies, fortified frontiers, perpetual diplomatic juggles of the balance of power, or insistence on revolution as the only solution of social problems.

It will perhaps be remembered that during the tragic years leading up to the final act, an American President, Mr. Roosevelt, used every means and struggled continuously to keep the lines of peace open to the last moment, and when that failed, they perpetually sought means of re-establishing peace after war had broken out. It will be remembered that when much of the world was engaged in clogging trade channels, an American Secretary of State, Mr. Hull, worked tirelessly to keep them open. It will be remembered that as men were losing their birthright elsewhere, this government consistently raised its voice in favor of freedom of religion, freedom of information, freedom from commercial restrictions, and freedom from the burdens of armament and the fear of recurrent war.

The weakness of our situation will be that many of our economic institutions will no longer mesh with the institutions overseas. Our financial system will still be, comparatively speaking, along classic lines, at a time when almost everywhere else in the world currency and credit will be on a wholly different basis. We shall still be feeling for that necessary understanding between business and government. We shall still find difficulty in realizing that what we call business and what we call government must work together to create a situation in which substantially everyone has an opportunity to work, to secure the necessities for a decent life, and to gain recognition roughly corresponding to his abilities. The millions of men and an industrial machinery which were formerly used both in Europe and here to provide war materials will be thrown out of that employment; and both because of this and because of competition from overseas, our problems will be very great.

You will thus face, in your own experience, and in the not too distant future, the staggering problems of peace and reorganization.

It will then appear, I think, that the present war has a double aspect. Undeniably this is a struggle between

certain

desperate search throughout Europe to find the basis for a new way of life. This is natural, when you remember that for more than a generation no people in Europe has been able to see a clear road ahead upon which it could start its children in reasonable confidence. European civilization, and indeed in some measure our own, is like Pirandello's character in search of an author. The confusion you see is the quest of many millions of men for a lost ideal of a world-order which they can understand.

Now if we are to navigate safely the period which must inevitably follow this war, we shall need clear heads and sound instincts.

I do not believe that new appeals to hatred stand the slightest chance of offering a solution. There is disillusionment even with hatred. In the World War, we were taught to hate autocracy and militarism; and the hatred proved sterile. Then, in the name of social reform, we were asked to indulge class hatred. Some liberals were stupid enough to accept this, only to find at the end that a dictatorship of the proletariat based on a class-war is much like any other dictatorship, and that class hatred produces exactly the same results as race or any other kind of hatred. I am beginning to believe that underneath the whole tangle of forces which has produced the present disaster, there is beginning to be a complete rejection of the whole thesis of hatred. The negatives are almost exhausted; the Western world is once more looking for a positive.

Now this, you will be saying, is an odd way of going at things. Yet, if you look at the practical problems that will be presented immediately upon the cessation of hostilities, I think you will see that it may not be wholly inappropriate.

For, at that time, we shall be faced immediately with the task of dealing with great distress overseas, and we shall be fortunate if we do not have some at home. We might, of course, take the hard-boiled attitude and try to save ourselves from trouble, from sacrifice, even from thinking about it. Yet we know perfectly well that we shall do no such thing. We never have. If we did try to appear indifferent, we should merely convince a considerable part of the modern world that we were an obstacle to be attacked and conquered, rather than a nation which dealt as a neighbor and friend. And, I think that with clear vision, and using the highest guide of our instincts, we shall say that as a matter of course we must contribute to the reconstruction of an ordered world as rapidly as possible. We have rejected any intent to do so by war. But we have not declined to assert peace, if peace can be soundly based.

What does this mean, in practice? It means that we shall be sending goods which we produce in abundance to

places

places where they are needed. We may, and no doubt will, hope that we shall be paid for them sometime; but we will know that, paid or not, human suffering must be relieved. We shall find that the trade by which the world lives has to be re-established; and if there is no working capital to start it moving again, we shall find ourselves helping to set up a considerable part of the world in business again. We may do this because we should hope -- and I think rightly -- that the result will contribute to our own economic health. But we will know that whether it is immediately advantageous or not, the process still is necessary to make an equilibrium in which civilized men can live. We shall of course have the mixture of motives which is usual in every human action; but we shall really be engaged in loving our neighbor, though we may not state the process in those terms.

It is not beyond bounds of possibility that whole peoples may suddenly decide to think in those terms, instead of in the narrower terms of nationalisms gone mad, of passion run riot, or of enmities built up and exploited to the last degree. You are, thus, quite likely to find American and foreign public health units working side by side, and not trying to assess the race, wealth or origin of the people whom they endeavor to protect from disease. You may find international lawyers endeavoring to resolve conflicts so as to re-open contact between groups and individuals. You may find transport pools designed primarily to assure that goods are promptly taken to the places where they are most needed. You may even find banks and bankers pooling their resources so that the materials of life are once more everywhere available. It may well be that the national and international forces will run so strongly in these channels that none will care or dare to attack or frustrate them.

In one sense, the inevitable readjustment of the ultimate peace will be more troublesome for us than for some other nations, because mentally we are less prepared for readjustment. The United States has been so fortunate, in the main, that instinctively we dislike to be disturbed. Elsewhere, disturbance will have been so great that evolution will be accepted as probably a change for the better. Here we shall need the most flexible of minds, and the greatest breadth of imagination, if we are not to become tangled and confused as the great drama unrolls.

Specifically, this country will suddenly be confronted with a considerable docket of unfinished domestic business which calls for attention. The defense of our own economic life will be no small task, particularly since we shall have to defend it, not by throttling someone else, but by enabling other people to live. Let me draw an illustration from the field of technical finance.

We will start with a country maintaining a traditional system of finance. Everywhere else in the world economic necessity will have driven the great countries to a system of government-created money, and of finance designed almost entirely for social ends, either as a matter of internal policy (as the Germans have done for some time), or because

the pressure of war has compelled it. So far from being normal, we are likely to be the last of the mastodons. Is it conceivable that we shall be able to get on without some readjustment? Either we must contribute to re-establishing a classic system abroad; or we shall have to reshape our own finance in order to be able to deal with the world at all.

It seems fantastic today to suggest, for instance, handing over some of our accumulated gold as a free gift to re-establish international currency, to let other nations set their houses in order, and thereby re-establish trade and normal life. But this may not seem nearly so fantastic a few years hence. It seems impossible today to think of using the enormous and yet untapped resources of the Federal Reserve System as a means of rebuilding the shattered life of another continent; but when the time actually comes and we are faced with that contingency, we may find that the idea looks more like an immediate necessity than a fairy tale. It may even be -- strange though it seem -- that by dealing with some of these problems we shall learn at length that we hold the tools in our hand to remedy many of the injustices in our own social life.

Here, I think, groups like your own have immense importance. When my generation explores the possibilities of social experiment, people become afraid. Yours is privileged to go as far as your minds and your imaginations will take you. It is not usually good politics for a man in office to suggest that the banking system or the distribution system is not working very well, and that it ought to be overhauled. But in the universities, the younger men -- and I am very sure in this University the older men, as well -- are privileged to throw out their lines of imagination and of thought, without hindrance; to formulate plans and ideas; to re-examine all premises; to rebuild, if it be only in imagination, a greater world. It may seem like a futile sport of words as you debate in the Yale Political Union. Yet you will find a few short years from now that business groups or government groups, faced with new situations, eagerly study all your thinking, in the hope that from that study there will develop ideas which are the basis of solving immediate problems.

In your case, you will not have long to wait. We know automatically that warfare, while it disintegrates social structures, accelerates social force. Today your dreams are dangerous things; they are apt to be fulfilled. If five years of the Yale Political Union have produced a crop of ideas, ten years will produce a harvest of reality.

PF Berle-1
740
State

February 10, 1940.

Memorandum for the President from A. A. Berle, Jr.,

Re--Secretary Ickes letter; to the President of Feb 2, 1940
in which he expresses FEAR lest the State Department
Interfere with the Indian Conference in Mexico City
next April.

See: Ickes-Drawer 1-1940

file
personal

DEPARTMENT OF STATE
ASSISTANT SECRETARY

PSP
Berle
State

February 12, 1940

MEMORANDUM FOR THE PRESIDENT

In view of some not too correct press reports in Berlin about a rather modest speech I made recently in New Haven, I am sending the attached cablegram, with the principal paragraphs.

I am attaching a copy of the speech, in case you should wish to read it (it is not worth the time), it being a purely academic discussion of the kind of jam things will probably be in when the war ends; and some of the things that the world might ^{then} be thinking about. Had you not decided to send Sumner to Europe, it would have remained buried in the archives of an academic meeting; which it was designed to do.

aa
A. A. Berle, Jr.

February 12, 1940

AMERICAN EMBASSY,

Berlin.

Your 360, February 10, 11 a.m.

Lest a misconstruction be placed on Mr. Berle's speech referred to in your cable under reference, the following are applicable paragraphs:

QUOTE Much of the old world is today engaged in war; and this war will end. Whether it ends in a few months or in a few years, makes little difference, as I see it, save in the intensity of the situation with which you will have to deal.

When orders are finally given to ground arms on all fronts, you are likely to find that practically every avenue of international trade is blocked. Old and normal traffic on which we relied to keep business going and national life on an even keel will have dried up. Great areas in Europe will be in grave physical distress. In some places many of the accepted comforts of modern life will have ceased to be available; but in other areas, populations will

be

be literally starving, naked, and perhaps homeless.

* * *

At that time, we shall be faced immediately with the task of dealing with great distress overseas, and we shall be fortunate if we do not have some at home. We might, of course, take the hard-boiled attitude and try to save ourselves from trouble, from sacrifice, even from thinking about it. Yet we know perfectly well that we shall do no such thing. We never have. * * * And, I think that with clear vision, and using the highest guide of our instincts, we shall say that as a matter of course we must contribute to the reconstruction of an ordered world as rapidly as possible. We have rejected any intent to do so by war. But we have not declined to assert peace, if peace can be soundly based.

What does this mean, in practice? It means that we shall be sending goods which we produce in abundance to places where they are needed. We may, and no doubt will, hope that we shall be paid for them
sometime;

sometime; but we will know that, paid or not, human suffering must be relieved. We shall find that the trade by which the world lives has to be re-established; and if there is no working capital to start it moving again, we shall find ourselves helping to set up a considerable part of the world in business again.

* * *

It seems fantastic today to suggest, for instance, handing over some of our accumulated gold as a free gift to re-establish international currency, to let other nations set their houses in order, and thereby re-establish trade and normal life. But this may not seem nearly so fantastic a few years hence. It seems impossible today to think of using the enormous and yet untapped resources of the Federal Reserve System as a means of rebuilding the shattered life of another continent; but when the time actually comes and we are faced with that contingency, we may find that the idea looks more like an immediate necessity than a fairy tale. UNQUOTE

Nothing

-4-

Nothing was dealt with save post-war
reconstruction.

HULL

(A.A.B.)

A-B;AAB;ES

PSF: Berle
Stat

file
personal

DEPARTMENT OF STATE
WASHINGTON

February 12, 1940

(Personal)

My dear Mr. President:

Let me thank you, on behalf of my Father and the rest of us, for your kindly letter of February 8th on the occasion of Mother's death.

My Mother was one of the last of the pioneer Christians, whose faith in life was great in its quiet and simplicity. I think that, unconsciously, she knew her work was done; completed her cycle by going back to the town where she had been reared and married and where she had deep roots in the land her family had settled; and then went swiftly home. There was so much of the building of America in that life: the pioneering of the Western Reserve prairie in her father's life, the opening of South Dakota in her own; the intense insistence on a spiritual synthesis and the refusal to accept any hatred, which has kept this country clear of the decay which seems to have characterized this century elsewhere.

It was kind of you to write me.

Faithfully yours,

Walter Dill

The President,

The White House.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

PSF: Berle
File
person
State

February 20, 1940

MEMORANDUM TO THE PRESIDENT

Your memorandum of February 1st relating to
scrap iron, gasoline, and ships destined for
Russia.

We have not put on any "moral embargoes";
but there will not be any ships chartered to
Russia, for good and sufficient domestic reasons.

The scrap iron case has not come up, because
none seems to be going. We are tackling the
question of gasoline entirely unostentatiously.
Much of the press comment about that has been
simply untrue: we have had the actual figures
published in Scandinavia.

A. A. Berle, Jr.
A. A. Berle, Jr.

COPY

THE WHITE HOUSE
WASHINGTON

February 1, 1940.

MEMORANDUM FOR

ADOLF BERLE

Please follow this up with the proper
authorities.

F.D.R.

Memorandum for the President, 1/30/40 from Hon.
A. A. Berle, Jr., Assistant Secretary of State,
in re President's suggestion of 1/27/40 in re
curtailment of gasoline shipments to Russia; and
likewise shipments of scrap iron. The Maritime
Commission is suggesting that no American ships be
chartered to Russia. A prohibition of such charters
might be considered in place of an embargo on scrap
iron.

THE WHITE HOUSE
WASHINGTON

Berle
January 27, 1940.

MEMORANDUM FOR

THE SECRETARY OF STATE
ASSISTANT SECRETARY BERLE

I think it is time to give serious consideration to the definite curtailment of gasoline shipments to Russia and also possibly shipments of scrap iron. This particular time may be a turning point where one or two comparatively minor matters may tip the scale toward unofficial considerations in the direction of peace.

Please examine and talk with me about it.

Please also get report from American owners of Romano Americana and find out if they are going to deliver more oil to Germany or if they would consider American purchases of Roumanian oil for U. S. Navy ships in Mediterranean waters -- a portion of it to be stored in some neutral country such as Egypt or Spain.

F. D. R.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

*file
Confidential*

February 9, 1940

MEMORANDUM FOR THE PRESIDENT

Re Roumanian deliveries of oil to Germany:

Romano-Americana Co.

Attached is copy of a cable which you perhaps have already seen, giving deliveries of oil by Romano-Americana to European countries. All figures are in metric tons.

January through August, 1939: (S 2400)

To Germany:	Gasoline --	41,462
	Kerosene --	10,554
To Czechia:	Gasoline --	47,133
	Kerosene --	5,414

This constituted 27.4% of total export sales.

Deliveries September 1939 through January 1940: (S 2400)

To Germany:	Gasoline --	23,987
	Kerosene --	9,328
	Gas Oil --	4,982
To Czechia:	Gasoline --	8,230
	Kerosene --	4,564

Total sales to Greater Germany, 25.9% of total export sales.

Estimated deliveries through June 1940:

To Germany:	Gasoline --	28,560
	Kerosene --	6,000
	Gas and Diesel Oil-	930
To Czechia:	Gasoline --	27,000
	Kerosene --	3,000

Estimated sales to Greater Germany 24.1% of total export sales.

If they are telling the truth, the German sales have slightly decreased; the sales to Tunis, France and England have greatly increased. This would indicate no great change in the situation.

A.A.B.
A. A. Berle, Jr.

RFP
A portion of this telegram
must be closely paraphrased
before being communicated
to anyone. (br)

Bucharest

Dated February 8, 1940

Rec'd 11:41 p.m.

Secretary of State

Washington

26, February 8, 8 p.m.

(GRAY) Referring to Department's 22, February 2, 2 p.m.

The following statistics have been supplied by Romano-Americanans concerning their past and future deliveries. I am giving breakdown by products only in the case of Germany by products only in the case of Germany and Czechia. Practically 100% of all export sales are made to distributing subsidiaries of Socony Vacuum or Standard of New Jersey in the country concerned.

SECTION ONE. Deliveries January through August 1939 in metric tons: Germany gasoline 41,462; kerosene 10,554; total 52,016.

Czechia gasoline 47,133; kerosene 5,414; total 52,547.

For following countries totals for all products for same period are: Switzerland 36,586; Sweden 1,140; Holland 100; Denmark 3,038; Tunis 26,746; Malta 4,277; Italy 45,759; England 27,547; France 1,651; Greece 27,502; Egypt 38,518; Palestine 5,282; Syria 16,050; Turkey 5,089; Bulgaria 5,071; Hungary 15,914; Poland 1,906; Yugoslavia 1,028.

Local

RFP -2- #26, February 8, 8 p.m. from Bucharest

Local sales for export, destination unknown 9,864; bunker 4,202; total export sales 381,833. Total domestic sales all products 158,002. Sales to Greater Germany during the period were 27.4% of total export sales.

SECTION TWO. Deliveries September 1939 through January 1940.

Germany gasoline 23,987; kerosene 9,328; gas oil 4,982; fuel oil 301; total 37,698.

Czechia; gasoline 8,230; kerosene 4,564; total 12,794. Total all products for following countries: Switzerland 4,175; Tunis 15,524; Malta 3,450; Italy 13,500; England 43,875; France 10,381; Greece 13,865; Egypt 5,200; Palestine 1,876; Syria 6,154; Turkey 10,984; Bulgaria 2,754; Hungary 2,449; Poland 747; Yugoslavia 2,567; local sales for export destination unknown 2,610; bunker 4,166. Total export 194,657. Total \$127,669.

Sales to Greater Germany during the period were 25.9% of total export sales. (END GRAY)

SECTION THREE. Estimated deliveries January through June 1940:

Germany gasoline 28,560; kerosene 6,000; gas and diesel oil 930; total 35,490.

Czechia: gasoline 27,000; kerosene 3,000; total 30,000.

Total

RFP -3- #26, February 8, 8 p.m. from Bucharest

Total all products for following countries. Switzerland 17,300; Tunis 22,070; France 17,000; England 75,000; Turkey 29,790; Yugoslavia 13,780; Bulgaria 2,490; Malta 4,210; Italy 11,010; Egypt 620; Palestine 200; Hungary 7,850; bunker 7,010. Total export 273,720. Total domestic 153,967.

Estimated sales to Greater Germany 24.1% of total exports.

SECTION FOUR. It will be noted that the proportion of sales to Germany is very slightly reduced. The company states that shipments to Tunis and France have increased heavily because of contracts made in April under which deliveries could not be begun until September; and sales to England have increased greatly because of almost complete cessation of sales to Egypt, Palestine and Syria due to the rise in Constanza prices.

The company also states that of its gasoline sales 75% are 60 octane and 25% are 66 octane in Greece, sales to Germany are 60 octane only.

Complete statistical tables being forwarded by pouch February 15.

HIBBARD

RR

Published in

Foreign Relations of the United States

1940 Vol. I General

pages 129-130.

AJ - Sep 1959

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DEPARTMENT OF STATE
ASSISTANT SECRETARY

March 18, 1940

MEMORANDUM FOR THE PRESIDENT

Your memorandum of March 15th regarding someone in the Mohammedan church with whom you could establish contact in the cause of peace.

There is no perfect choice. The best bet appears to be His Majesty Ibn Saud, King of Saudi Arabia.

The reasons for his choice are these:

He is keeper of the holy places (Mecca, Medina) and is in contact with the Mohammedan world through the constant stream of pilgrimages. He is a Sunnite; this sect comprises the overwhelming majority of the Moslem world. He is outside any belligerent territory, and therefore would not be controlled by some foreign power. He has, however, been on friendly terms with Great Britain.

The only danger lies in possible political repercussions in Turkey: I should like authority to discuss the question confidentially with the Turkish Ambassador, who is a devout Moslem. It might be well to accredit your representative to *Ibn Saud* him but with authority to make contact with certain other figures in the Moslem world; for instance, Sheikh El-Maraghy, Rector of the Al-Azhar University in Cairo, the principal Mohammedan theological leader. The Sheikh would not do as the representative, however. He would be too completely controlled by the Egyptians.

*No Mohammedan
- or Hottentot cities -
could be worse - married
than our Protestant
friends!*

Walter Dill

A. A. B., Jr.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

PSF: *Banda*
State

~~CONFIDENTIAL~~

March 25, 1940

file ↗

MEMORANDUM FOR THE PRESIDENT

The Dies Committee is examining today a Communist agent named James Hulse Dolsen.

When he was subpoenaed, there were found on him a variety of documents establishing his activities as a Communist agent, and included among them was a membership card in the Communist Party taken out in the name of "Franklin D. Roosevelt."

Dies plans to spring this as a publicity snapper at the end of the day's testimony. There probably will be some press sniping afterwards, and this is merely an advance note.

Walf

A. A. B., Jr.

Supplement

Published in

Foreign Relations of the United States

1940 Vol. I General

pages 130-131.

(Bule to FDR obtained from FDRL)
(FDR to Bule, 3/17/40, from State Dept. files)

AJ - Sep 1959

B.F.
Stat

March 27, 1940.

MEMORANDUM FOR

A. A. B., JR.

I have your memorandum in regard to informal discussions with the Greek Orthodox Church and I wish you would talk the matter over with the Secretary, bearing in mind the following thoughts: Unlike the Roman Catholic Church, the Greek Orthodox Church is not wholly centralized under a single head, even though the Patriarch at Istanbul is recognized as the Senior. As I understand it, the other Patriarchs are, in effect, in control within their own jurisdictions.

I wish you would, therefore, consider the following possibility: To appoint Lincoln MacVeagh on a special mission to visit the Patriarch at Istanbul and possibly also the other three Patriarchs, in order to confer with them on the general subject of peace, such as Myron Taylor has been conferring in Rome.

At the same time we might send another Envoy to accomplish the same purpose in the Mohammedan world, conferring (with the full approval of the President of Turkey, of course) with the Mohammedan leader in Turkey proper and the leaders possibly in Saudi-Arabia. After a survey of these it might be advisable to extend such a visit to Egypt and Iraq and Iran -- all of them independent countries.

F. D. R.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

March 26, 1940

MEMORANDUM FOR THE PRESIDENT

There has been referred to us a letter from the Hellenic Youth Association to you asking that you appoint a representative to confer with the Greek Orthodox Church in the matter of peace. The letter is unimportant, as the Greek Orthodox groups here have little influence.

But the letter suggests a line which might be worth considering. The Greek Orthodox Church has a good deal of influence in the Near East, the Balkans and the Eastern Mediterranean; and some faint residue of influence in southern Russia. There is no recognized head, Patriarchs having separate jurisdiction in various regions, but the acknowledged senior is the Patriarch at Istanbul. He could probably convene or consult with the other Patriarchs.

This might be a line worth following. Certainly the contact with the Vatican, plus the contact with the King of Italy, has materially altered the whole diplomatic situation in Italy. Conceivably, the combination of contact with Turkey, with Idn-Saud and the Mohammedans, and with the Greek Orthodox Church, might materially influence the Near East. As far as I can see, that situation rests now entirely on the attitude of Turkey; it is, in fact, the only solid obstacle which prevents the caving in of the eastern Mediterranean structure. Today's despatches indicate that the Russians have not abandoned their desires to move southward toward the Dardanelles.

Like the move toward the Mohammedans, this ought to be prepared a little in advance by consultation with the Turkish Ambassador here.

A. A. B.
A. A. B., Jr.

x
i. s. :
Istanbul
Alexandria
Antioch
Jerusalem

March 27, 1940.

MEMORANDUM FOR

A. A. R., JR.

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F. D. R.

GENERAL SERVICES ADMINISTRATION
The National Archives



THE FRANKLIN D. ROOSEVELT
LIBRARY

1000 PARK, N. Y.

Three Centimeters

Papers of President Franklin D. Roosevelt
President's Secretary's File
Box 62 (Berle, 1940)

file
personal

PSF; Berle
State

DEPARTMENT OF STATE
ASSISTANT SECRETARY

April 8, 1940

MEMORANDUM TO THE PRESIDENT

Subject: Joachim G. A. Hertslet.

Hertslet, of the German Ministry of Economy, is in town. He arrived from Mexico on March 17th; was met by W. R. Davis; is staying at the Mayflower Hotel; working mainly at the German Embassy; seeing a good deal of W. R. Davis; interesting himself somewhat in labor unions; plans to be here until about the 14th; then is returning to Mexico, and apparently plans to be in Washington some three months later.

I can only guess as to his real objective. I think, however, he is probably strengthening the connections he has with the C.I.O., with some of the Russian propagandists, and getting a general line on American economics.

I am trying to follow this.

A.A.B.
A. A. B., Jr.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

(Confidential)

March 25, 1940

MEMORANDUM FOR THE PRESIDENT

It will interest you to know that Hertalet, who is W. R. Davis's Nazi friend, and who has been in Mexico representing Himmler and the Gestapo, arrived in Washington on Friday. He put up at the Mayflower and then vanished, leaving his baggage there. The Mayflower found out from the German Embassy that he is expected back possibly tomorrow.

Since he was with Davis and Davis's lady friend ("Chrysanthemum") in Houston, Texas, on his way up, I am trying to find out whether he is staying with Davis in New York.

acc3
A. A. B., Jr.

*file
personal*

*BF
State
Berle*

*rule
1*

DEPARTMENT OF STATE

ASSISTANT SECRETARY

April 8, 1940

MEMORANDUM TO THE PRESIDENT

Subject: Proposed speech at Houston, Texas,
April 13, 1940

The Democratic organization in the State of Texas, through Jesse Jones, asked me to make the Jefferson Day dinner speech in Houston, Texas, on Saturday evening. Obviously, there is also planned some talk to the Party people there.

Since everybody in that group knows my politics -- [namely, yourself, if you wish to run, otherwise Mr. Hull and a Progressive (preferably LaGuardia)] -- I can only assume that they have come to the conclusion that Mr. Garner cannot be nominated, and wish to establish some contacts for the second choice phase.

Since it seems plain that Garner is out of the picture, my plan is to say a few courteous things about him and Sam Rayburn and Jesse Jones, and so forth, and then point out that a progressive economic policy is the only thing the Democrats have to offer. I planned to wind up with a statement that international policy in time of stress has to be non-political; that we have kept war from our shores, not lost a man or a ship, and at the same time have defended the American interests in the Hemisphere and elsewhere; with a brief note that our first duty is to keep this side of the world safe at all times.

Politically, the objective ought to be to have the Texas delegation talk to you, or someone on your behalf, after the favorite son phase of Mr. Garner has duly ended -- as I suppose it will, after a few bouts at the outside.

This is principally for the purpose of giving you a chance to give me a steer if you think the line is wrong. It seems to me that the outlaw candidacies are rapidly liquidating themselves and that our job is to pick up the fragments, wherever possible.

AEB
A. A. B., Jr.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

*file
journal .BF
stat*

May 20, 1940

MEMORANDUM TO THE PRESIDENT

This is a letter from Laredo, Texas, suggesting that LaGuardia be appointed Secretary of War. A good many other suggestions of similar import come in. I know you have the matter in hand: and so do not urge,-- though I can think of no one better able to get results.

Sumner thinks LaGuardia is more needed to keep New York City in peaceful, working order. I doubt this. The second string man, Newbold Morris, though not nearly as able, could hold things together without trouble.

as of
A. A. Berle, Jr.

Very sincerely yours,

Max A. Woodlark
Max A. Woodlark

DEPARTMENT OF STATE

MANN & MANN

ATTORNEYS AT LAW
MANN BUILDING
LAREDO, TEXAS

T. C. MANN
G. C. MANN
ED. MANN
TOM C. MANN

May 17, 1940

Hon. Adolf Berle,
Assistant Secretary of State,
Washington, D.C.

Personal

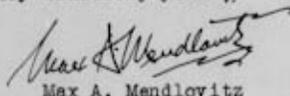
Dear Sir:

I am writing you at this time to express to you my hope that Mayor La Guardia of New York will soon be appointed Secretary of War. This letter is addressed to you rather than to the President because I know that if you are convinced that Mayor La Guardia is the man for the job, the matter will reach the President's ear.

I sincerely believe that no government in the world has been more efficiently run in the past decade than that of the City of New York. The American people believe that our war and navy departments can well receive the same efficient, economical and red tape-cutting administration that New York has received since the advent of the La Guardia administration. The President's address to Congress yesterday reveals that we are to have a defense adequate to our needs, which is one that is second to none. The people are convinced that we not only need such a defense, but we need it quickly, and if the program is to be carried out with real American efficiency, Mayor La Guardia is the man for Secretary of War.

With best wishes for your continued success I am

Very sincerely yours,



Max A. Mendlovitz

MAM-s

THE WHITE HOUSE
WASHINGTON

*BF only
Berle
State*

June 1, 1940.

MEMORANDUM FOR

HON. A. A. BERLE, JR.

I rather agree with you about
Bullitt's use of your first name,
but why not punch your namesake's
head instead of Bullitt's?

F. D. R.

RECEIVED
MAY 31 1940
U.S. DEPARTMENT OF STATE
WASHINGTON, D.C.

75F 37-17
2110

DEPARTMENT OF STATE
ASSISTANT SECRETARY

May 31, 1940

MEMORANDUM TO THE PRESIDENT

Whenever I get the time, I
will punch Bullitt's head for
using me as a code word for Adolf
Hitler.

amb
A. A. Berle, Jr.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

File Personal TSP. Berle
State
July 18, 1940

MEMORANDUM TO THE PRESIDENT

The Havana Conference is built on the theory that a message will be sent to Congress on Monday, July 22nd, recommending that an additional half billion dollars be given to the Export-Import Bank.

Jesse Jones has the legislation and has arranged with Steagall to introduce it. (It would have been introduced earlier, but the Congress adjourned for the convention.)

I have left the draft message and the legislation with Sumner Welles (who should have been here, but is still at the convention) trusting to him to see you and get things started.

Secretary Hull will make his opening speech about eleven o'clock Monday morning, July 22nd. If your message is released at noon, it starts the thing off with a bang.

Congratulations on the new nomination -- if it is cause for congratulation, in view of the job you have ahead!

A.A.B.

A. A. Berle, Jr.

THE UNDER SECRETARY OF STATE
WASHINGTON

July 19, 1940

BF Berle

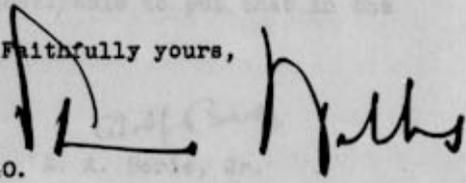
My dear Mr. President:

I am enclosing, together with an explanatory memorandum addressed to you by Dr. Berle, a suggested message to be sent by you to the Congress recommending the removal of restrictions on the lending power of the Export-Import Bank and the increase of the Bank's lending power by \$500,000,000.

It is my earnest hope that if the suggested message is satisfactory to you, it may be sent to the Congress on Monday, July 22, and be made public upon that date. If this were done, it would have a most helpful and constructive effect upon the deliberations of the Habana Consultative meeting.

Believe me

Faithfully yours,



Enclosures:
Memorandum, July 15, 1940.
Message to the Congress.

The President,
The White House.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

July 15, 1940

Memorandum to the President

Attached is a draft message to the Congress recommending removal of restrictions on the lending power of the Export-Import Bank and the increase of that lending power by five hundred millions.

The purpose of this is to make funds available to the Export-Import Bank permitting it to finance the handling of South American surpluses.

The text of the letter has been agreed upon between the State Department and Mr. Jesse Jones; and Mr. Jones has agreed that Representative Steagall will introduce the bill in the House on Monday, July 22 -- that is, on the second day of the Havana conference. It would seem essential for the success of the Havana conference, accordingly, that the proposed message go up and be released publicly on that day.

There seems to be complete agreement on the plan. Naturally, the Export-Import Bank could work with any other agency, were that necessary.

It is understood that the bill likewise removes the restriction which prevents the Export-Import Bank from lending money to purchase American armament; but Mr. Jones thinks it undesirable to put that in the document.

A. A. Berle, Jr.

A. A. Berle, Jr.

To the Congress of the United States:

As a result of the war in Europe, far-reaching changes in world affairs have occurred, which necessarily have repercussions on the economic life both of the United States and of the other American Republics. All American Republics in some degree make a practice of selling, and should sell, surplus products to other parts of the world, and we in the United States export many items that are also exported by other countries of the Western Hemisphere.

The course of the war, the resultant blockades and counter blockades, and the inevitable disorganization, is preventing the flow of these surplus products to their normal markets. Necessarily this has caused distress in various parts of the New World, and will continue to cause distress until foreign trade can be resumed on a normal basis, and the seller of these surpluses is in a position to protect himself in disposing of his products. Until liberal commercial policies are restored and fair trading on a commercial plane is reopened, distress may be continued.

I therefore request that the Congress give prompt consideration to increasing the capital and lending power of the Export-Import Bank of Washington by \$500,000,000, and removing some of the restrictions on its operations to the end that the Bank may be of greater assistance to our neighbors South of the Rio Grande, including financing the handling and orderly marketing of some part of their surpluses.

It is to be hoped that before another year world trade can be reestablished, but, pending this adjustment, we in the United States should join with the peoples of the other Republics of the Western Hemisphere in meeting their problems. I call the attention of Congress to the fact that by helping our neighbors we will be helping ourselves. It is in the interests of the producers of our country, as well as in the interests of producers of other American countries, that there shall not be a disorganized or outthroat market in those commodities which we all export.

No sensible person would advocate an attempt to prevent the normal exchange of commodities between other continents and the Americas, but what can and should be done is to prevent excessive fluctuations caused by distressed selling resulting from temporary interruption

in the flow of trade, or the fact that there has not yet been reestablished a system of free exchange. Unless exporting countries are able to assist their nationals, they will be forced to bargain as best they can.

As has heretofore been made clear to the Congress, the Export-Import Bank is operated by directors representing the Departments of State, Treasury, Agriculture and Commerce, and the Reconstruction Finance Corporation, and is under the supervision of the Federal Loan Administrator, so that all interested branches of our government participate in any loans that are authorized, and the directors of the Bank should have a free hand as to the purposes for which loans are authorized and the terms and conditions upon which they are made.

I therefore request passage of appropriate legislation to this end.

THE WHITE HOUSE
WASHINGTON

To the Congress of the United States:

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I therefore request passage of appropriate legislation to this end.

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

July 22, 1940

CONFIDENTIAL: To be held in STRICT CONFIDENCE and no portion, synopsis, or intimation to be published or given out until the READING of the President's Message has begun in the Senate or the House of Representatives. Extreme care must therefore be exercised to avoid premature publication.

STEPHEN EARLY
Secretary to the President

TO THE CONGRESS OF THE UNITED STATES:

As a result of the war in Europe, far-reaching changes in world affairs have occurred, which necessarily have repercussions on the economic life both of the United States and of the other American Republics. All American Republics in some degree make a practice of selling, and should sell, surplus products to other parts of the world, and we in the United States export many items that are also exported by other countries of the Western Hemisphere.

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I therefore request passage of appropriate legislation to this end.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

July 22, 1940.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

file personal *PSF* *made*
State
October 2, 1940

Memorandum to General Watson

Would you be good enough to say to the President that in respect of Dubinsky's nephew, we had already cabled instructions to the Concul at Moscow, and had arranged for remittance of money to Moscow to take care of the boy when he gets there; and that a visa is waiting for him at Moscow?

We hope to get word through to the boy at Bialystok -- but communications from Moscow to Poland are anything but good. We have asked Dubinsky to try to get word to his nephew by the grapevine, also.

C-63

A. A. Berle, Jr.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

File personal *ASF* *Berle* *State*

October 30, 1940

MEMORANDUM TO THE PRESIDENT

My people up-state New York report that a great many voters plan to vote for you for the first time this year. This is because Mr. John L. Lewis agreed that he would resign if you were re-elected. It appears to be their one chance of getting rid of John L.

as

A. A. Berle, Jr.

file "personal"
I have taken this up
with Adolf Berle -
G.

THE WHITE HOUSE
WASHINGTON

7-22-41

MEMORANDUM FOR THE PRESIDENT:

Should I turn this over to
J. Edgar Hoover?

E.M.W.
E.M.W.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

July 18, 1941

General Watson,
The White House.

The attached is a memorandum of conversation with Kerensky. It relates to one Serge Rubenstein, who seems to have been tossing the President's name around rather freely in forwarding some scheme of his.

You may wish to bring this fact to the President's attention.


Adolf A. Berle, Jr.

Attachment

ASF Berle State Folder
Copy for General Watson 2-41

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 18, 1941

SUBJECT:

PARTICIPANTS: Alexander Kerensky;
Mr. A. A. Berle, Jr., Assistant Secretary of State.

COPIES TO: U, Eu, FC

1-1400

M. Kerensky came in to see me, at his request, by reference from Mr. Welles.

He stated that one Serge Rubenstein was going about organizing a Russian National Committee which should undertake to represent and unify Russian groups in the United States, with the objective of having some part in the ultimate government of Russia. According to Kerensky, Rubenstein claimed to have been entertained at the White House and to have access to the President and to Mrs. Roosevelt; and showed to everyone letters from Mrs. Roosevelt and from the President in

aid

aid of his organization work. He further claimed that he had been authorized by Mr. Welles to carry on this preparatory work; and freely used Mr. Welles' name in connection with this. Rubenstein has stated that when the committee is organized it will then be formally invited by the State Department to meet and organize.

Kerensky observed that Rubenstein is a financial adventurer and a troublesome one; that his father had likewise carried on this profession and had been imprisoned for it in Russia. (This accords with our own information.)

He asked whether the statements Mr. Rubenstein had made were true; and if not, whether he could be authorized formally to deny them.

I said I had no knowledge of the reports but they were incredible to me. Many men, of course, had seen the President or Mrs. Roosevelt at one time or another; and even had had acknowledgment of letters, or the like. But I had no information leading me to believe that this Government, or any responsible person in it, had authorized anyone to undertake the
setting

setting up of a Russian National Committee, or had given any assurances in that respect.

I said that I could not authorize Mr. Kerensky to deny them, since if there were need for denial it undoubtedly could be best handled by the Department itself. I did this because I suspect Kerensky wished to be in the position of making some authorized statement from this Department, hoping thereby to indicate that he had some recognition from us, which of course we are unwilling to give at this time.

A. A. Berle, Jr.

PSF: Berle Folder

THE WHITE HOUSE
WASHINGTON

January 9, 1942.

MEMORANDUM FOR

HON. ADOLF A. BERLE, JR.

I think this is a good
idea. Will you let me know
what you think?

F. D. R.

Report on offer of I.T. & T.
to reduce rates on Government
messages to South America. This
was sent to the President by John
Franklin Carter, together with
letter addressed to him by Frank
Page, Vice President of I.T. & T.,
under date January 7, 1942.

*file
personal*

PSF: Burke Folder
1-42
stats

DEPARTMENT OF STATE
WASHINGTON

January 28, 1942

MEMORANDUM

Mr. President:

Your cable to Winston Churchill.

Our people report:

- (1) The message was received here between 3:00 and 3:10 p.m.
- (2) The green copy for Mr. Hull's signature was typed by 3:45 p.m.
- (3) It was signed and returned to the telegraph section at 4:00 p.m.
- (4) Coding started at 4:10 p.m.
- (5) At 5:20 p.m. (your call) one section had been enciphered and was being transmitted. The second section was enciphered and ready to be sent.

On Mr. Early's instructions the cipher was canceled and the entire message sent en clair, the sending completed at 5:40 p.m.

This would not be bad for an ordinary message but should have been speeded up for anything urgent. Two or three stenographers could have started writing and enciphering could have been started as soon as each page was typewritten.

Adolf Berle *Ad*

THE WHITE HOUSE
WASHINGTON

January 28, 1942.

*file
Personal
PSF: Berle
S. J. Folley
1-4-42*

MEMORANDUM FOR

HON. ADOLF A. BERLE, JR.

There is no reason why the Navy should not send some of its smaller patrol vessels or even some of its torpedo motor boats to Uruguay for patrol work inside the mouth of the Plate, and also of their new Naval Base on the Atlantic side.

Please take this up with the Navy and I am sure they could let us have four or five. These ships would operate, of course, only in relatively good weather, which means down there about four-fifths of the time.

F. D. R.

FOR THE PRESIDENT

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: January 26, 1942

SUBJECT: Possibility of ships being made available to Uruguay

PARTICIPANTS: The Uruguayan Ambassador, Dr. Juan Carlos Blanco;
Mr. A. A. Berle, Jr.

COPIES TO: S, RA, A-A, DE, LE

The Uruguayan Ambassador came in to see me, at his request.

He referred to a conversation he had had with the President. The President, he said, had spontaneously volunteered the promise that a certain number of small ships would be made available to Uruguay for patrol and defense work in the mouth of the River Plate.

The Ambassador said he wanted to take up now the possibility of making this suggestion effective. As defense work proceeded, there would be a Brazilian and Argentinian patrol. If Brazilian and Argentinian ships went along the Uruguayan coast with no participation for Uruguay, the bad political effect in Uruguay would be obvious,

- 2 -

obvious, as would also be the degree of control which could be exercised over Uruguay by either of the two navies. He had in mind the President's suggestion that a few light, fast patrol boats of some kind might be made available. He said that the President, who had talked to him at some length about the conditions in the River Plate, knew exactly the requirements. Now he thought something ought to be done.

I said I could fully appreciate the reasons which led the Ambassador to bring the matter up at this time. I said I would promptly inquire into the matter and find out what steps, if any, should be taken.

cel
A. A. Berle, Jr.

PSF Berle

THE WHITE HOUSE
WASHINGTON

*file
personnel
PSF:
Berle
Folder*

January 29, 1942.

MEMORANDUM FOR

HON. ADOLF A. BERLE, JR.

You are right about the wounded feelings of the Dutch.

I took the position when speaking with Dr. Loudon last week that I am much put-out by the delays of his Government in London.

After all, this is war and delays in defense may be very costly.

It took three months of perfectly childish negotiations before we got troops to protect the Bauxite Mines in Surinam. They might have been destroyed by a German aircraft carrier in the meantime.

It has taken us well over a month to get troops to Curacao and Aruba. They are not protected today and their absolutely essential high octane gas refineries might be destroyed by a German submarine tomorrow.

THE WHITE HOUSE

WASHINGTON

-2-

Frankly, I cannot delay the troops and I think you might tell the Venezuelan Ambassador that I am taking sole responsibility for this move, as it is in the interest of Venezuela just as much as it is in our interest. You might tell him that if the refineries were destroyed, the output of Venezuelan oil would automatically nearly stop.

Here is a solution. When we get our troops there, the Commanding Officer can very easily arrange to invite two or three Venezuelans as his personal guests. Venezuela will certainly be kept fully in touch with the entire situation, and this is no time to quibble when a critical phase of the conduct of the war is involved.

F. D. R.

DEPARTMENT OF STATE
WASHINGTON

January 28, 1942

MEMORANDUM

Re: Defense of Curaçao
and Aruba

Mr. President:

The Dutch row over their non-representation in the Far East Command seems to come to a head now.

As you know, we are planning to send 2500 troops to Curaçao and Aruba, replacing British troops which are leaving.

The Dutch take the position that they want no Venezuelan participation though they would allow the Venezuelan Consul to have a "military aide". They are very much up on their ear about the whole business. They have twice hinted that they would feel better if represented in the Wavell command. It is true that on the record the Dutch have had several bad breaks.

The Venezuelans take the view that they are entitled at least to the participation which Brazil had in our troop landings in Dutch Guiana, pointing out that they have more interest in Curaçao and Aruba than the Brazilians have in Surinam -- these islands live on Venezuelan oil. If we were to move troops without prior agreement with Venezuela, the Venezuelan Ambassador, who is a good friend of ours, thinks there might be a serious dispute.

The Secretary feels that we should delay the troops until the matter has been straightened out. We propose discussing this with the Dutch Foreign Minister who arrives tomorrow. Can you help us with some ammunition in the way of some concession to the Dutch view?

Adolf Berle
Adolf Berle

file personal
ASF Berle Truman
1-42
State

DEPARTMENT OF STATE
WASHINGTON

April 11, 1942

MEMORANDUM

Mr. President:

Some months ago you showed me a personal letter from Claude Bowers relating to the Fascist activities by the British Ambassador in Argentina, Sir Edmond Ovey.

We investigated then and could find nothing definite. We now have, however, a scrap of information bearing on the point.

There was an Argentine Commission investigating "anti-American activities". The German Embassy in Buenos Aires spied on it and learned that the British Ambassador, Sir Edmond Ovey, and Sir McCallum of the British Intelligence, were giving information to that Commission regarding Communist activities. They were described as being "Fascist in sympathy". This is a usual accusation by Communists against anti-Communists; but it is also proof that Sir Edmond Ovey probably fears the Communists almost as much as he does the Germans.

Ad
Adolf Berle

THE WHITE HOUSE
WASHINGTON

April 15, 1942.

MEMORANDUM FOR

COLONEL DONOVAN

Will you speak to me about
the enclosed when you are well
enough to be back on the job?

F. D. R.

Memo to the Pres. from A.A.Berle, 4/14/42
with attached memorandum of conversation
between Father Odo, Grand Duke of Wurtemberg
colonel on the German General Staff during
(Enclosure) the World War.

file

Berle folder 1-42
State

DEPARTMENT OF STATE

Memorandum of Conversation

DATE:

SUBJECT: Advices received by Father Odo re situation in Germany April 17, 1942

PARTICIPANTS: Father Odo, Grand Duke of Württemberg;
Mr. A. A. Berle, Jr.

COPIES TO:

*** 1-1408

Father Odo came in to see me at his request.

He said he had received a cable from Stockholm on April 14 via South America, probably representing a message leaving Berlin Sunday or Monday.

His army contacts, he said, now confirm that a German offensive against Russia appears impossible at this time. The German system of attacking at widely diverse points has made it necessary to use reserves and material destined for a general offensive in operations to meet the periodic Russian thrusts. It is still believed that there will be an attack in the East. Hitler appears to be at Berchtesgaden considering the situation.

Father Odo said that his officer friends had canvassed the marshals to see whether they would undertake to form a revolutionary government. Among others they had got into touch with General von Beck, and General von Hammerstein. These had declined, saying that as matters now stand a military government would be unable to handle the situation. Thereupon contacts had been arranged with a group of civilian officials who had agreed

to

to take responsibility. Father Odo said that he did not have the names since his contacts had considered it too dangerous to send them. He gathered they were chiefly the bürgermeisters and certain of the provincial administrators; and to them were added certain of the high officials of the former German Labor Union.

The revolutionary movement, he said, was largely developing among the soldiers at the front and in reserve.

He concluded with his usual plea for some sort of declaration of intent, indicating that the Germans would be spared complete decimation; and for the immediate beginning of really active propaganda. For instance, he said he now had confirmation that the seriously wounded at the Russian front were being quietly killed by gas on the way home. Two of his Catholic Youth associates, including one of his best reporters, had died in this way. As a propaganda statement this would have great effect, because practically all German petty officers are equipped with radios and dissemination should be easy.

act
A.A.B., Jr.

THE WHITE HOUSE
WASHINGTON

April 15, 1942.

MEMORANDUM FOR

COLONEL DONOVAN

Will you speak to me about
the enclosed when you are well
enough to be back on the job?

F. D. R.

(Enclosure)

DEPARTMENT OF STATE
WASHINGTON

April 14, 1942

MEMORANDUM

Mr. President:

The attached memorandum of conversation may interest you. Father Odo was Grand Duke of Württemberg; colonel on the German General Staff during the World War; thereafter left his nominal throne to become head of the Catholic Youth Movement; is now a Franciscan monk; was exiled to Switzerland in 1934; was head of the Catholic Intelligence and still keeps up his ground lines. He lives in a monastery here.

His information parallels certain information we have been getting from Bern. The possible abandonment of attack on Russia parallels a recent suggestion by Lozovsky in Moscow. It is not confirmed by present troop dispositions. Underground reports, however, tell of Hitler's constantly contradictory orders.

There are various views about Odo. Most agree that he is anti-Nazi but very anxious to preserve Germany.

The point about a statement regarding Germany, in view of the statements by Stalin and Eden, may be worth considering. Effective American propaganda for transmission to Germany is, of course, a crying need.

aeb
Adolf Berle

Attachment

DEPARTMENT OF STATE

Memorandum of Conversation

DATE:

SUBJECT:

April 14, 1942

PARTICIPANTS:

Father Odo, Grand Duke of Württemberg;

Mr. A. A. Berle, Jr.

COPIES TO:

Father Odo came in to see me at his request.

He said that Saturday morning he had received a message from Stockholm sent on Thursday via South America. This message had come from General Deutelmoser, one of the Prussian generals who appears to be chief of Service of Supplies to Finland. Deutelmoser is an old friend of his; one of the generals in whom Hitler has not much confidence.

Deutelmoser said that he now understood that there would probably be no attack on Russia this year. A council of generals had been held, and they had informed Hitler that the quality of the troops, the levy, and their materiel were such that they could not expect to penetrate the Russian lines.

Instead of this, there probably would be an attack on England and Iceland. This, it was estimated, would take far less gasoline because of shorter distances; also gliders could be used.

He had likewise received another message from a different source in Stockholm, indicating that the morale of the common soldiers was extremely bad; that they considered a

revolution

revolution might commence there.

He had likewise received a message from Switzerland, telling much the same story. South Germany was particularly tired and unhappy about the war. Austria and the Tyrol were crowded with Germans seeking refuge from the Rhineland and even from Berlin. The deaths in the Ruhrort and in many industrial cities from bombing raids were very great, and civilians who could do so were endeavoring to get out.

Father Odo then said that all of these sources had made two points which, of course, he had previously made to the F.B.I. and to whoever of us he could get hold of. He said the dominating consideration in the minds of all of these men was what would happen to Germany in case of a revolution or a defeat? If the country were to be merely decimated by incoming Russian armies or if the killing were to continue, naturally they had no option but to fight. But Stalin had already made a speech which had created a great impression in Germany, to the effect that he was fighting to get rid of Hitler and Goering and the Nazi crowd and was not seeking to enslave the German nation. Eden had made a similar speech. What they were asking was what the United States would say, since everyone assumed that the United States would determine the peace.

Accordingly, he urged that some kind of a statement as to American war aims regarding Germany should be made to preserve the German nation against a fear of wholesale massacre.

He further urged that America start a real propaganda campaign. The time to do this was now, and every day lost was a net loss to us. The morale was low. The religious feeling in Germany was rising. The Nazis had been extremely heavy handed and had named a "man of the street" whose only claim to fame was that he was personal body-guard to Hitler, to the job of eliminating the churches. They were repeatedly being closed now, merely for "war technical reasons". The whole thing was plainly ripe for a powerful American propaganda attack.

He said this could hardly be done by a man like Steele who, though German, was known as a Communist; nor by a Jewish voice, as had been done by the C.O.I. Would it not be possible to get some German, acquainted with the actual German situation, who could call names, dates and places; who could contrast old German culture with

the

the new tyranny, etc.

I merely expressed my gratitude for having his views.

He said that his real reason for coming in was that he was, as I knew, an old General Staff officer. He did not believe that the British would be defeated. Fighting with half-trained levies and against continuous British bombardment simply meant thousands of men would be killed every day; the war could not be won; that his natural interest as a German Staff officer was to stop the slaughter which could produce nothing for anyone.

He said that he did not think the generals would attempt to make peace. More likely, he thought the revolution would start among the soldiers and would lead to an overturn; and some relatively obscure man would probably emerge.

Naturally I did not enter into discussion on this point.

A.A.B., Jr.

3101

DEPARTMENT OF STATE
WASHINGTON

May 9, 1942

MEMORANDUM

Mr. President:

In our conversation the other day you raised the question as to whether the time had come for some real political warfare directed against Germany. The attached very thoughtful telegrams from Harrison in Bern seem to indicate that the weather in Germany is "making" for some kind of squall.

At our suggestion the Legation at Bern has been organizing to try to follow these trends as one of their important jobs.

Some kind of head-on attack is indicated. The timing is a difficult problem; my guess is that the optimum date is not far off.

AB
Adolf Berle

Attachments

HRL
This telegram must be
paraphrased before being
communicated to anyone
other than a Governmental
agency. (BR)

Bern

Dated May 8, 1942

Rec'd 8:25 a.m.

Secretary of State,
Washington.

1945, May 8, noon.

Section on

The shock inflicted on the German people by unexpected duration and rigors of the Russian war is more and more openly expressed in the German press and over the radio. Goebbels current stream of internal propaganda and threats together with Hitler's latest speech have set the tone for new commentaries on this situation from which it is apparent that Germany is passing through a profound evolution, the fruit of an experience frankly acknowledged as bitter, and which arises out of the inescapable realization that before the achievement of the once so confidently expected total grasp only to be delayed by new trials. Since then the front soldiers have given to their relatives at home by word of mouth and in letters a grim knowledge of how unexpected was the course of the campaign and of the thirst, hunger, cold and exhaustion encountered in fierce and bloody fighting victory fate now decreases such trials and efforts as will surpass all that have heretofore been experienced in German history.

This transformation

-2- #1945, May 8, noon from Bern

This transformation first became evident last January when the Fuhrer in an address to the nation recalled other historic occasions in which success appeared within. The casualty reports have spoken their message of foreboding and despair to endless families. Political personalities declare openly that Germany has found in Russia a struggle with an unfamiliar world, an enemy denominated terrible and cruel but one acknowledged to be animated also by an idea which though evil in the German view cannot be so easily defeated as was the French myth. Germans are now being told that as long as the war in the East endures the forests and plains of Russia will pour forth those hordes whose ferocity in battle and cold rage in destruction have thus far rendered inconclusive the supposedly incontestable superiority of German arms and man power.

HARRISON

WSB

PMW
This telegram must be
paraphrased before being
communicated to anyone
other than a Governmental
agency. (BR)

Bern
Dated May 8, 1942
Rec'd 12:51 p.m.

Secretary of State,
Washington.

1945, May 8, noon. (SECTION TWO)

Both leaders and the rank and file appear to realize that a crisis has arisen and that the forced development of Germany under ten years of Hitlerism has failed to achieve that unity of purpose and action required to defeat an opponent for whose conquest a total concentration of moral as well as physical forces has proved necessary. The immediate demand therefore is that the civilian front close ranks, submit to a centralized command, observe the extraordinary discipline and make the sacrifices hitherto executed only from the fighting forces. The call is for unity in spirit, faith in the high mission claimed for Germany, unquestioned obedience to the Fuhrer and unswerving support of the fighting front by the so-called culture and civilization of the Germanic peoples. German blood, German sweat, German tears are now very much on the order of the day. The alternatives offered are total victory or complete destruction. The
reward

-2- #1945, May 8, noon. (SECTION TWO), from Bern

reward promised is that a triumphant Germany will in its own interest impose a new organization on and control the spiritual destinies of the European continent if not the entire world.

The armed forces have been prepared for the supreme effort. Soldiers are deliberately inspired with a hatred of Russia which is presented to them as the incarnation of sadism, cruelty, and the spirit of evil; the Soviet Government is portrayed as a demonic monster with a diseased brain manipulating the hapless Russian masses. Thus it is hoped to conquer the fervently patriotic Red Army by German soldiers in whom every trace of the European concept of chivalry in warfare has been replaced by a greatly strengthened lust for destruction of life and all human values. New and additional weapons specially designed to meet the conditions of warfare in the East are to bolster this spiritual armour in the field. German might and German fright are to be on the march again.

HARRISON

LMS

TRE

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

Bern

Undated

Rec'd May 8, 1942

11:17 a.m.

Secretary of State,

Washington.

1945, (SECTION THREE).

These open searchings by Germany's leaders for the strong fusion of civilian and military forces found necessary to strike again at Russia has provoked in the masses a feeling of deep anxiety as to what the future will bring forth. The stolid determination that Germany must not lose the war which characterized civilian morale hitherto is now giving way to the grim realization that Russian resistance, British endurance, and America's growing power challenge that security and victory for which (?) was sacrificed and threatened by the same play of economic and moral forces a repetition of the defeat of 1918. However, in evaluating this evolution it must be remembered that Hitler has shown in the past that he knows his German people well and that he is but using them as the instrument of his will to victory. If he can obtain

by the

-2-#1945, (SECTRION THREE) from Bern.

by the present methods a non-pyrrhic victory over Russia within a reasonable time this evolution may be slowed down or even halted. If not the increasing strain on Nazi control within Germany may create an internal front which will play an important role in hastening the ultimate decision in the war.

(END OF MESSAGE)

HARRISON

MPL

PMW
This telegram must be
paraphrased before being
communicated to anyone
other than a Governmental
agency. (BR)

Bern

Dated May 8, 1942

Rec'd 1:18 p.m.

Secretary of State,
Washington.

1942, May 8, 2 p.m.

Repressive measures by German authorities in the occupied countries have been greatly increased in vigor and severity during the past few weeks. The security police in the western countries has been reorganized with new SS units and higher officials sent in from Germany. Mass executions have been ordered in Norway, Holland, Belgium and France. Arrests and taking of hostages have been on a larger scale than heretofore. A new departure is the deportation of numerous individuals charged with sabotage and other anti-German activities to occupied Russia to work in labor camps there. Regular German army units are now engaged in punitive action against Serb patriot forces in Bosnia.

These measures are so widespread and synchronized as to indicate that orders have been received from some high central authority to liquidate as soon as possible so called anti-German activities and to
intimidate

-2- #1948, May 8, 2 p.m., from Bern

intimidate the conquered population by a demonstration of German terrorism in action. It would follow that Berlin hopes in this way to establish a passive situation in the occupied countries while the eastern offensive is in course and at the same time to eliminate elements there which give signs of action (*) collaboration^{with}/the democratic powers. . . .

HARRISON

BB

(*) Apparent omission.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

June 19, 1942

MEMORANDUMRe: New York Governorship

Mr. President:

For the past few days Mayor LaGuardia, the heads of the American Labor Party, the head of the Young Democrats, and Mr. Walter S. Mack, as field agent for Wendell Willkie, have all talked to me.

The American Labor Party and the Young Democrats will not take Bennett, under any circumstances. They propose holding a convention about a week before the Democratic State Convention, and at that time nominating an individual who will run for Governor on the Labor Party ticket, and whom the New York Democrats will support. If possible, this should be someone whom the Democratic Convention could adopt; or conceivably, they might be willing to state that they would withdraw him and support the Democratic candidate, if he were an acceptable person.

They would take Mead, with some enthusiasm, Owen Young (with less enthusiasm). They might take Bob Patterson. I have asked them not to use my own name in this connection.

Walter Mack indicated that the Willkie Republicans were looking for a Democrat whom they could support. They would be enthusiastic about supporting Owen Young.

Mayor LaGuardia would support any of the foregoing. If need be, he would lead a third party ticket himself, realizing that the undoubted result would be to elect Dewey, owing to the split.

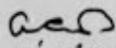
I have not discouraged any of these movements, and do not propose to. Jim Farley said to me, in substance, that they already had the votes to nominate Bennett, and what was anybody going to do about it: they would just get defeated.

I said

I said that he seems to be inviting the American Labor Party, and a couple of hundred thousand independent Democrats, to commit suicide -- which I doubted if they would do.

I plan to let the Labor Party and the Young Democrats go ahead with their conventions along the lines suggested. There may, of course, be developments later which will change the situation. As things now stand, I think Farley will hold firm. There is a chance that the Democratic State Convention, composed chiefly of job-holders, will bolt, rather than face a certain defeat, if it is clear that there will be a split in the Democratic ranks.

The split is real, and not artificial. You cannot make the American Labor Party and the independent Democrats swallow an isolationist ticket.


A. A. Berle, Jr.

*PSF Berle Folder
State*

THE WHITE HOUSE
WASHINGTON

June 23, 1942.

MEMORANDUM FOR

HON. ADOLF A. BERLE, JR.

The messages you write of could not have come from any reliable source. In the first place the statements are not true and, in the second place, they were not gleaned by reading news stories.

It seems clear to me that in view of the date you mention they were made:

(a) As a pure guess on the part of the informant and

(b) That these guesses may have followed to a certain extent guesses made by a combination of radio commentators and columnists. One can almost always make up a story out of the vaporings of a certain type of radio artist, aided by a certain type of columnist.

THE WHITE HOUSE
WASHINGTON

-2-

The only thing that concerns me is the sender and the recipient of similar so-called information. It does present a problem.

I have destroyed your memorandum.

F. D. R.

DEPARTMENT OF STATE
ASSISTANT SECRETARY

File Personal State

June 24, 1942

Memorandum

Mr. President:

I have just received Miss Tully's telephone call, and have asked the Young Democrats to postpone their meeting on June 30th to the latter part of July. As I told Grace, I doubt if that bunch -- or the American Labor Party, either -- will accept Bennett under any conditions; on the other hand, I think they would take anyone else who does not insult them and who does not belong, body and soul, to Jim Farley. As you know, they have practically no use for Ed Flynn.

cc
A.A.B., Jr.

Berle
PSF - 12111
file
Confidential
State

DEPARTMENT OF STATE

ASSISTANT SECRETARY

June 30, 1942

MEMORANDUM

Mr. President:

Attached is a memorandum of my conversation with the Yugoslav Foreign Minister. It relates in part to the conversation he and King Peter had with you and, I gather, with Mr. Churchill. You may be interested in his views.

He is full of admiration of you; and a little skeptical about the English who are, he says, no longer "authors of the situation" but involved in matters they cannot control.

as
Adolf Berle

Attachment -

Memorandum of conversation dated 6-30-42 with Yugoslav Foreign Minister.

DEPARTMENT OF STATE

Memorandum of Conversation

DATE:

June 30, 1942

SUBJECT: Views of Yugoslav Foreign Minister
on Post-War Settlements.

PARTICIPANTS: Dr. Nincic, Yugoslav Minister of Foreign Affairs;
Mr. A. A. Berle, Jr.

COPIES TO:

I said that there had been considerable thought along this line, and that much of it had revolved around creating a world organization which should have sufficient force at its disposal -- probably centered in a few places -- for ready use.

Dr. Nincic asked what the places were.

I said I did not know; no decision had been taken and these ideas were in an exploratory stage.

*** 1-1463

Dr. Nincic came in to see me at his request.

He said he wished to exchange ideas about certain matters in connection with post-war settlements. He had been talking, in company with King Peter, to the President and to Prime Minister Churchill. He was comforted to find that the United States was taking an active interest in proposing to take considerable degree of responsibility for commissioning of Europe at the close of the war.

I interrupted to say that there were considerable tendencies in this direction; but this was a democratic people and their point of view might change. But, I said, I thought that there was a far wider degree of interest today than had been the case after the last war.

The Minister said he understood this, and that he spoke merely of a tendency.

He then asked what our precise ideas were.

I fenced with this a moment and developed from him

that

that President Roosevelt had given him an outline of a plan for post-war security during the transition stage. The President had told him, he said, that complete disarmament of the enemies was proposed; that there should be a force capable of imposing disarmament; that when any armament was undertaken, the nearest country should "call a policeman", which would promptly clear up the situation. The Minister said he was very happy to hear this frank statement and particularly the allusion to an international police force. He asked what views I had on the subject.

I said that there had been considerable thought along this line, and that much of it had revolved around creating a world organization which should have sufficient force at its disposal -- probably centered in a few places -- for ready use.

Dr. Nincic asked what the places were.

I said I did not know: no decision had been taken and these ideas were in an exploratory stage.

Dr. Nincic then came to the real point. He said he very much hoped that the forces in Europe and also in the Middle East could be under American command. He then related a series of grievances against the British all of which he ascribed to intrigues within the British Command in Egypt. He said he had been in full accord with the Foreign Office, but that the Foreign Office had no control over the military, and indeed, in this as in other respects, displayed a chaotic situation which led practically all concerned to look to the United States for leadership.

Specifically, he said the British impeded the sending of messages from King Peter and his government to Mikhailowicz and the Chetniks in Yugoslavia. They claimed the right to transmit messages, some they sent and some they withheld; they intercepted the Chetniks' messages in return, delivering some and not others.

General Simonovicz, he said, was in active revolt against the government of King Peter; he sent two officers to the Chetniks over the protest of King Peter's

government,

government, and in violation of an agreement reached between Nincic and Eden.

Finally, he said that in his conversation with the President and Churchill, Churchill had made one remark that discouraged him very much indeed. "You are beginning to tire out your friends" Churchill had observed -- a remark which was not highly appreciated by King Peter or the Serbian Government.

He went on to say that Churchill was a great captain and a great man, but that he had no general view of politics and the political situation as had President Roosevelt who seemed to have a grip not only on military matters but also political matters. For this reason he urgently hoped that the Americans might take over command of the forces ultimately in Europe, and of the forces in the Middle East.

I said that this of course was a matter of very high policy and not in my province. It was true that the United States was disinterested; but it was also true that the United States considered that its interest lay in supporting Britain in the war and that it would not willingly take any step which would prejudice complete cooperation between the two countries.

Dr. Nincic said he understood this but the fact was that the British had little prestige and that they would need to appeal to the United States.

I made no further comment.

Dr. Nincic stated in no uncertain terms that he thought the British in Cairo were attempting by intrigue to upset the whole question of Serbia. This had bad effect on Chetnik resistance.

We talked a little about Yugoslavia's view of a possible Central European Federation but as Dr. Nincic was to express his views fully on this subject to Mr. Welles, there seemed to be no point in asking him to make his statement twice.

A.A.B., Jr.

PSF Berle Folder
Stat 1-42

THE WHITE HOUSE
WASHINGTON

July 4, 1942.

MEMORANDUM FOR

HON. ADOLF A. BERLE, JR.

In regard to Greenland, it is my thought that no commitments should be made at this time. As a matter of fact, Kauffmann has behaved so bravely and sensibly about Greenland -- and Iceland -- that I should hate to hurt his feelings one way or the other.

Nevertheless, the failure of the Danish Government in any way to resist the German occupation -- even by token -- followed by Danish Government protests to us in regard to Greenland, makes the case of Denmark very weak. Many things may happen during the balance of this war and I do not think that we should agree to any form of compensation to anybody. The suggestion of the Danish Minister is a noble gesture and we will remember it -- but that is all we can say at this time.

F. D. R.

DEPARTMENT OF STATE

ASSISTANT SECRETARY

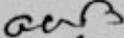
June 30, 1942

MEMORANDUM

Mr. President:

Attached is a memorandum of my conversation with the Danish Minister. He proposes a rather generous gesture. In the event of compensation for the Greenland bases he proposes to split the payment with Norway -- which claimed sovereignty over most of the island but got an adverse decision in the World Court in 1933 which they accepted.

De Kauffmann has an idea that Denmark and Norway ought to come together as a regional grouping or federation of some kind and this may be designed to pave the way to that end.


Adolf Berle

Attachment -
Memorandum of conversation
dated 6-30-42 with Danish
Minister, and enclosure.

DEPARTMENT OF STATE

Memorandum of Conversation

DATE:

June 30, 1942

SUBJECT: Possible sharing of compensation
for Greenland bases by Denmark
and Norway.

PARTICIPANTS: The Danish Minister, Mr. Henrik de Kauffmann;
Mr. A. A. Berle, Jr.

COPIES TO:

The Danish Minister gave me the attached memorandum in confidence. This relates to possible compensation for the Greenland bases. The Minister has had the somewhat novel and rather generous idea of proposing that the compensation when paid be split between Denmark and Norway -- in view of the old dispute between Denmark and Norway as to sovereignty of the island. Norway had generously accepted the judgment of the World Court in 1933, giving entire sovereignty of the island to Denmark; this might be a reciprocation of courtesy and honor.

I said I thought the idea was extremely interesting and I would consider it.

A.A.B., Jr.

Attachment:
Strictly Confidential Draft
Note, Undated, from Danish
Minister.

STRICTLY CONFIDENTIAL

DRAFT

The recent agreement, whereby the United States of America declare their willingness to pay an annual amount of \$ _____ for the use, during the present war, of military bases in Greenland necessary for the defense of that Danish island and of the American continent, is a new proof of the goodwill and friendship of the United States towards Denmark.

About a decade ago the question of sovereignty over Greenland was a cause of dissension between Denmark and Norway. The dispute was brought before the Permanent Court of International Justice at the Hague, and that Court in 1933 rendered a judgment which confirmed Danish sovereignty over the whole of the island. The Norwegian Government immediately accepted the decision of the Court as final, thereby setting an example to the world, of the possibility of peaceful settlement of disputes through international justice.

Today Denmark and Norway both suffer the fate of German occupation. The hardships to which the people of Norway are being exposed and the way in which they bear their fate arouses deep sympathy and admiration in the hearts of all Danes. All strife about Greenland has been forgotten; on the contrary, I trust that Greenland, once a source of dissension, may in time become an additional tie of friendship between the two brother nations.

Both Denmark and Norway will be poor countries, when this war is over, but their people will build their countries up again. It is my hope that the amounts to be received by Denmark from the American Government for the use during the war of defense bases in Greenland can be preserved so as to be available for relief and reconstruction purposes after the war. A free Denmark will have to decide how this is to be done, and my suggestion to my Government will be that the amounts in question be divided equally between Denmark and Norway.

COPY A-B AA

DEPARTMENT OF STATE

ASSISTANT SECRETARY

MEMORANDUM

July 8, 1942.

Mr. President:

Re: New York Politics.

I talked the other day to Senator Mead. He made it perfectly plain he is willing--in fact rather anxious--to run for Governor. He would want, however, to feel that he had the full support of the White House.

One of my boys in New York talks to Walter Mack who has been speaking pretty generally for Wendell Wilkie. I gather that Wilkie would not actively campaign for Mead. On the other hand, it is pretty plain that the Wilkie people would not do anything much for Dewey.

I believe La Guardia would support Mead. The Labor Party undoubtedly would do so.

As things stand now, Mead's chances of beating Dewey in a straight fight are steadily improving.

A.A.B.
A.A.B., Jr.

said, the Italians were in a weak position, because their planes had participated in the bombardment of London.

The Apostolic Delegate said that he feared the Pope would have to make a protest if Rome were bombed. This he thought would be used as propoganda by the Axis.

I inquired, somewhat innocently, whether the Pope had made any protest when London was bombed. Cicognani replied that only general statements had been made. He said he realized the position perfectly: Rome was the capital of a warring state, and so forth. But he hoped some consideration would be given to the fact that Rome was the bishopric of the Pope and that almost every other building in it was ecclesiastical in character. He thought that bombing would make a bad impression on public opinion everywhere.

I said that the matter would be given consideration.

aa
A.A.B., Jr.

A-B:AAB:ES

MEMORANDUM

Recent broadcasts of the radio of London have announced imminent bombardment of Rome by aerial attack. In view of these statements, His Eminence Cardinal Maglione, Secretary of State of His Holiness, has directed the Apostolic Delegate in the United States to inform the Government of the United States on the attitude of the Holy See in such eventuality.

As the Holy Father has confidentially indicated on various occasions, he would regret being constrained to make public pronouncements on the matter. However, if the city of Rome is subjected to aerial bombardment the Holy Father cannot remain silent, and will be obliged to make public protest.

His Holiness refers not only to the Vatican City State, but to the entire city of Rome, since it is his episcopal See, and the revered center of the Catholic world. In fact, throughout the city of Rome there are the major and minor basilicas, a number of administrative offices of the Holy See, and many international colleges and Churches. Many of these edifices are not only the property of the Holy See, but are extra-territorial, and enjoy the same immunity as Vatican City State of which they are an integral part.

Rome too is unique for the number of buildings which are the property of non-Italian nationals, and practically every country in the world holds properties there for ecclesiastical colleges, churches and other institutions.

The Government of the United States is most respectfully requested to use its good offices, to which the Holy See has so often in the past been indebted, that the Holy Father may be assured, at least informally and confidentially, that the Vatican City State and the city of Rome will be spared the destructive terrors of aerial bombardment.

December 4, 1942.

*RSF a. a. Berle folder
y-48
State State*

THE WHITE HOUSE
WASHINGTON

February 4, 1943

~~SECRET~~

MEMORANDUM FOR

HON. A. A. BERLE, Jr.

For immediate report.

F. D. R.

Enclosure

Secret Memo for the P. 2/1/43 from General Marshall re conferences in Casablanca, the Prime Minister stated to Gen. Arnold that we have denied servicing and landing rights at Roberts Field, Liberia to the Royal Air Force and to British Overseas Airways Corp. in conn. with their operations in support of the United Nations war effort. Accordingly Marshall sponsored message to C. O. Roberts Field directing him to extend those privileges to British aircraft.

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