

PSP TREASURY

MORGENTHAU

1943-45



PSF
HMGV

Social Message

BY WESTERN UNION



741

QM61 16 SC XC=CLOISTER HOTEL SEASLAND GA
THE PRESIDENT=
WARMSPRINGS GA=

file

JUST HEARD GRAND NEWS OF ARRIVAL OF YOUR LATEST GRANDSON.
OUR VERY HEARTIEST CONGRATULATIONS AFFECTIONATE GREETINGS=
HENRY AND ELINOR.

file personal *BF Morgenthau folder* *R-43*

THE WHITE HOUSE
WASHINGTON

March 2, 1943.

MEMORANDUM FOR

H. M., JR.

I wish you would work up two things for me.

1. A memorandum showing the number of people with salaries over \$67,000 a year who will be exempted by the amendment to the debt limit bill, followed by a list of the ten largest salaried people based on last year's income tax report, showing the amount saved by them individually.

2. Start getting data on the Ruml Plan to show how it would affect:

- (a) The income groups.
- (b) The hundred largest taxpayers.
- (c) The ten largest taxpayers.

No names, of course.

F. D. R.



THE SECRETARY OF THE TREASURY
WASHINGTON

February 11, 1943

Memorandum to the President:

I thought you might like to have
a short statement showing the defects of the
Ruml plan.

H. M. Nathan Jr.

DEFECTS OF THE RUMI PLAN

The so-called "pay-as-you-go" income tax plan proposed by Mr. Beardsley Ruml is unacceptable.

1. By fully cancelling individual income taxes on the high 1942 incomes and profits, it would seriously violate the principle of ability to pay.

a. It would bestow the greatest benefit on those best able to pay and the smallest benefit on those least able to pay. About 60 taxpayers with million-dollar incomes in 1942 would each receive a benefit of at least \$854,000. At one stroke, the Ruml plan would add to their wealth more than they could save in six years, even if they saved every cent of their income after taxes. The benefit to a person with a \$100,000 net income would be about \$64,000; to one with \$10,000 income, about \$2,150; and to one with \$2,000, only \$140. Those who had no income in 1942 would receive no benefit whatsoever.

b. In view of war revenue needs, tax collections will have to be increased substantially. Speeding up the payment of taxes, without the forgiveness of any taxes, will provide part of the increase in tax collections needed. Complete forgiveness will mean that tax collections can be increased only by tax rate increases. These increases will necessarily fall in large part on the smaller incomes because the rates on large incomes are already very high. Forgiveness would in effect shift part of the tax burden from the few at the upper end of the income scale to the many at the middle and the lower end.

c. Only those who had incomes in 1942 would benefit from tax forgiveness but all who will receive incomes after 1942 will bear the burden of the tax increases. In other words, tax burden would be shifted from old to new taxpayers. Those in the armed forces would not share in the benefits but would share in the costs when they return to civilian life.

2. The cancellation of a year's taxes would be a psychological deterrent to the war effort.

a. It would be injurious to the morale of the armed forces, since it would imply economic gain rather than economic sacrifice on the home front.

b. It would lead people to expect lower taxes at a time when higher taxes cannot be escaped.

c. It would release funds which had been set aside for taxes already due and would thereby contribute to the psychology of inflation.

3. The Rum1 plan cannot place the income tax on a pay-as-you-go basis. The tax paid in any one year would be determined by incomes received during the two preceding years. Tax payments in 1944 would consist of a tentative tax based on 1943 income, together with an adjustment to take account of the change in income between 1942 and 1943. The Rum1 plan presupposes that incomes are stable, whereas in more than two-thirds of the cases, income fluctuates substantially from year to year. The continual adjustments made necessary by income fluctuations would throw tax payments even further out of step with income than they are at present.

4. The collection of taxes under the Rum1 plan, which requires both the taxpayer and the Government to work with two years' incomes to determine each year's taxes, would complicate tax administration and taxpayer compliance.

5. As you indicated in your Budget Message, it is important that the income tax be placed on a pay-as-you-go basis. Collection at source must be the keystone of a pay-as-you-go plan. If collection at source is combined with the Rum1 plan, it would have to be unnecessarily complex. A workable collection at source plan can be achieved directly without cancellation of a full year's taxes.

PSF: Morgenthau folder

file

March 4, 1943.

MEMORANDUM FOR THE PRESIDENT:

In response to your request of March 2nd, I submit the following information:

I. Salaries of \$67,000 and over

The number of individual income tax returns filed for 1941 reporting salaries and wages of \$67,000 and over totalled 2,090.

The total number estimated for 1942 is 2,500.

There follows a list of the ten (eleven on a community property basis) individuals reporting the largest salaries for 1941 with related income and tax data. The salaries represent the total amount reported as salaries and other compensation for personal services from all sources during the year.

Taxpayer	Salaries and other compensation for personal services	Total income	Net income	Income tax	Net income after tax
A	\$628,839	\$897,920	\$893,593	\$650,389	\$243,204
B	522,537	544,390	336,953	222,051	114,902
C	517,221	572,746	476,029	329,666	146,363
D	486,244	488,219	480,535	330,290	150,245
E	448,000	512,907	496,922	317,339	179,583
F	442,142	447,353	445,776	304,667	141,109
G	439,813	500,132	471,915	332,310	139,605
H	431,935	707,558	679,074	486,936	192,138
I	358,203	401,085	352,912	258,244	94,668
J <u>1/</u>	352,213	256,895	202,408	130,174	72,233
K <u>1/</u>	352,213	252,419	193,652	125,022	68,630

1/ These returns filed on a community property basis.

A. Morgenthau Jr.

II. Effect of Ruml Plan

a. All Income Groups.

The total estimated amount of income taxes to be reported by individuals on 1942 incomes is \$9,815,000,000. Under the original Ruml Plan, this represents the amount to be canceled in order to place all taxpayers on a pay-as-you-go basis.

The distribution by net income classes is as follows:

Table 1. Estimated number of taxpayers, net income, and taxes for 1942, by net income classes; also per cent of taxes to net income and average tax

Net income classes	Number of taxpayers (in thousands)	Net income (In millions of dollars)	Income tax	Percent of income tax to net income	Average tax per taxpayer
Under \$1,000	9,385	\$ 7,518	\$ 318	4.23	\$ 33.88
\$1,000 - 2,000	17,363	25,802	2,170	8.41	124.98
\$2,000 - 3,000	6,837	16,564	1,176	7.10	170.76
\$3,000 - 4,000	2,697	9,349	927	9.92	343.72
\$4,000 - 5,000	1,176	5,252	645	12.28	548.47
\$5,000 - 10,000	943	6,178	1,024	16.57	1,085.90
\$10,000 - 25,000	299	4,369	1,193	27.31	3,989.97
\$25,000 - 100,000	75	3,051	1,470	48.18	19,600.00
\$100,000 - 200,000	4.3	568	397	69.89	92,325.54
\$200,000 - 500,000	1.2	345	275	79.71	229,166.67
\$500,000 - 1,000,000	.2	147	126	85.71	630,000.00
\$1,000,000 and over	.06	99	94	94.95	1,566,666.64
Total	38,831.5	\$79,242	\$9,815	12.39	\$ 252.76

(Source: Division of Research and Statistics)

Table 2. Amount of taxes to be canceled at selected levels of net income

Married persons - No dependents

Net income before personal exemption	Amount of tax at 1942 rates ^{1/}	Percent of tax to net income	Net income after tax
\$ 1,200	\$ -	-	\$ 1,200
1,300	13	1.00	1,287
1,500	48	3.20	1,452
2,000	140	7.00	1,860
2,500	232	9.27	2,268
3,000	324	10.80	2,676
4,000	532	13.30	3,468
5,000	746	14.91	4,254
10,000	2,152	21.52	7,848
15,000	4,052	27.01	10,948
20,000	6,452	32.26	13,548
25,000	9,220	36.87	15,780
50,000	25,328	50.66	24,672
100,000	64,060	64.06	35,940
500,000	414,000	82.80	86,000
1,000,000	854,000	85.40	146,000
5,000,000	4,374,000	87.48	626,000

^{1/} Excludes Victory tax. Rates based on 1942 Revenue Act, assumes maximum earned income credit and no net long-term gains.

b. The 100 largest taxpayers

There follows a list of the 100 taxpayers who reported the largest net income for 1941. (Returns for 1942 have not as yet been received so it is not possible to set forth the 100 largest based on 1942 income.)

Tax- payer	Net income as reported		Tax- payer	Net income as reported	
	1941	1940		1941	1940
1	\$5,280,923	\$3,789,204	51	\$987,626	\$1,246,739
2	5,238,059	129,019	52	985,129	1,657,698
3	3,948,794	Loss- 264,498	53	981,005	645,054
4	3,878,047	291,013	54	972,637	246,906
5	3,861,678	4,069,178	55	969,350	953,829
6	3,737,023	5,074,832	56	965,015	1,260,734
7	3,420,855	4,021,264	57	960,525	672,878
8	2,730,076	3,140,642	58	954,376	616,211
9	2,661,148	2,074,634	59	948,448	996,309
10	2,408,556	3,483,889	60	945,461	697,475
11	2,354,277	Under 100,000	61	940,811	930,782
12	2,207,248	1,883,406	62	936,854	163,021
13	2,194,144	211,628	63	912,482	Under 100,000
14	2,193,030	2,054,765	64	909,394	826,945
15	2,106,390	2,819,498	65	908,839	851,741
16	2,039,313	3,029,144	66	908,211	584,471
17	1,873,444	1,805,384	67	893,593	Under 100,000
18	1,755,683	1,785,279	68	879,499	1,475,478
19	1,611,624	209,380	69	878,409	623,735
20	1,522,022	1,458,160	70	878,767	860,257
21	1,496,175	1,304,815	71	876,788	763,455
22	1,468,666	1,623,670	72	872,553	918,183
23	1,463,022	2,152,426	73	868,712	Under 100,000
24	1,462,627	339,754	74	868,712	Under 100,000
25	1,452,668	1,596,543	75	865,642	1,126,001
26	1,445,077	2,933,531	76	849,976	236,207
27	1,394,246	1,702,128	77	829,471	397,370
28	1,332,909	117,247	78	827,353	818,883
29	1,322,853	122,757	79	813,894	767,878
30	1,320,944	126,632	80	810,832	706,051
31	1,310,351	1,310,094	81	805,680	371,272
32	1,304,360	Under 100,000	82	804,276	763,187
33	1,273,210	1,101,090	83	803,601	269,247
34	1,241,687	Under 100,000	84	800,026	534,490
35	1,235,113	1,046,439	85	790,779	1,007,876
36	1,204,395	950,436	86	787,604	361,062
37	1,174,715	118,582	87	786,308	616,440
38	1,173,862	1,244,800	88	785,564	464,400
39	1,158,904	1,109,660	89	783,811	381,877
40	1,155,794	1,357,449	90	781,813	690,665
41	1,145,770	1,125,524	91	779,476	533,852
42	1,144,924	1,432,434	92	777,817	Under 100,000
43	1,136,365	1,138,971	93	774,600	772,073
44	1,115,949	Under 100,000	94	768,689	726,204
45	1,102,838	1,079,321	95	767,576	687,694
46	1,089,042	1,301,990	96	759,255	773,189
47	1,087,706	1,025,286	97	757,886	757,626
48	1,074,253	1,172,345	98	753,423	719,416
49	1,061,404	357,543	99	744,601	789,699
50	1,056,207	875,502	100	741,987	381,121

c. The 10 largest taxpayers

There follows a list of the 10 taxpayers who reported the largest net income for 1941, showing net income for such year in comparison with net income for the years 1936 through 1940.

The tax which would have been canceled for these taxpayers for 1942 if their incomes for this year equalled that for 1941 is as follows:

Taxpayer	Net income reported for						Tax which would be canceled under Rum1 Plan 1/	Remaining liability
	1936	1937	1938	1939	1940	1941		
A	\$2,572,176	\$6,985,052	\$3,524,972	\$2,724,884	\$3,789,204	\$5,280,923	\$5,478,958	None
B	Under 100,000	131,577	Under 100,000	176,310	129,010	5,238,057	None*	\$2,622,351
C	Under 100,000	Under 100,000	Under 100,000	Under 100,000	Loss - 264,498	3,948,794	None*	2,259,171
D	279,821	171,590	191,167	Under 100,000	291,013	3,787,047	1,771*	1,933,719
E	3,795,070	993,210	1,861,150	3,660,641	4,069,178	3,861,678	4,074,374	None
F	2,082,133	2,431,457	1,326,571	2,973,951	5,074,832	3,737,023	2,664,029	346,557
G	3,717,763	953,461	1,797,901	3,618,283	4,021,264	3,420,855	3,670,791	None
H	2,849,225	2,533,086	1,710,156	2,925,205	3,140,642	2,730,076	2,376,467	None
I	1,594,846	2,438,328	866,168	3,309,152	2,074,634	2,661,148	1,917,244	226,321
J	3,824,064	1,388,053	93,349	1,428,178	3,483,889	2,408,556	2,089,407	2,080

1/ Capital gain and loss provisions, personal exemption, credit for dependents, and rates of 1942 Revenue Act applied to 1941 income.

* No cancellation in these cases because practically all of the income in 1941 resulted from capital gains. Under this Rum1 plan there is no forgiveness of capital gains.

*PSF; Morgenthau folder
1-43*

THE WHITE HOUSE
WASHINGTON

March 12, 1943.

MEMORANDUM FOR THE
ATTORNEY GENERAL

Will you speak to me about this
after the Cabinet meeting today?

F.D.R.

Letter to the Secy. of the Treasury
from Commissioner of Internal Revenue
March 4, 1943 a memo re Hamilton Fish
and his alleged evasion of income taxes
for the year 1939.

PSF

Morgenthau folder
2-43

THE WHITE HOUSE
WASHINGTON

March 12, 1943.

MEMORANDUM FOR THE
ATTORNEY GENERAL

Will you speak to me about this
after the Cabinet meeting today?

F.D.R.

Morgenthau's letter to the Pres. of 3/11
re reasons for the practice of prosecuting
in the criminal courts in advance of any
attempt to establish a taxpayers civil
liability in tax fraud cases.



THE SECRETARY OF THE TREASURY
WASHINGTON

FSF: Morgenthau folder

*File
Personal*

March 27, 1943

My dear Mr. President:

After Cabinet, in the discussion which Cordell Hull and I had with you, you referred to the Treasury's attitude towards the dollar-franc rate in North Africa. I have reference particularly to the comment you made that the Treasury apparently favored a gradual reduction in the franc rate -- a course which would have been very profitable to the speculators.

I should like to make it clear that the Treasury at no time recommended a gradual reduction of the rate nor believed that such procedure was desirable.

I am sending you herewith a copy of a cable which we sent to General Eisenhower, on December 31, 1942, explaining our position in detail in regard to the dollar-franc rate. This cable expressed not only the Treasury's viewpoint, but also that of State and War. The Treasury position was arrived at after much discussion in which representatives of both State and War participated.

Yours sincerely,

H. M. Morgenthau

The President,
The White House.

December 31, 1942

No. 4802

TO: Commanding General, EUROPEAN THEATER OF OPERATIONS

After careful study of all the facts and after the fullest discussion by interested departments of this Government, the exchange rate of 75 francs to the dollar was set. The objectives were to fix an exchange rate that would be in the interests of the people of French North and West Africa that would be fair to American troops stationed in these areas and that could be expected to be maintained. It is our considered judgment that the rate of 75 francs to the dollar is more likely to achieve these objectives than any rate that sets a higher value on the franc, particularly the pre-war rate of 43.90 francs to the dollar. It appeared to us wholly unreasonable and impracticable to fix and maintain in French North and West Africa the exchange rate of 43.90 francs to the dollar which prevailed before the war and which was confirmed by the French exchange control regulations of September 3, 1939. In view of the changed conditions, particularly in the past two and one half years, the economic basis for this rate has entirely disappeared. (Reference your radio #3561, December 30, our SPBFN)

French North and West Africa have undergone a very considerable inflation which makes the pre-war exchange rate completely untenable. Because of the close monetary ties with continental France all of the areas of French North and West Africa have been affected by the extreme inflationary forces operating in continental France. The exploitation of the economy of French North and West Africa for the benefit of the Germans contributed further to the inflation in these areas. Other local conditions of an inflationary character have also

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OSD Letter, 2-3-73

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tended to reduce the value of the franc in French North and West Africa. A rate that would have set a higher value on the franc than 75 francs to the dollar would have increased immeasurably the difficulty of maintaining stability of the exchanges and the administration of exchange control. Black markets would inevitably have developed to take advantage of the disparity between the official rate and the real value of local currency. The wider the disparity between the official rate and the rates prevailing in the black market the greater the incentive to evade the established controls and to deal in the black market. It is clearly preferable to establish an exchange rate that can be maintained without the use of unnecessarily repressive measures.

With an exchange rate of 75 francs to the dollar the controls recently instituted in French North and West Africa should succeed in reducing black market operations and other evasions. It is not in the immediate or future interests of the people of France and the French empire to establish an exchange rate that does not reflect the real value of the franc and which cannot be maintained without severely disturbing the economic balance. It is important to stress that after hostilities cease a rate of 75 francs to the dollar can contribute more actively to industrial, financial and business recovery in France than a rate of 43.90 francs to the dollar. A grossly overvalued franc will inevitably pave the way for serious depreciation after the war at the very time when France would be most eager to manifest strength in her currency rather than weakness. It would appear that if a further adjustment of the franc rate becomes necessary after the war because of basic disequilibrium it should then be possible for France to make the requisite adjustment either upward or downward from a rate of

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OSD Letter, 5-3-73

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75 francs to the dollar with less disturbance than from a rate of 43.90 francs to the dollar.

It is possible that economic conditions in some of the smaller French colonial areas could justify a higher value for the local franc in such areas than 75 francs to the dollar. We are not fully enough informed on this point to express a definite view. However, it is hardly likely that during the past two and one-half years these areas have been subjected to any considerable extent to the inflationary forces resulting from German occupation of continental France. Some of these areas have been covered by the credit and financial agreements with Great Britain which have added to the strength of their currency. Under any circumstances the rate of exchange in such colonial areas cannot be a significant factor in the determination of an appropriate rate for French North and West Africa. Because of the great role of French North and West Africa in the economy of the French Empire it is of the utmost importance to set the exchange rate for the franc on the basis of economic and monetary conditions in these central areas rather than on conditions in colonial areas of small economic importance. (For Eisenhower signed Marshall)

Moreover an additional factor which the Army would probably wish to consider is that it would be wholly unfair to American troops stationed in French North and West Africa to require them to accept and use a local currency considerably overvalued in terms of the dollar. In justice to these men the established rate must reflect as far as possible the real value of the local currency in which they are paid and with which they must make their purchases. If the rate of 43.90 francs to the dollar were in

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OSD Letter, 5-3-72

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effect, the American soldier receiving any part of his pay in French North and West Africa would get for it little more than half of its real value. It would not be long before the American soldier would become aware of that fact. He would feel that he was being unfairly treated by his own Government and he would tend to lose confidence in those responsible for such arrangements. The difficulties of such an overvalued currency, the hardships imposed on American troops using such a currency and the ill-will engendered under such circumstances are clearly evident in other countries where that situation prevails. The determination of the exchange rate for French North and West Africa was made with the fullest consideration for the well-being of the French Empire whose cooperation we seek and whose interests we defend. We find it difficult to understand how any one fully cognizant of all the factors in the situation could regard a rate of 43.90 francs to the dollar or any other rate that places a higher value on the franc preferable to the rate of 75 francs to the dollar.

Marshall

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QSD Letter, 5-3-72

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personal

PSF Morgenthau folder

THE WHITE HOUSE
WASHINGTON

March 30, 1943.

MEMORANDUM FOR
THE SECRETARY OF THE TREASURY

Mr. Eden (he is not a Sir)
is going to do the best he can
about the de Gaulle franc and
will push it again as soon as
he gets back.

F. D. R.

*PSF Morgenthau folder
2-43*

May 11, 1943.

*File
Personal*

to Henry Morgenthau, Jr.
with gift

In President's handwriting:

"Happy Birthday! Now you know why
I can't come to the party."

F.D.R.

file Personal PSF: Morgenthau folder
2-43

May 21, 1943.

Dear Hen:

Many thanks for those very grand pajamas. They are really needed. I had got to the point where I was afraid I would have to pass my nights in either my underwear or nothing at all!

My best to you.

Affectionately,

Honorable Henry Morgenthau, Jr.
Secretary of the Treasury,
Washington, D. C.

77
The Secretary of the Treasury

May 20th 1943

THE SECRETARY OF THE TREASURY
WASHINGTON

My dear Mr President: I want to
thank you for the lovely silver
high hat ash tray. I am afraid
I can not wear it, but I will
be glad to have it on my desk.

I am sending you a
belated Christmas present of
four pair of pajamas. I hope
you will like them.

Sincerely, your friend,
Henry

Morgenthau folder
2-48

May 24, 1943

FILE

Card in President's handwriting accompanies
flowers to Mrs. Henry Morgenthau, Jr.

"Ellie dear

Its grand that all is getting
on so well. See you very soon.

Affec.

F.D.R."

PSF: *Rogenthan folder* 2-43



*file
confidential*

THE SECRETARY OF THE TREASURY
WASHINGTON

May 25, 1943

My dear Mr. President:

I am sending you herewith a one page memorandum and a brief summary of amazing and shocking correspondence between Edsel Ford and Mr. Dollfuss, Managing Director of the Ford interests in France.

As late as July 17, 1942, after the French company had been bombed on June 6, 1942, Mr. Edsel Ford wrote as follows to Mr. Dollfuss:

"I have shown your letter to my father and Mr. Sorenson and they both join me in sending best wishes for you and your staff, and the hope that you will continue to carry on the good work that you are doing."

Yours sincerely,

H. M. [Signature]

The President,
The White House.

P.S. This letter was dictated before Edsel Ford died.

P
Y

May 25, 1948

Secretary Morgenthau

Randolph Paul

A short time ago a brief investigation was made of the files of the Ford Motor Company of Dearborn, Michigan, in order to determine the extent of its relationship and its control over its French subsidiary. Since the investigative report is rather lengthy, I have attached hereto a summary thereof which discloses that from the fall of France to July 1942 -- the date of the last letter in the files from Ford of France to Ford of America: (1) the business of the Ford subsidiaries in France substantially increased; (2) their production was solely for the benefit of Germany and the countries under its occupation; (3) the Germans have "shown clearly their wish to protect the Ford interests" because of the attitude of strict neutrality maintained by Henry and Edsel Ford; and (4) the increased activity of the French Ford subsidiaries on behalf of the Germans received the commendation of the Ford family in America.

I am sure you will want to read the attached report. We propose to submit informally copies of the investigative report to Military Intelligence, Office of Naval Intelligence, Federal Bureau of Investigation and other similar investigative agencies.

If you are in agreement, please so indicate below.

(Initialed) R.E.P.

Attachment.

Approved: (Signed) H. Morgenthau, Jr.

MEMORANDUM

The Ford Motor Company of Dearborn, Michigan, has operated subsidiaries in France since 1925. Prior to the war, the operation was not a profitable one. The Ford Motor Company of Dearborn was constantly called upon to lend money to these subsidiaries and to make further capital contributions. The French subsidiaries declared only one dividend in the period from 1929 to 1940.

Beginning shortly before the outbreak of war in 1939, the subsidiaries in France cooperated with the French Government in manufacturing army trucks and gun parts and did all the preliminary work, including the installation of new machine tools and the building of a new plant for the manufacture of airplane engines.

At the time of the fall of France, these subsidiaries were operating three plants, all in areas which were immediately occupied by the Germans. The plants suffered no material damage and the German authorities immediately appointed two Commissars to operate the plants. Both men were German citizens and long-time executives of the Ford subsidiary in Germany. One of these men was the son of the Chairman of the Board of the Ford Company of Germany, Doctor Heinrich F. Albert. It will be recalled that Dr. Albert was the key man of the German Espionage Organization in the United States during the first World War. It was from him that the brief case was seized by a Secret Service agent on a New York elevated train in a famous international incident in July 1915.

The two German Commissars received Maurice Dollfuss, the Managing Director of the Ford subsidiaries in France, with courtesy and introduced him to the German military authorities.

On July 19, 1940, Mr. Dollfuss wrote to Mr. Edsel Ford. Mr. Dollfuss comments as follows on a visit paid him by a German Colonel to whom he was introduced by the two Commissars:

". . .I had with him a long and very satisfactory talk."

Mr. Dollfuss stated further:

"We are working within a common scheme and I can confirm to you that we shall have the best protection that can be obtained for a purely French concern; and furthermore, we will benefit from the main fact of being a member of the Ford family which entitles us to

better treatment from our German colleagues, who have shown clearly their wish to protect the Ford interest as much as they can.

"The damage for us is hence thus smaller than in any other company . . ."

After stating that the condition of the three companies is good and the profits for May, in his own words "brilliant," he continued:

"We cannot, of course, know the results for June and July, although we have delivered considerable quantities of spare parts to the German authorities, which were paid for with requisition bonds, which have an official value. Furthermore, we have delivered quite a number of trucks and passenger cars to the same German authorities from which we received bonds of the same type."

Mr. Dollfuss discussed the difficulty he faced in taking care of 3,000 employees and then stated that "the good graces of the authorities" enabled the company to requisition a school to provide housing for employees and enabled the company, also, to supply the employees with food.

There is no indication that Mr. Edsel Ford replied to this letter; however, Mr. Sorenson, to whom a copy of the letter was sent, stated in a reply dated August 19, 1940:

"We are pleased to learn from your letter of July 18, which we received and read very carefully, that our organization is going along, and the victors are so tolerant in their treatment. It looks as though we might still carry on in spite of all the difficulties."

August 31, 1940, Mr. Dollfuss informed Mr. Edsel Ford that production had reached twelve trucks a day, would reach fifteen trucks a day within a week, and within three weeks would reach twenty trucks a day, which was better than -

". . .our less fortunate French competitors are doing. The reason is that our trucks are in very

large demand by the German authorities and I believe that as long as the war goes on and at least for some period of time all that we shall produce will be taken by the German authorities."

He indicated that the German authorities were receiving the entire production. He stated further:

". . .in order to safeguard our interests - and I am here talking in a very broad way - I have been to Berlin and have seen General Von Schell himself, who is the highest executive responsible for the motor industry, both from the military and the civilian points of view.

"I will satisfy myself by telling you that my interview with him has been by all means satisfactory, and that the attitude you have taken together with your father of strict neutrality has been an invaluable asset for the protection of your companies in Europe." (Underscoring supplied)

Mr. Dollfuss added a note in long-hand in the margin opposite this paragraph:

"I was the first Frenchman to go to Berlin."

Immediately after this visit the German authorities reinstated Mr. Dollfuss as Managing Director of the French subsidiaries of the Ford Motor Company at Dearborn, subject only to the slight control represented by a visit from one of the executives of the Ford Motor Company of Germany once every three weeks.

September 12, 1940, Mr. Dollfuss wrote to Mr. Edsel Ford and stated that up to the first of August the Ford companies had made a profit of 1,600,000 francs. He recognized that their cash position was very weak in dollars -

". . .but, as you know, our gold standard has been replaced by another standard which - in my opinion - is a draft on the future not only in France and Europe but, maybe, in the world."

In this letter Mr. Dollfuss also stated that he had worked out a

plan for shipping machinery not needed in the French plants to the Belgian and Netherlands plants for the purpose of manufacturing parts to be distributed amongst all of the Ford factories in Europe.

In a short acknowledgment of these letters on November 12, 1940, Mr. Sorenson stated:

". . .We all realize that you are carefully guiding our business in the unusual situation that it is now."

October 31, 1940, Mr. Edsel Ford replied to the letters mentioned above congratulating Mr. Dollfuss on the fact that his trading results had been profitable and stated:

"I think that this is a remarkable achievement in view of the difficulties that are present at this time.

"I also appreciate your great effort to keep the organizations intact and desire to produce something. Raw materials must be very hard to find. You are doing a fine job in cooperating with the other companies in the allocation of raw materials for the various Ford companies."

In reply to a cable informing him of the date on which complete installation was expected in a new plant Mr. Ford replied by a cable of October 10, 1940:

"DELIGHTED TO HEAR YOU ARE MAKING PROGRESS. YOUR LETTERS MOST INTERESTING. FULLY REALIZE THE GREAT HANDICAP YOU ARE WORKING UNDER. HOPE YOU AND FAMILY ARE WELL, REGARDS. EDSSEL FORD."

In a letter of October 11, 1940, to Mr. Edsel Ford, Mr. Dollfuss seemed quite pleased by the fact that the Ford business was equal to what it had been before the war, whereas the business of Renault and Citroen was only 20 percent of what it had been before the war. He stated:

"Naturally the advantages that we have are because we belong to the Ford family, advantages which we cannot overestimate under the present circumstances."

In this letter he also stated that the Ford enterprises in France were working for the Ford Company of Germany in the tool department.

November 27, 1940, Mr. Dollfuss wrote to Mr. Edsel Ford, and pointed out once more the favorable position of Ford compared with other French firms and emphasized that profits were substantial. He explained in this letter that the two men from the German subsidiary became Commissars because of a plan they presented to the German authorities to create a European Ford organization under the leadership of the German company. However, when military operations ceased, Mr. Dollfuss was able to arrange through General Von Schell to have the French enterprise continue on a completely independent basis. He stated:

"At this stage I would like to outline the importance attached by high officials to respect the desires and maintain the good will of 'Ford' - and by 'Ford' I mean your father, yourself, and the Ford Motor Company, Dearborn.

"What the future organization of the Ford companies should be in Europe after Europe is remade - or maintained - is a matter for 'Ford' to decide, and not for Dr. Albert or Mr. Schmidt. Anything done actually to force a decision would be both premature and risky - your interests must be defended by yourself, and not by disinterested parties.

"Were you today to approve of a Ford organization different from what it was, would be equivalent to taking a position which would separate you of the neutral attitude - an attitude which you have been able to safeguard so successfully.

"Even in the case of a completely victorious German peace, the rights of the shareholders will be protected; this because it is one of the basis of the Nazi theory, and in France, it is the theory upon which the future organization of this country is to be founded; in consequence, the rights of shareholders are intangible and your right of control will remain. Therefore there is no reason for you to give away one of those rights today.

"After the above considerations, and if we admit the possibility of a German victory, in my opinion, we cer-

tainly must:

- (a) Maintain the independence of the French company and eventually that of the British company;
- (b) Have a company or organization somewhat similar to the Guernsey company - evidently comprising representatives from every country, all the more so that by then the United States of Europe will be contemplated, and each state will have to be represented there. In that company you should have independent men of your own choice, and not satellites placed there to protect Cologne's interest."

This letter was not mailed to Dearborn, but was carried by Mr. G. A. Lesto, an employee of the French Ford subsidiary who came to Dearborn arriving early in January 1941. Immediately after his arrival on January 6, 1941, Mr. Edsel Ford cabled Mr. Dollfuss, noting the arrival of Mr. Lesto:

"APPRECIATE YOUR EFFORTS TO CONTINUE DEVELOPMENT FORD INTERESTS FRANCE. HOPE IT UNNECESSARY TO CHANGE STATUS OF COMPANY CONTROL."

On January 20, 1941, Mr. Edsel Ford wrote to Mr. Dollfuss stating that Mr. Lesto had arrived and that he had an interesting conversation with him. The letter continued:

"It is gratifying to learn of the efforts you have made to continue the Ford manufacturing program which began prior to hostilities and especially to know that you have been able to get the cooperation of various interested parties and to make some progress towards the completion of this program since the Armistice."

In addition to the letters from Mr. Dollfuss, Mr. Lesto brought with him to Dearborn a letter of November 28, 1940 to Mr. Edsel Ford signed by J. C. Charpentier, a Director of the French subsidiary. In the main this is a personal letter, but the writer extols the manner in which Mr. Dollfuss has conquered great difficulties and says of the French Ford Company:

"I feel that you have got there a child worthy of yourself."

Mr. Edsel Ford replied on January 29, 1941:

"I am very appreciative of your direct personal word regarding the reopening of our plant in Paris and the slow return to something like a normal manufacturing operation. I am quite sure that this has been done under the utmost difficulties and with much hard work.

"We are very proud of the record that you and your associates have made in building the company up to its first great position under such circumstances."

On January 29, 1941, Mr. Edsel Ford wrote to Mr. Dollfuss stating that he agrees with Mr. Dollfuss as to the status of the European companies and in addition:

"I am gratified to hear of the financial results as of October 31, 1940, of the Matford Company which seems to me an excellent showing considering the circumstances under which you are operating."

In reading this statement by Mr. Ford it should be borne in mind that he was referring to the financial statement as of October 31, 1940, which shows a debit balance of 26,128,000 francs in the account of the German authorities. In a letter accompanying this statement the accountant explained that while this debit balance was unusually large, the German army was paying regularly and the total business so far had amounted to 34,000,000 francs.

The correspondence in the spring of 1941 is not particularly significant. On June 9, 1941, Mr. Dollfuss informed Mr. Edsel Ford that the French Government had asked him to supervise the Hispano-Suiza Works in Paris making certain parts for aviation motors. He declined since he did not have the time to spare.

In a letter of August 6, 1941, Mr. Dollfuss stated that production had reached 1,000 units per month, which is considerably in excess of the pre-Armistice level. The letter also states that they are now delivering trucks to civilians for the first time.

Mr. Edsel Ford replied to this letter as well as an intervening one of August 21, 1941, by a letter of October 16, 1941, as follows:

"It is encouraging to hear that you are going along in spite of the terrific handicaps. I heartily approve of your fight to keep salaries and wages up to our standards, as there is no other way to keep the morale and working spirit of employees at a high pitch."

October 13, 1941, Mr. Dollfuss wrote to Mr. Edsel Ford complaining bitterly of the difficulties which he believed had been placed in his way by "those who should really be supporting us." He said that he "finds it easier to deal with the authorities themselves." He also said that he had just been called personally to Berlin to see General Von Schell.

Mr. Edsel Ford replied on November 14, 1941:

"I am also glad to hear that the difficulties in connection with this consolidation have been overcome and I also fully understand where the difficulties have arisen."

On December 5, 1941, Mr. Dollfuss wrote Mr. Edsel Ford and Mr. Henry Ford II notifying them that they had elected Directors of the new company which was a merger of the former Ford subsidiaries.

January 28, 1942, Mr. Dollfuss wrote to Mr. Edsel Ford that production continues at the same rate and is distributed between the French and the German authorities. He also said that this production rate was the highest of all the French manufacturers.

A letter of February 11, 1942, from Mr. Dollfuss to Mr. Edsel Ford gives 1941 net profit as 58,000,000 francs.

Early in March the largest Ford plant in France was severely bombed by the R.A.F. and the slight amount of correspondence between France and the Ford Motor Company of Dearborn within the next few months was concerned primarily with this matter. The plant was bombed four times by June 6, 1942, which was reported in full by a letter of June 6, 1942, from Mr. Dollfuss to Mr. Edsel Ford.

Mr. Edsel Ford replied by a letter of July 17, 1942, the final paragraph of which is as follows:

"I have shown your letter to my father and Mr. Sorenson and they both join me in sending best wishes for you and your staff, and the hope that you will continue to carry on the good work that you are doing."
(Underscoring supplied)

The letter of July 17, 1942, was the last letter from Dearborn in the file.

On August 15, 1942, Mr. Dollfuss wrote to Mr. Edsel Ford stating that production had been resumed at the same rate and that production had been dispersed among various plants.

No reply was made to this letter from Dearborn.

The last communication from Mr. Dollfuss was the transmission of information by the Department of State that the French company had received from the Government of France an indemnity in the amount of 38,000,000 francs for damages incurred in the bombings.

THE WHITE HOUSE
WASHINGTON

PERSONAL

June 5, 1943.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

As you know, Nan Honeyman is an old personal friend of ours. Do you think there is any chance for making the shift?

F.D.R.

Letter to Mrs. Roosevelt, May 26, 1943, from Nan Honeyman (Mrs. David Honeyman) 1728 S.W. Prospect Dr., Portland, Oregon, who is now Collector of Customs for Oregon; asks if the President will appoint her as XCollector of Internal Revenue for Oregon, since she has heard that Mr. Maloney, now Collector of Internal Revenue, is going to resign.

PST

Morganthau folder 2-43

THE SECRETARY OF THE TREASURY
WASHINGTON

July 15, 1943

*file
personal*

My dear Mr. President:

Undoubtedly you will remember that when you had Madame Chiang Kai-shek for lunch, you asked me to see representatives of China in regard to giving them assistance. The enclosed memorandum is the result of several conferences with them, and I understand they are very pleased.

Sincerely yours,

H. M. Morganthau Jr.

The President,

The White House.

MEMORANDUM TO THE PRESIDENT:

On July 11, 1943, we sent a message to Dr. H. H. Kung, the Chinese Minister of Finance, informing him that the Treasury is prepared in principle to agree to the Chinese request to purchase \$200 million of gold out of the \$500 million financial aid as a means of helping to check inflation in China. Dr. Kung was also informed that a formal request was, of course, necessary before any definitive decision and action could be taken.

The Chinese Government has already drawn on the Treasury to the extent of \$240 million out of the \$500 million financial aid:- \$200 million has been set aside as backing for Chinese Government savings certificates and bond issues; \$20 million was used to purchase gold, and \$20 million is being used for the printing of banknotes and the purchase of relative materials. The purchase of gold with an additional \$200 million will mean that in total the Chinese will have used \$440 million out of the \$500 million financial aid.

In the message to Dr. Kung, as well as in discussions with the representatives of the Chinese Government in Washington, it has been made clear that the Treasury is acquiescing to the Chinese proposal because the Government of China deems that the sale of gold to the public will aid its war effort by helping to fight inflation and hoarding and that, therefore, the decision to purchase the gold is primarily the responsibility of the Chinese Government. Furthermore, the Chinese have been urged to give careful consideration to the best ways of using the gold, particularly because of the great costs, difficulties and dangers inherent in the use of gold as a means of checking inflation under conditions existing in China at present. We especially stressed the fact that the Chinese Government will by this step be sacrificing large amounts of foreign exchange, which could be used in the post-war period to pay for imports needed for reconstruction and rehabilitation.

The use of gold coins as against bullion for the purpose was carefully considered. It was felt both by us and by the Chinese Government that this technique for selling the gold to the public would not be feasible in the present instance, primarily because it would be necessary to give the gold coins a fixed monetary value, while it is contemplated that the price of gold in terms of yuan will change frequently and substantially as time goes on.

The suggestion was therefore made to the Chinese representatives in Washington that the gold might be sold to the public in China in small bars of one or two ounces in order to reach the widest possible section of the Chinese public and such bars might have some engraving which might suggest the United States origin of the financial aid, if the Government of China so wished.

Wm. Mitchell
Secretary of the Treasury

Copy of memo filed - China folder, 1-43

PSF: *Morganthau folder*

*file
personal 2-43*

THE WHITE HOUSE
WASHINGTON

July 30, 1943.

AW HEN:

The weather is hot and I
am goin' off fishing.

I decline to be serious
even when you see gremlins
which ain't there.

F. D. R.



THE SECRETARY OF THE TREASURY
WASHINGTON

July 27, 1943.

My dear Mr. President:

I am badly in need of your help and guidance as to the Treasury's present responsibility and its relations with others in the Administration and with Congress in matters of tax policy. The situation now seems to be one of muddle and confusion which I think only you can clear up.

During the last ten years you have looked to me as Secretary of the Treasury to direct tax research and planning and to represent you before Congress. It has not been an easy job because, as you know, we have been pressing constantly for increases in revenue, for the removal of rank discriminations in the tax laws and for other salutary reforms in which you have been keenly interested. The fight has often been bitter and the Treasury has been the subject of criticism and abuse by the political and economic foes of your Administration. I have been fortified, however, by your support and the fact that you looked to me to carry forward so important a part of your general program.

Now the situation has taken a different turn and I am in doubt whether you want me to go on doing for you what I have done in the past.

A combination of circumstances has led to the belief in Washington and throughout the country that the Treasury is "out of the tax picture" so far as tax policy and legislation are concerned. First Mr. Byrnes, the Director of War Mobilization, and more recently Mr. Vinson as Economic Stabilization Director, are represented as "tax policy makers." I have had no notice from you of any such transfer of responsibility, and you will recall that when you set up the Office of Economic Stabilization you exempted the Treasury from the direction of the



head of that office. Nevertheless Mr. Vinson has undertaken negotiations on tax matters with the chairmen of the two committees of Congress and has called members of the Treasury staff to meet with him and representatives of the staff of the Joint Committee on Internal Revenue Taxation to discuss tax policy and changes in the law. Newspaper stories reflect the conclusion that he is in charge of coordinating Administration tax views and may even present an Administration program to Congress.

This creates a situation which makes it very difficult for me and for members of my staff to work effectively on tax matters. Our authority to get the views and assistance of other departments and agencies of the Government is made doubtful and we can't even carry on with any confidence dealings with the Committee leaders and their staff representatives.

The whole atmosphere is one of doubt and uncertainty which I think will very greatly prejudice your ability to make recommendations on taxes to which Congress will give serious heed. My own view--and I think it agrees with yours--is that we need very substantial additional taxes, both for revenue and to combat inflation. There is a different view on the Hill. I should like to see your views presented in a manner to make them most effective. I don't think that can be done if the present confusion of authority continues.

I urge therefore that you give me a clear and definite answer to two questions and that you make your decision public. The questions are:

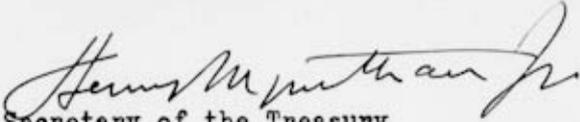
(1) Do you continue to look to me as your Secretary of the Treasury to coordinate the views of others in the Administration and to present a tax program to you for your approval?

(2) Do you wish me to be in charge of presenting such a program to the Congress, as I have been doing over the last ten years?

- 3 -

I am taking the liberty of enclosing a form of directive which would indicate your affirmative answer to both these questions.

Sincerely,


Secretary of the Treasury

The President

The White House

To: The Secretary of the Treasury
The Director of War Mobilization
The Director of Economic Stabilization

It is my desire that the Secretary of the Treasury as the chief fiscal officer of the Government shall continue to be in charge of the formulation of tax policies and of a tax program to be submitted to me and shall represent me in presenting the Administration's program to Congress.

The Secretary of the Treasury, in the formulation of the tax program, will be expected to consult with and to obtain the views of the Director of War Mobilization, the Director of Economic Stabilization and representatives of other interested departments and agencies.

Morgenthau folder

2-43

BT

October 11, 1943.

My dear Alexander:-

Henry Morgenthau, Jr., our Secretary of the Treasury, is going to North Africa and hopes to get to Sicily and Italy, looking into matters financial and economic. I hope he will have a chance to see you.

I think things are going extremely well, and I wish I were with you.

Always sincerely,

General Sir Harold R. L. G. Alexander

October 11, 1943.

Dear Ike:-

Henry Morgenthau, Jr., will be in the Mediterranean area soon and I hope you will give him all information in regard to currency, exchange and economic matters. Also give him the "lowdown" on the attitude of the French.

Don't tell anybody but it is possible that I may see you in a little over a month -- probably in North Africa.

My best wishes to you,

As ever,

General Dwight D. Eisenhower

October 11, 1943.

My dear Clark:-

Henry Morgenthau, Jr., is leaving for North Africa to discuss many financial and economic matters, and he hopes much to get to Sicily, Corsica and Sardinia and also, if the going is good, as far as Naples.

You are doing a grand job. Keep it up.

As ever yours,

Lieutenant General Mark W. Clark

October 11, 1943.

Dear George:-

Henry Morgenthau, Jr., will take this over with him. I hope you can see him. He wants to get as far as Sicily anyway and perhaps to Naples.

By the way, that map you sent to me which you carried in Sicily is on exhibit in the Archives' building and is drawing a lot of attention from the public.

You have been doing a grand job. My best wishes to you.

Always sincerely,

Lieutenant General George S. Patton

THE WHITE HOUSE
WASHINGTON

file

October 6, 1943

MEMORANDUM FOR THE PRESIDENT:

The Secretary of the Treasury called to say that you told him to remind me to remind you that you wanted to write a letter for him to take to Generals Eisenhower, Patton, Clark and Alexander. He also said that you suggested that he might visit Naples and Sicily. He would also like to visit Sardinia and Corsica and be allowed to see as much as possible.

G.

PSF: Morgenthau folder
2-11-43
file
confidential

THE WHITE HOUSE
WASHINGTON

October 25, 1943.

CODE ROOM
STATE DEPARTMENT

HON. HENRY MORGENTHAU, JR.
AMERICAN EMBASSY
CAIRO

Think best for you not to
go to London. Meanwhile I will
try to get an agreement here.

All well here. Delighted
you saw the boys.

ROOSEVELT

JG
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (SC)

Algiers

Dated October 23, 1943

Rec'd 4:30 a.m. 24th

Secretary of State,
Washington.

1824, October 23, 6 p.m. (SECTION ONE)

~~SECRET~~ FOR THE PRESIDENT FROM THE SECRETARY OF
THE TREASURY

Your 1946 October 22, 12 p.m.

This is in reply to your message, dated
October 2 suggesting that I might discuss with Sir
John Anderson in London considerations raised in
the memorandum on financial position, dated
September 14, 1943, sent to me by Sir Kingsley -
Wood.

I think it would be desirable to reach agreement
among the interested Department's of our own Government
before taking up the matter with the British. An
informal committee, consisting of representatives
of the State Department, Lend-Lease, War, Navy,
Treasury, and Mr. Crowley's organization, have been,
for a long time, considering problems of that
character. The draft of proposed letter to Mr. Crowley
was submitted to each of the members of that committee

for the

FRANKLIN D. ROOSEVELT
REGRADED UNCLASSIFIED
JCS DECLASSIFICATION BRANCH

-2- 1824, October 23, 6 p.m. (SECTION ONE) from Algiers
for the purpose of obtaining their reaction before
making any definite recommendation. I learned,
by cable, that there was a difference of view among
the American members with respect to the wisdom of
taking action such as was indicated in the draft
of the proposed letter to Crowley. I had already
cabled home that no further action should be taken
with respect to the letter until my return.

Inasmuch as there appears to be a difference
in view among the members as to the wisest course
for us to pursue, I would suggest that we can make
progress more effectively if we first attempted to
reach agreement among the interested agencies.
The British Government has kept us fully informed
as to their views on the matter and have supplied
us with all the data needed upon which to base a
recommendation.

If there is agreement among members of informal
committee indicated above and if you approve of their
recommendations we can then take it up with British
representatives in Washington before taking any final
action.

WILEY

RR

FMH
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (SC)

Algiers

Dated October 23, 1943

Rec'd 3:52 a.m., 24th

Secretary of State,
Washington.

1824, October 23, 6 p.m. (SECTION TWO)

There are in Washington several representatives
of the British Government who are thoroughly conversant
with the problem and who have participated in
discussions bearing on matter for many months.

After having read this cable if you still
wish me to go to London I will of course be glad
to do so but should you wish me to go I think it
highly important that I should be instructed to
present to Sir John Anderson Treasury viewpoint this
matter and the Treasury viewpoint should of course
be the administration viewpoint."

Arrive Cairo Monday morning. Manning spend
two days there. Would appreciate hearing from you
at Cairo.

END OF MESSAGE.

WILEY

RR

PSF *Morganthau* *1943*
file
personal
THE SECRETARY OF THE TREASURY
WASHINGTON

November 4, 1943

My dear Mr. President:

I am sending you herewith a report on the atrocities committed by the Germans in the Naples area, submitted to me by Colonel Edgar Erskine Hume.

Yours sincerely,

Morganthau

The President,
The White House.

20 October 1943

Hon. Henry Morgenthau,
Secretary of the Treasury,
Care of Lieut. General Mark W. Clark, U.S.A.,
Headquarters, Fifth Army,
N A P L E S.

My dear Mr. Secretary:

In compliance with your request I give you herewith a brief report of acts of German cruelty and wanton destruction committed in Naples, chiefly during the three weeks before our capture of the city. This period is called "The Reign of Terror" by Neapolitans. I am, of course, not giving any instances of damage to the city or to individuals which took place as a result of acts of war (bombings, etc.). The things that I list were unnecessary from any military point of view.

OFFENSES AGAINST THE CITY
AS A WHOLE

1. Water Supply: When the Fifth Army reached Naples we found that there was an almost total failure of the water supply. People were carrying water in pails, jugs, bottles and every type of container. There was a small trickle of water from some of the hydrants but many persons standing in line were unable to receive enough to quench thirst. Naples had been famous for an abundant supply of pure water. The Germans had blown up the main aqueduct in seven places and all of the reservoirs save one had been drained. By chance an Italian had saved one reservoir by cutting the fuse after it had been lighted by departing Germans. Allied Military Government took charge of the remaining reservoirs and by rationing made the supply go as far as possible. The hardship in the people of Naples, particularly those unable to go for water was great and there was much suffering, until the supply was rationed and until we established water distribution points for water distilled from the bay. The Germans were well aware that there was ample facility for our bringing in water for the troops, as was done in the desert campaign, so that this destruction of the city supply was an act of cruelty against civilians, young and old. The enemy likewise destroyed the pumping plants, thereby making it impossible to raise the water, had any been available, to the higher parts of the city. The water mains in many parts of Naples were deliberately cut.

2. Sewage System: The pumping facilities of the sewage disposal system of Naples were destroyed. Thus, even had there been enough water to enable sewers to function, they would have been unable to do so because much of the Neapolitan sewage disposal depends not on gravity but on a series of pumps. The city is built on volcanic rock so that, even had there been space available for them, it was all but impracticable to dig latrines. The danger of epidemics of intestinal diseases, such as typhoid fever and dysentery, was obviously very great particularly at this season of the year.

3. Electric Light and Power Systems: Naples was in darkness when we took over. The Germans had destroyed both the generators of the current and likewise the transformers. The Italian metropolis depends largely on hydro-electric power not only for lighting, but for the water and sewage pumps, the mills for grinding wheat, the newspaper presses, the heating of buildings, cooking, and indeed practically all power machines. This was one of the most serious conditions we had to meet. By hard work by our engineers the current is now restored, in part, though we have had to follow a certain priority in allotting it at first.

4. Transportation System: The street car system was wholly out of commission both because the electric current had been cut off (see above) and because the Germans carried away or destroyed the greater part of the rolling stock. Buses also were taken away. A large number of them were found to the north of the city where the enemy, unable to carry them further, had burned them. There are of course no taxicabs other than a few old wrecks, and only a few horse-drawn vehicles in the city. People who are not physically strong enough to walk from one locality to another are practically prisoners. This has seriously affected the earning capacity of many. The Germans carried away every automobile, both passenger and truck, that they could find. In some instances they took only the tires and destroyed or abandoned the bodies of the cars. Ambulances and fire-fighting vehicles were not spared.

5. Communication Systems. The telegraph lines were put out of commission. The main telephone exchange was blown up. Fortunately the Germans overlooked two small subsidiary exchanges. By splicing the lines we were able to give the military authorities a limited number of lines within ten days. However business firms and private families are still without telephones. The Post Office was looted and destroyed (see below).

6. Demolition of Hotels: The group of magnificent hotels along the Via Partenope, facing Vesuvius, used to be one of the outstanding groups of such institutions in the world. Such names as the Excelsior, Vesuvio, Santa Lucia, Royal, etc., are known to travelers everywhere. These buildings, without exception, were blown up and fire set to what remained. They cannot be repaired. The only first-class hotel left was the Park Hotel (Parker's Hotel), which was mined (see below).

7. Blocking of Tunnels: There are a number of tunnels in Naples built to give ready access from one quarter to another at a saving of much hill climbing. These were blown up.

8. Bombing of Public Buildings: Besides the bombing of various public buildings for their immediate destruction, the Germans showed their usual cunning in setting time bombs so as to explode after our arrival, thereby both destroying property and causing human death and suffering. A few instances will illustrate. On October 7, at 2:30 P.M., a violent explosion,

caused by a time bomb hidden in the corner of the Post Office, destroyed the end of that building and tore an enormous hole in the street. There was considerable loss of life, chiefly civilians. In all 30 people were killed, 84 were severely injured (hospitalized), and 25 were slightly injured. I was in my office across the street when the explosion occurred. I went to the scene at once and helped give first aid to the wounded. Many were women and children. In the Via Partenope a time bomb in the street exploded on October 3rd, at about dusk. Fortunately nobody was hurt though a few minutes before a group of workmen had passed over the spot. On October 11th, at 8:55 A.M., a time bomb set in the Italian Artillery Barracks, occupied by our 307th and 36th Engineers, exploded. Some 24 of our men were killed and 47 wounded. This cannot be justified as an act against our armed forces, for it was only by chance that we were using the barracks for soldiers. It had been previously used by Italian families. Every effort has been made to locate unexploded bombs and with much success. A time bomb and about 1500 pounds of TNT were removed from the basement of the Park Hotel on October 2nd, before explosion occurred. On October 16th, an unexploded time bomb and 1600 pounds of TNT were removed from the building housing a part of the 82nd Airborne Division. Ordnance officers estimated that the bomb had about 3 days and 17 hours more to run, on the timing device, before explosion.

9. Opening of Prisons: Before their departure, the Germans released all prisoners in the jails and prisons of Naples, of which there are about a dozen, one of them the largest in Italy. While we have been able to re-arrest many of the criminals, this act of the Germans has been productive of danger and loss of morale to the civil population.

10. Demolition of Flour Mills: Naples, like most Italian cities, grinds its wheat a little at a time, rather than converting a whole crop to flour at once. Thus flour mills are an essential feature of the city's economic and welfare system. All of the large mills were wrecked by the Germans.

11; Destruction of the University of Naples and of its Famous Libraries: The University of Naples is one of the oldest and most famous in existence. The library of the Royal Society of Naples, one of the great learned societies of the world, was housed therein. It was put to the torch on 12 September, a little more than a fortnight before we took the city. We are collecting affidavits of the Rector and many faculty members and students. They agree that at about 3:00 P.M., a party of some 600 Germans entered the University and announced that they were about to burn it, in retaliation for the fighting of Neapolitans, including students, against their troops. Cans of gasoline were brought in and the walls, furniture and books covered with it, and the fire was started. The firemen arrived soon thereafter but the officer in charge refused to allow them to enter. Two Carabinieri (military police) who tried to stop the destruction were taken to the front entrance and shot. Many of the nearby houses were robbed, not only those of professors but of others. Several witnesses agree that the notorious Col. Scholl, Commander of German troops garrisoned in Naples, arrived in person when the

work was finished and read a proclamation in German and Italian announcing that the university had been wrecked as a punishment to Naples. When I first visited the ruined buildings the ashes of the Library of the Royal Society were still warm and the pool of blood on the front steps, where the shooting of the Carabinieri was reported to have occurred, was still evident.

12. Robbing / ^{of Hospitals;} Directors of the several hospitals of Naples agree that the Germans before departure, carried off all of the hospital equipment and supplies that they could find. Some of these institutions had practically no medicines or dressings when we arrived. Even establishments of the Italian Red Cross were not spared.

OFFENSES AGAINST INDIVIDUALS

In a report of this kind, prepared on a few hours notice, it is not possible to give a detailed account of offenses against individuals. That must wait until our final report on German misdeeds in Naples is completed. The following incidents are taken at random from a mass of documentary evidence thus far gathered.

There is general agreement that Germans collectively and individually robbed shops, homes and even people in the streets. This varied all the way from ordinary highwayman's technique to burglary. Many individuals, not excepting those in high position, were carried off as hostages. Among such hostages were the Bishop of Cava dei Terreni and the Abbot of Badia at Corpo di Cava. Many people were beaten to make them disclose the whereabouts of supposed valuables. Women as well as men were subjected to such treatment. There were many murders, some of a sadistic nature, with mutilation of dead bodies, particularly those of women. One deposition says that the eye witness saw a man buried in a grave he had been forced to dig himself, being bayoneted before being thrown in. Often the populace were told to help themselves after the Germans had begun looting. Many of the more intelligent witnesses state that the killing of Italian civilians was not merely acts of individual German soldiers, but often in response to direct orders of their officers, all as a part of a campaign to terrorize the people. "Booby traps" were placed not only in places where they might be set off by our troops, but where children and other civilians would find them. Many such people have been mutilated or killed. There was much wanton destruction of property, frequently associated with physical harm to people. Furniture not desired was smashed or burned, live-stock killed, supplies of food destroyed or fouled so that it could not be used. Particularly cruel were the measures against those Italians between 18 and 35 who failed to respond to the German proclamation of September 22nd, requiring them to report for forced labor with the German Army.

I wish that there were time to give you more details and to complete the report of the first two weeks of the work of the Allied Military Government of this great city. I should like to give you further particulars beyond what I could tell you in a few minutes last night. I think that I may say, however, that

we have achieved our dual goal. First that of keeping the burdens of governing this war town city from the shoulders of our military Commander, whose entire attention is needed for the leading of a great army. Secondly, we have been able to keep the city running in something like a normal fashion, despite the handicaps imposed by war and by the German studied policy of destruction.

May I wish you a safe journey home and once more thank you for your interest in what we are doing.

Respectfully yours,



EDGAR ERSKINE HUME,
Colonel, General Staff Corps,
United States Army,
Chief of Military Government.



THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 2. 1943

MEMORANDUM FOR THE PRESIDENT

You may be interested in knowing how we handled the Lazard Freres matter, concerning which I spoke to you some time ago.

An investigation by the Foreign Funds Control disclosed that in the autumn of 1940 remittances totaling \$1,825,000 had been made without license from New York by a Panamanian corporation in which the French partners of Lazard, Paris, had a substantial interest. The remittances were to a Swiss banking firm and the explanation given was that they represented the liquidation of a Swiss interest in the Panamanian corporation. This explanation was not convincing and we took steps with respect to the Swiss firm's accounts in this country calculated to elicit from it the ultimate destination of the funds. At the same time, we advised Lazard, New York, that we were not satisfied with the explanation and informed them of the steps we had taken. Meyer and David-Weill thereupon admitted that there never had been any Swiss interest in the Panamanian corporation and that the remittances were, in fact, transfers of credit by Meyer in New York to David-Weill in Chatel-Guyon, then unoccupied France. The Swiss banking firm was merely an intermediary in effecting the transaction. In fuller explanation of why the remittances were effected, David-Weill and Meyer testified in substance as follows:

Upon the fall of France, Lazard, Paris, moved to Chatel-Guyon. Although the firm was technically in a sound position, a substantial part of its assets was in commercial bills and credits that could be discounted only in the occupied zone. David-Weill, who was then in charge of the office at Chatel-Guyon, felt that Laval, who bore a grudge against Lazard because he believed its partners had opposed him politically, might take action to cause a run on Lazard Freres and force its public failure, thereby accomplishing the dual objective of punishing a political enemy and discrediting "international Jewish bankers." Indeed, depositors were already withdrawing their funds at a rapidly increasing rate.

PSF

Organization folder
file
Personal
2-43

Consequently, David-Weill communicated with Meyer, who had recently arrived in the United States, and asked that funds be sent to the French firm to enable it to meet its obligations. Deeming it imperative that David-Weill obtain the funds promptly, Meyer arranged to have the \$1,825,000 remitted to David-Weill via Switzerland. David-Weill has testified that he used the proceeds of the remittances solely to meet legitimate business obligations of Lazard, Paris. Information presently available does not establish that Frank Altschul or any other direct partner of Lazard, New York, knew of the remittances.

After full consideration, we decided to permit Lazard, New York, to continue to operate provided that the firm gave adequate guarantees of the truthfulness of David-Weill's explanation as to his use of the \$1,825,000 and that the freezing order would be complied with in the future by the firm and its partners.

Accordingly, on November 10, 1943, Lazard, New York, deposited \$2,000,000 in Government bonds with the Federal Reserve Bank of New York. By the terms of a consent, simultaneously executed by the firm, these bonds may be vested and become the property of the United States if Lazard, or any of its partners, should engage in any material violation of our financial controls or if it should be determined that David-Weill's testimony as to his disposition of the \$1,825,000 is untrue. Thereupon, a license was issued to Lazard authorizing it to admit David-Weill and Meyer as partners.

We have also referred this matter to the Attorney General for such action as may be appropriate.

Henry M. Nathan

*file
McCormack*

Bx. 101
*Not taken up
in Jan*

THE WHITE HOUSE
WASHINGTON

December 21, 1943.

MEMORANDUM FOR THE PRESIDENT:

I spoke with Congressman John McCormack last evening and gave him your message about Burke. He howled over the telephone -- and I suppose it was because he had been in to see Henry Morgenthau a few days before and was very upset after his visit because H.M. Jr. told him that there were things against Burke's character, but refused to tell Mr. McCormack who the people were who attacked his character.

McCormack feels that if there are accusations made against a person he should know who the people are who make them.

Also McCormack mentioned that he was waiting to see the Secretary and Asst. Secy. Gaston came in at the same time. H.M. Jr. sent for his own assistant first and let the Congressman wait. The Cong. said if the positions were reversed he certainly would have made his assistant wait while he saw the Secy. of the Treasury.

This may seem a very trivial story but these little things make a great difference on the Hill.

He asks that you do nothing about filling the vacancy of Collector of Customs for Boston until after his return when he

THE WHITE HOUSE

WASHINGTON

- 2 -

hopes to have a chance to talk to you about it. He says Burke has been loyal and devoted and has gone down the line both for your interest and his and he is the only man he can depend on in the Party in Boston. He feels very strongly that Burke should get this job, so I think you will have to talk him out of it if the Secretary refuses to appoint him.

G.G.T.



THE SECRETARY OF THE TREASURY
WASHINGTON

December 18, 1943

My dear Mr. President:

I saw Congressman John McCormack and Mr. Dave Niles this morning with regard to the appointment of Mr. Burke as Collector of Customs for Boston.

Unfortunately, I could not go along with Congressman McCormack's recommendation which angered him considerably. The reasons for my not being able to go along are the following:

Burke has been State Chairman for the last four years. He is a Curley protegee. Aside from any income he may have derived from the office of State Chairman, his recent sources of support have been a salary of \$2,000 a year as a "contact man" for J. L. Sullivan & Company, heating and plumbing contractors, and similar service for the last year at a salary of \$6,000 a year for the Builders' Lumber & Supply Company, which has been engaged largely in supplying Government contracts.

Burke is 37 years old and has a wife and two children. Up to 1940 he had been associated with his father in various small businesses at Northampton and Hatfield. He was clerk in his father's store; helped his father run an ice business; worked on his father's farm, and ran a beer and lunch room in which his father set him up.

Curley picked him up as a political protegee in 1935 and he held several part-time political jobs. He was an unsuccessful candidate for State Treasurer in 1938.



There is nothing in this record which seems to qualify him for appointment to the important job of Collector of Customs at Boston. In addition, our investigators obtained some confidential opinions about him on the promise that their names would not be revealed.

Judge Abner McLaud, of the District Court at Greenfield, Mass., said he got well acquainted with Burke when the latter was a Placement Officer for the Commonwealth of Massachusetts, in 1935 and 1936. He described Burke as "uncooperative, ignorant, ungentlemanly, uncouth, overofficious, overbearing, a person who drank to excess and who lacked ability and personality".

Judge Welch, of the Probate Court for Hampshire County, described Burke as a "boob" and not fitted to be appointed to the most menial position in the Government service.

Dr. T. F. Correden, Medical Examiner for Hampshire County at Northampton, said the appointment of Burke as Collector of Customs would make the Democratic party the laughing stock of that section of the State. He said Burke had no qualifications for the position, that he lacked education, background and ability and he doubted that any self-respecting citizen who would speak frankly would recommend Burke for such a position.

Jesse Andre, an attorney at Northampton, described Burke as a big bluff and a mouthpiece for some bigwig who is actually running the Massachusetts State Committee and that he is merely tolerated by the party. He described Burke as a man of no character, no ability, no education, no qualifications, no background, and a drunk.

The investigator reports "some talk" that Burke is being advanced for the position of Collector of Customs so that a more satisfactory and more reputable man can be put in as Chairman of the State Committee.

I was unable, under the circumstances, to give the information and opinions of these four men to Mr. McCormack, but regardless of these statements by persons who would not permit their names to be used, it does not seem to me that Burke's record would warrant our considering him for appointment.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Henry M. Smith". The signature is written in dark ink and is positioned to the right of the typed name "Henry M. Smith".

The President,
The White House.

PSF Morgenthau folder
2-44

C
O
P
↓

THE WHITE HOUSE
WASHINGTON

January 5, 1944.

MEMORANDUM FOR

THE DIRECTOR OF THE BUDGET:

I think Henry Morgenthau, Jr.
is right, and that I agree with him.
Please speak to me about this before
anything like what he says goes into
print.

F.D.R.

Transmitting copy of letter which
the President received from the Sec.
of Treasury, 1-5-44, in re proposed
Budget Message; original letter re-
tained for our files.

(Orig. copies filed - Budget folder, 2-44)

THE SECRETARY OF THE TREASURY

WASHINGTON

January 5, 1944

My dear Mr. President:

The Bureau of the Budget has submitted to the Treasury its first draft of the proposed Budget Message which, I understand, you contemplate sending to Congress the middle of next week. In this draft of the Message there is a recommendation that Congress provide legislation which would inaugurate a program of compulsory savings.

You and I have for some time been publicly opposed to such a program. I am still opposed to it and so far as I know you are also. I believe that we have demonstrated beyond doubt our ability to raise the necessary funds with which to finance the war through voluntary means.

On the assumption that you are still in favor of the voluntary method of raising funds, I would appreciate it if you will advise the Director of the Bureau of the Budget to this effect. I know that you appreciate the importance of this matter in view of the Fourth War Loan Drive which will commence on January 18.

Faithfully yours,

S/ HENRY MORGENTHAU, JR.

The President,

The White House.

file *BSF* *Morgenthau folder*
12-44

THE WHITE HOUSE
WASHINGTON

February 4, 1944.

MEMORANDUM FOR

MRS. HELM:

In regard to your inquiry as to whether the President would like to have the Secretary of the Treasury and Mrs. Morgenthau for dinner on Monday evening, I am informed that the Secretary is leaving Washington tonight and will not return for several weeks.

GRACE TULLY

**THE WHITE HOUSE
WASHINGTON**

February 4, 1944.

MEMORANDUM FOR THE PRESIDENT:

Do you want Secretary and Mrs. Morgenthau invited to dinner on Monday evening, Feb. 7th? Mrs. Roosevelt asks.

GGT

PSF H.M. Jr. Treasury Dept. folder 2-44

THE WHITE HOUSE
WASHINGTON

PRIVATE AND
[REDACTED]

February 24, 1944.

file →
MEMORANDUM FOR

H. M., JR.

I think that Herbert Gaston is making a mistake -- or trying to cover up. It seems pretty well established that a letter does exist in the Treasury files, in spite of Herbert's inability to find it.

This is really important and I think you ought to put a sleuth on it.

F. D. R.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date MAR 16 1972

ROBERT E. HANNEGAN

Memorandum

February 17, 1944

My dear Mr. President:

I did see and read the letter from Senator O'Daniel, or a copy of his letter; Mr. Timothy Mooney, former Deputy Commissioner in Charge of Income Tax Division advised me today that he also recalls having seen the letter and the fact that I discussed the letter with him at the time that I had read it.

Faithfully yours,

Rob.

The President

The White House



Hand to Miss Tully and tell
her that this is in reply to
a personal note from the President
to Mr. Gaston.

THE WHITE HOUSE
WASHINGTON

*file
confidential*

February 14, 1944.

Dear Bob:-

Please read enclosed. It does not get us very far. Please return for my files.

F. D. R.

Enclosure -- letter to the President from Assistant Secretary of the Treasury Gaston re Senator O'Daniel.



ASSISTANT SECRETARY

TREASURY DEPARTMENT

Washington.

February 11, 1944.

Dear Mr. President:

Referring to your note of yesterday, I have had the correspondence file cards of the Secretary's office searched and have made inquiries in other offices, including the Bureau of Internal Revenue, without turning up anything that is at all significant or important from Senator O'Daniel.

The Secretary's office files contain more than one hundred cards listing communications from O'Daniel back to May, 1939, when he was Governor of Texas. Practically all are of an entirely routine nature, mostly forwarding questions and suggestions from constituents. In January, 1944, the Senator asked for information as to the public debt. In January, 1943, he wrote asking for definitions of sales tax, turnover or transactions taxes and the spendings tax. These seem to be the only cases in which the Senator has asked for information on his own account.

While Mr. Hannegan was Commissioner of Internal Revenue a rumor arose from some source that Senator O'Daniel had written a letter to the Treasury Department or to the Commissioner of Internal Revenue or had in some other way expressed interest in a tax investigation then in progress. A thorough search of the files of the Treasury and the Bureau at that time failed to reveal any such letter, and inquiry of former Commissioner Helvering and in the field did not disclose either any letter or any expression of interest in the case by Senator O'Daniel.

I regret I am not able to be any more helpful on the basis of information I now have.

Faithfully,

The President

The White House



21

February 10, 1944.

Dear Herbert:

I understand that Senator (W. Y.)
O'Daniel sometime ago wrote a letter to
x the Treasury Department to ask for certain
information. Would you mind letting me
see a copy of it?

As ever yours,

(Sgd) FRANKLIN D. ROOSEVELT

Honorable Herbert E. Gaston,
Treasury Department,
Washington, D. C.



PSF: *noyachen folder*
file
Confidential 2-44

THE SECRETARY OF THE TREASURY
WASHINGTON
March 11, 1944

My dear Mr. President:

I thought you would be interested in this very encouraging cable from Mr. Ira Hirschmann in Ankara to Mr. Pehle. Things at last are beginning to move.

Unfortunately, we have to continue to keep this matter confidential.

Yours sincerely,

H. M. Smith, Jr.

The President,

The White House.



PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Ankara
TO: Secretary of State, Washington
DATED: March 4, 1944
NUMBER: 388

~~CONFIDENTIAL~~
FOLLOWING FOR PEHLE FROM HIRSCHMANN.

There arrived today in Istanbul the first group of Jewish children from Bulgaria and on Monday they leave for Aleppo by train for Jerusalem.

Bulgarian and Gestapo officials and bureaucratic delays held up certificates of release for these children for 8 months. It is our belief that this constitutes the beginning of a fairly continuous movement of children provided new obstacles do not interfere. We were assured today by Turkish authorities that they have issued instructions for 140 children with 10 adults to pass from Rumania through Turkey in two groups of 75 each every 10 days until further notice.

In the last 10 days ninety refugees came from Bulgaria via Istanbul to Palestine in addition to the above. Furthermore, seventy-four refugees came to Izmir from Greece. The stoppage in refugee movement through Turkey which had existed since the first of January has been overcome. We are now directing our efforts towards increasing the movement. We are hopeful of obtaining steadily increasing results with the War Refugee Board's continuing uncompromising support of our daily efforts. Moreover, a solution in Turkey of a more difficult and complex situation than can possibly be understood in Washington could serve as a formula for other parts of the world where similar humanitarian efforts are being made by the Board.

This morning Ambassador Steinhardt was notified by the Foreign Office that the immediate charter of the SS VATAN for a single voyage from Constanza was approved in principle by the Foreign Office and that at the earliest possible moment the matter would be submitted with a favorable

DECLASSIFIED

State Dept. Letter, 1-11-72

By J. Schauble Date _____

MAR 16 1972

recommendation to the Council of Ministers (the equivalent of our cabinet) without the approval of which no vessel may be chartered.

The Ambassador was further informed by the Foreign Office that they had taken this action as a personal courtesy to him subject to the understanding that if the vessel is desired for additional trips it will be necessary for the Ambassador to discuss with the Foreign Office reimbursement for the financial loss resulting from the Turkish Government's continued sacrifice of one of the very few ships which it has available for carrying its products.

It is estimated by us that on each trip the SS VATAN should be able to carry a maximum of eight-hundred and a minimum of six-hundred refugees. As yet we have received no information concerning changes which may have to be made in the vessel to accommodate passengers since it is a freighter. A substantial agreement has been reached with the owner as regards the charter price. However, there will be the matter of obtaining from the Russian and German Governments safe conduct for the vessel and attempts to obtain this through Geneva are being made by the International Red Cross representative here. Information regarding the progress of this matter will be sent to you.

STEINHARDT.

PSF: *Morgenthau folder*
2-44

file



THE SECRETARY OF THE TREASURY
WASHINGTON

April 21, 1944

My dear Mr. President:

I thought you would like to know some of the things that have been happening behind the scenes in connection with our testifying before the Senate and House Committees.

Only by telling the English that I would go up and testify whether I heard from them or not were we finally able to get an agreement out of them to go along with the principles involved. The Russians also have been stalling us, and yesterday I called up both Harriman in Moscow and Ambassador Gromyko here to put all the pressure I could on them to get the Russians to come along. I never got an answer from the Russians until I was in the middle of my testimony before the four Committees in the Senate this morning. You will find the message attached to this letter. I thought you would be most pleased that the Soviet Government decided to go along with us "to secure due effect in the rest of the world". In other words, they want to be associated with us in the eyes of the world. State and Treasury both think this is highly significant, as I am sure you will also.

Before leaving the hearing in the Senate, Senator Vandenberg whispered to me that he would support this program. The fact that I was able to tell the Senate that you would appoint members of Congress to the American Delegation made a great hit.

I am dictating this letter between hearings, so I do not know how I will be received in the House this afternoon, or what kind of publicity we will get in the morning papers, but I am hoping for the best.



- 2 -

I was so happy to learn that both Jimmy and Franklin received highly deserved promotions, and may I extend my congratulations to you as their father.

With warm regards,

Sincerely yours,

Henry

The President,

The White House.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: Moscow
DATED: April 20, 10 p.m.
NUMBER: 1380

I was asked by Molotov to call this evening near midnight and received the following statement from him:

Among our financial experts there exists a major discord with respect to the basic conditions of the establishment of the international monetary fund. The objection was made by the majority of our experts to a series of points. Speaking with complete frankness, the Soviet Government has not succeeded in studying yet fully the basic conditions of the proposal.

If it is necessary, however, to the Government of the United States of America to have the concurrence of the Government of the Soviet Republic to secure due effect in the rest of the world, the Soviet Government is willing to instruct its experts to associate themselves with Mr. Morgenthau's project.

It was explained by Mr. Molotov that this was not to be considered as a reservation made by the experts

but for your information, it expressed the actual attitude of the Soviet Government. If you wished it under these circumstances he would issue instructions to his experts to associate themselves with the monetary fund statement.

Molotov was informed by me that there was not time for me to get a reply from you, and I suggested to him that he give instructions to his experts to associate themselves with the monetary fund statement, provided however, you approved under the circumstances. To this Molotov agreed, and he will instruct his experts on receipt of this cable to get in touch with Mr. White.

My suggestion is that you telephone me as early as possible in order to give me advice of your decision so that I may tell Molotov, who said, if you approve, he is prepared to publish the monetary fund statement in Moscow.

PSF *Morgenthau folder*
2-44
file
personal

THE WHITE HOUSE
WASHINGTON

May 13, 1944.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

That advertisement is really interesting. I had not seen it.

On the lighter side, I am glad to know that a "Clabber Girl" can be got for 8¢ and in a larger size for 19¢.

I also notice that the cost of Toilet Bowl Brushes remains constant!

F. D. R.



THE SECRETARY OF THE TREASURY
WASHINGTON

May 9, 1944

My dear Mr. President:

I don't know whether you saw the enclosed advertisement in last night's Evening Star, but on the chance that you did not I am sending you a copy of it, because I think this advertisement more than anything else that I have seen recently demonstrates conclusively the accomplishment of your Administration, during the past year, in holding down the cost of living.

May I extend my congratulations to you personally on this great achievement.

Sincerely,

A handwritten signature in cursive script, reading "Henry M. Reuther".

The President,
The White House.



PSF *Morganthau folder*
file *2-44*
press mail

THE WHITE HOUSE
WASHINGTON

June 12, 1944.

MEMORANDUM FOR
THE SECRETARY OF THE TREASURY

If we are going to do anything about Burke in Massachusetts I think we should do it now. All of your opposition people were the "parlor type". I still think Burke would make a good Collector. Why not send over his name?

F. D. R.

Dear Grace: Morgenthau folder
2-44
For your information:

The Secretary of the Treasury

file

PSF

July 6
1944

THE WHITE HOUSE
WASHINGTON

B. C. Marshall

I think it a good idea
for Sec. Morgenthau
Jack Mc Lay to go over
about July 21st to 23rd to
see how the new currency
is working in France?
Will you transmit.

FJP

file ✓

THE WHITE HOUSE
WASHINGTON

June 26, 1944.

~~CONFIDENTIAL~~

MEMORANDUM FOR:

MISS TULLY.

In response to the request of the Secretary of the Treasury for a paraphrased copy of the Prime Minister's message number 703 (14 June 1944) to the President, with reference to the French currency question, the following is believed to be the part of the message he desires:

Paraphrased extract from message No. 703, from the Prime Minister to the President:

*copy to Mrs. Kloby
6/27*

"It is my understanding that last night a statement about the currency was issued by you. Rest assured that I shall endeavor to support you in every way possible. Should an old lady in Bayeux sell a cow to an American quartermaster and be paid with this currency, I feel sure that Morgenthau will have to see that she is no loser on the transaction when she presents the currency at his office in Washington. The French people are taking this currency according to my information from France last night."

DECLASSIFIED
By Deputy Archivist of the U.S. *W. Brown* WILSON BROWN.

By W. J. Stewart Date

FEB 9 1972

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PSE

Morganthau folder 2-44

THE WHITE HOUSE
WASHINGTON

MEMO FOR GRACE:

TO EXPLAIN TO H.M. JR. THE
PRESIDENT DOES NOT FEEL HE CAN WRITE
TO GEN. MONTGOMERY BECAUSE HE DOES NOT
KNOW HIM.

DOT

175
MYRHINGLOW
THE WHITE HOUSE

July 15, 1944.

Dear Winston:

Henry Morgenthau, Jr. will be in England the latter part of this month. He is going over to discuss currency problems and I hope much that you will be able to see him, if only for a short visit.

With my warm regards,

Always sincerely,

The Right Honorable
Winston S. Churchill,
Prime Minister of Great Britain,
London, England.

(Copy of this letter filed - Churchill folder, 1-44)

July 18, 1944.

My dear Ike:

Henry Morgenthau, Jr. will be in England the latter part of this month. He is going over to discuss currency problems and I hope very much you will be able to see him and I know you will do everything you can to be helpful.

Also, Secretary Morgenthau would like to see something of the troops in France while he is there, if you can conveniently arrange it.

With my warm regards,

Always sincerely,

General Dwight D. Eisenhower,
Supreme Commander,
Allied Expeditionary Force,
London.

(copy of this letter filed - Eisenhower folder, 2-44)

July 15, 1944.

My dear General Bradley:

This will introduce to you Honorable
Henry Morgenthau, Jr., Secretary of the Treasury,
who is going to France to discuss currency problems.
I shall be most grateful for any courtesies you
may be able to extend to him.

With all good wishes,

Always sincerely,

Lt. Gen. Omar N. Bradley,
Commanding General,
First Army Group and First Army.

(Copy of this letter filed - Gen Cones "B", 3-44)

PSF *Morgenthau folder* *2-44*
file
Signal Corps, United States Army

Received at

~~TOP SECRET~~

AUGUST 15, 1944.

FOR LONG OR MISS TULLY FROM UNDER SECRETARY OF TREASURER, BELL:

SECRETARY MORGENTHAU ENROUTE FROM LONDON ASKING IF
PERMISSABLE FOR HE AND MRS MORGENTHAU GO HYDE PARK WITH THE PRESIDENT
ON THE SPECIAL FRIDAY NIGHT. MR. BELL WANTS ANSWER TO PASS ALONG TO THE
SECRETARY TODAY.

NO SIG.

RECEIVED



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DOD DIR. 5200.9 (9/27/58)

Date- 3-19-59

Signature- *Carl S. Spicer*

AUG 15 1944 PM

~~TOP SECRET~~

Morgenthau folder 2-44

PSF

file
not approved

August 25, 1944

MEMORANDUM FOR THE PRESIDENT

1. It is agreed by the British and all agencies of the U. S. Government that no general exchange ~~rate~~ ^{note} will be established for Germany until some time after the Allied armies take over.

2. It is necessary to give our troops their pay and allowances in German marks and therefore we need a military rate of exchange.

It is my opinion that our first concern should be to give our soldiers ample purchasing power for their pay when they are in Germany and therefore I recommend that this military rate be 20 German marks to the dollar.

The British propose 5 marks to the dollar. The State Department proposes 8 marks to the dollar. The British and the State Department feel that a low rate of exchange for the German mark and high purchasing power for our soldiers' dollar will disrupt the price and wage structure in Germany, unbalance the German economy thus retarding its rapid rehabilitation and recovery.

H. M. Morgenthau Jr.

PSF. Morgenthau folder 2-44

OFFICE OF
THE SECRETARY OF THE TREASURY

September 8, 1944

Memorandum

To: Mr. Latta
From: Mrs. Klotz

For your records, I am sending you herewith two photostats of a memorandum which the President approved for Secretary Morgenthau yesterday.

200 copies of 1944
SAFE RECEIVING ON AND INVESTMENT
CALLED ON



THE SECRETARY OF THE TREASURY
WASHINGTON

SEP 7 1944

MEMORANDUM FOR THE PRESIDENT

As the Allied Armies are already within a relatively few miles of Germany, it is essential that a currency program for Germany be confirmed to General Eisenhower as quickly as possible. The proposal that U.S. yellow seal dollars be used for the pay of U.S. troops in Germany, though it has its merits, has the following disadvantages:

a. American military penetration into Germany is imminent. There is a serious question whether adequate supplies of yellow seal dollars could be disbursed in time to army finance officers in the forward fighting areas and through them to the troops.

b. The German people would acquire dollar currency on a large scale, twenty to forty million dollars a month. It is extremely unlikely, even under a mandatory currency conversion program, that the U.S. could ever recover the yellow seal dollars from the German people in exchange for marks. The U.S. would then be compelled either to redeem or repudiate the yellow seal currency, either of which alternatives appears undesirable.

c. The use of dollars instead of marks by our troops would quickly create dissatisfaction among our troops because there would be no uniform rate of exchange. Some soldiers would get many more marks than others for their dollars. However, the Germans would soon be quoting their prices in dollars and thus taking advantage of the American troops. Under these conditions, the morale of our troops might be impaired. The benefits received by soldiers from their pay should be uniform and not dependent upon individual bargaining ability.

d. The British would strongly object to our use of dollars, inasmuch as such action on our part would force them to use sterling. Hitherto, all important



actions taken in Europe with respect to occupation has been the result of a bilateral or tri-partite decision. For us to use dollars in the face of strong British opposition would constitute the first important break in the Allied decisions. Unfortunately, from the British point of view, our use of dollars would virtually force the British to use sterling. In other words, action by us, though seemingly affecting only the U.S. Army would, in fact, force a similar action to be adopted by the British, which, in the case of Germany, they have indicated they would strongly resist.

e. The Russians might misunderstand our use of yellow seal dollars. Agreement has been reached with the Soviet Government to use Allied Military Marks in Germany. Moreover, the Soviet Government has already completed a large printing program of Allied Military Marks for the use of its own army. Some of these marks may already be in use in East Prussia. It would appear politically undesirable for the United States to breach this agreement by unilateral action.

For the above reasons we recommend that the Allied Military Mark be used by the U.S. Army in Germany both for the pay of troops and the purchase of local services and supplies. The question of the establishment of a general rate of exchange between the dollar and the mark need not be settled now but could be postponed until some time after surrender when there will be an opportunity to better evaluate the situation and to determine a rate more nearly in conformity with the actual conditions then existing. In the meantime, we recommend that a military rate of 10 to marks to the dollar should be employed exclusively for the pay of troops and military accounting purposes. JWP

The use of Allied Military Marks offers some positive advantages in addition to avoiding the undesirable features that would currently be associated with the use of yellow seal dollars.

a. It provides the simplest and most effective means of placing the financial burden of occupation on Germany, inasmuch as any future German Government will be compelled to assume responsibility for the redemption of the Allied Military Mark.

b. Use of the same occupation currency by the three occupying powers would aid in demonstrating Allied unity.

c. Adequate supplies of Allied Military Mark currency are already available at SHAEF headquarters in France for American and British troops and are also available in Russia for Soviet troops.

d. The Allied Military Mark currency is denominated in units already familiar to the local population and avoids the establishment of a two price system.

e. By using Allied Military Marks and establishing only a military rate of exchange the way is left open to review the question of the exchange rate when and as necessary, without precipitating a flight from the mark into foreign currencies, thus facilitating the secretion of assets by the Germans. If only mark currency is used, the foreign exchange regulations to be imposed upon a defeated Germany would be facilitated and strengthened.

H. M. Wuthaup
Sept. 7th 1944



THE SECRETARY OF THE TREASURY
WASHINGTON

SEP 6 1944

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J. M. Wuthaup
Sept. 7th 1944

~~12~~ PSF Morgenthau folder
2-44

Sept 20, 1944
9:30

Secy Hull

with Dr White

From: Mr. FitzGerald

In The Nation

Why Secretary Morgenthau Went to Quebec

By ARTHUR KROCK

WASHINGTON, Sept. 21—A number of inquiries have come to this department, of which the following is typical:

Both Foreign Minister Eden and Foreign Under-Secretary Cadogan were summoned to Quebec for conference, but the Secretary of the Treasury, and not the Secretary of State, was the only Cabinet member summoned from Washington. Does this mean that Mr. Morgenthau has become the President's adviser on foreign affairs instead of Mr. Hull?

In a general sense the answer is "no," but in a limited way it appears to be "yes." This is only with respect to one sector of foreign policy: The post-war treatment of Germany. Mr. Morgenthau has become the central civilian government official concerned with this matter, and he seems to have persuaded the President that the policies he proposes during the occupation of Germany are more in line with Mr. Roosevelt's ideas than those of some other advisers and that the Treasury Secretary can be relied on to press them firmly in the event of disputes.

As in so many other difficult areas of policy, the President, on the private testimony of associates, hesitated until just before Quebec to make a choice of guiding principles for occupied Germany and then demanded a new set to be ready in forty-eight hours. This is why, according to these witnesses, the Quebec conference assembled with our post-war German program so new that the British were obliged to reopen review of the subject by their Foreign Office.

The President some weeks ago appointed to formulate a blueprint a Cabinet committee composed of Secretaries Hull, Morgenthau and Stimson. In this Mr. Morgenthau, following his visit to the Normandy front, took the lead, partly because of the burdens of other matters on his Cabinet colleagues, partly because he did not like suggested programs he had seen and an invasion manual prepared by the Army.

The Summons to Quebec

Mr. Roosevelt, to whom Mr. Morgenthau's views were vigorously transmitted, found them to his liking. When, therefore, the plans at Quebec depended on an understanding between the United States and Great Britain (which presumably Russia has approved) with reference to the treatment of German nationals after the war and during the occupation, the President sent for the Cabinet member who had pretty much taken over the problem.

This is the explanation, given by those who should know, of the presence of the Secretary of the Treasury with Mr. Eden and Sir Alexander Cadogan and the absence of the Secretary of State. The Quebec conference dealt largely with military matters, war and post-war, but the line to be followed by our civilian representatives in Germany must be integrated with military measures for some years to come.

In a way the discussion in Washington over these measures is a very mild descendant of that which arose over our North African policy for a few months after the invasion. General Eisenhower, finding that General Giraud could not maintain the order which the safety of his military operations required, accepted the aid of the late Admiral Darlan. On the latter's advice, General Eisenhower installed in civil posts some Vichy Frenchmen who were anathema to the de Gaulle group and to the most vocal anti-Fascist groups in the United States.

Defense of Policy

A blast of criticism, which is still blowing in some degree, assailed that policy, and fear was expressed that it forecast "soft treatment" and even exculpation of European fascists after the war was won. To this the official response was that the policy had saved a great many American lives in North Africa and preserved order at General Eisenhower's back—the only way, it was asserted, this could have been achieved. The President and Mr. Hull also denounced the suggestion that they are disposed to be lenient with fascists during or after the war. And it was argued that a policy which was invoked during the perilous military stage of invasion had to be prompted by considerations which could be disregarded after victory and therefore was not part of a permanent pattern.

This last attitude was the guiding principle of the Army invasion manual in France which is said to have argued the Secretary of the Treasury. Composed in the absence of a firm political link, and addressed to military problems only, it nevertheless stirred up many of those who have never accepted the necessity of General Eisenhower's invasion policy in North Africa and who fear that the national trait of good-nature may operate to make it too easy for the conquered German people. Secretary Morgenthau never was known as a critic of the North African policy. But he seems to think that the Germans may not be taught their merited lesson unless he and others of like mind watch for and stamp out anything which may stimulate a psychology of leniency.

In an orderly administration the State and War Departments would be the central figures in this problem, particularly since neither Secretary Stimson nor Secretary Hull can even faintly be suspected of any inclination to be easy with the Germans. And in that type of administration the Cabinet Minister for Foreign Affairs would have conferred at Quebec with his opposite number, Mr. Eden. But the United States Government these days is much too personal to be thus systematized.

MORGENTHAU PLAN ON GERMANY SPLITS CABINET COMMITTEE

Secretary of Treasury Would
Convert Country to Small
Agricultural Holdings

STIMSON, HULL OPPOSE IT

Say Program Cannot Work
Because of Interlocking
Economy of Europe

By The Associated Press.

WASHINGTON, Sept. 23—President Roosevelt's Cabinet committee on German peace policy has split wide open. It was learned today, over a plan sponsored by Secretary of the Treasury Henry Morgenthau Jr. for completely destroying Germany as a modern industrial state and converting it into an agricultural country of small farms.

Mr. Morgenthau's plan, drawn after his recent return from European battlefronts and England, is reported to have had the general approval of the President since before his Quebec conference with Prime Minister Churchill. It has failed to win support, however, from Secretary of State Cordell Hull and is violently opposed by Secretary of War Henry L. Stimson. Messrs. Hull, Stimson and Morgenthau form the Cabinet committee.

[American policy tends toward removing the post-war capital of Germany from Berlin as part of a drastic decentralization plan, according to a diplomatic informant quoted in a dispatch to THE NEW YORK TIMES from London.]

For the time being, the dispute over Mr. Morgenthau's plan has so smoldered up the Treasury, War and State Departments' work on detailed arrangements for the post-war control of Germany that the three-power planning by this country, Britain and Russia on long-range German policy has also virtually stalled. This planning, carried on through the European Advisory Commission, had been proceeding along lines other than those advocated by Mr. Morgenthau, as far as American leaders were concerned.

Presented to Churchill

Mr. Roosevelt presented Mr. Morgenthau's plan to Mr. Churchill at Quebec. Mr. Morgenthau and British Foreign Secretary Anthony Eden were present. Messrs. Stimson and Hull were not. Mr. Morgenthau came away from the conference with the impression that Mr. Churchill had found his proposals acceptable, especially since Mr. Eden is reported to hold somewhat similar views.

What Premier Stalin plans with respect to Germany is apparently still not known here. Mr. Morgenthau based his plan on three assumptions with respect to Russia: (a) Russian wants East Prussia and most of Silesia to go to Poland

to offset Poland's loss of eastern territory to Russia; (b) Russia wants German labor battalions put to work on Russian reconstruction; (c) with her own huge needs for manpower, Russia is not interested in prolonged military occupation of Germany and would be willing to have Britain, the United States and other Allied countries do the job.

Mr. Hull is known to be determined that whatever plan is decided on finally here must be agreeable to Russia. He feels that it is essential to have British-American-Russian cooperation in immediate post-war Europe as a basis for long-range cooperation in a world security organization.

Mr. Morgenthau's plan is understood by those who have followed its development from the first to include:

1. The removal from Germany to devastated countries of whatever industrial machinery those countries want; the destruction of the rest of Germany's industry.
2. The permanent closing of whatever mines remain in the post-war German State.
3. The cession of the Saar and western German industrial areas to France as well as the cession to Poland of eastern German areas that Russia might want handled in that way.
4. The dissolution of large German landholdings into small farms that would enable the 40,000,000 to 50,000,000 people remaining in Germany to exist largely on an agricultural basis.
5. The refusal by other countries to extend any assistance, economic or otherwise, to the people of Germany so that they would have to make their own way out of the wreckage of their war on Europe.
6. The prolonged control of Germany by an Allied military commission.
7. No outright reparations—since a German agricultural state with little or no commerce would not be able to pay them—although the distribution of German machinery might be considered as reparations in some respects.

Called Unworkable

The principal criticisms that have been leveled against this plan by War and State Department planners is that it will not work because Germany occupies a key position in European economy because of her industrial capacity to produce needed goods and because of the markets that she affords to

other European countries. Until Mr. Morgenthau had presented his proposals and won Presidential support for them it had been tentatively planned that Germany would be permitted to function as an industrial state after surrender, but under Allied military and economic controls that would deny her any opportunity to become a great war-making state.

To date Mr. Morgenthau's plan has served chiefly as a basis for hot arguments in the secret sessions of war, state, treasury and other Government agency experts charged with evolving practical controls for the Reich of the future. It has been instrumental also in bringing about modifications of the basic handbook being prepared by the Government for the guidance of military administrators in post-war Germany.

Post-war Germany is defined by these experts as the German state that will come into existence some time after the armistice. The first period of German occupation is already beginning with the Allies' advance on German soil. It was with this period in mind that Gen. Dwight D. Eisenhower announced the directives for the control of Germany by the Allies' combat commanders.

It is now expected that General Eisenhower will serve as American military chief in Germany until the second period of occupation sets in after the war. Whether that period will be one of three-way occupation under a three-power commission as originally planned or whether it will follow Mr. Morgenthau's plan more closely remains to be determined.

Mr. Morgenthau has always been regarded by his associates as an advocate of ruthless handling of Germany after the war. His interest in detailed planning, however, is reported to stem from his trip to England and France a month ago.

Morgenthau Has No Comment

Special to THE NEW YORK TIMES.
BOSTON, Sept. 23—Secretary Morgenthau said here tonight that he had no comment on the Associated Press report of the split in President Roosevelt's Cabinet committee. The Washington dispatch was read to him over the telephone.

Post-War Germany

Treasury Plan Calls for Dismemberment, Ban on Most Heavy Industry

Wall Street Journal
Morgenthau-Sponsored Policy,
One of Several Proposals
Now Under Consideration

September 23, 1944.
It Meets Official Opposition

BY ALFRED F. FLYNN

Staff Correspondent of The Wall Street Journal

WASHINGTON — A proposal that Germany be dismembered and stripped of her industrial might has been prepared by the Treasury Department.

It is one of a number of exploratory plans developed within the Government to make certain that after this war Germany does not stand as a threat to world peace. While these proposals agree on this general objective, they show official thinking divided on how far the Allies will have to go to achieve it.

Here are the highlights of the Treasury plan which was prepared under the direction of Secretary Morgenthau and is said to have reached the Cabinet level of discussions:

Germany would be split into northern and southern states, with a portion of her lands on the east and west going to Poland and France.

She would lose the bulk of her heavy industry. Steel mills, chemical and synthetic fuel plants would be transferred to nations she invaded. The Ruhr Valley would be operated under an Allied commission.

Education would be supervised by the Allied powers. The lower schools would be closed until new text books could be prepared. Universities, with the exception of medical departments, would be closed indefinitely.

Plan Would Take Many Years

The Treasury plan is designed to bring about fundamental changes not only in physical Germany, but in the German way of living and thinking. To effectuate it would require two or more generations in time and close political and economic supervision and direction from an Allied government organization over this period.

This is regarded as one of the more drastic plans for post-war Germany. It has run into considerable opposition from advocates of proposals which are designed to achieve the objective of making Germany incapable of waging war by less severe means.

Under the Treasury plan, East Prussia and the Polish corridor area would be turned over to Poland. To France would go that part of Germany which lies west of the Rhine River. The remainder of Germany would then be split into two major states—a northern state and a southern state. There would be other, but less important geographic changes.

States Would Be Separated

There would be no federation of states. Each part would be a distinct entity. Officials who support the Treasury plan say this would be necessary to prevent the parts from growing back together. To make certain that trade did not promote a political tie, provision might be made for a customs union between Auarria and the southern state. The theory of this is that resulting trade would tend to pull the southern state's economy farther away from that of the northern state.

There is considerable opposition to the partitioning proposal. It is based largely on the argument that the various parts of Germany are interdependent and their separation would mean economic chaos, with the prospect the states would become a burden to the world.

On the industrial side, the Treasury plan would change Germany's whole economic system, the chief source of livelihood would be agriculture.

The German steel plants would be stripped to a fraction of their present or pre-war capacity. The excess facilities would be moved to Russia and France, as a sort of war-damage payment. The chemical industry also would be dismembered. The synthetic motor fuel industry would be removed completely. The theory here is that it is essentially a war industry. Germany would be permitted to buy what fuels she needs for normal uses from producing countries.

Power System Has Been Damaged

The electric power industry would be subject to very little direct action. The Treasury's thought here is that facilities would shrink when heavy industry was reduced, to fit the lower requirements and would not remain a threat. Also, much of Germany's power system has been damaged by bombing. Some of it would not be rebuilt.

As the plan would work out, Germany would be left with little more than a civilian goods industry—textiles, food processing, for example—to support her agricultural economy.

Supporters of the Treasury plan agree this would not be adequate to support the German population, except on a starvation economy. They say it would encourage upward of 30 million persons to move to other portions of the world and that this, in itself, would be a major contribution to future peace.

Competing proposals for post-war treatment of Germany would allow Germany to keep a much greater portion of her industry. They would take out portions of the chemical industry and do away with the synthetic fuel industry, without which Germany could not have waged the present war. Much of the electric power generating equipment would be located outside the country so it could be cut off if Germany threatened war.

Schools Would Be Closed Temporarily

The Treasury plans for education are based on the belief that the schools must be cleared of the Nazi doctrine if Germany is to be led away from its war-like ways. Schools would be closed until new text books which would omit the Nazi doctrine could be prepared. Universities would be closed indefinitely, largely on the basis that the first students ready for higher education have the Nazi ideology well-established in their minds. This is also thought to be true of the professors. Medical colleges might be permitted to continue, so that there would be no shortage of doctors.

The Treasury plan, while worked out in constant consultation with the State Department, does not represent this Government's position. An official policy with regard to post-war Germany has yet to be determined.

Then, when the United States plans are made, they will have to be taken up with the British and the Russians. These two countries will have some very specific ideas of their own as to what should be done with Germany.

Morgenthau Plan Irks Foe

LONDON, Sept. 25 (C.T.P.S.). The Nazi party paper Volkischer Beobachter, commenting on Secretary of the Treasury Morgenthau's plan for treatment of Germany after the war, says, according to the German Overseas News Agency, "Morgenthau is outdoing Clemenceau. Clemenceau said there were 20,000,000 Germans too many—Morgenthau wants to see 40,000,000 Germans exterminated.

[Georges Clemenceau, known as "The Tiger," was French premier in World War I.]

"Germany holds not the slightest illusion as to what fate will be in store for her population if she were not to struggle with all the means in her power to prevent execution of that plan."

ROOSEVELT TO ACT ON PLAN FOR REICH

Compromise on Issue Likely
in Cabinet Group Session—
Soviet Aim Clarified

Special to THE NEW YORK TIMES.

WASHINGTON, Sept. 28 — A compromise between the severe Treasury plan for the virtual de-industrialization of Germany after the war and those who favor a more moderate method of preventing the enemy from arming again was anticipated today as it became known on high authority that President Roosevelt probably would summon his three-man Cabinet Committee to meet with him at an early date.

The committee, consisting of the Secretaries of State, War and the Treasury, which the President appointed to work out an Administration policy for dealing with Germany during the occupation period, has been reported split wide open and unable to agree.

What has appeared to be a situation latent with high tension will be composed as a consequence of the forthcoming meeting, it was authoritatively predicted.

Cabinet Row Discounted

Secretaries Cordell Hull, Henry L. Stimson and Henry Morgenthau Jr. were appointed to the committee a month ago when the President, apprised of an Army manual prepared in Europe for guidance of civil officials of the American Military Government of Germany, felt that the Army had got off to a wrong start, called the manual "pretty bad" and began making policy from the top down. Secretary Morgenthau brought the manual back from London.

The President made it clear in a policy statement now familiar to high-ranking officials of the State, War and Treasury Departments that he was for a hard policy toward Germany and that the whole German people must be made to know they had been defeated so they would never again undertake to assault humanity.

While Secretaries Stimson and Hull were described as disturbed over the Treasury proposals, which appeared for a time to be on a single track toward Presidential approval, officials say the differences have been overemphasized in the press and are concerned with method rather than principle. All the Cabinet officers concerned were said to agree that the treatment should be "hard" as distinguished from "soft" and that under no circumstances must Germany be permitted to rearm.

What made matters look so bad for the State Department was that the President called Mr. Morgenthau as the only member of the Cabinet committee to meet with Mr. Churchill and himself in Quebec. Mr. Hull's British counterpart, Foreign Secretary Anthony Eden, also was present.

Inquiries at the Treasury as to whether the situation might have been explained by the fact that Mr. Morgenthau was called to Quebec to discuss economic or financial matters other than those related to the treatment of occupied Germany have been brushed aside.

It is understood that Secretary Morgenthau has taken the position that he has "played square" with his fellow Cabinet members at every stage of the committee's work. Moreover, Treasury officials remind inquirers of an old rule of Mr. Morgenthau's that when he has matters before the President he does not discuss them until the President speaks or gives him clearance.

Secretaries Morgenthau and Stimson canceled their press conferences ordinarily held on Thursday.

Tass Denies Small-State Plan

LONDON, Sept. 28 (AP)—In the first detailed Soviet comment on post-war plans for defeated Germany, Tass reaffirmed today that the Tripower European Advisory Commission proposed three separate zones of occupation, but denied there was any plan under discussion for cutting Germany into small states.

In a Moscow broadcast, the official Russian news agency jumped into the discussion that has developed since the disclosure from Washington that President Roosevelt's Cabinet was split over the question of how harsh peace terms should be after the unconditional surrender.

The broadcast was prepared before Prime Minister Churchill called in his Commons speech for a new big-three conference, indicating that no final decisions had been made at the Quebec conference concerning Germany.

Tass noted that both the British and American press had raised the question of dismemberment of Germany into several independent states, but insisted "projects of this kind have not been and are not considered by the European Advisory Commission." The commission is composed of United States, Russian and British representatives.

On the basis of reports from London, the Russian agency said, the commission has achieved: Approval of "the most important document, namely, on Germany's unconditional surrender"; agreement on the procedure for disarming Germany; approval of a document on the procedure for the occupation of Germany, and approval of an Allied control council of the three Allied commanders in chief to exercise supreme power in Germany.

The agency added that the commission had concluded no decisions on Austria.

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TEMBER 29, 1944.

In The Nation

A Good Example of the Value of Publicity

By ARTHUR KROCK

WASHINGTON, Sept. 28.—Familiar signs point to the abandonment by the President of Secretary Morgenthau's Carthaginian post-war plan for Germany, which was briefly in the ascendant here and got much encouragement at Quebec.

The usual "high administration sources" are passing out word that Mr. Roosevelt does not favor the plan, after all, and that he never really was ready to adopt its basic philosophy. From these same inspired sources come statements that arrangements for post-war Germany are again being handled in an orderly manner: The State Department dominant in the political sector, the War Department in the military, and the Treasury confining itself to its proper concerns instead of trying to take over the whole problem.

Some very careful and well-informed reporters have ample evidence that this attitude is an about-face by the President, however, and if his position is as now stated by spokesmen with good credentials the change can largely be attributed to publicity.

Secretary Hull's objection to the plan, and his disapproval of the assumption of management of the whole matter by Mr. Morgenthau and the Treasury, were well known to many in the government. And Secretary Stimson had made plain to a number of influential persons his resentment and disapproval of, and positive alarm over, the turn the situation was taking with the encouragement of the President. But not until it was published that Mr. Morgenthau had become the administration authority, and had been permitted to press ideas at Quebec while Messrs. Hull and Stimson were left at home, and not until the details of these ideas were published also, did the domestic reaction begin that apparently affected the President's attitude.

Part of this upsurge was based on the obvious use German propaganda would make of a fixed Allied program to transform Germany from an industrial to an agricultural country. It was clear that Dr. Goebbels would ask why Germans should not die to the last man to resist a conquest after which (he would say) no German could hope to enjoy even the driest fruits of incessant labor.

Spiking the Guns

The German propaganda machine took this line very promptly, but the publicity by which Mr. Morgenthau's activity and the details of his plan were revealed also carried the news that the administration was violently split. This fact undoubtedly made its way into Germany and rendered it more difficult for Dr. Goebbels to persuade the people the plan was fait accompli. Such is the information from the underground. Therefore it can be said that, if the project was unwise and an impediment to the promptest possible conquest of Germany—as most comment holds—the publicity by which it was made generally known, and by which also the powerful opposition to it in Washington was made known, not only brought about abandonment of the plan but spiked the propaganda guns of Dr. Goebbels.

The President is expected to issue a statement assuring the German people as well as opponents of the Morgenthau plan among the Allies that it is not to be high policy, and announcing that the State and War Departments will retain their proper responsibilities. This expectation was fortified by the proclamation issued today by General Eisenhower in which he said that the forces under his command have entered Germany "as conquerors but not as oppressors."

Bait for Britain

Yet there is a belief in high administration circles that Mr. Morgenthau received encouragement at Quebec as well as in Washington before he departed for the conference. This correspondent was informed today that the British lent an interested ear to descriptions of the beneficial effects on their hard-pressed economy if Germany were turned into an agricultural nation. The British lend-lease debit account with us is now about \$6 or \$7 billions, which would be a large item on their post-war ledger, growing larger and more difficult to liquidate the longer the duration of the war. If German industry were to be dismantled, alloca-

tion of the machinery, stockpiles, etc., to other countries might well include the United Kingdom, cutting down its need for importing such costly gear until its industries have been restored and converted to peacetime manufacture. The subtraction of Germany from world markets—by destroying its industry and making it agricultural—would also increase the export markets of other nations, among which the United Kingdom would surely acquire a goodly share.

These "advantages" of the Morgenthau plan would help to improve the financial position and prospects of the United Kingdom, it could be urged by an advocate of that plan. At any rate, some of the British at Quebec are said to have been impressed by such representations, and consequently by the plan from which the benefits would flow.

Whatever the facts as to this, publicity and the return of common sense which it evoked have apparently solved the Cabinet crisis, restored order in the administration in handling the German problem, and produced reconsideration by the President of wiser measures. If he would now undertake to remove the phrase "unconditional surrender" from the political atmosphere which envelops it and define it as the military matter it really is, another of Dr. Goebbels' guns would be spiked.

Morgenthau folder
file BF *Hook* *2-44*
THE WHITE HOUSE
WASHINGTON

September 26, 1944.

MEMORANDUM FOR

D. J. B.

The President said he would see H. M., Jr., tomorrow. Will you give the President the attached memorandum before the Secretary sees him just as a reminder to discuss it with the latter?

G. G. T.

THE WHITE HOUSE

WASHINGTON

September 22, 1944.

MEMORANDUM FOR THE PRESIDENT:

The Secretary of the Treasury telephoned to make some suggestions. He has just arrived in Boston from Chicago and he thinks it is terribly important, after talking with people out there, for you to hold a political meeting at Hyde Park -- similar to your meeting in Quebec -- when you would arrange through the day to see the political leaders and map out the campaign and put some life into it. He says they need somebody to give them a little enthusiasm to go out and do their jobs.

He suggests some of the people he thinks should be invited -- Mayor Kelly, Ed Flynn, Bob Hannegan, Frank Walker, Harold Ickes, Leon Henderson, Senator O'Mahoney and himself.

Yesterday afternoon he attended a meeting in Chicago of about twenty of the most important industrialists. The political people were anxious for him to talk to them and then they were going to see if they couldn't get them interested and so get some financial help from them. Among these people were Mr. Epstein of the American Tank Co., President of the Pabst Brewery, etc. H.M. Jr. says these men are all agreed that you are the only one who can run the war. The one question they all asked him was what your plans are to give people jobs when the war is over.

THE WHITE HOUSE

WASHINGTON

-2-

As you know, Leon Henderson is heading up an independent committee and the Secretary asks if you would like to have Leon Henderson and some of the Treasury people try their hand at drafting a speech along the lines of providing jobs when the war is over. He feels it is very important that you tell the people your plans.

The Secretary plans to stay in Boston until Sunday afternoon and then to return to Washington unless you wish him to come back to Hyde Park.

GGT

Telephone: Kenmore 7550

Sammy *PSF* *Morgenthau folder*
file 2-4v

THE WHITE HOUSE
WASHINGTON

October 19, 1944.

MEMORANDUM FOR THE PRESIDENT:

When I spoke with the Secretary of the Treasury the other day he said when he saw you at Hyde Park the other Sunday he had an opportunity to ask you about a speech on jobs. He has had a group of our friends working on this speech and he will have a draft to show you by next Monday. He asks if he could bring it up to Hyde Park and also he might want to bring one or two of the people who have worked on it.

What shall I tell him?

G.G.T.

THE WHITE HOUSE
WASHINGTON

OR

October 19, 1944

MEMORANDUM FOR THE PRESIDENT:

The Secretary of the Treasury wants to know if he can go up on the train with you on Saturday night after the dinner.

He asks if he and Mrs. Morgenthau, who has been ill, could return with you on Monday night.

GGT

PSF: Morgenthau

[Draft for Oct. 28, 1944 FDR
Speech at Soldier's Field, Chicago.]

THE ECONOMIC BILL OF RIGHTS

This evening I want to talk to you about the future which I feel is in store for the American people and to outline to you my plans for meeting here at home the problems of peace.

For the second time in twenty-five years America has proved her capacity to meet the challenge of total war. Twice in twenty-five years we have amazed the whole world - and ourselves - with our daring conception of what America could do when forced to war. We have astonished a grateful world by the stupendous number of planes, tanks and guns rolling off our assembly lines; with the bridge of ships we have erected across the oceans; by the overwhelming force with which America has turned the scales of battle.

Thus has America met the challenge of war - with boldness, courage and determination. Thus has America become the symbol - the world over - for the dynamic force of a free people fighting for a free world.

But what of the peace-time problems here at home which will follow the successful conclusion of this war? Is America prepared to meet the challenge of these peace-time problems as it has twice met the challenge of war? Will we approach the problems of peace with the same boldness of conception, the same courage and determination as we have approached the problems of war?

In the answer to these questions lies the future of America. To anyone who has faith in America the answer is clear. The American people are prepared to meet the problems of peace in the same inspiring way that they have met the problems of war. The American people are resolved that we shall insure that the youth of this nation will never again be called upon to fight in another war. And the American people are equally resolved that when our boys return home from this war, they shall come back to the brightest possible, the freest possible, the finest possible place on the face of this earth - to a place where all persons, regardless of race, color, creed or place of birth, shall live in peace, honor and dignity - free from want - and free from fear. To do otherwise would betray the faith of every soldier, every worker, every businessman, every farmer in this country who is giving his best for America.

In determining the course of action we should pursue after the war, it is well for America to pause and take stock of her capacities. For America's capacities should be the measure of America's future.

America's known capacities are not difficult to calculate. We are now producing goods and services to the gigantic total of \$200 billion a year with 52 million workers and 12 million soldiers. In simple language that

means that today America is producing nearly twice as much as she had ever produced before the war. But an enormous part of the goods and services we are producing today does not find its way into the American home. No, it represents the ships, the guns, the planes and tanks we are using to fight this war.

But I know, and you know, that, if we can produce a huge flow of ships and guns and planes and tanks, we can also produce an abundance of houses and cars and clothing and provide education and recreation and the other good things of life for all Americans.

And I know, and you know, that when our boys return home from the war and are again able to put their power into the stream of peace-time production, America's capacity to produce will be even greater than it is today. Yes, much greater than today even when we remember that some of our returning soldiers will prefer to resume their education; that some older people will begin a retirement delayed to participate in war work; and that many women will give up their jobs in favor of home-making. Making full allowance for these groups, the fact remains that America will have the capacity after the war for producing houses, cars, clothing, education, recreation and all of the other good things of life on a scale that staggers the imagination. That is what America can and will do if we have the courage and vision to give her the chance.

But to accomplish this task of utilizing our full productive capacity year after year, it is childish to think, as some would suggest, that we can depend upon the accumulated backlog of demand for 6 million automobiles, 3-1/2 million vacuum cleaners and 7 million alarm clocks and so on! Why an America geared to that limited conception of the future will find itself faced with millions of unemployed. In fact that kind of thinking sounds to me as though our doughboys returning from this war would have to face the prospect of peddling alarm clocks this time instead of apples.

I say to you here and now that we cannot set our sights to a level which we have long since passed. The same people who set their sights too low for war are now asking the American people to set their sights too low for prosperity. They do not grasp the strength and the spirit of America.

Nor do any of us think for a minute that there is any quack remedy or cure-all that can be automatically applied. The sober facts are that genuine progress will be achieved only through concrete plans and a real effort.

I made plain my views on this subject to Congress in January of this year. In that message, I set forth eight self-evident economic truths. I said then and I say now that these economic truths represented a second Bill of Rights under which a new basis of security and prosperity

can be established for all - regardless of station, race or creed.

America led the world in establishing political democracy. It must lead the world once more in strengthening and extending political democracy by firmly establishing economic democracy. Let us not forget the painful lessons of the rise of Fascism. Let us remember that political democracy is at best insecure and unstable without economic democracy. Fascism thrives on domestic economic insecurity, as well as on lack of or divided resistance to external aggression. Fascism is not only an enemy from without, it is also potentially an enemy from within.

We now must establish an Economic Bill of Rights not only out of common decency, but also to insure the preservation of our political freedoms. We must accord to this Economic Bill of Rights the same dignity - the same stature - in our American tradition as that we have accorded to the original Bill of Rights.

Let us therefore affirm this Economic Bill of Rights - and keep affirming it - until it is as familiar and real to us as our political Bill of Rights.

The Economic Bill of Rights as embodied in my message to Congress last January is:

The right to a useful and remunerative job in the industries, or shops or farms or mines of the nation;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;

The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;

The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident and unemployment;

The right to a good education.

But the achievement of this American Economic Bill of Rights will not come of itself. These rights will not come to those who merely sit and wait. Nor will they come through merely pious repetition. Our forefathers had to struggle for our political Bill of Rights; we will have to struggle for our Economic Bill of Rights. If we are going to make those Rights a living reality we must map out a vigorous and concerted course. We must set as our goal the implementation and fulfillment of the 8 self-evident truths which together constitute our Economic Bill of Rights.

The key to making this Economic Bill of Rights a part of the American way of life is as self-evident as are the rights themselves. The key is the wholehearted recognition by all our people of the simple fact that in America the future of the American worker lies in the well-being of American private enterprise; and the future of American private enterprise lies in the well-being of the American worker. The greatest single thing that this war has demonstrated on the home front is that when the American worker and the American businessman and the American farmer work together as one team, there are no limits on what America can accomplish.

But to work together as a team, however, there must be a common goal. In this war that goal has been the defeat of our enemies in the shortest possible period of time. In the peace to come the goal must be the well-being of America - and that is synonymous with the well-being of every American.

As I outline to you tonight my program for making each of these economic rights a part of our way of life, you will note this striking fact, namely, that to the extent that private enterprise grows in strength, the Economic Bill of Rights grows in reality - and to the extent that the Economic Bill of Rights grows in reality, American private enterprise grows in strength. Thus, all the measures which are proposed in this program for the

implementation of the Economic Bill of Rights are at the same time designed to make American capitalism and private enterprise work in the same great manner in peace as it has worked in war.

When I enunciated this Economic Bill of Rights last January I said that after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being. I asked the Congress to explore the means of implementing these rights and stated that from time to time I would have more to say on the subject.

Tonight, I want to discuss this Economic Bill of Rights with all of you. I want to outline how the adoption of concrete measures to implement these rights represents the very foundation of American prosperity in the years to come.

And I also want to emphasize what the implementation of these rights will mean to our service men and women. They have given America the opportunity to work out its destiny as a free nation in a free world. The America to which they return must be a land of economic opportunity in which they will find full opportunities not only for jobs but for economic advancement and independent enterprise in industry, commerce, agriculture and the professions. A grateful nation can do no less for her returning service men and women. The G. I. Bill of Rights

which became law in June of this year, following a series of recommendations which I made to the Congress, is only designed to fulfill the special needs of our men and women in the service. The Economic Bill of Rights is designed to fulfill the needs which they value most, yes, the needs which they value more than life itself - the needs of America.

I

The first economic right is "the right to a useful and remunerative job in the industries, or shops, or farms or mines of the nation."

To assure the full realization of this right to a useful and remunerative job, an adequate program must provide America with 60 million productive jobs. We must have more jobs than workers; not more workers than jobs. Only with more jobs than workers can every man be guaranteed a job with good wages and decent working conditions. This requires private enterprise working at expanded capacity.

This necessary expansion of our peace time productive capacity will require new facilities, new plants and new equipment.

It will require large outlays of money which should be raised through normal investment channels. But while private capital should finance this expansion program, the Government should recognize its responsibility for sharing

part of any special or abnormal risk of loss attached to such financing.

Therefore I propose that the Government guarantee the lender against all special and abnormal risks which may be involved. This will provide new and expanding industry with plenty of private credit at reasonable interest rates. Through this program we will merely be extending to the financing of old and new business the principles which have proved so successful in our experience with the V Loans, T Loans and the Federal Housing Administration loans.

A comprehensive investment program dedicated to expanding the peace time productive capacity of America is the very epitome of the American way of raising our standard of living. We build the plants for greater production so that all of us may share in their greater output. But greater output is not our only benefit from this plant expansion. In fact, our benefits also include the wages paid to the labor employed in building these plants, in constructing the machinery to be used in the plants and in operating the plants after they are erected. These payments as wages all contribute to the nation's buying power so that as a nation we will have more money with which to buy the goods produced by these expanded plants.

As a matter of fact a comprehensive investment program of this character could make possible \$20 billion of new private investment each year. Why, just the job of building these plants and the machinery for them would give America 5 million more jobs a year than we had in this work before the war. And this does not include the workers who would be needed to operate these plants after they are built.

In a nutshell, then, if we are going to have remunerative jobs for all, we must have an expanded private industry capable of hiring millions more men. I propose that the Government do its part in helping private enterprise finance this expansion of our industrial plant. It will be privately owned, privately operated and privately financed but the Government will share with the private investor the unusual and abnormal financial risks which may be involved in getting started.

* * * * *

But, in providing jobs for everyone, we shall not only have to increase demand for our industrial and agricultural production here at home; but also abroad. Some parts of our industrial and agricultural production demand a high level of foreign trade to be efficient and prosperous. This is particularly true in our heavy equipment industries where our war demand will fall sharply but whose output will be needed by other countries for reconstruction and

development. The foreign demand for such farm commodities as cotton, tobacco and wheat will also be great if other countries have the opportunity to buy. We therefore must take steps, in cooperation with other countries to see that international trade and investment is resumed promptly on a sound basis.

This Administration has pioneered in the direction of international economic collaboration with its reciprocal trade program and the establishment of the Export-Import Bank. It has again taken the lead in suggesting international monetary stabilization and sound international investment measures - measures that are a fundamental prerequisite to healthy foreign trade and commerce. It was for the purpose of working out concrete measures of this character that I convened the United Nations Monetary and Financial Conference at Bretton Woods last summer. At the Bretton Woods Conference, forty-four countries agreed upon plans for an International Monetary Fund and an International Bank for Reconstruction and Development.

The International Monetary Fund, when approved by Congress, will aid the nations of the world in establishing sound currencies. It will clear the channels of foreign trade of discriminatory restrictions and controls so that there can be a genuine expansion of world trade.

The economic foundation for a lasting peace. A prosperous world will be a world free of both economic and political

With the help of the International Bank, American capital can play a great constructive role - and a profitable role - in the development of the economies of other countries. It will provide us with enormous post-war foreign markets. For our greatest markets are in prosperous, industrialized countries.

But America will not be merely a seller of goods abroad. A truly prosperous America - an America with jobs for all - will be a tremendous buyer of raw materials and products from abroad. It will be an America constantly enlarging the scope of our reciprocal trade agreements. It will be an America with the time and money to spend on tourist travel abroad as well as at home. It will be an America from which other countries can afford to buy more because they are selling more.

With Congressional approval of this program and with our program of jobs for all in this country - the foreign trade of the United States can be trebled after the war. This increase in our foreign trade should mean 3 million more jobs after the war than we had before the war.

Nor are the benefits of increased foreign trade and investment confined to increasing our prosperity. I want to emphasize that such cooperative measures for expanding international trade and investment are at the same time the economic foundation for a lasting peace. A prosperous world will be a world free of both economic and political

aggression.

There is one further phase of this program of providing jobs for all which must be made an integral part of any long range program. That is the task of seeing to it that there are not just jobs for all next year - or for the year after that. No, we are talking about jobs for all as a permanent part of our American way of life.

But it is inevitable, however, that an economy of free enterprise like ours will have some fluctuation in the number of jobs it can provide. Adjustments in employment are an essential part of an expanding free economy. And for these minor fluctuations, we provide unemployment insurance. But we must not allow such fluctuations ever to deteriorate into panic or depression. We cannot again be caught in that vicious downward spiral of unemployment, wage cuts and stagnated business.

I say to you that whenever the number of gainfully employed in this country falls below 57 million, your Government must and will take prompt steps to see that new jobs are made available to keep the total from falling significantly below that figure. This is the floor below which we must not allow employment to fall.

The basic function of your Government in taking care of any such slack in jobs is to see to it that private enterprise is assisted until it can absorb this slack.

This is entirely possible. During the war the federal, state and local governments have found it necessary to put aside the construction of roads, buildings and public facilities to the value of many billions of dollars. We have a need, too, for vast programs of the type exemplified by TVA.

Some of this construction will have to be undertaken immediately after the war. A good deal of it, however, can be postponed so that its construction could be timed with periods when the volume of employment that industry, commerce and agriculture can offer begins to fall. We must have a reservoir of planned and approved federal, state and local projects ready to be tapped. And when employment falls below this floor of 57 million jobs, this reservoir of planned and approved public works should be opened up to provide more jobs and take up the slack.

Such useful and essential public works should not produce Government or "relief" jobs, however. No, they should produce private jobs. This is possible if we insist that this construction be done by private firms under contract with the Government; private firms employing labor at the prevailing rate of wages and under standard labor conditions.

This assurance of a reserve of private jobs, through constructive public works when needed to take up the slack, will have a profound effect on the whole direction of our

economy. In fact, the knowledge that Government accepts this responsibility of maintaining a floor under jobs will act as an immense stabilizing force on the whole economy.

II

The second economic right is "the right to earn enough to provide food and clothing and recreation."

America must remain pre-eminently the land of high wages and efficient production. Every job in America must provide enough for a decent living.

During the war we have been compelled to hold down wage increases that might have provoked runaway inflation. With all the arms and war materials we were producing, there was only a limited amount of consumption goods available. Increasing wages without increasing the amount of goods available to the consumer would have been an open invitation to inflation. By resorting to drastic price and wage control measures, I am proud to report that America is succeeding in holding the line against inflation.

However, the end of the war, even the end of the war in Europe, will change this picture. Then there will be more goods available for America to buy and it is only good common sense to see that the working man is paid enough to buy these goods.

The gains made by labor during the war must be retained in full. After the last war, as part of the process of returning to "normalcy", the old guard of the

Republican Administration adopted the slogan "labor must be deflated." This won't happen again. This time we must make sure that wage rates are not reduced when the wartime demand for labor is diverted into peace time channels. We must make sure that the labor market is not broken by unemployment and wage slashes.

I can say now that so long as I am in the White House, American labor can be assured that there are not going to be any wage cuts that I can stop. What is even more important - I am going to see that when the worker's hours are cut back to peace time levels a real attempt is made to adjust wage rates upward.

And I propose that wages should be constantly increased as the productivity of industry is increased. An expanding American economy can continue to expand only if the increased productivity is divided equitably between business and the worker. In fact - you know, and I know, that unless the worker does get his share of America's increased production in the form of increased wages and unless business gets its share in the form of increased profits - neither will prosper and all will lose.

But an increase in wages is not the only benefit the American worker should secure from increased productivity. He should also benefit in the form of shorter hours of work, in the form of increased leisure and opportunities for healthful recreation. Thus increased wages and shorter hours go hand in hand in solving prosperity the American way.

There is one further aspect of the wage-earner's problem that I want to touch on tonight. That is his aspiration for an annual wage or guaranteed annual income from his job. It is a terribly important part of any real attempt to implement America's Economic Bill of Rights. The size of the wage-earner's pay envelope is important - vitally important to American prosperity. But we all know that it is equally important to know how many pay envelopes he gets during a year. I want to see him get a guaranteed minimum annual wage and I think the time has come for America to begin tackling this most difficult problem.

Now this goal cannot be attained overnight. It cannot be achieved in a manner to harm business. Nor can it be achieved with the same speed in every business.

But we can start on the job of giving labor an annual wage. We can do a lot if we all will only agree that it is a problem business and labor must solve and if we all approach the problem with a genuine desire to succeed. And Government must do its part too. It must aid business in stabilizing its labor needs so that the burden of an annual wage will not be uneconomical. This in my opinion is the American way to bring about the annual wage and I have confidence in the American way of doing things.

III

The third economic right is "the right of every farmer to raise and sell his products at a rate which will give him and his family a decent living."

American farmers now have by far the largest farm income in history. This is their due reward for the greatest agricultural production in history. We must assure the farmers that there will always be a market for all their output at good prices. Concretely I propose to maintain an adequate floor on farm prices and thereby assure the farmer against the dangers of falling prices for his products. Our farm program must be one of expansion rather than curtailment. With jobs for all at good wages and with foreign markets greatly expanded, the farmer will be able to sell at good prices all that he can raise.

But this is not all. The farmer's income must have stability. To that end, I propose to establish a comprehensive federal crop insurance program which will secure the farmer against the hazards of crop failure. To this must be added concrete steps to raise the standard of living on the farm and in the rural areas. We need a complete program of new and modernized homes and farm buildings. We must press forward with rural electrification and improvement. Only in this way can we bring to the rural communities modern facilities for decent and healthful living.

IV

The fourth economic right is "the right of every business man large and small to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home and abroad."

Where this Administration is to be distinguished most sharply from some others is in its refusal to curry favor with big business or entrenched monopoly. Our Economic Bill of Rights like our political Bill of Rights is based on freedom of enterprise - freedom of enterprise not merely and exclusively for the few, but broadly and inclusively for the many. The political Bill of Rights insured the destruction of special prerogatives and privileges. The Economic Bill of Rights will insure the destruction of special economic prerogatives and privileges.

No special class of business deserves to be the spoiled darling of government. This Administration has been mindful from its earliest days, and will continue to be mindful, of the problems of small business as well as large.

We must break through the barriers of monopoly and international cartels that stand in the way of a healthy expansion of free enterprise. Against these real enemies of free enterprise we shall continue unremitting warfare.

We must overcome the monopolistic frame of mind which thinks of business in terms of restricted output at high prices per unit. We must pass on to workers and consumers the benefits of technological progress and large scale production. Free enterprise in the American tradition can flourish only by doing a large volume of business at a small profit per unit.

My Administration is determined to protect free enterprise against monopolies and cartels through continued vigorous enforcement of the anti-trust laws. Private enterprise yields its full advantage to the consuming public and to other business only when it is genuinely free and competitive. Beware of that sinister enemy of free enterprise who pays lip-service to competition but also labels every anti-trust prosecution a "persecution."

Our economy has important new expanding sectors in air transport, frequency modulation, television, synthetic rubbers and fibers, plastics, and many other fields. These new expanding areas in particular must be kept free of the constricting hand of monopoly. There must be a place in them - as everywhere in our economy - for enterprising small firms. It is from these new and small firms that the great industries of the future will grow. We need new industries, new firms to have industrial progress and shall not permit them to be stifled by monopoly.

V

The fifth economic right is "the right of every family to a decent home."

Concretely, I propose that we adopt a housing program looking toward the construction through private enterprise of 2 million housing units a year and ridding this country of its urban and rural slums. We need to build at least

15 million new housing units if we are to eliminate all our slums and sub-standard dwellings. The right to a home is meaningless when that home is a hovel. We cannot afford slums.

A well-housed America must have modern homes - homes with all the latest electrical and mechanical equipment which will eliminate the drudgery of household work. We must be a land of homeowners, and to that end we must assure every family an opportunity for home ownership by making certain that there is available private credit on terms which will reduce the down-payment and cut by one-third the monthly cost of buying homes.

New residential construction and the modernization of America's homes alone can provide jobs for 4 million people a year. This is 2 million more than the maximum amount engaged in such work prior to the war.

VI

The sixth economic right is "the right to adequate medical care and the opportunity to achieve and enjoy good health."

As Selective Service has revealed, too large a proportion of our younger men now fall below reasonable health standards. This is a warning signal to America with respect to the state of health of all segments of our population. This condition calls for immediate and drastic action.

We cannot permit the health of our people to be impaired by poverty or lack of medical and hospital facilities. I say to you that your Federal and State Governments have just as much responsibility for the health of their people as they have for providing them with education and police and fire protection. Health and adequate medical and hospital care are not luxuries. They are basic necessities to which all are entitled.

We must see that medical attention is available to all the people. But this health program must be achieved in the American way. Every person should have the right to go to the doctor and hospital of their own choosing. My program calls for the Federal and State Governments to work hand in hand in making health insurance an integral part of our Social Security program just as old age and unemployment benefits are today. And these health insurance benefits must be adequate to provide private medical and hospital care for every person in the United States.

We need more hospitals and doctors. I propose that we make sure that such facilities are available and that we build hospitals in every community, rural and urban, that does not now have such facilities for all of its people.

Never again can we afford the waste of poor health in America because of poverty or inadequate facilities. And I say to you now that this program will prove in the long run to be a saving to America.

We must not be content to provide medical attention for people after they become sick. We must implement and extend our knowledge of preventative medicine. To the end that we shall be much better able to attack diseases and to prevent illness, I propose that the Government appropriate needed funds to finance a greatly expanded program of medical research in private and public institutions.

VII

The seventh economic right is "the right to adequate protection from the economic fears of old age, sickness, accident and unemployment."

We must assure people who are disabled and temporarily unemployed that they will be taken care of adequately. We must assure them that they will not be in want because of loss of income during this period of compulsory unemployment. We cannot neglect these groups without incurring serious dangers to the stability of our whole economy.

But we should be wary of those who only pay lip-service to the principle of Social Security but have a sorry reputation when it comes to delivering on their promise. In 12 years of Republican Administration this, the richest country in the world, fell far behind other

industrial nations in the development of Social Security legislation. Every step in the establishment of our social security system has been fiercely resisted by the Republican Old Guard. Even now while advocating the extension of social security in vague, vote-catching terms, the Republican party evades all major concrete steps to expand Social Security. The Republican candidate for the Presidency, some weeks ago, made his formal obeisance to the need for Social Security by limiting his remarks to a few piddling generalities.

Meanwhile, for more than a year, there has languished in Congress a carefully-drawn, comprehensive Bill to extend the coverage and increase the benefits of Social Security. I refer to the Wagner-Murray-Dingell Bill, introduced into Congress by three liberal Democrats. It gives effective universal coverage and provides benefits for old age, unemployment, medical care and disability. Yet no prominent Republican - in or out of Congress - has raised his voice in support of this Bill. That in my mind is the tip-off of what America can expect when the "chips are down."

Being introduced in wartime, when we have been concerned about restraining consumers' demand rather than expanding it, the Wagner-Murray-Dingell Bill will need to be revised to suit our postwar world - revised in both its scope and method of financing.

A broader program will be needed after the war. Old age insurance should be adequate to provide all of our older men and women with the means for decent living. Our present old age benefits are definitely inadequate. I propose that we immediately establish the principle of giving a minimum Federal old age pension of \$60 per month to every person who has reached the age of sixty. This minimum \$60 per month pension should be available to every man and woman over the age of 60 who makes application. If both husband and wife are over sixty, this will mean a monthly income of \$120 per month. It should be deemed to be a right, not a charity, a right springing from the years of service each person delivers to the sum total of a better America.

This social security program will, of itself, by adding to the spendable purchasing power available to the people and by placing a floor on consumption, add from two to three million jobs a year.

VIII

The eighth economic right is "the right to a good education."

We must have an educated and informed America. Even now most of our rural areas and some of our urban areas are poorly provided with schools. Our teachers are underpaid. Our schools are badly understaffed. We need more schools and at least one-half million more teachers.

Through Federal aid to poorer communities for the development of locally controlled educational programs, we propose to equalize and extend educational opportunities throughout the land. We propose to provide facilities for technical and higher education for all qualified young men and women without regard to their financial means. In this America, the pioneer of free education, the right to technical and higher education should be as universal as the right to a secondary school education.

* * * * *

This is the program that will bring to reality our Economic Bill of Rights. It is a program that will provide jobs, economic security and rising standards of living for all Americans - regardless of race, color or creed. Our democracy can be a living force only if it means the good life for all the people.

The millions of more productive jobs that this program will bring are jobs in industry. They are jobs based on the expanded demand for the output of our economy for consumption and investment. And this program need place no real burden on the Federal budget, notwithstanding the reduction in taxes which must come after the war. On the contrary, a program of this character can provide America with a national income of \$200 billion. With a national

income of this magnitude it will be possible to reduce the tax rates still further on personal incomes, on business profits, and on consumption, and still collect enough tax revenues to meet the needs of the Government, including orderly retirement of the national debt.

This, my friends, is our immediate goal, once final victory over our enemies has been achieved.

Now there will be, I am sure, those who will say that the goal which I have set for you is fantastic. These are the persons of limited vision and blunted imagination. These are the same persons who said I was dreaming when I declared in 1940 that the American people would produce 50,000 planes in one year. In fact the American people produced over 100,000 planes in one year. These persons also labelled 8,000,000 tons of shipping in one year a dream. The American people actually produced _____ tons. 45,000 tanks was supposedly another dream. In fact we produced _____. And these are also the same persons who scoffed at the idea that America could in less than 4 years build the greatest Army, the greatest Navy and the greatest air force in all the world. Do these Monday morning quarterbacks have that great faith in the American people, and in their way of life, which is required in order to understand the meaning of America?

And yet these same great visionaries who see but dimly into the future have excellent hindsight. As the great events of history march forward, while they look back, they are at least able to recognize what has passed them by. Only then do they shake their heads wisely and proclaim that of course it must be so. They have seen it with their own eyes. Thus, for example, they say, and I

am quoting:

"Of course, we need security regulation.
Of course, we need bank-deposit insurance. Of course, we need price support for agriculture. Of course, the farmers of this country cannot be left to the hazards of a world price while they buy their goods on an American price. Of course, we need unemployment insurance and old age pensions and also relief whenever there are not enough jobs. Of course, the rights of labor to organize and bargain collectively are fundamental."

I suppose that after this program to which my Administration is pledged has become an accepted part of our way of life, the battle-cry of the hindsight artists will go something like this. They will say that of course the right to a useful and remunerative job in the industries or shops or farms or mines of the nation is self-evident; of course the right to earn enough to provide adequate food and clothing and recreation is self-evident; of course the right of every farmer to raise and sell his products at a return which will give him and his family a decent living is self-evident; and of course this and of course that. Oh, I forgot - there is one more "of course" that they will add. They will say, "Of course, we could have done it better."

I am confident, however, that the great majority of the American people share the same great faith in America and in the American way of doing things which I have expressed tonight. We know our way and the road ahead is straight and broad although there are many hills which we must climb. The program which I have set forth is only the first milestone, for the capacity of the American way of life in the years to come is beyond the vision of man. The American system of free enterprise is the best the world has ever known and through it we can obtain, God willing, the best that this world has to offer.

T-477

THE WHITE HOUSE
WASHINGTON

~~PRIVATE AND
CONFIDENTIAL~~

November 21, 1944.

MEMORANDUM FOR

HON. JAMES F. BYRNES

Please speak to me con-
fidentially about this idea.

F. D. R.

SECRET
NOV 17 1944
U.S. DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

Morganthau folder
BE 2-44

P
Y

THE SECRETARY OF THE TREASURY
WASHINGTON

November 15, 1944

MEMORANDUM FOR THE PRESIDENT

I think that it is essential in the interest of good government that there be a drastic revision upwards of the salaries of top government officials. Only on this basis is the government going to be able to compete effectively with private business for the best brains in the country.

To start the ball rolling I suggest that you send a message to Congress along the following lines:

- (1) Recommend that the Congress immediately increase the salaries of Congressmen and Senators to \$15,000 a year - such increase to take effect six months after V-E Day.
- (2) Inform Congress that you are giving consideration to the need for increases in the executive and judicial branches of the government and that you hope to be able to furnish Congress with your views in the near future.

There may be some advantage if this proposal could be acted upon before January 20, 1945 in order that its provisions could be made effective with the new Congress (but six months after V-E Day). This seems particularly true because there appears to be a practice of making Congressional salary increases effective only with respect to the next succeeding Congress and delay might result in postponing the effective date of this increase until January 20, 1947. If this happened it would be more difficult to get speedy action by Congress on increasing salaries in the executive branch of the government.

Aside from the desirability of this measure in the interests of good government, I think your sponsorship of this proposal might have a very wholesome effect upon relations with Congress.

3845

hms

PSF *Wagenthorn folder* *2-44*

THE WHITE HOUSE
WASHINGTON

December 9, 1944.

MEMORANDUM FOR
THE SECRETARY OF THE TREASURY

TO READ AND PLEASE RETURN
FOR MY FILES.

F. D. R.

Memorandum dated 11/14/44, in re statement that
English are bankrupt and required \$7,000,000,000;

Memorandum dated 11/14/44, in re tax program.

Memorandum, undated, "Physical Disposition of
Germany-Austria and Satellites"..

1-21-45

PSF
HMJ ✓

The President

Jan 21
1945 with heartiest congratulations
and affectionate wishes
The Secretary of the Treasury
Henry - Shivers

1-21-45

PSF
HMP

The President

Jan 21, 1945

The Secretary of the Treasury

He hopes you can visit
them at Pocottave
in Uvaue Springs.

MRS. HENRY MORUENTHAU, JR

With hearty congratulations
and our love.

Henry - Sherry

2404 BELMONT ROAD

PSF
HMG

January 1, 1945

Not Final. Final will be issued January 2, 1945.

~~CONFIDENTIAL~~

file

ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
DECEMBER 1944

<u>Date</u> <u>Dec. 1944</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>Dec. 1944</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>Dec. 1943</u>
1	\$ 20,000,000	*\$ 19,072,319.58	\$ 4,909,880.14
2	4,000,000	3,470,238.22	7,918,243.61
3 Sunday			
4	20,000,000	19,369,006.92	10,355,973.86
5	10,000,000	9,563,572.95	16,809,871.51
6	13,000,000	15,624,216.85	24,909,940.36
7	15,000,000	33,748,118.42	28,753,756.56
8	20,000,000	59,973,947.06	32,670,092.86
9	25,000,000	29,753,486.51	53,461,862.35
10 Sunday			
11	35,000,000	78,005,598.84	66,362,781.52
12	50,000,000	56,956,957.82	55,110,427.73
13	73,000,000	79,382,327.84	116,413,250.34
14	105,000,000	99,118,777.87	129,231,176.44
1 to 14	390,000,000	504,038,568.88	546,907,257.28
15	160,000,000	278,763,427.55	224,765,127.66
16	280,000,000	280,480,915.29	357,691,074.07
17 Sunday			
18	440,000,000	595,003,645.38	500,619,764.74
19	410,000,000	447,377,026.62	339,586,594.65
20	350,000,000	390,203,348.18	387,573,595.20
21	310,000,000	355,804,195.18	359,737,105.32
1 to 21	2,340,000,000	2,851,671,127.08	2,716,880,518.92
22	230,000,000	267,344,573.05	285,357,676.36
23	168,000,000	94,491,653.03	309,338,511.99
24 Sunday			
25 Christmas			
26	150,000,000	82,670,311.24	247,753,540.69
27	120,000,000	92,300,041.13	233,345,339.74
28	90,000,000	87,883,331.91	127,103,299.25
29	60,000,000	78,450,618.89	146,797,803.64
30	50,000,000	30,133,108.06	127,871,738.18
31 Sunday			
			126,266,819.88
	\$ 3,208,000,000 (a)	3,584,944,764.39	\$ 4,320,715,248.65
Total 1 to 30	\$ 3,208,000,000	\$ 3,584,944,764.39	\$ 4,320,715,248.65

* Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,200,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about 3780,000,000 will be paid Dec. 15 to 21, 1944 incl.

Try. Tax and Sav. Notes paid for Income Taxes Dec. 1 to 30 1944-\$ 1,239,966,900.

REGRADED UNCLASSIFIED

January 1, 1945.

~~CONFIDENTIAL~~

file

ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

DECEMBER 1944

<u>Date</u> <u>Dec. 1944</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>Dec. 1944</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>Dec. 1943</u>
1	\$ 20,000,000	*\$ 19,072,319.58	\$ 4,909,880.14
2	4,000,000	3,470,238.22	7,918,243.61
3 Sunday			
4	20,000,000	19,369,006.92	10,355,973.86
5	10,000,000	9,563,572.95	16,809,871.51
6	13,000,000	15,524,216.85	24,909,940.36
7	15,000,000	33,748,118.42	28,753,756.56
8	20,000,000	59,973,947.06	32,670,092.86
9	25,000,000	29,753,486.51	53,461,862.35
10 Sunday			
11	35,000,000	78,005,598.84	65,362,781.52
12	50,000,000	56,956,957.82	55,110,427.73
13	73,000,000	79,362,327.84	116,413,250.34
14	105,000,000	99,118,777.87	129,231,176.44
1 to 14	390,000,000	504,038,568.88	546,907,257.28
15	160,000,000	278,763,427.55	224,765,127.66
16	280,000,000	280,480,915.29	357,691,074.07
17 Sunday			
18	440,000,000	595,003,645.38	500,619,764.74
19	410,000,000	447,377,026.62	339,586,594.65
20	350,000,000	390,203,348.18	387,573,595.20
21	310,000,000	355,804,195.18	359,737,105.32
1 to 21	2,340,000,000	2,851,671,127.08	2,716,880,518.92
22	230,000,000	267,344,573.05	285,357,676.36
23	168,000,000	94,491,653.03	309,338,511.99
24 Sunday			
25 Christmas			
26	150,000,000	82,670,311.24	247,753,540.69
27	120,000,000	92,300,041.13	233,345,339.74
28	90,000,000	87,883,331.91	127,103,299.25
29	60,000,000	78,450,618.89	146,797,803.64
30	50,000,000	30,253,989.95	127,871,738.18
31 Sunday			
			126,266,819.88
	\$ 3,208,000,000 (a)	\$ 3,585,065,646.28	\$ 4,320,715,248.65
Total 1 to 30	\$ 3,208,000,000	\$ 3,585,065,646.28	\$ 4,320,715,248.65

* Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,200,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$780,000,000 will be paid Dec. 15 to 21, 1944 incl.

Try. Tax and Sav. Notes paid for Income Taxes Dec. 1 to 30 1944-\$ 1,240,045,225.

REGRADED UNCLASSIFIED

January 2, 1945.

~~CONFIDENTIAL~~

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ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 36,814,747.76	\$ 21,613,287.68
2	30,000,000	29,237,695.25	35,854,637.07
3	42,000,000	36,409,408.94	40,050,869.85
4 Sunday			
5	52,000,000	46,878,703.04	25,185,359.11
6	45,000,000	27,404,455.38	33,756,117.22
7	50,000,000	28,588,412.46	44,215,457.50
8	55,000,000		38,078,928.53
9	60,000,000		46,184,996.25
10	65,000,000		62,806,354.89
11 Sunday			
12	75,000,000		54,418,059.27
13	95,000,000		89,484,576.16
14	135,000,000		103,916,985.88
1 to 14	740,000,000		595,565,629.41
15	250,000,000		149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 7	\$ 255,000,000	\$ 207,333,422.83	\$ 200,675,728.43

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 7 1945-\$ **22,246,825.**
March 8, 1945.

RECORDED UNCLASSIFIED

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ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

<u>Date</u> March 1945	<u>Estimate</u>	<u>Actual Deposits</u> March 1945	<u>Actual Deposits</u> Corresponding Day March 1944
1	\$ 36,000,000	*\$ 37,092,447.57	\$ 21,613,287.68
2	30,000,000	29,751,037.50	35,854,637.07
3	42,000,000	42,609,833.62	40,050,869.85
4 Sunday			
5	52,000,000	47,128,098.57	25,185,359.11
6	45,000,000	27,404,455.38	33,756,117.22
7	50,000,000	28,617,288.92	44,215,457.50
8	55,000,000	36,691,409.10	38,078,928.53
9	60,000,000		46,184,996.25
10	65,000,000		62,806,354.89
11 Sunday			
12	75,000,000		54,418,059.27
13	95,000,000		89,484,576.16
14	135,000,000		103,916,985.88
1 to 14	740,000,000		595,565,629.41
15	250,000,000		149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,685,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 8	\$ 310,000,000	\$ 249,294,570.66	\$ 238,754,656.96

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 8 1945-\$ 30,105,200.

REGRADED UNCLASSIFIED

March 9, 1945.

CONFIDENTIAL

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ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,343,153.83	\$ 21,613,287.68
2	30,000,000	30,145,570.70	35,854,637.07
3	42,000,000	43,729,596.25	40,050,869.85
4 Sunday			
5	52,000,000	52,248,732.53	25,185,359.11
6	45,000,000	28,885,197.76	33,756,117.22
7	50,000,000	28,638,995.51	44,215,457.50
8	55,000,000	36,713,407.14	38,078,928.53
9	60,000,000	35,360,952.78	46,184,996.25
10	65,000,000		62,806,354.89
11 Sunday			
12	75,000,000		54,418,059.27
13	95,000,000		89,484,576.16
14	135,000,000		103,916,985.88
1 to 14	740,000,000		595,565,629.41
15	250,000,000		149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 9	\$ 370,000,000	\$ 293,065,606.50	\$ 284,939,653.21

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 9 1945-\$ 35,413,750.

UNGRADED UNCLASSIFIED

March 10, 1945.

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ESTIMATEINCOME AND EXCESS PROFITS TAX DEPOSITSMARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,343,155.83	\$ 21,613,287.68
2	30,000,000	30,150,910.66	35,854,637.07
3	42,000,000	43,729,596.25	40,050,869.85
4 Sunday			
5	52,000,000	53,895,025.05	25,185,359.11
6	45,000,000	32,031,506.21	33,756,117.22
7	50,000,000	30,550,860.72	44,215,457.50
8	55,000,000	36,714,197.21	38,078,928.53
9	60,000,000	35,445,058.61	46,184,996.25
10	65,000,000	35,361,269.76	62,806,354.89
11 Sunday			
12	75,000,000		54,418,059.27
13	95,000,000		89,484,576.16
14	135,000,000		103,916,985.88
1 to 14	740,000,000		595,565,629.41
15	250,000,000		149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 10	\$ 435,000,000	\$ 335,221,578.50	\$ 347,746,008.10

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 10 1945-\$ 38,214,475.

REGRADED UNCLASSIFIED

March 12, 1945.

CC [redacted]

file

ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,343,153.83	\$ 21,613,287.68
2	30,000,000	30,150,910.66	35,854,637.07
3	42,000,000	43,729,596.25	40,050,869.85
4 Sunday			
5	52,000,000	54,151,656.48	25,185,359.11
6	45,000,000	32,876,561.81	33,756,117.22
7	50,000,000	33,467,136.17	44,215,457.50
8	55,000,000	38,606,008.87	38,078,928.53
9	60,000,000	35,480,991.25	46,184,996.25
10	65,000,000	35,413,977.28	62,806,354.89
11 Sunday			
12	75,000,000	59,994,042.02	54,418,059.27
13	95,000,000		89,484,576.16
14	135,000,000		103,916,985.89
1 to 14	740,000,000		595,565,629.41
15	250,000,000		149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 12	\$ 510,000,000	\$ 401,214,014.62	\$ 402,164,067.37

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 12 1945-\$ 53,000,950.

REGRADED UNCLASSIFIED

March 13, 1945.

CONFIDENTIAL

file

ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

<u>Date</u> March 1945	<u>Estimate</u>	<u>Actual Deposits</u> March 1945	<u>Actual Deposits</u> Corresponding Day March 1944
1	\$ 36,000,000	*\$ 37,343,153.85	\$ 21,613,287.68
2	30,000,000	30,150,910.66	35,854,637.07
3	42,000,000	43,735,411.66	40,050,869.85
4 Sunday			
5	52,000,000	54,343,859.22	25,185,359.11
6	45,000,000	33,224,539.14	33,756,117.22
7	50,000,000	37,166,748.37	44,215,457.50
8	55,000,000	43,318,494.36	38,078,928.53
9	60,000,000	39,242,681.29	46,184,996.25
10	65,000,000	37,700,683.78	62,806,354.89
11 Sunday			
12	75,000,000	60,087,198.20	54,418,059.27
13	95,000,000	60,478,660.16	89,484,576.16
14	135,000,000		103,916,985.88
1 to 14	740,000,000		595,565,629.41
15	250,000,000		149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 13	\$ 605,000,000	\$ 476,792,340.67	\$ 491,648,643.53

*Adjusted daily to include mail reports from General Depositaries.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 13 1945-\$ 68,185,250.

CONFIDENTIAL

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ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

<u>Date</u> March 1945	<u>Estimate</u>	<u>Actual Deposits</u> March 1945	<u>Actual Deposits</u> Corresponding Day March 1944
1	\$ 36,000,000	*\$ 37,343,153.83	\$ 21,613,287.68
2	30,000,000	30,150,910.66	35,854,637.07
3	42,000,000	43,735,411.66	40,050,869.85
4 Sunday			
5	52,000,000	54,353,167.38	25,185,359.11
6	45,000,000	33,250,483.57	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,605,304.83	38,078,928.53
9	60,000,000	45,405,510.63	46,184,996.23
10	65,000,000	44,105,412.55	62,806,354.89
11 Sunday			
12	75,000,000	60,184,022.41	54,418,059.27
13	95,000,000	60,478,660.16	89,484,576.16
14	135,000,000	86,159,342.04	103,916,985.88
1 to 14	740,000,000	578,151,018.32	595,565,629.41
15	250,000,000		149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,685,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 14	\$ 740,000,000	\$ 578,151,018.32	\$ 595,565,629.41

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 14 1945-\$ 95,941,700.

REGRADED UNCLASSIFIED

March 15, 1945.

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ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

Date March 1945	Estimate	Actual Deposits March 1945	Actual Deposits Corresponding Day March 1944
1	\$ 36,000,000	*\$ 37,343,153.23	\$ 21,613,227.68
2	30,000,000	30,150,910.66	35,854,637.07
3	42,000,000	43,755,411.66	40,050,869.85
4 Sunday			
5	52,000,000	54,353,167.38	25,185,359.11
6	45,000,000	33,250,483.57	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,610,527.47	38,078,928.53
9	60,000,000	46,047,783.81	46,184,996.25
10	65,000,000	45,192,811.11	62,806,354.89
11 Sunday			
12	75,000,000	65,200,877.48	54,418,059.27
13	95,000,000	60,489,518.10	89,484,576.16
14	135,000,000	86,237,940.13	103,916,985.88
1 to 14	740,000,000	584,992,223.80	595,565,629.41
15	250,000,000	121,031,706.70	149,976,066.86
16	490,000,000		507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 15	\$ 990,000,000	\$ 706,073,930.50	\$ 745,541,696.27

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 15 1945-\$ 142,650,400.

REGRADED UNCLASSIFIED

March 16, 1945.

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ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

Date March 1945	Estimate	Actual Deposits March 1945	Actual Deposits Corresponding Day March 1944
1	\$ 36,000,000	*\$ 37,343,153.83	\$ 21,613,287.68
2	30,000,000	30,150,910.66	35,854,637.07
3	42,000,000	43,735,411.66	40,050,869.85
4 Sunday			
5	52,000,000	54,353,167.38	25,185,359.11
6	45,000,000	33,250,483.57	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,077,279.60	46,184,996.25
10	65,000,000	45,765,988.73	62,806,354.89
11 Sunday			
12	75,000,000	74,364,952.23	54,418,059.27
13	95,000,000	67,077,400.45	89,484,576.16
14	135,000,000	86,278,988.39	103,916,985.88
1 to 14	740,000,000	601,525,884.53	595,565,629.41
15	250,000,000	121,081,706.70	149,876,066.86
16	490,000,000	469,259,642.88	507,634,564.81
17	550,000,000		533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 16	\$ 1,480,000,000	\$ 1,191,867,234.11	\$ 1,253,176,261.08

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 16 1945-\$ 375,641,500.

REGRADED UNCLASSIFIED

March 17, 1945.

~~CONFIDENTIAL~~

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ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,343,153.83	\$ 21,613,287.68
2	30,000,000	30,147,499.17	35,854,637.07
3	42,000,000	43,738,823.15	40,050,869.85
4 Sunday			
5	52,000,000	54,344,715.48	25,185,359.11
6	45,000,000	33,258,935.47	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,091,234.81	46,184,996.25
10	65,000,000	45,793,956.13	62,806,354.89
11 Sunday			
12	75,000,000	74,581,804.65	54,418,059.27
13	95,000,000	76,699,267.42	89,484,576.16
14	135,000,000	95,449,354.55	103,916,985.88
1 to 14	740,000,000	620,576,892.69	595,565,629.41
15	250,000,000	121,604,426.28	149,976,066.86
16	490,000,000	469,354,893.13	507,634,564.81
17	550,000,000	444,990,736.22	533,587,311.68
18 Sunday			
19	620,000,000		485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 17	\$ 2,030,000,000	\$ 1,656,526,948.32	\$ 1,786,763,572.76

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 17 1945-\$ 522,859,875.

REGRADED UNCLASSIFIED

March 19, 1945.

CONFIDENTIAL

file

ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,543,153.83	\$ 21,613,287.68
2	30,000,000	30,147,499.17	35,854,637.07
3	42,000,000	43,738,823.15	40,050,869.85
4 Sunday			
5	52,000,000	54,346,948.44	25,185,359.11
6	45,000,000	33,288,935.47	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.45	38,078,928.53
9	60,000,000	46,091,234.81	46,184,996.25
10	65,000,000	45,796,723.69	62,806,354.89
11 Sunday			
12	75,000,000	74,986,349.75	54,418,059.27
13	95,000,000	79,989,189.38	89,484,576.16
14	135,000,000	98,363,303.49	103,916,985.88
1 to 14	740,000,000	627,190,309.21	595,565,629.41
15	250,000,000	159,090,734.90	149,976,066.86
16	490,000,000	469,395,731.94	507,634,564.81
17	550,000,000	445,099,920.43	533,587,311.68
18 Sunday			
19	620,000,000	341,627,250.17	485,625,498.65
20	565,000,000		450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,685,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45

Total 1 to 19 \$ 2,650,000,000 \$ 2,042,403,946.65 \$ 2,272,389,071.41

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 19 1945-\$ 624,959,125.

REGRADED UNCLASSIFIED

March 20, 1945.

CONFIDENTIAL

ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,427,037.63	\$ 21,613,287.68
2	30,000,000	30,147,499.17	35,854,637.07
3	42,000,000	43,738,823.15	40,050,869.85
4 Sunday			
5	52,000,000	54,346,948.44	25,185,359.11
6	45,000,000	33,258,935.47	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,091,234.81	46,184,996.25
10	65,000,000	45,796,723.69	62,806,354.89
11 Sunday			
12	75,000,000	75,051,882.56	54,418,059.27
13	95,000,000	80,467,107.90	89,484,576.16
14	135,000,000	102,245,412.37	103,916,985.88
1 to 14	740,000,000	631,699,753.22	595,565,629.41
15	250,000,000	177,327,371.09	149,976,066.86
16	490,000,000	483,906,832.02	507,634,564.81
17	550,000,000	450,926,457.35	533,587,311.68
18 Sunday			
19	620,000,000	352,463,743.36	485,625,498.65
20	565,000,000	329,626,972.11	450,773,447.95
21	450,000,000		308,484,837.74
1 to 21	3,665,000,000		3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 20	\$ 3,215,000,000	\$ 2,425,951,129.15	\$ 2,723,162,519.36

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 20 1945-\$ 701,422,650.

REGRADED UNCLASSIFIED

March 21, 1945.

~~CONFIDENTIAL~~

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ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,427,037.63	\$ 21,613,287.68
2	30,000,000	30,147,499.17	35,854,637.07
3	42,000,000	43,738,823.15	40,050,869.85
4 Sunday			
5	52,000,000	54,346,948.44	25,185,359.11
6	45,000,000	33,258,935.47	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,091,234.81	46,184,996.25
10	65,000,000	45,796,723.69	62,806,354.89
11 Sunday			
12	75,000,000	75,051,882.56	54,418,059.27
13	95,000,000	80,698,709.38	89,484,576.16
14	135,000,000	103,200,894.62	103,916,985.88
1 to 14	740,000,000	632,886,836.95	595,565,629.41
15	250,000,000	179,790,039.14	149,976,066.86
16	490,000,000	501,790,852.22	507,634,564.81
17	550,000,000	476,098,360.60	533,587,311.68
18 Sunday			
19	620,000,000	352,467,887.04	485,625,498.65
20	565,000,000	329,654,852.52	450,773,447.95
21	450,000,000	252,048,988.95	308,484,837.74
1 to 21	3,665,000,000	2,724,737,817.42	3,031,647,357.10
22	350,000,000		289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 21	\$ 3,665,000,000	\$ 2,724,737,817.42	\$ 3,031,647,357.10

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 21 1945-\$ 745,538,900.
March 22, 1945.

REGRADED UNCLASSIFIED

ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,427,037.63	\$ 21,613,287.68
2	30,000,000	30,147,499.17	35,854,637.07
3	42,000,000	43,738,823.15	40,050,869.85
4 Sunday			
5	52,000,000	54,346,948.44	25,185,359.11
6	45,000,000	33,258,935.47	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,093,746.33	46,184,996.25
10	65,000,000	45,796,723.69	62,806,354.89
11 Sunday			
12	75,000,000	75,051,882.56	54,418,059.27
13	95,000,000	80,698,709.38	89,484,576.16
14	135,000,000	103,200,894.62	103,916,985.88
1 to 14	740,000,000	632,889,348.47	595,565,629.41
15	250,000,000	179,846,436.28	149,976,066.86
16	490,000,000	502,594,037.18	507,634,564.81
17	550,000,000	482,446,905.41	533,587,311.68
18 Sunday			
19	620,000,000	370,581,431.47	485,625,498.65
20	565,000,000	329,659,249.99	450,773,447.95
21	450,000,000	252,054,520.60	308,484,837.74
1 to 21	3,665,000,000	2,750,071,929.40	3,031,647,357.10
22	350,000,000	296,250,954.17	289,247,494.56
23	320,000,000		322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,898,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 22	\$ 4,015,000,000	\$ 3,046,322,885.57	\$ 3,320,894,851.66

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 22 1945-\$ 856,520,525.
March 23, 1945.

REGRADED UNCLASSIFIED

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ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

Date March 1945	Estimate	Actual Deposits March 1945	Actual Deposits Corresponding Day March 1944
1	\$ 36,000,000	*\$ 37,427,037.63	\$ 21,613,287.68
2	30,000,000	30,305,697.01	35,854,637.07
3	42,000,000	43,827,945.16	40,050,869.85
4 Sunday			
5	52,000,000	54,453,587.17	25,185,359.11
6	45,000,000	33,258,935.47	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,093,746.33	46,184,996.25
10	65,000,000	45,796,723.69	62,806,354.89
11 Sunday			
12	75,000,000	75,051,882.56	54,418,059.27
13	95,000,000	80,698,709.38	89,484,576.16
14	135,000,000	103,208,861.45	103,916,985.88
1 to 14	740,000,000	633,251,273.88	595,555,629.41
15	250,000,000	179,853,928.39	149,976,066.86
16	490,000,000	502,631,811.84	507,634,564.81
17	550,000,000	484,266,296.07	533,587,311.68
18 Sunday			
19	620,000,000	381,013,980.23	485,625,498.65
20	565,000,000	348,879,597.63	450,773,447.95
21	450,000,000	252,082,950.31	308,484,837.74
1 to 21	3,665,000,000	2,781,979,638.35	3,031,647,357.10
22	350,000,000	296,250,984.18	289,247,494.56
23	320,000,000	187,570,489.85	322,155,576.99
24	300,000,000		271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,579,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 23	\$ 4,335,000,000	\$ 3,265,801,112.38	\$ 3,643,050,428.65

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 23 1945-\$ 890,058,725.

REGRADED UNCLASSIFIED

March 24, 1945.

file

ESTIMATE
INCOME AND EXCESS PROFITS TAX DEPOSITS
MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,427,037.63	\$ 21,613,287.68
2	30,000,000	30,305,697.01	35,854,637.07
3	42,000,000	43,827,945.16	40,050,869.85
4 Sunday			
5	52,000,000	54,453,587.17	25,185,359.11
6	45,000,000	33,689,017.25	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,093,746.33	46,184,996.25
10	65,000,000	45,796,723.69	62,806,354.89
11 Sunday			
12	75,000,000	75,051,882.56	54,418,059.27
13	95,000,000	80,698,709.38	89,484,576.16
14	135,000,000	103,208,861.45	103,916,985.88
1 to 14	740,000,000	633,681,355.66	595,565,629.41
15	250,000,000	179,853,928.39	149,976,066.86
16	490,000,000	502,631,811.84	507,634,564.81
17	550,000,000	484,271,795.12	533,587,311.68
18 Sunday			
19	620,000,000	396,293,114.57	485,625,498.65
20	565,000,000	363,752,822.47	450,773,447.95
21	450,000,000	271,435,315.40	308,484,837.74
1 to 21	3,665,000,000	2,831,920,143.45	3,031,647,357.10
22	350,000,000	296,322,363.51	289,247,494.56
23	320,000,000	187,570,829.36	322,155,576.99
24	300,000,000	210,603,356.07	271,894,242.63
25 Sunday			
26	280,000,000		191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 24	\$ 4,635,000,000	\$ 3,526,416,692.39	\$ 3,914,944,671.28

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 24 1945-\$ 918,119,325.
March 26, 1945.

REGRADED UNCLASSIFIED

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ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

Date March 1945	Estimate	Actual Deposits March 1945	Actual Deposits Corresponding Day March 1944
1	\$ 36,000,000	*\$ 37,427,037.63	\$ 21,613,287.68
2	30,000,000	30,305,697.01	35,854,637.07
3	42,000,000	43,827,945.16	40,050,869.85
4 Sunday			
5	52,000,000	54,453,587.17	25,185,359.11
6	45,000,000	33,689,017.25	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,093,746.33	46,184,996.25
10	65,000,000	45,796,728.69	62,806,354.89
11 Sunday			
12	75,000,000	75,051,882.56	54,418,059.27
13	95,000,000	80,698,709.38	89,484,576.16
14	135,000,000	103,208,861.45	103,916,985.88
1 to 14	740,000,000	633,681,355.66	595,565,629.41
15	250,000,000	179,853,928.39	149,976,066.86
16	490,000,000	502,631,811.84	507,634,564.81
17	550,000,000	484,544,071.60	533,587,311.68
18 Sunday			
19	620,000,000	396,689,563.12	485,625,498.65
20	565,000,000	367,886,879.41	450,773,447.95
21	450,000,000	285,827,342.16	308,484,837.74
1 to 21	3,665,000,000	2,851,114,952.18	3,031,647,357.10
22	350,000,000	316,610,058.10	289,247,494.56
23	320,000,000	187,638,089.22	322,155,576.99
24	300,000,000	210,605,873.67	271,894,242.63
25 Sunday			
26	280,000,000	289,490,929.96	191,698,143.35
27	250,000,000		246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
<hr/>			
Total 1 to 26	\$ 4,915,000,000	\$ 3,855,459,903.13	\$ 4,106,642,814.63

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 26 1945-\$ 1,012,544,825.

RECORDED UNCLASSIFIED

March 27, 1945.

~~CONFIDENTIAL~~

File

ESTIMATE

INCOME AND EXCESS PROFITS TAX DEPOSITS

MARCH 1945

<u>Date</u> <u>March 1945</u>	<u>Estimate</u>	<u>Actual Deposits</u> <u>March 1945</u>	<u>Actual Deposits</u> <u>Corresponding Day</u> <u>March 1944</u>
1	\$ 36,000,000	*\$ 37,427,037.63	\$ 21,613,287.68
2	30,000,000	30,305,697.01	35,854,637.07
3	42,000,000	43,827,945.16	40,050,869.85
4 Sunday			
5	52,000,000	54,453,587.17	25,185,359.11
6	45,000,000	33,689,017.25	33,756,117.22
7	50,000,000	37,379,638.60	44,215,457.50
8	55,000,000	45,748,509.43	38,078,928.53
9	60,000,000	46,093,746.33	46,184,996.25
10	65,000,000	45,796,723.69	62,806,354.89
11 Sunday			
12	75,000,000	75,051,882.56	54,418,059.27
13	95,000,000	80,698,709.38	89,484,576.16
14	135,000,000	103,208,861.45	103,916,985.88
1 to 14	740,000,000	633,681,355.66	595,565,629.41
15	250,000,000	179,853,928.39	149,976,066.86
16	490,000,000	502,648,420.68	507,634,564.81
17	550,000,000	484,544,071.60	533,587,311.68
18 Sunday			
19	620,000,000	397,513,194.66	485,625,498.65
20	565,000,000	369,340,271.96	450,773,447.95
21	450,000,000	288,914,700.98	308,484,837.74
1 to 21	3,685,000,000	2,856,495,943.93	3,031,647,357.10
22	350,000,000	324,472,651.65	289,247,494.56
23	320,000,000	206,334,594.12	322,155,576.99
24	300,000,000	213,000,719.23	271,894,242.63
25 Sunday			
26	280,000,000	289,492,933.80	191,698,143.35
27	250,000,000	212,928,174.41	246,021,608.62
28	200,000,000		239,489,367.76
29	174,000,000		182,979,293.60
30	150,000,000		174,314,461.11
31	120,000,000		133,741,275.73
	\$ 5,809,000,000 (a)		\$ 5,083,188,821.45
Total 1 to 27	\$ 5,165,000,000	\$ 4,102,725,017.14	\$ 4,352,664,423.25

*Adjusted daily to include mail reports from General Depositories.

(a) Approximately \$1,500,000,000 Treasury Tax and Savings Notes will be surrendered in payment of income taxes, of which about \$950,000,000 will be paid March 15 to 21, 1945 incl.

Try. Tax and Sav. Notes Paid for Income Taxes March 1 to 27 1945-\$ 1,081,529,425.

REGRADED UNCLASSIFIED

March 28, 1945.

T-464

Franklin D. Roosevelt Libr.
NOT REPRODUCED

PSF; Morgenthau folder
2-45

THE WHITE HOUSE
WASHINGTON

January 22, 1945.

~~HIGHLY CONFIDENTIAL~~

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY:

If you have any urgent messages which you wish to get to me, I suggest you send them through the White House Map Room. However, only absolutely urgent messages should be sent via the Map Room. May I ask that you make them as brief as possible in order not to tie up communications. If you have very lengthy messages the Map Room officer will have to exercise his discretion as to whether it is physically possible to send them by radio or whether they will have to be sent by pouch.

F.D.R.

(Identical memos sent to all Cabinet Members.
Memo, 1/19/45, from Adm. Brown re this is
filed - Adm. Brown folder, 2-45.)

*PSF: Morgenthau folder
2-45*

THE WHITE HOUSE
WASHINGTON

March 16, 1945.

FIL E MEMO:

The President said as far as he knew, Mr. Baruch was not going to Germany and wanted to know who Mr. Lobell was.

I asked the Secretary again and he said he knew Mr. Baruch was going to London on reparations in connection with Germany and that Mr. Lobell was the person who wrote Mr. Baruch's reports and was to accompany Mr. Baruch to London.

I told the President this and he said to tell the Secretary if the material was not confidential to show it to Mr. Lobell and if it would make the Secretary feel any better to say he had not even shown it to the President.

This I did.

djb

THE WHITE HOUSE
WASHINGTON

March 16, 1945.

MEMORANDUM FOR THE PRESIDENT:

Mr. Baruch is asking to see a lot of material on Germany which Mr. Morgenthau has in Treasury. The Secretary says a man by the name of Lobell is asking for it. Mr. Morgenthau wishes to know is Mr. Baruch going to Germany for the President and should he let him see this material?