

● PSF: Subject File: Baruch, Bernard

Box 17

39 March 1938

President, Harry F. Taylor; Editor, Harry F. Taylor Jr.;
 Vice Editor, Joseph C. G. ...

	One Year	Six Months	One Month
NEW YORK	\$12.00	\$6.00	\$2.00
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FOREIGN	\$18.00	\$9.00	\$3.00

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The design of this paper is to diffuse among the people correct information on all interesting subjects, to inculcate just principles in religion, morals and politics, and to cultivate a taste for sound literature.—Prospectus of the EVENING POST, No. 1, Nov. 16, 1801.

NEW YORK, THURSDAY, MARCH 2, 1938

THE QUAINOT NOTION THAT BARUCH IS A NEW DEALER

If the New Deal lasts until 1980, we are quite sure that along about the spring of that year Mr. Bernard Baruch will appear before a Congressional committee to slam the New Deal. The next morning the Herald Tribune will run a passionate editorial declaring that here, from "within the camp" of the New Deal, comes proof that the New Deal is no good.

The theory that Mr. Baruch is a New Dealer is very precious to the Herald Tribune and to most ultra-conservative newspapers. They dote on the idea of having one pet New Dealer who stands ready to give Mr. Roosevelt beans at every opportune moment. Unfortunately, it just isn't so.

Bernard Baruch is a gifted and useful citizen, a man who rolled up an amazing record of efficiency in handling war supplies, a gentleman with a warm talent for creating friendships—and a dyed-in-the-wool conservative. He is a close friend of Roosevelt and he was a close friend of Harding. He was happier with Harding.

Perhaps the "liberal" legend surrounding the Baruch name has grown up because he knows how to smile, because he has a tolerant, easy approach and doesn't call names. In these days, when conservatives spend so much time biting the furniture, a man who carries good manners into political controversy is likely to be considered liberal. But it takes more than a smile to make a New Dealer.

Bernard Baruch started banging the New Deal almost before it got its suit cases unpacked. In 1934 he was already warning that the Government's fiscal policy meant inflation. (We're still waiting.) He has objected continuously to the gold policy, the spending policy, the tax policy. And each time he has given out, the Republican press has chirped: "See—a New Dealer, and he talks like that."

The new testimony offered by Baruch to the Senate is of a piece with his previous performances. He wants business to regulate itself; a nice idea if it would work. He is obviously in the Donald R. Richberg circle of 3.2 per cent liberals who are patiently trying to create an NRA without the labor and social trimmings. Thus Mr. Baruch covers his conservatism with New Deal lingo. But when it comes down to each specific social part of the New Deal he has only condemnation.

He points out gravely that in a recent survey it was found that 31 cents of the \$1.50 retail cost of a shirt was due to "hidden taxes." This testimony from a "New Dealer" is taken almost verbatim from Republican campaign literature of 1936. Of course, he falls to point out that the "hidden taxes" include municipal, county and State as well as Federal taxes; that the percentage was nearly double in Hoover's administration, when national income was down.

Baruch's use of liberal platitudes in endorsing social security, regulation of business, spending for relief, and his custom of going on to prove that, though each objective is right, the New Deal "method" in each particular case is wrong is a technique we have seen before.

This display of consistent conservatism decked out in liberal colors creates so much confusion that it obscures Baruch's remarks of real value. He is right in denouncing certain mechanical difficulties in administering the corporate undistributed-profits tax, but before liberals can shake his hand on this they find him off on a tangent against high-income taxes, against inheritance taxes, against the capital-gains tax. The voice is the voice of liberalism; the platform is that of Coolidge.

We like Mr. Baruch. We differ from the Herald Tribune in that we like him as an able conservative, not as a unique kind of New Dealer.

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File Personal

BERNARD M. BARUCH
597 MADISON AVENUE
NEW YORK

*PSF
Baruch
June 2*

June 2, 1938.

My dear Mr. President:

I heard that you were wondering why I did not answer your letter of April 25th. You marked it personal in your own hand-writing, and referred to messages I had sent you. And so I sent you an answer in the same way, but did include a personally written note in one of my various memoranda. I should dislike very much to have you think I was discourteous or unappreciative.

I have sent a number of communications to you, verbal and written, and have always felt that if you thought there was anything I could do in the circumstances, you would call upon me.

Unless I can be of some use in the situation here, I shall sail for Europe some time between the middle and end of June.

I think agricultural products are too low and I think the Secretary of Agriculture could say something to encourage consumers in that belief.

I am glad to see you are slipping in here and there such necessary expenditures as for airports and anti-aircraft guns, and other army necessities.

Sincerely yours,

Benjie
I am having quite a correspondence in the wages and hours bill in the Times, Tribune and Sun - I advocated in a letter to them

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

B

B
H-2

April 25, 1938.

Dear Bernie:-

I appreciated the messages you sent me in relation to the way many of the newspapers misrepresented your testimony before the Senate Committee.

But I hope that this experience of yours will enable you to understand a little better the kind of misrepresentation -- unfortunately deliberate -- to which I am subjected almost every day. These are not only on larger matters but are carried to the dirty little digs, such as our friend Krock uses so often.

For example, in the Times of April twenty-second, he speaks of the testimony you gave in relation to British taxes and then he goes on with the following:

"President Roosevelt said of this testimony and the rest offered by the witness that he had read 'only the headlines.' But the report of the Byrnes committee yesterday demonstrates that the Senators who heard it were more impressed."

Krock knew when he wrote this that when I said that I had read "only the headlines" it was at a press conference immediately after your testimony was given -- that no printed copy of all the testimony was available to me, and that in any event I had had only a few hours to read even the such condensed and somewhat garbled newspaper accounts.

What I said was, of course, entirely and properly true. I had only had a chance to read the headlines in that morning's paper.

For Krock to make it appear a month later by innuendo that my information even today is based "only on headlines" is just one of those things which gentlemen don't do.

The English have a term "it is not cricket." That is another way of saying that there are some things which gentlemen don't do.

As ever yours,

Honorable Bernard M. Baruch,
507 Madison Avenue,
New York City,
New York.

PSF: Baruch
file
personal

BERNARD M. BARUCH
597 MADISON AVENUE
NEW YORK

June 6, 1938.

32

T. M. Jones

My dear Mrs. Roosevelt:

If the President is going to appoint a commission to study the working of the English Trade Disputes and Trade Unions Act, don't you think it would be a good thing to have Marion Dickerman put on it?

1. She is well equipped to do a job of that kind
2. It would be very helpful to her and the school because she would do the job well.

Sincerely yours,

BM

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

PSF: Baruch

BERNARD M. BARUCH
597 MADISON AVENUE
NEW YORK

June 29, 1938.

*file
normal
G. C. C. C. C.*

My dear Mr. President:

Stettinius is getting up information on manganese and other items and as it is not yet ready, I have asked him to send it direct to you.

I am just off to the steamer. I am ready to come back at any time, if wanted. In the meantime, I will gather the information you want.

Sincerely yours, *Baruch*

Hon. Franklin D. Roosevelt,
The President of the United States,
Washington, D. C.

*PSF: Baruch
File
Personnel
+ Private*

**WAR DEPARTMENT
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D. C.**

July 6, 1938

MEMORANDUM FOR Miss M. A. Le Hand,
Private Secretary to the President.

The attached letter and its enclosure from Mr. Baruch to the President have been noted. The data referred to are much appreciated by the War Department.

Louis Johnson
LOUIS JOHNSON,
The Assistant Secretary of War.

Incl.

307A 8
BERNARD M. BARUCH
597 MADISON AVENUE
NEW YORK

June 27, 1938.

Miss M. L. LeHand,
Secretary to the President,
The White House,
Washington, D. C.

My dear Miss LeHand:

Will you please
see that the President gets the attached?

Sincerely yours,

B. M. B.

June 27, 1938.

There is very good evidence that the Germans have been large buyers of non-ferrous metals for a long time. Here is a significant fact. All of the countries joined in issuing a statement of the stocks on hand. Since May the German government has refused to let her industries give that information to the various participants.

Japan is buying cash copper on the Pacific Coast. There is not much of this available.

We should take advantage of any trouble abroad, or even the possibility of trouble abroad, to cement our relationship with Mexico, Central and South America, and show them the inadvisability of contacts with nations that might momentarily become embroiled in war. Because of the possibilities American bankers are now afraid to advance money thus lessening the chances of international trade.

I propose to sail on the Normandie on Wednesday, June 29th, at 12:00 noon. If for any reason you want me to remain here, please let me know in time. In case I am wanted later on, I can return immediately but in the meantime I will obtain the information abroad which is so desirable.

TELEGRAM

POD105Cable

*file
personal*

PSF: Baruch

**The White House
Washington**

2
Carl
h-v

Dundee 810pm September 3 1938

LC The President

The White House

If still desirous appointing board for coordinating defense might be advisable announce personnel before next Tuesday's speech. Besides chairman suggest as other members Assistant Secretary of War and Navy former vice chairman of priority Charles Forster, American Radiator Company; John Hancock; Hugh Johnson; George Peek; J L Replogle, to be added to later. All thoroughly experienced and each to have younger alternate to be suggested by the chairman for your approval. Part of work would be extension and coordination of electrical power so that would not be shortage. Am calling you on phone Sunday kindest regards.

Bernie

455pmd

PSF: Baruch

THE WHITE HOUSE
WASHINGTON

October 14, 1938.

MEMORANDUM FOR

B. M. B.

No — Hanshofer was not
his name. The man in Haiti
was Tippenhamer. Remind me
to tell you about the latter
when I see you.

F. D. R.

THE
Carlton
WASHINGTON, D.C.

*My dear Missy - Please that
The President gets this -
You can away last night
Sincerely
P.D. 113*

THE Carlton
WASHINGTON, D. C.

~~Wednesday~~
Thursday

My dear Mr President—
The name
of the German who is the
man close to Hitler is
Dr Karl (now called General)
Hauchofer. So is the man
in Haiti and St Domingo
Bouvier

*file
personal*

PSF: Baruch

THE WHITE HOUSE
WASHINGTON

12-19-40

12-19-40

MEMORANDUM FOR THE PRESIDENT:

Bernie Baruch called me up on the phone and said that he thought the suggestion of Knudsen, Knox and Stimson would be considered a makeshift and ineffective and not impress the American people, as it would not take care of the civilian or labor needs.

He also said he thought that Knudsen's and Nelson's coming out, while the President was away, saying that things were not going so well, was not quite playing ball.

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

PSF: Baruch *Handwritten initials*

TELEGRAM

The White House

Washington

SWU.RA. 28- 10:12 a.m. May 29, 1941

NBN. New York, N. Y., May 28, 1941

Wayne Coy.

I wish it were possible to hold up appointments to the White House other than Lubin's until a restudy is made of situation as it unfolds itself now.

B. M. Baruch.

file personal

OFFICE FOR
EMERGENCY MANAGEMENT
RECEIVED
MAY 29 1941
WAYNE COY

PSP
Baruch

THE WHITE HOUSE
WASHINGTON

file
personal

July 11, 1941.

Dear Bernie:-

I did not have those Paris
Peace Conference experiences with the
"gent" but from much more recent con-
tacts, I am inclined wholly to agree.

F. D. R.

BERNARD M. BARUCH
597 MADISON AVENUE
NEW YORK

July 9, 1941.

THE WHITE HOUSE
JUL 10 9 15 AM '41
RECEIVED

Mr. C. W. 3-41

My dear Mr. President:

I was delighted to learn of your fine physical condition. You were certainly hitting on all four cylinders yesterday.

This letter is particularly to say something about J. Maynard Keynes to whom I hope you will not give your confidence. I saw much of him at the Paris Peace Conference where he was endeavoring to cancel the British loans even while they were making new ones; where he endeavored to impress upon me the necessity of coming to an agreement which I would not, under instructions from President Wilson; where he endeavored to have me agree to a statement, the phraseology of which would have meant one thing to one person and another thing to another person.

He never was of any aid in endeavoring to get decent reparations, although opposed to too high reparations. When he found he could not make any headway, he sulked, went home and wrote a book, the "Economic Consequences of the Treaty of Peace" in which, as you know, he criticized President Wilson unjustly and unfairly.

I have no confidence in him except in his superb ability to talk about things which, like others you can recall, he knows very little about.

I have refrained from saying publicly the things about him which I feel very deeply, because it would be twisted to mean an attack upon England, but he is better off home than here.

You need not consider anything I say here as private or confidential, if you want to use it to him, the British Ambassador or anybody else. I just wanted you to know how I feel about him.

Sincerely yours,

Hon. Franklin D. Roosevelt,
The President,
Washington, D. C.

Baruch to R. Roosevelt

TELEGRAM

file

PSF Baruch - [initials]
3-41

The White House

CONFIDENTIAL

Washington

The White House
October 6 1941

Memo for Mr. Hassett:

Received this morning note from Baruch who is at Garlton Hotel here today. It reads as follows and suggest that you give text to President.

"Dear Steve:

I received your telegram while on the Congressional. Your lack of understanding of my intent made me re-read my letter to Mr. Heart. I am sure the only motive underlying your telegram was one of friendship. Were it anything else, I should not trouble to reply, for no one has a right to hold me accountable for my words or my actions.

"Having said that, let me make this plain---my sole purpose in writing as I did to one of the most powerful editors in the world, who happens to be my friend, was to gain his support for an all-embracing price control bill which I heard he had intended to oppose. Because the defeat or deferral of this measure would be certain to bring disaster, I wanted to leave no stone unturned to remove the danger.

"Let us not delude ourselves, dear Steve. That danger had become greater because of the confusion and delays on the part of the organization set up to handle preparedness and supply. I want to help in every way I can, without hope of reward or fear of punishment, to clear up the condition that means so much to our country. Further hesitation would be fatal.

"Bear this in mind---this entire incident pivoted on Hearst's extraordinarily good anti-Lindbergh editorial. That editorial just as today's on the Bill of Rights made me think that he would be broad-minded enough to be affected by my price control reasoning. So I sent the statement.

"Regards,

"sincerely yours," B M Baruch"

STE

PSF: Baruch, B.M.
March 8, 1942.
Ben Lurie
342

file
Memorandum for the President:

1. I was greatly encouraged by your determination to dismiss failures. Why not do what you did with General Wesson. Notify everybody, perhaps at a press conference, that no alibis will be accepted and if results do not come, their places will be declared vacant. That would stimulate the American people when followed by the dismissal of men who give alibis.

2. Nelson has asked me to make recommendations on the small business man. Many people have been fumbling around with it and I think we will report some more progress shortly. General Wesson, under instructions from Patterson issued an order that has been helpful.

3. I did not see the new Ordnance setup until after it was done but it is along the lines of what I advocated over two years ago and which I thought would save 25% in money and 33 1/3% in time. Doubtless you have seen the result of the drive started in the Ordnance Districts two months ago.

There were over 600,000 rounds of 37's and over 300,000 rounds of 75's - armor piercing and semi-armor piercing shells loaded last month. This will increase rapidly. The 75's were what we lacked in our shipments of tanks to Egypt last spring. T.N.T. and small arms are moving better. Artillery program is not good. You will have to decide very soon about a permanent ordnance chief. All of the production so far has been done by the Army and the Navy Ordnance and not by the civilian organization.

4. The lawn mower company in Newburgh and the DeLaval Separator Company in Poughkeepsie are full up. I wish you would send me a pencil memorandum of any further facilities in that district so I can kick along that work.

5. The raw material situation is bad. You will probably hear some complaints about my activities in that connection. Nelson is not satisfied with his men and I want him to make some changes.

6. Milo Perkins should be given a checkbook with which to undertake to get materials in South America. He is a first-class man.

7. No results yet from a new tire, which should be on the way. Necessity is the mother of invention. But we are not driving hard enough to find substitutes.

8. In view of submarine activities, I think we should re-evaluate the plan for improving the Mexican railroads and the extension of roads and railroads to the Canal Zone.

9. I want Nelson to improve his own organization because I know that industrial mobilization is the weakest factor in production.

10. There is another thing that was on the chart I recommended to you last summer. That was an organization presided over by you, which should meet at stated intervals, composed of representatives of the Army and the Navy, the Maritime Commission (Land), Economic Defense (Wallace), Lend Lease (Hopkins), Jesse Jones, Henderson, Labor (Hillman) and Production (Nelson). An executive should be appointed

perhaps Hopkins or Smith of the Budget, or some such person, who would try to iron out the difficulties between departments before meetings. If the differences cannot be ironed out, the case would be presented to you by both sides in the presence of all the others. If it involved any other department, that department could be asked to sit in but only on cases specifically involving them. Every week all differences would be cleared. Then, I think, we would be set for the best the American can give. We are not yet set. This board would be somewhat similar to Woodrow Wilson's so-called War Cabinet.

Just as a single control had to come, this will have to come. The sooner we face it the better. This will save time and energy. It will increase production. There is not enough all-around urgency. There is too much talking about a thing, making statements and then not following up. We cannot delay action any more.

P.3. We agreed that the Sherman Anti-Trust law and Arnold's activities had to be suspended during the period of war. That does not excuse anything that was done before the war and that may be done after the war, or anything done contrary to War Production Board's orders. The Price Control have that now.

*PSF
Baruch*

COPY

*Van Couver
B-42*

Longhand note delivered by S. I. R.
THE WHITE HOUSE
WASHINGTON

July 29, 1942.

Dear Bernie:-

Because you are "an ever
present help in time of trouble"
will you "do it again"? You would
be better than all the Supreme
Court put together! Sam will tell
you and I'll see you later.

As ever,

F. D. R.

Bernard M. Baruch

PSF: Baruch

filed 12/8/42

*all
personal*

*for boxes "B"
3-42*

This is a memorandum just to let you know that last evening I got Bob Patterson and Donald Nelson into a full agreement on their dispute.

The production of airplanes last month was 4750 of combat ^{about 3000}. If we had not made gliders to the extent of 650-, we would have been pretty close to the original schedules, especially if the War Production Board had furnished the armed services with the raw materials.

The army is doing a pretty good job on production.

B. M. Baruch

PSF: Baruch

Handwritten: *Handwritten* 3-64

Box 117

1055 FIFTH AVENUE

March 2, 1944

file Personal

My Dear Mr President,

In answer to your letter of Feb. twenty-third--the delay was due to the fact that it followed me to South Carolina and then back here.

Sincerely yours,

Baruch

PSF: Baruch

March 2, 1944.

MEMORANDUM TO THE PRESIDENT:

The idea is fine! Especially, the twenty-year payment plan without interest.

I am sure you have in mind to see that we do not get the worst of the ships--in the way of speed etc;.

I think it is unwise to make this agreement in advance, because then you have nothing with which to bargain when you face the difficult territorial problems.

For this reason, it would be better not to come to any immediate agreement; continuing in the meantime, exploratory studies and exchange of ideas, regarding ships, international money, international credit, disposition of surpluses, airlines and international communications.

B.M. Baruch

Amis
PSF: Baruch ~~See letter B~~
3-44

February 23, 1944

MEMORANDUM FOR

B. H. B.

I think that I should tell you confidentially what I have proposed in regard to the disposition of our surplus shipping.

We have just arrived at the point where our merchant marine is actually larger in tonnage than the British merchant marine. At the same time other nations like Norway, the Netherlands and Greece, have lost very nearly all their shipping -- and have replaced none of it. It is my thought that at the end of the war, we should put all the shipping in all of the world into a pile in the middle of the room; then, allocate to the nations which have built no new ships enough to bring them back to about three-quarters of their pre-war tonnage; then, divide up the other half of the pile evenly between the U. K. and the U. S.

I agree with you that we should not give away any of the ships. Rather, we should lease them on a 20-year payment plan to England, Norway and the Netherlands, etc., but without interest. In this way we get our capital back but no more. The smaller nations cannot, of course, do this if they have to pay interest. This interest would double the cost.

Let me know what you think of it.

F. D. R.

fdr/tmb

No papers accompanied the original of this ^{South} memorandum to Mr. Baruch, which was mailed to him at Georgetown, (North) Carolina, in accordance with instructions from Mr. Baruch's office here in Washington.

PSF:Baru

November 5, 1943

Memorandum For The President:

The influence of the United States, and therefore the power which you have, lies not alone in our armed force, but in American productive capacity in every field.

No one can raise the standards above what they are, without your active collaboration. Therefore, before the terms of peace are made, and position is being jockeyed for, I would not want you placed in the position Woodrow Wilson was in at Versailles, where many questions had been compromised in advance.

I should like to see only exploratory action on air bases, shipping, the so-called international R.F.C. and international monetary units. Those are terrific instrumentalities within your grasp, in addition to our productive capacity and the disposition of our surplus and stockpiles.

Whatever we do in shipping should be in the form of leasing or chartering - and not immediate transfer of ships. England, Denmark, Norway, Finland, Russia, France, Portugal, Italy, Yugoslavia, Greece, and others will want ships. We have them. There can be no revival of trade or commerce - or even the prevention of starvation - unless the United States furnishes seeds, agricultural instruments, and helps the nations re-establish themselves through loans and monetary stabilization.

These are the things I would like to see retained within your grasp to effect the broader questions and the ultimate goal which you have fixed in your mind.

These are instrumentalities of such terrific power that they cannot be resisted by anyone.

MEMORANDUM TO THE PRESIDENT
November 15, 1944

RSF: Baruch

Besides the question of jobs and taxes outlined in the memorandum, you spoke passinglly of the Little Steel Formula.

The tightness of production for war and civilian needs, including Lend-Lease and UNRRA, makes for lessening rather than increasing civilian supply, which is being bid for by the increasing expendable sums of money.

The Little Steel Formula, rightly or wrongly, is looked upon as a kind of dyke against inflation. A leak in it will have far wider repercussions than the amount involved. There will surely follow demands by everyone -- with more and more strikes and more interference of production for war.

Trug, Batchelor, and their men are doing a bang-up job. After leaving you, I went to their meeting.

Every union leader must demand increases or lose his influence. The white-collar brigade, Federal workers, firemen, policemen, teachers, veterans -- and the soldiers, above all -- will feel aggrieved because the purchasing power of the allotments to their families will be lessened.

Wearing apparel of all kinds has gone up in price and down in quality. You will recall your efforts to stabilize that. Why it was not done, although ordered by you, I have never been able to fathom. Incidentally, during the only appearance I made before the War Mobilization Committee when you were present, I advocated taking over all agricultural products -- thus freezing the cost of living. You seemed to favor it at that time. That would have stopped it.

The original error was made when wages, all rents, and farm prices (at 100% parity, not 110%) were not included in the first bill. You agreed to that and wanted it. But Hillman, Nelson, Henderson, Lubin, everyone -- but Boies and myself -- opposed the overall plan. Since then it has been a struggle to catch up with the mistake, which will engulf us if the war lasts much longer. If the dyke of the Little Steel Formula is lifted now where will the flood be stopped? A firm position now, with whatever injustice is involved to the steel workers who have a grievance, as have all the rest of the community, is better than the greaver injustice to all workers -- the steel workers among them -- if inflation overtakes us faster.

I have seen similar arguments of the coffee growers asking for higher prices. That will be followed by cocoa, jute, tin and all the things we import, increasing the tempo of inflation. Then the workers will ask for still more.

If anything is done, that something should take into account the future demands that would arise if overtime stopped (lessening the takehome) and prices stayed high.

W. M. Baruch

PSF: Barnack ~~Nov. 10/11~~ 11

3-44

*file
personal*

BELLEFIELD PLANTATION
GEORGETOWN
SOUTH CAROLINA

My dear Mr. President,

Father has just delivered
you message to me. I should
be very pleased if you would
care to come and try your
luck in the pond at Bellefield
as we recently have caught
some nice bass and bluegill.

It was only out of respect
that you might think me
too forward that I have not
offered this suggestion
before.

I should deem it an
honor if you would care to
come for luncheon on the
terrace, dinner or cocktails,
the day most convenient
to you.

Very sincerely,

Belle Gamah

April the eighteenth

PSF
Baruch

Ben Corles "B" 3-47

August 30, 1944.

Dear Bernie:

Pa brought me that fat envelope and it came as a real surprise, as I really thought I owed you something. Ever so many thanks for thinking of me.

My best to you and do come in and see me soon.

As ever,

Honorable B. M. Baruch,
Port Washington,
Long Island, New York.

PSF: Baruch ~~Enclosure~~ ¹⁰⁻³⁻⁴⁴ file

THE WHITE HOUSE
WASHINGTON

October 5, 1944

HYDE PARK FOLDER:

MEMORANDUM FOR THE PRESIDENT

Anna tells me that you
promised you would telephone Bernie
Baruch and ask him to go on the air
for the Democratic National Committee.
They think he will do it if you
personally ask him.

GGT

See letter "13" 3.44

~~SECRET~~

THE UNDER SECRETARY OF STATE
WASHINGTON

file

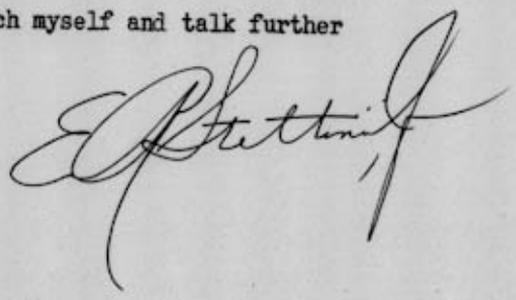
November 30, 1944

MEMORANDUM FOR MISS TULLY

Subject: Mr. Bernard Baruch

In accordance with the President's wishes the enclosed memoranda from Mr. Bernard Baruch to the President and to General Watson are returned for your files.

I have talked with Mr. Baruch and arranged for Mr. Acheson to see him, then a little later I shall see Mr. Baruch myself and talk further with him.



Enclosure:
Memoranda (2)

5

BERNARD M. BARUCH
WASHINGTON, D. C.

October 13, 1944.

Memorandum to the President

I should like to have an opportunity to talk over with those entrusted with it the question of German occupation and the aid to the English. As you know, I was on the reparation and economic commissions that dealt with all of these matters. I am as familiar with them as I was with war mobilization and inflationary measures.

I have no desire to butt in, but I can suggest some things that we can avoid before we do them.

Bernard M. Baruch

BMB

BERNARD M. BARUCH
WASHINGTON, D. C.

October 13, 1944.

Memorandum to General Watson

I suggest that any occupation of Germany should be entirely by the armed forces. The appointment of civilians now would be a mistake because civilians will be writing letters home, and the columnists will get hold of them and create a division in the country as to how the Germans are being treated.

Stern measures will have to be adopted first to have the Germans understand that when any order is given, it must be obeyed. Only men from the armed forces can do that. Eisenhower knows the men who will carry out his orders that will follow the President's policy.

Bernie

BMB

SECRET
7124

*File
Personal*

Em Connel "B" 3-45

*PSF
Baruch*

March 6, 1945.

Memorandum for the President:-

I have heard that Isador Lubin has been recommended for German reparations. In the capacity of statistician and economist he would be of great value since he is capable and honest, but he would hardly measure up as the head of the job you have in mind.

As to the matters that you were good enough to refer to me, I am looking forward to discussing them with you towards the end of the week as you suggested.

Hebeaw is more beautiful than ever, with all the spring flowers about to come out. You would be very welcome to take the place. Belle assures you of good fishing, good mixings, and her own good cooking. She would be glad to accommodate any of your guests that there would not be room for in my house.

Bernie

LETTERS TELEGRAMS AND STATION,
GEORGETOWN, SOUTH CAROLINA.

HOBCAW BARONY

March 6, 1945.

My dear Grace:

Would you please hand the
enclosed memorandum to the President.

Sincerely,

B. M. B.

Miss Grace Tully
The White House
Washington, D. C.

See letter to

*PSF
Baruch*

PERSONAL

March 19, 1945.

TO: THE PRIME MINISTER
FROM: THE PRESIDENT

I would very much appreciate it if you would see Bernie Baruch as soon as convenient to you, and also appreciate it if you could wire him as he counts you one of his oldest friends and would much prefer having your approval before he goes.

ROOSEVELT

The White House
Washington

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MISS GRACE TULLY

WHITE HOUSE

I MAILED MEMORANDUM TO THE PRESIDENT YESTERDAY WHICH WAS
NOT SENT THROUGH YOU AS IT SHOULD HAVE BEEN.

BERNARD M BARUCH.

file
March 18, 1945.

Memorandum to the President:

Back in 1942 and 1943, you asked me to talk to Churchill about his attitude towards Stalin. At that time I told him that the Russians were killing more Germans than all the rest of us put together, and that we should be glad of it, welcome their support and help them all we could.

He was anxious to know what would happen when Germany was beaten. I told him we would then pass into the economic phases of the transition period, looking towards peace, that the democracies of the world, particularly America, would be the greatest source of aid to Russia, and that England and America were the only sources to which they could look for the things that Russia would need.

He was impressed by the argument and even said it was a brilliant idea.

I have always told you that wherever you sat would be the head of the table.

Now in this transition period that has become more apparent. Particularly is this so when Germany is going through Hitler's previously expressed idea of making Germany a desert. The more of Germany that is destroyed, the more the United States becomes the source of rehabilitation in peace as she was the source of materiel, munitions, ships, plans and food in war.

It is not alone Russia that will need England and America. England will also need America. So, there now faces the world a situation where America becomes more powerful than ever as soon as Germany folds up. You

March 18, 1945.

will be asking nothing of others that you are not willing to grant them and the whole world - a peace in which everyone will have an opportunity to work out their own salvation with jobs.

Russia is going to be unable to get much from Germany for many years. Unless she is ready to re-establish German industry, she will get very little.

No matter what happens, America will have to be the prime source of machines, materials and facilities, and engineering and scientific ability.

You have all the instruments at hand with which to bring the peace that you have always envisaged.

B. M. Barush

P.S. If the Polish, Russian, Roumanian or any other government should do something politically, ethnologically or economic that the conscience of America cannot uphold, it will be difficult for you to help them. They must understand that their governments can make their people face bullets while you and our form of government must face the ballots every two years. To meet their needs they must think of our necessities.

March 17, 1945.

Memorandum for the President:

The news carries a story that you have seen General Hines on the veterans' matter. Ever since the GI bill was passed I have had investigators gathering information on it, and hospitalization for the wounded. The last is well done - the other not. The great number of rejectees has carried me into the question of medical care for the general public. After the European matter - if you desire to send me and which should not take more than a couple of weeks - I could undertake a survey of the human side of conversion and demobilization, if you wish, and bring in a report to you in about three weeks. If you decide you want to do it, I will make suggestions as to the makeup of the committee, the naming of which now would hold off any further criticism.

I think I can make a pretty good guess as to how it leaked out about the possibility of my going abroad. Curiously, there was not one single thing concerning some of the matters you want me to take up. I have given much thought to them and I am ready whenever you wish to see me.

The enclosed editorial bears out our views of Brother Keynes.

If you get this German reparation policy fixed, and you seem to be the only one here who has any clarity of opinion and judgment on it, a lot of other difficulties will disappear. That is the most difficult question, and will solve many others.

Blm Baugh

THE WHITE HOUSE
MAR 19 8 37 AM '45
RECEIVED

Inf file
file confidential

Gen Corcoran "B" 3-45
June 21st 1945

THE Carlton
WASHINGTON 6, D.C.

My dear Mr President - The bible and history
are filled with missions upon which countless
men have set forth to help their fellow
men

Now has one been fraught with such
possibilities as the one upon which you
are about to embark.

You carry not only the hopes of the world
but you have an opportunity to make
successful all previous attempts
by making a peace in which
their efforts can bear fruit

Dean Woodrow Wilson 25 years ago
set out upon one - Frank Cobb sent
for me in Dec. 1918 to tell how the
President's task was already impossible
because of compromises and promises
made to England and France. Later
when cabled for by the President
I said all this plainly -

Human frailties being what they

THE
Carlton
WASHINGTON 6, D.C.

all, I have watched, warned and tried to guide when I have seen "indian signs."

I do not pretend to a very great wisdom. But I am like a book of reference to whose pages one can turn to see what has happened before.

At times I have had a deep sense of frustration concerning phases of preparation, production, inflation, man power, et cetera. But I have never failed to try to make anything, everything, every one succeed whether I have agreed or not.

Widow Wilson did not succeed because his papers had been whittled away before he arrived on the scene.

Perhaps I have been too ~~too~~ insistent at times, but I feel

THE
Carlton
 WASHINGTON 6, D.C.

I know that I live around the
 enmity of some. But I must work
 to the end. For I shall not have
 on my conscience, that I have not
 done everything, what little I can,
 that I have ^{been} false to our dead
 our living ^{to my country} and to you my friend.
 There are many pages of experience
 left in my book. They are
 there to be turned. We can learn
 from the mistakes of the past.
 your mission must succeed.

~~Offer you what I have~~

above all my hopes and
 prayers for all who look to you
 and I know you will not fail them
 Bernice

MONEY PLAN OBSCURITIES

This newspaper received a letter from Robert Boothby, which it published on March 4, and a second letter, which it published on March 14, referring to the Bretton Woods agreements. Mr. Boothby is a Member of Parliament and chairman of the Monetary Policy Committee in London.

In both letters Mr. Boothby pointed to what he called certain "major obscurities" in the Bretton Woods Monetary Fund agreement, and he pointed out that regarding several of them precisely the opposite interpretations had been made in Great Britain from those generally made here:

You have been led to believe that the Bretton Woods proposals take us all back along the road to a gold standard, currency stability, non-discrimination and multilateral trade. We have been assured that they constitute the exact reverse of a gold standard, that exchange rates will be flexible and that reciprocal trade agreements involving discrimination will be permissible.

Treasury spokesmen, discussing Mr. Boothby's contentions before the House Banking and Currency Committee, do not appear to have dealt with them very satisfactorily. They questioned Mr. Boothby's motives and his purpose in being in this country at this time. Such personal considerations do not meet the real issue, which is, Do the obscurities and ambiguities which Mr. Boothby alleges to be in the Bretton Woods agreement in fact exist?

There can be not the slightest doubt that they do. Widely different interpretations have been made of the Fund agreement here and in London. It was Lord Keynes, leader of the British delegation at Bretton Woods, who declared before the House of Lords: "If I have any authority to pronounce on what is and what is not the essence and meaning of a gold standard, I should say that this plan is the exact opposite of it." It is Lord Keynes, also, who in a letter to *The Times* of London contended that the Bretton Woods plans would still permit Britain to make purely regional trade and currency arrangements, a view that has been disputed in the United States. There has developed in addition a vital difference of opinion concerning whether the credit granted by the Fund is automatic, regardless of unsound currency or other economic policies in the borrowing countries, or whether the Fund has a right to withhold credit because of such policies.

Wholly apart from Mr. Boothby's personal motives, in short, he is correct when he writes that "Nothing could be more deleterious to the future of Anglo-American relations than that the two countries should sign an agreement, each thinking that it means something quite different." It simply does not make sense for the United States, Great Britain or any other country to commit itself to the Bretton Woods Fund agreement without knowing precisely what it has committed itself to.

There are several ways in which the problem might be dealt with. Congress might accept the Fund subject to an explicit set of understandings or interpretations on essential points at present left in obscurity. A much better course in every respect, however, would be for the Administration to withdraw the Fund proposal at this time, to ask Congress to adopt now only the much less controversial Bank proposal, and then to attempt to reach an agreement with the British on the important points at present subject to such divergent interpretations. An agreement so arrived at could be submitted to other nations for comments or suggestions. This would be a far wiser course than the Administration will pursue if it insists that Congress adopt the present Fund agreement blindly, without this essential clarification.

PSF: Baruch

*file
private
Baruch*

Mr. Howe,

Barnard Baruch 'phoned. He is very much worried about Johnson. The General 'phoned him and told him of your conversation. He told Mr. Baruch that he had explained several things to "your" satisfaction.

Incidentally, Mr. Baruch suggested that no one answer the articles Johnson is writing. Thinks it would be very unwise to do so -- the idea being that if they are not answered the "controversy" cannot be continued.

Johnson told him that his articles on the Cabinet were worse than that on the President. Suggests Carter Glass for Secretary of the Treasury and Baruch for Secretary of State. Mr. Baruch is very much worried over what he thinks Johnson has said about Morgenthau -- it must be pretty deadly but it is of a personal nature which Mr. Baruch thinks will help lessen the blow.

He wants very much to talk to you and I have told him that you would 'phone him about 4:00 today.

(Incidentally, Mr. Baruch asked him/why he did not tell him he was writing the articles. Johnson's reply was that "you would only bawl me out.")

You will 'phone Mr. Baruch today, won't you?

Rabbit.

file *See Annex 13* *3-45*
P.S.F.: Baruch
March 26, 1945.

The messages to the Prime
Minister which complete this file
have been sent to the Map Room
for transmittal.

G. G. I.

MEMO FOR GRACE:

To take up with the President after
Mr. Baruch leaves in order for the Presi-
dent to send a message to the Prime Minister
re Mr. Baruch's arrival, etc.

**THE WHITE HOUSE
WASHINGTON**

March 22, 1945.

MEMORANDUM FOR THE PRESIDENT:

I talked with Mr. Baruch and he said to tell the Prime Minister that he will come whenever the Prime Minister can see him. He wants, of course, to be sure the P.M. will see him but he wants to see you before he leaves. He is in New York but could be down here on Saturday if you will tell me what time you could talk with him. He says he cannot go until he has seen you.

G.C.T.

THE WHITE HOUSE
WASHINGTON

March 22, 1945.

GRACE:

Will you call up Bernie Baruch and say I had an awfully nice telegram from the Prime Minister saying that he was pleased that Bernie is going over and wants to know when he would see him over there. I want to send a telegram to the PM telling him.

F.D.R.