

Basil O'Connor 1940-41

BASIL O'CONNOR
120 BROADWAY, NEW YORK

PSF: D'Connell
full personal
3

My dear Mr. President -

I was delighted with the
ash tray which you sent me
for Christmas. It is occupying
a very prominent place in
my room.

You were very good to think
of me - but that's nothing
new.

Faithfully
Basil O'Connor
Joe

$\frac{1}{3}$
 $\frac{3}{40}$

1
COPY

GEORGIA WARM SPRINGS FOUNDATION
120 BROADWAY
NEW YORK

PSF
O'Connor
3

January 22, 1940.

The President
The White House
Washington, D. C.

Dear Mr. President:

Your inquiry in your letter of January 18, 1940, as to whether capital improvements on your farm costing approximately \$2,000 could be deducted as a capital loss in your income tax return for the year in which the farm is sold, presents more of a problem in connection with the sale of the farm than can be answered by simply "right" or "wrong". Generally speaking any loss that you incur at the time of the sale of the farm will be deductible as a capital loss, including in the cost basis, not only improvements, but the original cost as well.

That brings up the subject of depreciation. Any items of a depreciable nature such as buildings, equipment, etc. acquired at the time the farm was purchased and any such additions thereto will have to be depreciated from their respective acquisition dates and at their respective rates in arriving at the present cost basis for tax purposes. That is true even though you have not included a deduction for depreciation in the annual loss incurred in running the farm. Unless this can be readily determined from your accounts it will present somewhat of a problem as to do it correctly, means, that the original cost should be apportioned between land and depreciable items and the same procedure followed as to any improvements or additions. If you wish to send me your figures in as much detail as possible I will be glad to examine them and see what further information is necessary, if any.

Faithfully yours,

Doc

Original of this letter is in Personal Financial
Drawer 3-1940.

Re - Rest of file on Warm Springs Farm - See: Warm Springs Draw

COPY

January 18, 1940

Dear Doc:

I entirely approve Mr. Haughey's suggestions and will try to get you the amounts of the original purchase prices by me for the farm lands.

Am I right in the following:

Each year except one, I have deducted from my personal income tax an amount equal to my loss in running the farm, this loss not including the cost of permanent improvements such as road building, house building and tree plantations. The total cost of these is not very high -- not more than two thousand dollars, but I think I can deduct this two thousand dollars as a loss in next years return because it represents capital. Am I right?

As ever yours,

Franklin D. Roosevelt

Basil O'Connor, Esq.,
120 Broadway,
New York, New York.

PSF
13 O'Connor
3

Memo to Basil O'Connor from the President-Jan 23, 1940.

Encloses clpy of what he knows and doesn't know about
ADDITIONS OR OMISSIONS UNDER CONTRACT FOR CONSTRUCTION
OF LIBRARY.

See:FDR Library-Drawer 3-1940

BASIL O'CONNOR
JOHN C. FARBER
ARNOLD T. KOCH

KENNETH L. HOFFMAN
HENRY K. URION
WILLIAM F. SNYDER
MAURICE MOUND
EARLE R. KOONS
STEPHEN V. RYAN, JR.

O'CONNOR & FARBER

COUNSELORS AT LAW

120 BROADWAY

NEW YORK

*PSF
O'Connor 3*

January 29, 1940.

*File
Personal*

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

Dear Mr. President:

If you are considering William R. White, New York State Superintendent of Banks, for the position of head of the F.D.I.C., you have under consideration a very fine individual. His record as State Superintendent of Banks is a matter of public knowledge. He has done a really fine, outstanding job in that position.

You may be interested in knowing something about him privately and socially. I have known him for about ten years, and I have seen a great deal of him both in a business and social way. His private life is beyond reproach. He is married to a lovely girl, a graduate of Smith, and has two children. White himself is a Trustee of Hamilton College.

If you can get him to serve in any capacity that involves the banking field, you will be very fortunate.

Faithfully yours,

Do

PSF @ Connors
3.

Basile Connors letter to President of Jan 31, 1940

Re-President's letter to Haughey of Jan 27, 1940
about Otis Moore and the President's memo in reply
of Feb 6-1940 about arrangement with Otis Moore.

See: Warm Springs folder-Drawer 3-1940

BASIL O'CONNOR
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O'CONNOR & FARBER
COUNSELORS AT LAW
120 BROADWAY
NEW YORK

PSF
4
J. O'Connor
Personal
3

February 8, 1940.

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

Dear Mr. President:

Just in case you should read
how successfully I influenced you and Secretary
Hull to make a \$30,000,000 loan to China - I
really didn't! It's just another retainer I
never received!

Faithfully yours,

Joe

PSF
file
13. O'Connor
(Came to file - March 22 - 1940)

AMERICAN EXPORT AIRLINES, INC.

The following statements are in the record and are not disputed:

"Next, let us turn to another phase of the applicant's (American Export Airlines, Inc.) program, I refer to its plan for financing the proposed operations.

"Seventy per cent of the stock of the proposed airline is now owned by the Export Steamship Company. The remaining 30 per cent was originally owned by that company and then distributed to its stockholders as a dividend. Both the airline and the steamship company have 480,000 shares of stock outstanding. Of the steamship company's 480,000 shares, 400,000 were originally issued to the syndicate which acquired control of the steamship company in 1935.

"As is shown by one of the exhibits in this case these 400,000 shares represent a total investment of less than \$1,000. The other 80,000 shares were sold to the public in the fall of 1938, some at \$9 and the bulk at \$10.50 a share. The money raised by the sale of that stock has been used for the financing of the airline's activities to date, and even though the stock represented a share in a highly profitable although heavily subsidized steamship operation, its sale, as described by Mr. Bay, was 'not too hot.'

"It was testified that originally this inside group had the idea of themselves taking up the additional stock of the airline but that on further consideration they decided it was such a good thing that the public ought to be let in on it. Accordingly they have decided that the existing owners shall simply retain 20 per cent of the airline stock and let the public buy the other 80 per cent, keeping for themselves options to buy an amount equal to their present holdings if the airline should prove successful. In other words, this syndicate which, with an investment of \$1,000, owns 5/6 of a profitable, heavily subsidized steamship company, will also have, for the same \$1,000, about 17 per cent of the airline and an option to buy another 17 per cent. The purchasers of the 80,000 shares will have another 3 per cent,--and the public will pay \$1,900,000 for stock and \$1,450,000 for equipment trust notes for the rest.

"It is this group, with a total investment of \$1,000 in the steamship company and the airline, which, of course, has been repaid thousands of times over in dividends, that is asking you to take action that will put in jeopardy the investments made by the stockholders of the company that pioneered the route and the national position on the Atlantic.

"Now what is the enterprise that the public is going to be let in on? Mr. Brophy says this is to be a public offering just like the public offering of Pan American, just like the financing of Eastern Airlines. Of course, it is not. The public is going to be let in on an airline whose entire operations may have to be abandoned if the combat area in Europe should be extended southward; in an airline whose program is based upon the anticipated results of a type of aircraft never before employed in commercial service, to be purchased under a contract where the only remedy for failure of the aircraft to equal its guarantees is to turn them back; in an airline with three airplanes, utterly without reserve equipment; in an airline with only a provisional permit to operate to the country to which operations are presently proposed."

PSF

O'Connor
3

Re: letter from Doc O'Connor of April 30, 1940

Subject: EUROPEAN SITUATION--MOONEY and attached
notes covering C.R. Osborn's discussion with
Dr. H. Wohlthat.

See: Navy folder-Drawer 1-1940

*file
Personal*

JAMES D. MOONEY
1775 BROADWAY
NEW YORK

*PSF
O'Connor*

July 1, 1940

My dear Mr. President,

I regret having received General Watson's telegram advising me of the cancellation of our appointment for Tuesday morning.

Last December and January you and I were on common ground in believing that the European war was an insame mistake, and that it was particularly a mistake for the British and French to have let the war precipitate itself in face of their being badly prepared for such a war.

We agreed at that time that the interests of the United States lay more in the direction of taking a hand in facilitating a peace, rather than in letting the war take its course.

Events during the past several months have proved the conclusions we were mutually agreed on last winter to have been tragically right.

It does seem to me that under the present conditions of a lull in the actual warfare and in view of the fact that England now is faced with confronting her enemy alone, it would be very useful, from the standpoint of the mutual interests of the United States and the British Empire, if the hostilities could be called off.

I know many people in our Government do not agree with this thesis. But, generally, during the past they have been aggressive in advising going on with the war. Events certainly have proved them dead wrong.

I regret not having had the opportunity to present to you some of the arguments for getting back on the course that you and I believed in last winter. I still hope that before general hostilities break out again against England, and it is beginning to look as though this may happen very soon, -- I still hope that I may be able to interest you in taking a position for peace.

I hope you are keeping in your usual good health and spirit during these difficult days.

Respectfully yours,

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

James D. Mooney

June 27, 1940.

MEMORANDUM FOR "Doc" O'CONNOR:

I am very glad you sent me that article by Jim Mooney. I wish very much he would run down to talk to me about it because there are a good many statements in it which are contrary to fact and I am sure he does not want to go on record in regard to certain matters about which he has little, if any, personal knowledge. Incidentally, this article, in its present form, would receive enormous quotation in the Hitler-controlled German press. I should be glad to see Jim, here on Monday, Tuesday or Wednesday of next week.

You should not feel that "Mooney was crossed up a little bit by some of the boys in the service (diplomatic service)." He just would not realize that his very voluminous ~~quoted~~ telegrams took the entire navy staff about four days to decode and the contents of these cables would have gotten to me just as quickly as if they had been sent by Clipper. *Coded*

F.D.R.

P.S. You might tell Jim, in addition, that the principal premise of the article is, in the judgment of the President of the United States, dangerously false. The premise is that we are about to enter the war. He sounds like a speech-maker at the Philadelphia Convention. At this time to take that view is to speak an untruth and to set a false fear in American hearts. That is not Jim's purpose, of course, but I hate to see him unconsciously aid and abet partisan untruth on the one side and Nazi propaganda on the other.

23
Boe

O'CONNOR & FARBER
COUNSELORS AT LAW
120 BROADWAY
NEW YORK

BASIL O'CONNOR
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KENNETH L. HOFFMAN
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WILLIAM F. SNYDER
MAURICE MOUND
EARLE R. KOONS
STEPHEN V. RYAN, JR.

June 25, 1940

VIA AIR MAIL

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

My dear Mr. President:

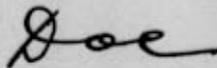
At nine o'clock your time this morning I had a conversation with Harry Hopkins on the telephone which I asked him to relay to you. Enclosed is a copy of a letter which I am sending to Hopkins at the same time that I am sending this letter to you. Also enclosed is a copy of the Mooney article to be published in the Saturday Evening Post on August 3rd.

I have no desire to join the already expanding group of free lance advisers but I urge you to read the article from beginning to end despite the fact that you are familiar with most of its contents. There isn't any doubt in my opinion but that it would make a profound impression on the American people if published, except that in August it will be too late to act on the recommendation which it makes, if that recommendation be sound.

None of this is written in haste or excitement. I am not excited!

I don't need to say that this article, of course, should be treated as strictly confidential.

Faithfully yours,



Encs.



THE SECRETARY OF COMMERCE
WASHINGTON

23 ? 30c
June 29, 1940

File Personal

STRICTLY PERSONAL AND CONFIDENTIAL

Miss Marguerite LeHand
The White House
Washington, D. C.

Dear Missy:

Will you please show this to the
President sometime.

Very sincerely yours,

Secretary of Commerce

Enc.

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 6(D) or (1)
Commerce Dept. Letter, 11-15-72
By SLR Date FEB 20 1973



THE SECRETARY OF COMMERCE
WASHINGTON

June 29, 1940

Dear Mr. President:

I talked to Doc about this. I told him that I did not think the White House should in any way indicate to him whether or not this article should be published or amended. I told him I thought the article expressed the very antithesis of your viewpoint.

Very sincerely yours,

A handwritten signature in dark ink, appearing to be "R. H. Wood", written in a cursive style.

Secretary of Commerce

The President
The White House

BASIL O'CONNOR
JOHN G. FARBER
ARNOLD T. KOCH

O'CONNOR & FARBER
120 BROADWAY
NEW YORK

KENNETH L. HOFFMAN
HENRY K. URION
WILLIAM F. SNYDER
MAURICE MOUND
EARLE R. KOONS
STEPHEN V. RYAN, JR.

June 25, 1960

VIA AIR MAIL

Hon. Harry L. Hopkins,
The White House,
Washington, D. C.

Dear Harry:

Referring again to the telephone conversation which I had with you this morning, I enclose herewith an article which is to be published in the Saturday Evening Post on August 3rd. It is written by James D. Mooney whom you know well.

Mooney was in Europe all during the recent trouble-- some times under auspices with which I think you are familiar. If you are not, the President can tell you about them.

Mooney was crossed up a little bit by some of the boys in the Service but if one reads again, as I have, his dispatches to the President, one can't help but be impressed with Mooney's grasp of the fundamentals of this situation.

I urge you not to skim over this article but to read it carefully from start to finish. If it is published, it will unquestionably make a deep impression on the American people. Although arrangements have been made to publish it on August 3rd, these can be altered if that seems to be the best thing to do. On the other hand the article cannot be published until August 3rd and at that time it will be entirely too late to follow the recommendation which the article makes -- and anyone who says this isn't so must be one of those who on May 28th told you that the French and British had at least a fifty-fifty chance, when in fact the war was over on that date!

I don't need to say that this article, of course, should be treated as strictly confidential.

Faithfully yours,

BASIL O'CONNOR

GO P Y

Enc.

EDITOR'S NOTE: Recently Mr. James D. Mooney spoke before the fifty-fifth Alumni Reunion Banquet of the Case School of Applied Science, held at the University Club in Cleveland. Mr. Mooney's words were carried across the nation over a country-wide radio network. His message created such widespread interest and comment that the Saturday Evening Post asked him to amplify his remarks for publication in these pages.

Mr. Mooney, who is a Vice President and director of the General Motors Corporation, has been in charge, for many years, ending only a few weeks ago, of the world-wide Overseas Operations of this organization. He has now been made responsible for the activities of General Motors in the field of materials and equipment for the national defense program.

Mr. Mooney is a Lieutenant Commander in the U. S. Naval Reserve and has a son who is in the Naval Academy at Annapolis. His daughter is an ambulance driver with the Anglo-French Ambulance Service.

Mr. Mooney, during the first World War, served in France as a captain in the 159th Field Artillery Brigade. He has only lately returned from an eight months' tour of the European war zone.

WAR OR PEACE IN AMERICA?

During the past twenty-two years I have had a ring-side seat at all of the principal wars and revolutions; World War I, the Russian Revolution and experiment in Communism, several Mexican revolutions, the great civil war in Brazil in 1930, the Italian conquest of Ethiopia, the Spanish civil war, the Sino-Japanese war, and on and on to World War II.

During all these long years, every war or revolution I have observed was impelled by selfish political or economic interests, hopes and ambitions. Meantime ideological slogans were invented to fool and excite the people. The good old terms "justice", "freedom" and "liberty" were re-gilded on the banners, and the propaganda mills were turned on to generate the emotional background among the people to drag them along into the war or revolution.

You can make your own general check on the truth of this statement by getting out your map of the world and marking on it the countries that have been embroiled in wars and revolutions since 1914. Then go over the map again and check any of these countries that have made any advance in the art of governing a free people, any countries that are really operating under the principles of democracy.

No matter how much you have read or how many pictures you have seen of bombing raids, slaughter, and wreckage on land and sea, you cannot begin to visualize the colossal toll which Europe is handing over to the god of war. The war is a stupendous tragedy for Europe. The classic "Four Horsemen" of past wars have recruited a fifth. This grim rider is destroying the most fundamental of modern Europe's possessions -- its normal economic life. The means of feeding people are already in a sad state of disintegration.

For each year that the war persists, Europe will suffer a decade of far worse poverty and misery than the present generation has suffered as a consequence of World War I. Even during the past winter, the first of this war, millions of Europeans were cold, hungry, and badly undernourished. Each added day of war increases the certainty of stark famine, disease and death for more millions of Europe's nationals -- belligerents and neutrals alike.

Hungry ballies are powerful generators of social disorder and revolution. And in Europe the end is not yet. If the war goes on very long, we shall see some shocking upheavals in Europe's internal politics.

The war is making a shambles of Europe. More human beings have been killed, maimed and rendered homeless in a shorter period than in any other disaster within memory. The ranks of millions of widows and orphans grow daily. Yet this epic tragedy of mankind cannot add one iota to our store of human values, nor will it advance by a single step the acceptance of any political principle that will enable men to live in a more friendly, neighborly way with one another.

POLITICAL AND ECONOMIC BLUNDERS

During my recent eight-month round of Europe I could not find a single person from "brass hat" to taxi driver who didn't consider the war a tragic failure in international politics. The "man in the street" was fully conscious that the debacle was the climax of a long series of political and economic blunders.

In 1939, there was no popular emotional background in any country to support the undertaking of the war. Hatred was entirely lacking between individuals under different flags. Europe's memories of World War I were still too vivid and poignant. The aftermath of disillusionment provided a very poor culture in which to breed the germs of new antagonisms. Everywhere I found people inert, unresponsive to the ballyhoo of propaganda designed to generate hysteria and hatred. The people of Europe did not want this war. But Europe's political leaders lacked the wisdom and the foresight to avoid it.

Tens of millions of families throughout Europe, men, women and children, are praying to God every day that He will put some good will into the hearts of their political leaders and inspire them to declare an armistice. Peace would bring a general delirium of joy, a universal escape from fear, terror, horror and despair -- a blessed deliverance from material and spiritual devastation.

THE FUNDAMENTAL WAR AIMS

It would be far beyond the scope and space of this article, or even of a large book, to review and appraise the causes of this war and to state the war aims of the belligerents as related to these

causes. But these causes and aims hold some vital lessons for us, and have a most important bearing on the kind of world all of us will be living in when the war is over.

Therefore, with all due apologies for seeming to make it all too simple, I shall summarize the fundamental causes and war aims as follows:

Germany felt that England and France exercised too great control over the food for her people. England and France controlled the commodities and raw materials and markets of the world in a way that made it impossible for Germany to exchange her manufactured products for food and raw materials.

Germany felt that England and France were choking the flow of her foodstuffs, raw materials and trade, and she re-armed, at great sacrifice to her people, to eliminate this fear that her vital supplies and commerce would be cut off. Germany wanted a world set-up in which there would be no hand stronger than her own on her life-lines.

On the other hand, England and France had a growing fear of the rising military power of Germany, and a growing fear of the challenge of this power to their own security. England and France, too, have their life-lines. These were vulnerable to the threat of Germany's military strength.

It has been the traditional method of England to meet such military threats to her vital interests by assembling an alliance of nations whose interests in the issue were on the same side as her own, and to concentrate the combined military power of the alliance in op-

position to the forces which threatened all in common. This was the political method used in World War I, and this method was undoubtedly intended to have been the basic strategy in this war.

However, during the several years preceding the outbreak of the war, many of England's former alliances had lost their vitality. Some countries found that their interests had shifted to the other side; others were paralysed by the rapid growth of the military strength of Germany.

Perhaps one of the most powerful factors was the tendency of important sections of English opinion, in the Government as well as out, to set their views, as dictated by their consciences, with respect to political ideologies such as Communism and Fascism, ahead of the basic issue of the interest of their country. This repugnance to associate themselves with or to accept what they regarded as inferior, degrading and inhuman political and social concepts undoubtedly played a large part in alienating Russia, Italy, Japan, and Spain from their former status as allies of England.

England's military power was not built up rapidly enough to make up for the lost support of these former allies.

Germany, feeling that no improvement had been made in her basic position of dependence on French and British sufferance for her national well being, continued to push the issue of a military challenge. England and France, although recognizing their unpreparedness for war, accepted the challenge in defense of their ally, Poland. Thus, England and France were forced to fight for their lives.

WAR THROWS DEMOCRACY OVERBOARD

These causes of the war and these aims of the belligerents clearly had nothing to do with making the world safe for democracy.

As each country approached the brink of war, or commenced preparations for war, many of the customary democratic methods and practices were thrown overboard. Authority in all areas of life, many of which would under normal conditions be widely removed from the political or governmental sphere, gravitated toward one point -- the central government.

In thus placing control over all aspects of national life at the one supreme point, each country was following an age-old principle to insure the most efficient conduct of the anticipated war. Any country must do this to a greater or lesser extent to meet any real national emergency.

This principle can be called the "degree of integration" of the central governmental power. Military or economic crises set the stage for moving a country in the direction of extremely high integration. History also shows that when revolutions occur the most important net result is a change in the degree of integration of the governmental structure.

Thus, preparations for war invariably tend toward the concentration of power in the hands of the central government authority -- toward a dictatorship, if you want to call it that. History shows, too, that the re-delegation or decentralization of this concentrated authority and its return to the original points of control after the emergency has passed is a very slow and difficult process.

It would be a serious mistake to imagine that our own country can escape the workings of this historical principle. Indeed, almost every newspaper edition even now records one more advance in the process of compressing the threads of our national life into a solid strand leading to Washington. Some of these threads will not be disentangled and freed for a long time --- a generation or two, probably. There may be very good reasons for our getting into the European War. But if we do go to war, we ought to go into it with our eyes wide open to all of the consequences. We shall pay an appalling price, not only in the lives of our young men and in our food and clothing and housing, but in our precious liberty.

On the day war is declared, we can kiss democracy "good-bye". And she won't be back during your lifetime or mine, or during the lifetime of our sons and daughters.

War and the preparations for war are the enemies of Democracy.

AMERICA'S PROBLEM

With the war tearing at frightful pace along its path of death and destruction, every thoughtful American is faced with the questions, "What ought we to do about it? What can we do about it? What are we going to do about it?"

So far as doing nothing about the whole situation is concerned, this is definitely out for two reasons: first, because we have already done too much "monkeying around" in the European situation during the

past two or three years, particularly in the direction of encouraging England and France to take Germany on for a fight, much as England and France encouraged Poland; and, second, because the temper of the country is already too unhappy in a general way over the prospect of doing nothing at all about the whole thing.

Our friends the English are taking a hell of a beating, and it is about time for us to help them if we expect to substantiate our sympathy in any kind of a sincere way.

A year or more ago, when the war-in-prospect was already casting its unmistakable shadow ahead, the feeling most broadly expressed in our country was that we wanted no part of this war -- we wanted definitely and emphatically to stay out. Legislation designed to prevent our being drawn in or involved through the route of war supplies or government credits stood on the law-books and enjoyed widespread approval.

The war had scarcely gotten under way, however, before the understanding took root and spread among the American people of how great was the power which Germany had assembled to correct the conditions of their national existence which they considered unendurable. The American people sensed that this power, if unrestrained, could bring about drastic changes in the world. In this world America, too, must live side by side with the other nations. This excess of power was regarded as potentially inimical to American interests.

The country changed its position with respect to the war and changed the laws which defined and controlled this position. War materials, supplies and manufactured products from American sources were made available to those who were combating this threatening military power.

THE DILEMMA TOWARD WAR

Since that time our country has moved step by step, always closer to actual participation in the war, on the side of England and France. "Isolationism", based on the premise that this war in Europe doesn't concern us, is practically non-existent in the United States today.

The war does concern America vitally, not because it is something inescapable that is being forced upon us, but because America herself has played an important role in international affairs over a long period of years.

During the past twenty-three years, beginning with our declaration of war on Germany in April, 1917, we have very often taken an aggressive position in world politics and particularly European politics. We have "blown hot", and, later, we have "blown cold" and abandoned our position.

Some of the positions we have taken, particularly in the field of international trade and finance, have had a great deal to do with causing the impoverishment of Europe, and, in turn, the present war.

We have had no compunction at all during the past twenty years about playing with matches in the house of international affairs. Now that the house is in flames, we can't run out and turn our backs on the whole affair. Americans have too proud a tradition as fighters to endure a national policy that would brand Americans as men who run away from anything.

With unqualified isolationism relegated to the realm of "wishful thinking" by a realistic appraisal of the facts and events which have been forced upon us, every American is conscious that our country has been moving unmistakably in the direction of full participation in the war. The movement which was at first a "drift toward war" has been accelerated to a far faster pace. This all gives rise to the feeling that the plunge over the precipice is not far away.

We are already conducting an undeclared "economic war" on the countries we have identified as our potential enemies. We have just embarked on a stupendous increase in our armaments. The general hysteria has been increased in our country by the war news and propaganda, a war psychosis is being generated, and eventually some dramatic incident will be seized upon to precipitate us into the war.

This, then, is America's problem. Is it for the best that we continue in our course and take the inevitable plunge into "total war"? We have got to decide what to do about this problem right now.

Our sympathies have been and are with England and France, but we must find some way of expressing this sympathy in a practical way.

WE ARE NOT PREPARED

Most military authorities agree that the chances of our helping England in a military way are very slight. The present course of sending over military equipment is not promising, because the quantities of such war materials and equipment that we can ship over to Europe in a

hurry are comparatively small. Besides, much of the equipment is out of date. It is not the kind of equipment that can stand up against a Blitzkrieg.

It is most important for Americans to realize that we are not well prepared at the moment to get into this kind of fight, and that actually we are handcuffed as far as taking an immediate active part in the war is concerned. But we do have a terrific potential economic and military strength that, properly mobilized for war, would be capable of taking on Germany or, as a matter of fact, all of Europe together.

These modern wars, particularly the Blitzkrieg type of war, are waged largely in terms of mechanical equipment. Although at the present time our tremendous engineering and mechanical strength in the United States is not focussed on the production of military equipment, we can, if we set our hearts to it, put into the field within some reasonable time — perhaps two or three years — a Blitzkrieg army with the necessary planes, tanks, tractors, trucks, and military vehicles that can outclass in total capacity and military power all of the European countries put together. To be realistic, however, we must recognize that we simply cannot do this now.

THE REFEREE

There is a lot of loose, theatrical talk going on in the way of encouraging the British to make a last stand. But this is rather sickening when we face the fact that going on with the war involves the further loss of millions of lives, both military and civilian, and that nothing will be left but a shambles.

Some of our theatrical encouragement to England to make a last stand, while meantime we are powerless to render effective help -- perhaps we don't intend in any event to help -- reminds me of the blood-curdling yells I have often heard at prize fights, when one of the fighters in the ring is taking what our sports-writer friends call an "awful shellacking".

I hear excited calls from behind me addressed to the poor lad who is almost knocked out, but who meantime is battling courageously and doing his damndest to stay on his feet. I look back over my shoulder, curious to see what this bloodthirsty fellow might look like who is crying so excitedly "Stand up and fight!" Nine times out of ten that fellow I see over my shoulder looks like some pale-faced cake-eater who never had on a boxing glove in his life!

The fighters in the audience, the men who know "what it is all about", meantime want the fight stopped and always approve of a referee who has the guts to stop a fight just as soon as it is evident that one man or the other is really beaten and before the fight gets "messy."

It is high time to stop this fight and save England from further misery. It is high time for us Americans to save our friends from a further beating. We can't get into the ring to stop the fight but we can challenge the referee to stop it.

The referee is Washington -- our government.

COMPEL THE DEFINITION OF THE PEACE

We Americans are faced with the realization that we cannot in all conscience ignore the war, and that we are unable to bring effective aid in time to the side with which the broad sympathies of our people rest.

What, then, can America do about this colossal catastrophe that is degrading and destroying Europe?

I propose that before we decide suddenly to add America's tremendous economic and potential military strength to the forces that are destroying Europe, at least we ought to take one last good look at the possibilities of using this strength in the international situation to compel a discussion of the basis for Peace.

If we are going to save our friends the English at all, we have got to save them right now by using our strength in the situation to compel a peace. We ought to get busy at once to challenge London and Berlin to get together for an opening discussion of peace terms.

There was a time when we might have rationally offered to London and Paris and Berlin our services as a moderator in the situation. This might have been a justifiable indication of our willingness to stage a peace discussion.

Now that France has laid down her arms, the time has arrived when we have got to go a great deal further than this, and actually intrude ourselves into the situation in behalf of peace.

We have got to state bluntly and frankly to the rulers of Germany and England that we insist upon an end to the holocaust -- to this insane and disgraceful indictment of civilization.

WAR FOR AMERICA MEANS BLOOD AND SWEAT

The war is a colossal catastrophe for Europe. The catastrophe there arises principally out of the economic disorder that existed in Europe at the outbreak of the war and which is being spread and intensified with every day the war continues.

We have economic disorder in America, too. The South is staggering under the unsolved cotton problem. Because our productive industries in all parts of the country are strangled from one cause or another, we have several million men still out of work. We have slums and frightful housing conditions all over the country. We are continuing our drift into rising prices and inflation because of the rapid rise in our public debt.

Do you think our entry into the war would do anything but make these problems a hundred times worse? Can you escape seeing that when our sons returned from the battlefields they would be confronted by a reconstruction problem that would make the social, economic and political disorder of the past ten years look like a pink tea?

Meantime, there are some stark realities in connection with our defense program which must be faced sooner or later, and the sooner the better.

Authorizing the project and appropriating the money are only the beginning. There is a stupendous amount of work involved, as yet not fully visualized in the public mind.

If this huge job is to be accomplished in time to be worth doing at all, we must get to work and not bother too much about hours worked per day or week. This applies to everybody from the boss's office down to the watchman at the gate.

In addition, we shall have to face the fact that rich and strong as America may be, it is doubtful whether she can take on the expense of this herculean defense job and at the same time continue to maintain and expand the various costly programs of social benefit which in themselves have laid a heavy burden on the national economy.

Far-seeing leaders of industry and of labor will do well by their country to prepare all within range of their influence for the coming fact that the successful accomplishment of the defense program will be a heartbreaking job and not a social experiment.

WHAT SHALL WE FIGHT FOR?

We went to war in 1917 thoroughly believing that we could take some part in creating a more constructive, orderly relationship between the various nations, and that we could, by means of our force, compel a peace in the world that would give us all a little quiet and a chance to lead less worried and more orderly lives.

If we believed at that time that we were going to war for "a brave new world" and if we believe now that we ought to get into this

war, certainly it would be useful before plunging into battle to take our stand for some of the things that we intend to fight for. If our sons are eventually going to leave for Europe to fight, can't we give them some definite idea of what their "brave new world" will be like?

Are we sure that our sending men and guns to Europe to help shoot up the place will have anything to do with constructing a more orderly Europe? Is there still an opportunity for us to make it plain that before we join the fight we would like to know what the fight is all about and what the terms of peace will be when the fighting is finished?

The war in Europe reminds one of a tremendous and horribly frightening fire that has broken out in town. To add to the ordinary horrors of a great fire the fire chiefs in the situation seem to have become quite insane. One colossal mistake after another has been made as a result of hysterical leadership.

We are standing close to the fire and becoming fascinated by it and hysterical too. It is about time for a few cool heads to take a hand in the situation in some manner that will at least provide some slight assurance that the fire chiefs will listen to reason. Certainly before we go any further in adding to the general hysteria, excitement and destruction, we ought to do what we can to challenge the leaders in Europe to halt this terrible massacre.

COMPEL AN ARMISTICE AND PEACE

The immediate practical problem is to compel an armistice and a discussion of the peace. The first thing to do is to get the interested parties around a table so that the peace terms can be discussed and negotiated with an eye to constructing a solid basis on which the various countries of Europe can get along with each other more successfully than they have been able to do during the past twenty years.

On what sort of practicable basis could we approach these problems of bringing peace where there is no peace -- of ending the frightful slaughter and destruction, and of starting negotiations for a basis on which the world can live again?

America's potential power is the key to peace.

The German military victories in this war have been very impressive, but far-sighted leaders in that country must look ahead to the world structure after the war. If the Germans are to have any opportunity to develop and enjoy the better place in the world they have fought for, they cannot afford to have their potentially strongest opponent hammering at the gates. They should be willing to make terms that can be considered acceptable by the United States. America can support the position of the Allies for the maximum of reason and justice in the settlement.

Germany's leaders could be made amenable to the argument of implied opposition by force -- it has been one of their own most successful maneuvers. The fact that such force could not reach its maximum level for three or four years should not mislead them into capitalizing on a temporary advantage; they have been accustomed to planning in terms of years, and such a span is very short in the life of a nation.

All of the belligerents could stop fighting tomorrow without damage to their national honor and prestige. Germany has more than enough glory from her military victories. The record of the French and British struggles in defeat and against heavy odds is a tribute to the courage and resilience of men. The Allied nations took up the way to uphold their pledge to Poland, although they knew they were not prepared for such a titanic struggle. England can now, on the strong intervention of a mediator, stop fighting without acknowledging shameful defeat and without loss of honor.

Even now, through a mediated Peace there is still prestige, glory and honor for all.

Before getting mixed up in the shooting we ought to lay our gun on the table where it is handy to reach and in quite plain sight. Then we ought to make it clear to our friends in London and Berlin that we are thoroughly unhappy about the whole insane situation. We must insist on a discussion of peace.

Our gun lying handy on the table must imply to our friends in Europe that unless such a discussion is begun immediately we shall ultimately join the shooting too.

It is quite clear from the cables and news dispatches that the most important facts in the minds of the British and Germans are America and America's potential military strength. When we read between the lines it is very clear that Germany's greatest anxiety is the possibility that America may enter the struggle. On the other hand, the greatest anxiety of England is that we may not. In this fact lies America's great possibility for compelling the peace.

In other words, what we have to say to the political group in England is "If you won't talk peace now, but insist on continuing with the struggle, we will not enter the war in a military way to help you." On the other hand, we have got to say to the political group in Germany, "If you won't talk peace now, and talk reasonably, we will arm to the teeth and make war, by ourselves, if need be, against you."

If in this way we take a strong, positive position in the direction of compelling peace, obviously we must be expected to sit in on such discussions of peace. We must be prepared to moderate the terms of peace, if necessary, in any direction that will make the peace terms provide the kind of a world we thought we were fighting for in 1917 and 1918.

AMERICA'S TRADITION AND DESTINY

America is troubled in conscience by this war. The war fascinates us and worries us. We shall not sleep well as long as the war burns with a bright flame.

We cannot ignore the war. We must get into it -- or make a supreme effort to end it.

Cannot America achieve the greatness of stature which is demanded of the power that will give the world the lasting peace which is so universally craved, and which is vital if life as we know it is to survive in the world?

Or is the best use we can devise for our great strength to throw it into the insane mess? To pick up the war where the

British and French have perforce laid it down? To repeat the bitter experience of the last war, and, in victory or defeat, to leave the problem, unsolved and intensified, for a later generation to solve?

Perhaps if the war lasted long enough and were fought savagely enough it would be a good many generations later. After such a war, many years might pass before any nation would have the energy or the strength to wonder whether the remnants of some other people, huddled among their half-rebuilt cities and industries, might not have a choicer and more favorably located set of ruins.

What course of action in relation to the war will help America best on her course toward fulfilling her own destiny?

It is high time for America to face the stark reality of the war abroad in its present phase.

America, with adequate national defense, is the greatest power in the world.

Our political philosophy, our democratic tradition, the "American Dream" — these are too precious to us and to the world to be abandoned lightly.

Meantime, it is not necessary for us to eliminate or wipe from the face of the earth all forms of political thinking except our own. We are too great for that.

Our great economic and potential military strength, the greatest in the world, can be used to compel a discussion of the Peace.

At this critical time, we need peace rather than war to help America fulfill her tradition and her destiny.

M.A.L.:

Please telephone me tomorrow
what the President's answer is to the
attached.

B.O'C.
8/13/40

PSF
O'Connor
3

AMERICAN EXPORT AIRLINES

Memorandum for F.D.R.

I was astonished to wake up one morning and find that, despite all the information I had put on your desk, Tommy Hitchcock had succeeded in putting through the C.A.A. and your good self a temporary certificate to carry express and mail to Lisbon, at least for a time.

Their planes are about as safe as an automobile without a steering gear. However, that's that.

Although the Post Office Department opposed the granting of the certificate of economic necessity to American Export Airlines, it now has to take the position that it will use their planes for mail because you signed the certificate.

The matter is now before the Budget Director for appropriation to carry mail. When American Export Airlines is designated a mail carrier and an appropriation is made to enable it to do that, the most unfair thing conceivable has been done to Pan American Airways.

As you well know, Pan American has foregone carrying express abroad to avoid international conflicts. American Export Airlines has a certificate to carry express and mail, and, if the appropriation for carrying mail goes through, it will be able to carry express which Pan American is not doing for obvious reasons, and it will also carry a part of the mail which Pan American is now carrying.

Furthermore, Pan American requires that all passengers have a British visa as it goes into Bermuda, all of which I know only because I am counsel for the company. This means that Pan American will not take as passengers any except holders of British visas and its passenger list therefore becomes greatly reduced by this fact. Because Pan American goes into Bermuda, its mail has fallen off 50%, likewise for obvious reasons.

Requiring British visas for all passengers going into Bermuda has already cut Pan American's income \$500,000 a year. If in addition to this, American Export Airlines is given part of the mail that Pan American now carries, the consequences ought to be quite obvious, apart from any question of fairness.

In addition to the foregoing, the probabilities of one of American Export Airlines' planes going down are very great. If this happens, foreign air service will be tremendously hurt, despite the fact that American Export Airlines will not have any passengers aboard.

file
Confidential

Filed
8/3/40

PSF G'Connor
3

PAN AMERICAN AIRWAYS - BERMUDA STOP

I understand the suggestion has been made that Pan American apply for a permit to fly all European trips via Bermuda.

This suggestion apparently has been made because the British home government did not realize that Pan American has in fact been going into Bermuda.

Pan American has just learned that Ambassador Lord Lothian was under the impression, and probably gave Under Secretary Welles the impression, that Pan American was not going into Bermuda.

Lothian has been straightened out and has been shown that of Pan American's European trips over 45% have touched at Bermuda since June 1st when this matter was brought to Pan American's attention.

There can't be any dispute about such a matter because our own Post Office records will show when Pan American has stopped at Bermuda.

As a practical matter there is no need of Pan American's applying for the suggested permit to stop all their European trips at Bermuda.

As a practical matter there is every reason why Pan American should not apply for such a permit. No such permit could be granted without a public hearing before the C.A.A. at which good and sufficient reasons must be given under oath for the desired change in the certificate. To give such reasons would not be a simple task, if at all possible, and such a hearing might develop facts of international importance that should not come out at least at this time.

In a previous memorandum I set forth in detail how all of this activity in which Pan American has been entirely willing to cooperate is costing them tremendous financial losses - now running over \$200,000 a month on the Atlantic service.

Under Secretary Welles will be advised of this situation by Pan American tomorrow. He apparently has instructions to request Pan American to apply for such a permit. In view of the facts set forth in this memorandum, it is suggested that some word be sent to Welles not to press the request to Pan American to apply for the additional certificate.

8/20/40

BASIL O'CONNOR
JOHN C. FARBER
ARNOLD T. KOCH
KENNETH L. HOFFMAN
HENRY K. URION
WILLIAM F. SNYDER
MAURICE MOUND
EARLE R. KOONS
STEPHEN V. RYAN, JR.

*file
journal*

O'CONNOR & FARBER
COUNSELORS AT LAW
120 BROADWAY
NEW YORK

*PSF
O'Connor*

September 27, 1940.

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

Dear Mr. President:

I "see by the papers" that there is talk of your naming a new Under Secretary of War between Stimson and Bob Patterson. I sincerely hope it's only "talk." It's no effort to imagine Bob Patterson's being put in the very top place, but it's incredible that anyone would be put over him except for political reasons.

As you know, Patterson did not seek this job and is making a tremendous sacrifice in holding it; but, apart from all that, in him you have the best you can get.

I don't know how much you have seen of Patterson personally. I recommend that you see him frequently and thus be able to form your own judgment of him.

Faithfully yours,

Joe

F.D.R.:

Could you ask Lewis Compton or
Moreell whether Hagen and Elmhurst Con-
struction Company are O.K.?

Doc

10/4/40

*file
personal
Baril*

THE WHITE HOUSE
WASHINGTON

October 8, 1940.

MEMORANDUM FOR

JIM ROWE

Will you please find
out about this and let me
know?

F. D. R.

C O P Y

PSF
O'Connor

DRY DOCK TO BE BUILT IN NEW YORK HARBOR

I think you know John Hagen who owns the Elmhurst Construction Company. All of the necessary information with respect to his company is on file in the Navy Department.

Admiral Moreell and Assistant Secretary Lewis Compton know him well, and I think they have a high regard for him.

Hagen, thru the Elmhurst Construction Company, wants the contract to build the dry dock in New York.

He has associated with him as consulting engineer, Rear Admiral R. E. Bakenhus (retired) who designed and built while he was in the Navy all of the dry docks which the Navy now has.

As far as I know, there is no question as to the ability of the Elmhurst Construction Company to do this job well, and they have the equipment to put on the job immediately.

PSF
O'Connor

File
personal
O'Connor

GEORGIA WARM SPRINGS FOUNDATION

120 BROADWAY

NEW YORK

PRESIDENT
FRANKLIN D. ROOSEVELT
TREASURER
BASIL O'CONNOR

October 15, 1940.

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

Dear Mr. President:

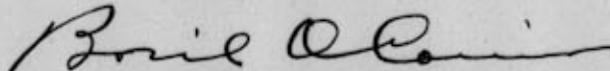
I think you will be interested in the following paragraph from a report to me from Mr. Haughey dated October 11th:

"Personnel.

"We are beginning to feel the effects of the very heavy governmental construction work in Columbus. On this work they are paying \$1.00 an hour for rough carpenters, plumber helpers, etc. At least six men from the village of Warm Springs have gone over there on this basis and I feel sure that in the very near future I will have to give some raises in the Maintenance Department in order to keep our experienced nucleus of men. I have worked it in this way: I have told them that I would try operating without replacing Mr. Hoke Smith and if things worked out well, I would give a fairly general raise to our salaried maintenance employees. At the present time, our regular rates are around 40 cents an hour, but to offset this low rate, we of course give them vacations with pay, and insurance, and a permanent job; but even with these inducements, the difference between 40 cents and \$1.00 an hour is pretty wide."

This, of course, is not in any sense by way of complaint. It really shows that when one spoke moves, the other spokes have to follow.

Faithfully yours,



Chairman Executive Committee

10/17/40

Dear Mr. President -

This morning I discovered
that I was on some mythical
list as a democrat for Willkie!
Fair! So! Maybe its some
relative of mine!

The other side is so desperate,
however, you can't tell what
they may do. So I thought
I'd keep the record straight!

Just one or two Joe
good speeches -
one against dictators & wars
and no bulls - and you're ok. Joe

PSI'

Sunday 12/22/40

BASIL O'CONNOR
120 BROADWAY, NEW YORK

~~File removed~~
confidential

Dear Mr. President -

3-40

Is it the Zebra or Al Capone that
never can change his stripes!!

This influx into Washington of
Republican Lawyers - all from
New York City - and particularly
into the Army.

Of course they despise you and all
supported Willie.

Of course they're glad to be drafted.
It's better for them to be with you
on the inside. Then they can
tell their clients what's really
going on.

And if you think they don't -

I graduated from Radcliffe!

HS is too old to catch on to all
this (or is he?) but you aren't!

A man can have the name McCoy -
and not be the real McCoy!

It's a big country - 27 million Democrats
over 21 years old (remember?)

faithfully

Doc.

6

1940

PSF: D'Connor
JH
personalB
O'C

My dear Mr. President,

You must have been checking up on my travels which are becoming far too frequent and extensive. Your Christmas present will be of great assistance and fills one of my real needs. It is beautiful and useful - a combination not always found in gifts!

Thanks a lot.

Faithfully yours,

Boile O'Connor
Doe

January Sevente

Nineteen hundred and forty one.

P.S. And Lin forty-nine tomorrow!!

ASF
O'Connor

Drawer 3

File
personal

MEMORANDUM FOR F.D.R.

I don't think I need remind you that I spoke to you about Stanton Griffis when we were on the train together, and indicated his availability for London.

I left with you a complete memorandum about him.

B.O'C.

1/8/41

PSF
O'Connor
Shawley
File
Personal

MEMORANDUM FOR F.D.R.

Last night's WORLD-TELEGRAM had me going to England as your Ambassador, and then this morning's TIMES spoils it all by saying that Winant is going! That doesn't seem fair, but I don't suppose there is anything I can do about it.

Seriously, I don't know what there is in the Winant story, and I particularly don't know how much truth there is in the suggestion that if you send Winant you might send a business man along with him.

True or not, the idea is one that appeals, and if you don't want to send Stanton Griffis as Ambassador, he certainly would be an ideal man to fill the second place as business adviser.

Don't feel that because the WORLD-TELEGRAM mentioned me as a possibility you've got to go through with it!

B.O'C.

1/21/41

PSP

BASIL O'CONNOR
120 BROADWAY, NEW YORK

File personal

Dear Mr. President-

It's sure this is a highly improper request but you may find a way to excuse me!

I know Righton McCarthy so well - he's such a grand person - and he's always been so gracious to me - that I'd love to be present when he presents his credentials - all of which may be highly improper according to diplomatic usage!

Faithfully yours,

Joe

February Sixth

Nineteen forty one.

File
personal

FDR

This is worth reading
and relaxing!

Joe

2/17/41

Memo from: BASIL O'CONNOR

COPY

PSF
Doc O'Connor

DARTMOUTH COLLEGE
Offices of Administration
Hanover • New Hampshire

Dean of the Faculty

February 6, 1941

Dear Doc:

I am going to give myself the rare privilege of writing a long letter and it is to be in reply to your note of February 4. As a matter of fact, this letter will more or less hit the high spots of the fairly long talk that I gave last winter to many alumni associations throughout the Middle West, and which I expect to give in modified form during March and April of this year when I go through to the Coast and back probably through the South West. When doctored up with a little substantial fodder about general educational policy here, and the activities of the Dean of the Faculty, it has seemed to be of great interest to alumni who, I think, averaged a total of three hours in listening and discussion at each meeting.

Probably the reasons that I have been working for three years to get the small amount of funds necessary for a Student Workshop are that I never was able to do anything with my own hands except garden and golf, and perhaps as a result of my mathematical training, I was driven into the desirability of this appointment by all the rules of logic.

I have thought for many years that the things that boys get from four years in college can never all be associated either with the classroom, with their own associations, or with their contacts with faculty personalities. This being so, and seeing that no boy can come anywhere near paying us the amount of money it cost to "educate" him, it seemed to me that it was quite logical for the College to spend a little more outside the classroom in giving him things that would in many, many cases greatly enrich his life after leaving college. That thought is the basis of all the things that I have been doing in the last few years which I and others refer to as my luxuries.

Let me, therefore, mention just a few Dartmouth policies which carry out the above philosophy.

1. We believe that the greatest single factor in enriching a man's life is apt to come from a love of reading, consequently Dartmouth is almost unique in making the books and stacks of its library available to undergraduate inspection and use. This costs us money in the way of lost books, et cetera; but it is a sound idea because there is no way that a boy gets to like a book any better than by hunting around and browsing.

2. It has usually been the theory that work in physical education at a college, outside of varsity sports, should be based on the

Bernarr McFadden school of building up biceps. Having all my life noticed some slender, wiry cuss who could easily wear out one of these built with big chests and bulging muscles, I have been very glad that our Department of Physical Education, which as you know gives a lot of magnificent instruction to all freshmen and sophomores, has adopted the philosophy that what it wants to do is to teach boys skills which they can use after they get through college.

3. When I became Dean of the Faculty no one practically had ever heard tell of our Museum. It was operated by a lady highly skilled in Museum science who could catalog everything like a shot; but no one went there. It seemed to me that the Museum should be an integral part of our educational system, and with the appointment of a male director several years ago it turned out to be a gem of rare quality. It is unbelievable how many boys have become interested in things through the Museum which will stay with them the rest of their lives. Mr. Bowen, the Curator, has had to have a very efficient and well trained assistant for some years, and it is just a crime that someone can't give us enough money to build an addition to the Museum. As he wrote in a recent report, some recent recataloging has had to be done in the old coal bin. I am all stirred up about this at the present time because Bowen has become increasingly a persona grata with people at the American Museum, and as they are just to build a new hall they have offered to give Bowen splendid habitat groups of all our local animals. It will most certainly end up with this offer being refused because we have simply no place whatever to put them. I mention this as another outside the curriculum activity that is going to mean a lot to scores and scores of our boys.

4. A few years ago a rather distinguished Englishman, Ray Nash, who wanted to live in Vermont and who is one of the world's authorities on fancy printing and calligraphy, was allowed to install his equipment in the basement of the library, and he was given some such title as Director of the Graphic Arts Workshop. I could talk at length at the number of boys who have done magnificent work with him, and who have acquired intelligent interest in a hobby that will probably tend to keep them sane for the rest of their lives.

5. A few years ago we established, more or less in connection with the Department of Public Speaking, what was known as a Speech Clinic. This Clinic contacts hundreds of boys a year who have minor speech defects which can be easily rectified. Moreover, some aggravated cases have been either greatly helped or completely cured. I don't need to tell you what this service may mean to these particular boys. You may be amused to know that the first man appointed for this job did not turn out to be too good and for a very peculiar reason. He has probably written more papers on speech difficulties than anyone in the United States, and I was sure that he was a winner; but it turned out that he was lazy as a Mahone soldier and was primarily interested in getting hold of some boy, the treatment of whom would warrant another paper. The man we now have, who is a corker, probably doesn't know as much as the first appointment; but he

simply is interested in helping the ordinary boy correct his speech.

6. The next venture, which started out as a rather mild affair, has developed national significance. As you probably know, people who are very slow readers can be greatly speeded up by an expert after just a few lessons. Now the whole country, especially secondary schools, has gone crazy over this particular development; but I had noted that practically everywhere it is managed by a psychologist. It seemed to me that the human eye must have in many cases something to do with it, and I believed we had an ideal set up here at Dartmouth for a cooperative study provided the Eye Institute would cooperate with an excellent man we had on the faculty from the Department of Psychology. It is really an epic story what this Clinic has done in the way of speeding up the reading processes of hundreds of undergraduates; but what has made it of national importance are the studies that have grown out of the experiment. They have debunked all sorts of assumptions. For example, it is almost certain that although a boy can be taught easily to read three times as fast as he has been in the habit of doing without any loss of comprehension, in other words has been fixed up so that he will enjoy reading incomparably more in the future than he has in the past, this speeding up has very little effect on his scholarship. Finally, a study which started when the Class of 1940 were freshmen is about to be completed and is not only going to have a great deal of effect on our own guidance problems here in the college, but I believe it will go much beyond that. This all started from the conviction of the group running this experiment that motivation rather than eye trouble or anything else was the main factor in college failures, and this very sensible idea has led the investigation very far, and I am sure it is going to have many beneficial results on Dartmouth College and probably other institutions.

7. In recent years we have always had a magnificent department here in the teaching of art appreciation; but I have always been sure that the only way a boy will want to learn to paint is to see someone painting, so I hunted for two or three years to find the man of proper type to bring here as Artist-in-Residence. It really was a miracle that Paul Sample was attracted by the idea and for several years has been Artist-in-Residence. His only obligation is to paint his beautiful pictures in the Carpenter Art Building. Adolescence is too early an age for many boys to become interested in painting. That comes later for the great majority; but Paul has all the boys he can handle, and although this is a luxury, it almost certainly will mean much more to a considerable number of the boys than any single course they get in the college.

8. The next innovation simply had to follow the appointment of an Artist-in-Residence, and that was the appointment of a so-called College Naturalist. This Mr. Weaver turned out to be a find. He has no faculty status and his job is simply to be available for boys who want to learn to know and to love the trails of the naturalist. He has a very large clientele, and is probably more in demand outside of Hanover for papers to be published and addresses to be given than anyone on the campus. This particular type of thing happens to have been my own great hobby in

life, and I could write reams about it. About the time that the College Naturalist was appointed, the Outing Club appointed Ross McKenney as Woodcraft Adviser. He had been one of the best known and most respected Maine guides. He can do anything that has to be done in the woods with little equipment. The Outing Club boys love him, and I hope that they can always afford to keep him. Incidentally, they learn to make all sorts of things under his guidance where not too many tools are needed.

9. Finally, I started in three years ago to try to get the President to approve and find the money for perhaps my last luxury, namely a Student Workshop, a place where boys who like to use their hands could go at odd times and make things under capable guidance and with proper equipment. I discovered the right man almost immediately and was so sure that he was the answer to a maiden's prayer that I kept bombarding the President about this. It looked, however, as though there were no possible place here in which he could operate, and, moreover, there was no money available so I about gave up hope, although that is something I rarely do. This fall Mr. Hopkins attended a several day meeting of the Rockefeller Foundation, and he was probably surprised to find that a great percentage of his associates there were all het up over how derelict the colleges were in giving boys a chance to use their hands, so when he got back to Hanover in December, to my delight he told me he was going to use a certain fund which was not available for faculty salaries to pay for this Workshop, and, incidentally, also for the College Naturalist. I wasted no time and Mr. Poling, the Director of the Workshop, got here by January 1 and we had already decided to locate him in a positively ideal spot, the top floor - the old drafting rooms - of the old Thayer School which will be available until money for the new theater project is at hand. Although the shop hasn't yet been opened due to examinations, Poling has had an absolute flood of boys during this examination period in to make things. Beyond a shadow of a doubt this will be the most popular of all these things that I have been writing about.

I presume that Craven Laycock and I have both had the reputation of writing shorter letters than almost any college administrators. I think this letter will bring my own average up considerably. By the way, of course, although this letter is altogether too long for President Roosevelt ever to think of reading, I happen to know that he is very much interested in this type of thing, and perhaps you would like to tell him about it sometime, if you think of it.

Sincerely yours,

(Sgd.) E. Gordon Bill

Basil O'Connor, Esq.
120 Broadway
New York, New York

STE HAS SEEN AND ASKED ME TO
RETURN THIS.

FR

from
Basil O'Connor

Steve
for your
information PSF: 00

February 24, 19

MEMORANDUM

Anent your colloquy with the press last Friday, there appeared in the New York Evening World-Telegram that night an article attached hereto which I think you will find very interesting.

If I were a German spy I would have learned from this simple article the following facts:

- (1) That Thompson sub-machine guns were being made at Utica, N. Y. for the British Army;
- (2) That they were being shipped from Utica by Railway Express;
- (3) That they were being shipped from Utica by Railway Express to Pier 54 at 14th Street and Hudson River, New York City;
- (4) That of the 102 cases originally so shipped, 92 were still there;
- (5) That they were shipped to Pier 54 at 14th Street and Hudson River for loading on the steamship Silver Cedar; and
- (6) That the Silver Cedar was to sail soon for England.

One of this morning's papers informs me that the 10 stolen cases have been found with the guns assembled, thus stating that the guns in the 92 cases now on the pier are unassembled!

Friday, Feb. 21, 1941.

10 Guns for British Stolen from Pier

Case Broken Open Awaiting Shipment

Police are searching for 10 Thompson sub-machine guns made here for the British army, which were stolen sometime before 10 o'clock last night from Pier 54, at 14th St. and the Hudson River.

The guns were in one case of a shipment of 102 cases delivered yesterday morning to the pier by the Railway Express Co., which had brought them from Utica. They were to be loaded on the steamship Silver Cedar, which is to sail for England soon.

FBI agents were investigating. Not Looted on Pier.

James Bateman, a foreman of watchmen, discovered the theft when he was making his rounds last night.

There were splinters of wood on the pier and pieces of the case in the water. The detectives learned that in the past there had been an instance or two of cases from arms shipments being dumped into the river, apparently by someone who disliked the British, and he surmised that the machine guns might be at the bottom of the Hudson.

Search Is Likely, X

Since the machine guns cost only about \$40 each, it seemed doubtful that it was worth while

to risk sending a diver under the ice cakes in the river to look for them.

While it was possible that the guns had been stolen by gangsters or a subversive group, all the evidence was against it. There was no indication that any vehicle had left the pier after 9 p. m. and the probability was that the case was broken open much later while winches on the Silver Cedar were working and making considerable noise.

The case was three feet wide, two feet high and somewhat longer than the length of a machine gun. It weighed about 150 pounds. In addition to the guns it contained ten magazines, ten cleaning rods, other equipment for the guns and ten hand books telling how to assemble and operate them.

file personal

*BF O'Connor
4-41*

Post Office Department

INTER-OFFICE MEMORANDUM

March 7, 1941.

To: Mr. Walker

From: Bill

Remarks: Basil O'Connor called me and said if the suggested arrangements could be worked out a letter would be sent today to the Chairman saying that in view of the desires of the Department certain people did not care to appear in the hearing at all and felt that whatever the Department thought was wise should prevail.

PSF: BASIL O'CONNOR
120 BROADWAY, NEW YORK

*File
personal*

April 7, 1941.

My dear Mr. President:

I am asked by the authorities at Dartmouth to tell you that they appreciate very much the statement which you were good enough to let them have with respect to President Hopkins's Twenty-Fifth Anniversary.

Faithfully yours,

Basil O'Connor

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

PSF: O'Connor folder
4-41

THE WHITE HOUSE
WASHINGTON

April 9, 1941

Dear Basil:

The President asks me to
return the enclosed letter addressed
to you by Dr. Mitchell.

It was nice to see you
yesterday.

As ever,

Enclosures

Let addressed to Basil O'Connor by
Dr. A. Graeme Mitchell, The Children's
Hospital Research Foundation, Cincinnati,
Ohio 3/20/41 re selective service as
it affects medical school graduates.

FDR

The attached refers to a much
discussed subject - but I'm
sure it has not been properly
decided as yet.

If it could be handled from the top
it will come back to please you,
I'm sure.

Please return

Joe
3/26/41

Grace:

file journal.

I hope the President can see this
early Thursday morning.

B.O'C.
9/3/41

P5F O'Connor Folder
11-41

~~STRICTLY CONFIDENTIAL~~

UNITED STATES NAVIGATION COMPANY

To refresh your recollection, attached is a copy of a memorandum under date of July 22, 1941, which you read.

As a result of that memorandum, you talked to Admiral Land.

As a result of various conferences, I am informed that the Maritime Commission is about to issue a declaration of what is called "a new policy" to the effect that the operation of ships in the Mediterranean-South African-Red Sea routes will be allocated to the following in the following order:

- A. American owners participating in the new shipbuilding program.
- B. American owners not participating in the new shipbuilding program.
- C. American operators who do not own ships.

United States Navigation Company would fall under Class C, namely, American operators who do not own ships. In that classification, United States Navigation Company would receive no ships to operate and would be left with no alternative in the circumstances except to close up its business.

Apparently Admiral Land thinks there is no more he can do in this matter. There apparently are three men on the Maritime Commission who control the determination of this situation. One of them is Humboldt, a career man. The second is Robson, a United Fruit Company man. The third is King of the Isthmian Lines.

If this "new policy" is announced and followed, with the result that the United States Navigation Company has to cease to do business, that may in the long run prove to be unfortunate.

9/3/41

July 22, 1941.

On July 14, 1941, United States Navigation Company - a 100% American owned company - requested the United States Maritime Commission to allocate to it for operation two ships in addition to those now operated by it under charter. This Company has been operating ships to South Africa since 1922, to and through the Mediterranean since 1938 and to the Red Sea via the long haul around Africa and up the east coast since war conditions necessitated all ship operators operating to the Red Sea to travel the long haul route.

It was advised that the policy of the Maritime Commission was to approve the operation of ships to the Red Sea only by those operators who had been instrumental in building up the American Merchant Marine. It was advised that a telegram had been sent to shippers which stated among other things:

"ANY EVENT VESSELS UNDER MARITIME COMMISSION
JURISDICTION WHEN ASSIGNED TRADES WHERE REGULAR
AMERICAN FLAG OPERATION MAINTAINED PREWAR WILL
BE ASSIGNED SUCH OPERATORS WHO HAVE IN PAST
CONTRIBUTED TO DEVELOP THE AMERICAN MERCHANT
MARINE"

In accordance with this policy, United States Navigation Company has been advised that not only will the Maritime Commission not approve the chartering of additional ships to it at this time, but that one ship which United States Navigation Company now has under charter, carrying defense cargoes from South Africa to the United States, and whose charter party will not expire for a month or more after its return to this country, will be taken away from United States Navigation Company and turned over to some other operator operating in the Red Sea trade. This can mean only to one or the other of two companies - either American Export Lines or Isthmian Lines. The Maritime Commission has refused permission to the American owners of this vessel, Pacific Atlantic S.S. Co. (States Steamship Company of Portland, Oregon) to renew its charter for a sufficient length of time to complete a round trip voyage to Cape Town or to the Red Sea even though the owner and the charterer are agreeable to cooperating in every way with the Maritime Commission in carrying cargoes desired by the American Government.

The result of this policy is to place in the hands of American Export Lines and Isthmian Lines the operation of all ships operating to the Red Sea. Isthmian Lines is an industrial company carrier owned by the United States Steel Corporation, the services of which are available to others only when the owner's cargo is insufficient to fill the ship.

American Export Lines apparently is catalogued as one of the companies which has assisted in building up the American Merchant Marine. All of the ships which this Company owns were Maritime Commission ships which the company has operated at a profit because of the Government subsidy afforded to it and if it has assisted in building up the American Merchant Marine it is only because of the assistance given it through Government funds.

States Steamship Company has bought and paid for all of its boats; it receives neither a construction nor operating subsidy from the Government; and, so long as the ships are in the hands of competent operators who will carry cargoes designated by the Government to the Red Sea, it is difficult to see why the American owner should be required to turn over its vessels to either an industrial company carrier or to a subsidized owner.

What this policy means in practice is that operations to the Red Sea will be confined to two companies, one of which in normal times would perform no services for anyone else except its industrial owner except to the extent that surplus cargo space might be available after supplying the needs of the owner. The practical effect of such policy would be to concentrate in the hands of one operator subsidized by the Government all vessels operating in that trade. Likewise, as a practical matter, if carried to its logical conclusion, it would put out of business completely an operator who over a period of years has created the necessary agencies and instrumentalities both here and at the other end of the line for handling efficiently, expeditiously and profitably, without Government subsidy, the shipment of cargoes abroad and from abroad.

It would seem that the continued existence of competent operators for ships is to be highly desired at this time and that such operators who have a thorough knowledge of operation generally and a very specific and thorough knowledge of the trades in which they are engaged should be of considerable value to the Nation in this emergency. United States Navigation Company is more than willing to place its experience at the disposal of the Commission and to cooperate with it to the fullest extent and asks only in return that it be given fair treatment and the same consideration as subsidized lines and owners of American tonnage are receiving. It particularly desires that American owners be permitted to continue to charter to it vessels with which it may operate its regular services to South Africa and return with defense cargoes and, further, that it may be permitted to put its services and facilities to use in the Red Sea trade.

file
DB

PSF

O'Connor Folder
3-41

~~STRICTLY CONFIDENTIAL~~

United States Navigation Company

Under date of September 3rd I sent you a memorandum referring to a proposed new policy under which the Maritime Commission would allocate ships for operation in the Mediterranean-South African-Red Sea route. Under what was supposed to be the then new classification of A, B and C, United States Navigation Company would have fallen into Class C, but I pointed out to you that that meant nothing since Class A and Class B would consume all the business in those trade lines and therefore United States Navigation Company would have to go out of business.

As a matter of fact, the new policy as I understood it was not announced but another new policy was announced, as set forth in the attached release, making four classifications under none of which United States Navigation Company could apply, although it has been in the South African trade for twenty years, ahead of all the others.

As a matter of fact, under the present policy of the Maritime Commission as announced on September 8th, none of the companies referred to in any classification except "A" will receive any business. The attached article from the Chicago Journal of Commerce on

UNITED STATES MARITIME COMMISSION

Washington

PR 1013
RECEIVED
MINOR & FARBER
120 B. W. WAY, N.Y.

FOR RELEASE IN MORNING PAPERS OF MONDAY, SEPTEMBER 8, 1941 SEP 8 PM 1:51

American steamship owners and operators who have cooperated with the development of the American Merchant Marine will receive preference in the allocation of vessels in a given trade route, the Maritime Commission announced today.

Such a policy, which has been generally followed by the Commission in respect to the allocation of former Danish, Italian and German vessels to companies for operation, has now been extended to cover approval by the Commission of charter or consignment of vessels in trade routes normally served by U. S. flag owners and operators who have been engaged in defined trades for a period of years.

The Commission decided that tonnage will be allocated to operators who qualify under the following categories listed in order of priority:

- (a) Companies who have constructed and operated owned U. S. flag vessels under the Merchant Marine Act of 1928 or 1936, or prior thereto;
- (b) Companies who have owned and who have operated owned U. S. flag vessels prior to September 1, 1939. (The date upon which war broke out between England and Germany over the Polish situation);
- (c) Companies who have owned and who have operated owned U. S. flag vessels prior to April 9, 1940. (The date of the invasion of Denmark and Norway which was followed shortly by the invasion of the low countries); and
- (d) Companies who have acquired American flag vessels recently or who subsequently acquire American vessels and operate their own U. S. flag ships which have recently been acquired either as their total operation or in conjunction with other foreign flag operations.

Ship Priority To Protect Regular Lines

Newcomers Can't Compete By Using Allocated Ships

Washington Service
Chicago Journal of Commerce
WASHINGTON, Sept. 9.—The United States Maritime Commission's week end announcement of policy as to priority of allocation of seized Axis and Axis-dominated vessels will be extended to cover all allocations of ships under commission control, including the new Liberty Fleet and the standard design ships being rushed toward completion under the combined over-all and emergency shipbuilding program.

Vessel assignments from the Liberty Fleet, the EC type vessels originally dubbed "ugly ducklings," will of course depend first on whether Britain desires any of them for her own use, but in the main it is expected that these vessels will be employed in British aid and defense transport service by United States operators.

The important feature of the new vessel assignment policy is that American lines which have established and promoted essential trade route service will be protected as well as given priority on obtaining ships.

Allocation Explained

The means that when ships are to be allocated for various trades, the carriers which have co-operated in the merchant marine program, either in buying or chartering vessels under the merchant marine act will have first call. It also means that shipbuilders of less preferred status seek to place vessels in essential trade routes they must permit the established line to operate them on an agency basis.

Take the now vitally important and profitable South African service—American South African Line and Robin Line will have preference in obtaining both new and old vessels from USMC. Should another ocean carrier which until recently has not employed U.S. flag ships, desire to enter a vessel in this trade the carrier would have to ask USMC approval and would be informed it could do so with an American flag vessel only by chartering the ship to one of the two established lines.

Under this arrangement outside ocean carriers would get the bulk of voyage profits, the actual operator receiving a percentage of the revenue. But the affect would be to prevent outside carriers entering these war-time profitable trades.

Policy for All Types

Adm. E. S. Land, chairman of the commission, enlarged on the original announcement of this policy at his press conference Monday, explaining it would apply to all types of vessels. "But," he said, "neither he nor anyone else could say definitely what would be done with the hundreds of Liberty ships when they are delivered."

Insofar as they are assigned to trade routes, however, this policy of protecting the established American lines will be followed.

This policy has been followed in assigning the seized Danish vessels, the only exceptions being the allocations to Marine Transport Co. for its new Iceland service, and to Union Steamship Co. of New Zealand for Australian service. In these two instances there were exceptional emergency conditions.

Classes Listed

The border of priority now established is as follows:

Class A—Lines constructing new ships and operating American flag vessels on essential trade routes substantially prior to the inception of World Wars II, especially the subsidized lines.

Class B—Those who owned vessels and bought or chartered vessels from USMC after Sept. 30, 1939.

Class C—Those which joined the American flag ranks in 1940.

Class D—Those which recently switching from foreign flag to American flag operations.

It was to be expected that the new standard design ships would be allocated first to carriers originally under subsidy and operating essential routes, but it is a distinct departure for the commission to protect these routes for these lines by requiring all other carriers seeking to enter those trades to charter their vessels to the preferred carriers, rather than allowing them to enter the trades on a competitive basis.

BASIL O'CONNOR
JOHN C. FARBER
ARNOLD T. KOCH
KENNETH L. HOFFMAN
HENRY R. LURICH
WILLIAM F. SNYDER
MAURICE MOUND
EARLE R. KOONS
STEPHEN V. RYAN, JR.

O'CONNOR & FARBER
COUNSELORS AT LAW
120 BROADWAY
NEW YORK

file personal
September 18, 1941.

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

Dear Mr. President:

Attached is an extract
from a letter from a Catholic chaplain
now in the army. He is a very close
friend of mine and a very fine fellow.
I think you should read it for what-
ever it is worth.

Faithfully yours,

Joe

Enc.

And a very regular fellow

PSF
O'Connor Alder
4-41

"Well, Doc, we haven't deserted as yet, and the only thing which does lower our own morale is the impotency of a Chaplain to clear up the multiple gripes of the soldiers - and I mean just that. I firmly believe that most of the discontent is based on the situation of the camps. The usual question is this: 'Why must the entire enlisted personnel of the Army be trained in the South - where the majority of natives still resent the invasion of the damyankees.' Except the flood of northern dollars does represent the balm of Gilead.

The above fact does explain the troublesome problem of A.W.O.Ls. My own regiment has a very unenviable record of men who left the service without benefit of proper channels. Knowing that our stockade (the brig) has a tough regimen, many of the escapees are not coming back unless in manacles and from what I saw of the black box I hardly blame them.

It has been an assignment of mine to stir up the morale into a moral sense - by teaching the lessons of obedience to authority. It's a losing fight - because it's mighty difficult for college graduates, and many professional men, to bend before noncoms who never progressed beyond the second grade of a one room school. I have written letters - read others - and even signed documents for some of the kids from this sunny South, all things considered the Army is doing well with the material given to it. And that includes reserve Chaplains.

The chief worry here as in many of the camps is the gross immorality. The femmes du monde - or commercial romancers. Our venereal wards never appear to be lacking inmates, despite the lectures, warnings and penal strictures placed on those who dare infect themselves and jeopardize the efficiency and health of others.

The problem has never been settled and I'm not silly enough to think it can be stopped - unless thru a sense of moral responsibility. Well, mayhaps, the approaching maneuvers stretch will solve many perplexing problems, but the war games may also add a few. From my limited experience, I would hate like Hell to see my divisions here ever take to combat under their present lack of training, and that fact may be one of the revelations of the maneuvers. The boys complain there is required too much imagination in lieu of adequate weapons. They have learned the meaning of the term 'simulation' if nothing else. All the foregoing comes under the heading of Chaplain's work in the sense that we are the buffers or intermediaries for officers and enlisted men.

Apart from all that, I should have adhered to my strict diet and exercise because this military life has given me twelve unneeded pounds."

file

PSF

O'Connor Folder

THE WHITE HOUSE
WASHINGTON

September 23, 1941.

MEMORANDUM FOR

GEORGIANA TURNER

Please admit Mr. Basil
O'Connor or his designee to
the premises at 49 East 65th
Street, for appraisal purposes.

FRANKLIN D. ROOSEVELT

file

PSF

O'Connor Folder

THE WHITE HOUSE
WASHINGTON

September 23, 1941.

MEMORANDUM FOR

ANNE MACKENZIE

Please admit Mr. Basil
O'Connor or his designee to
the premises at 47 East 65th
Street, for appraisal purposes.

FRANKLIN D. ROOSEVELT

1

*File
Room*

For F.D.R.

Basil O'Connor
PSF 701da 4-41

Basil O'Connor
John C. Farber
Arnold T. Koch

O'CONNOR & FARBER
120 BROADWAY
NEW YORK

Kenneth L. Hoffman
Henry K. Urion
William F. Snyder
Maurice Mound
Earle R. Koons
Stephen V. Ryan, Jr.

October 11, 1941.

UNITED STATES NAVIGATION COMPANY

Admiral Henry S. Land,
Chairman, United States Maritime Commission,
Washington, D. C.

My dear Admiral Land:

I have done everything possible to hold together the organization and personnel of the United States Navigation Company. The situation is such now, however, that I cannot advise that Company to continue in business any longer with no prospect whatsoever of doing any business.

So that my record may be clear and that there be no misunderstanding as to the Company's position in this matter, I have asked it to prepare a memorandum setting forth its present situation arising out of the policy of your Commission, which I am certain has received your customary full consideration. I enclose a copy of the memorandum prepared by the Company and handed to me. In the circumstances I should appreciate your advising me that the Government sees no way in which to use the facilities of this Company before it actually disbands.

Yours very truly,

BASIL O'CONNOR

COPY

GLENN A. BAYNE
LARRY B. BOONE
WALTER WOODRIF
JACOB L. BRADEN
MERRA K. BRIDON
WHELETT F. HOELM
WALTER L. KOCH
C. LARSEN
D. COINCH

October 11, 1941.

Since April 1941 United States Navigation Company has endeavored to work out with the United States Maritime Commission some plan whereby its facilities both in the United States and abroad and its personnel could be made available to the United States Government during the period of the emergency.

It is a 100% American owned company, established 1919, experienced in operation on routes which are "life line" channels at the present time, and has a reputation for successful and efficient operation.

Because the Maritime Commission under its present rulings and announced policies will not give, and will not permit anyone else to give, vessels to the United States Navigation Company to operate, the Company is not permitted to make available the facilities and personnel which it has and is by necessity being forced to abandon operations.

IS THIS NECESSARY AND IS IT SMART FROM THE GOVERNMENT'S POINT OF VIEW?

SHOULD NOT THE GOVERNMENT FROM THE STANDPOINT OF SELF-INTEREST - BOTH DURING THE EMERGENCY AND AFTER IT HAS PASSED - MAKE EVERY EFFORT TO USE THE EXPERIENCED PERSONNEL AND THE FACILITIES OF THIS COMPANY?

The United States Navigation Company has tried to cooperate with the United States Maritime Commission in every way by carrying defense cargoes in ships which were under charter to it but which have either now been taken away from it by the Maritime Commission prior to the expiration of their charters or by virtue of the refusal of the Maritime Commission to approve the extension thereof. It has also sought to cooperate with the Maritime Commission by entering into agency agreements for the operation of ships for American owners - which arrangement it was told was acceptable to the Maritime Commission - but the Maritime Commission has refused to approve such agency agreements.

The United States Navigation Company has been operating vessels to the United Kingdom and to Germany since 1919, to South Africa since 1922 and since August 1940 it has operated ships for the account of the Norwegian Shipping & Trade Mission to the Red Sea and homewards from the Red Sea to the Persian Gulf and India where, although Norwegian tonnage was used, the good will of the trade and operating experience remains with the American operating company.

ITS EXPERIENCE ON THIS "LONG HAUL" ROUTE IS AS EXTENSIVE AS THAT OF ANY OTHER OPERATOR OVER THE SAME ROUTE.

It has established connections with capable and responsible agents in these trades. It has operated profitably in fields where other lines could not operate without subsidies. Exclusive of its crews it employs fifty-four people experienced in the shipping field and desires to make their abilities and experience available to its Government but finds itself unable to do so because of the declared policy of the Commission.

Translated into factual terms, the present policy of the Commission in operation means that the operation of vessels in the so-called Red Sea trade is now concentrated in the hands of two companies - all others are excluded.

The United States Navigation Company is not endeavoring to transfer its route or engage in a new service. It is and has been a berth operator to South Africa since 1922, and to the Red Sea as long as any other by the "long haul" route. It is merely seeking to be permitted to continue its regular berth operations with chartered American ships on Maritime Commission terms or upon an agency basis with vessels placed upon routes which it has been accustomed to operating, thus taking its place with the other berth operators by adding its facilities to those of others over the same route. As a regular operator over those routes it desires merely to be accorded the same rights as other operators.

It desires to cooperate with the Maritime Commission for the purpose of mobilizing shipping for vital, strategic and defense requirements and requests the opportunity to serve its Government in the same way that other operators are being permitted so to do.

The Company and its employees are substantial taxpayers and if the Company and its employees are compelled to cease ship operations it means that not only will the facilities of the Company not be available, but there will be a resultant loss of revenue to the Government. Such results seem all the more unnecessary in view of the peculiar qualifications of the Company and its personnel for service in the emergency.

It has done everything possible to solve the situation before abandoning its organization, established in 1919, and discharging its personnel, but unless some consideration can be given to its plea to permit it to be of service, it must go out of business.

STANDARD FORM NO. 14A
APPROVED BY THE PRESIDENT
MARCH 19, 1926

file

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

MRS SIDNEY CULVER
WESTHAMPTON
LONG ISLAND NEW YORK

HAVE JUST HEARD THE WONDERFUL NEWS. CONGRATULATIONS TO YOU AND
SIDNEY AND TELL THE LITTLE FELLOW I THINK HE IS A GOOD PICKER
LOVE

UNCLE FRANKLIN

FROM

BF Basil O'Connor
The White House
Washington

HYDE PARK NEW YORK
OCTOBER 20 1941

Basil O'Connor's daughter (Mrs Culver)

File
THE WHITE HOUSE
WASHINGTON

October 25, 1941

GRACE:

I want to see Vickery of
the Maritime Commission next Tuesday
or Wednesday and bring this in when
he comes.

F.D.R.

(See Doc O'Connor Folder for confi-
dential memos from him to FDR re
the Pres. seeing Vickery with ref.
to Marine Boilers & Combustion)

PSF Basil Conway
Folder

MARITIME COMMISSION - MARINE BOILERS

F.D.R.:

THIS REQUIRES QUICK ACTION WITH VICKERY

Please read attached important memorandum. Because of other pressure being brought to bear on him, I am certain Commissioner Vickery would welcome a suggestion that he not give any of the new boiler business referred to in the attached memorandum to either Babcock & Wilcox or Foster Wheeler Corporation - both of whom now have 90% of all boilers ordered by Maritime Commission, and both of whom are already loaded in addition thereto with Navy marine business.

Not only as a matter of fair play, but as a defense measure, this new business should go to Combustion Engineering Company which now has none of the Navy boilers and less than 7% of the Maritime Commission boilers.

10/22/41

1
MARITIME COMMISSION - MEMPHIS
E.D.B.

COMBUSTION ENGINEERING COMPANY

In order to consolidate the priority situation on machinery required for ships to be contracted for in the future, the Maritime Commission has established a department to handle the purchasing of all equipment such as boilers, turbines, engines, pumps, etc., under the direction of Mr. Charles E. Walsh, Jr., formerly Purchasing Agent of the Sparrows Point Plant of the Bethlehem Steel Company.

This department is about to purchase boilers in the following numbers:

| | |
|---|-------------------|
| For Victory ships to be built in the several yards established for this purpose - - - - | 400 boilers |
| For the Alabama Dry Dock and Shipbuilding Co., Mobile, Alabama, for 36 tankers - - - - | 72 boilers |
| For Consolidated Steel Company, Los Angeles, Calif., for 26 "C-1" Maritime Commission ships - - - - - | <u>52</u> boilers |
| <u>Total</u> | 524 boilers |

The boilers are of a type standard with Combustion Engineering Company, and their plants at Chattanooga, St. Louis and Chicago have capacity for building all of these boilers in the time required to meet the Commission's program.

The volume of marine boiler business now on order is 15 times as great as at any other period in our history since the World War. Over 90% of this volume has been placed with two companies - Babcock & Wilcox Company and Foster Wheeler Corporation - whose plants are located in Ohio and New Jersey.

Is the time not now at hand when this situation should be corrected and other manufacturers permitted to have a major part?

Commissioner Vickery made a start by issuing instructions that 60% of the original Victory program was to be placed with Combustion Engineering Company. These instructions did not carry thru, with the result that on the program to date Combustion Engineering Company's proportion is 1/3 of the total with most of the balance divided between the two companies already loaded up with business. The unbalanced situation existing cannot be changed unless a large proportion of the present and future programs is placed with others than the two companies mentioned. This unhealthy condition can

THE WHITE HOUSE
WASHINGTON

be changed by using the facilities of Combustion Engineering Company to full capacity on the present program.

MEMORANDUM

There is another compelling reason why a change should be made. Babcock & Wilcox and Foster Wheeler have marine business that will take up their facilities for three to four years. Consideration should be given to the fact that together they supply the total requirements of the United States Navy and these are more than 4 times the requirements of the Maritime Commission. The Navy's requirements call for a number of boilers at the present time and these two companies can build these Navy boilers in less time and at lower costs than others without Navy experience. Any capacity they have left in their plants should be reserved for Navy work, and the capacity of Combustion Engineering Company should be used on the work with which it has had experience, namely, Maritime Commission boilers as are now to be purchased.

In the case of the boilers now to be purchased for the Alabama Dry Dock and Shipbuilding Co., it would not seem to be good policy to build these boilers in northern plants to be shipped to Mobile, Alabama, when Combustion Engineering Company has a plant in the South which needs this work and can handle it to advantage.

The above statements are, of course, predicated on the fact that the prices of Combustion Engineering Company are competitive. The record will prove that because it submitted figures on the original Maritime program, many thousands of dollars were saved to the Maritime Commission. This was for the reason that the bid of Combustion Engineering Company was the lowest one submitted and all bidders participating were required to furnish their boilers at the price it quoted.

to Bill
ps cph

THE WHITE HOUSE
WASHINGTON

November 3, 1941.

MEMORANDUM FOR

THE PRESIDENT

Doc called and asked me
to remind you about seeing
Commissioner Vickery on the
matter attached herewith.

G.

COMBUSTION - VICKERY

F.D.R.:

I think it essential that you see Vickery Wednesday, November 5th, if you possibly can, about the 330 boilers.

If he tells you that the allotment has already been made, namely, 70 to Combustion and the balance to Babcock & Wilcox, that doesn't mean a thing because the allotment can easily be changed - and should be changed.

FAR

Joel drop everything else
to attend to this!

It is a matter of importance
to Long Island and
one in which the gov.
should be interested.

Joe

10/8/41

PSF
THE WHITE HOUSE
WASHINGTON

*Doc O'Connor
Folded
File
Preserved*

October 31, 1941

MEMORANDUM FOR DOC O'CONNOR:

The enclosed is sent to you
in confidence for your information.

F.D.R.

COPY OF MEMO TO THE PRES. FROM BEARDALL
RE: SHINNECOCK INLET, L.I. WITH MAP
IN BEARDALL'S FOLDER.

Yule
Purman
PSI
C. C. Brown
H. H. H. H.

THE WHITE HOUSE
WASHINGTON

November 14, 1941.

MEMORANDUM FOR B.O.C.

I am sending you herewith copy
of a memorandum from Admiral Moreell
for your confidential information.

F.D.R.

Re: John Hegeman

NAVY DEPARTMENT

BUREAU OF YARDS AND DOCKS

WASHINGTON, D. C.

12 November 1941

MEMORANDUM FOR THE PRESIDENT.

I have your memorandum relative to Mr. John Hegeman.

Mr. Hegeman, with two associates, has a Yards and Docks contract in Panama for work of miscellaneous character. After some difficulties in organization at the beginning, he has now reached top speed. A report which I have just received from my special inspector indicates that very satisfactory progress is being made.

The original contract was for \$11,050,000. This has been increased by successive increments to a total of \$26,537,872. The last increment, for \$2,668,320, was issued on October 13, 1941.

There is every reason to believe that additional projects will be developed in the Panama area and, in view of Mr. Hegeman's presence on the site with a hard-hitting organization, it would be costly in time and money to give these additional projects to anyone other than Mr. Hegeman.

At present, all of the projects in the Panama area for which we have money are under contract.

Mr. Hegeman spoke to me about work in other areas and I assured him that, if and when funds are made available for such work, I will be pleased to give his organization every consideration.

Respectfully,

Ben Moreell

Ben Moreell

NAVY DEPARTMENT
BUREAU OF AVIATION AND NAUTICS
WASHINGTON, D. C.

*file
Personal*

THE WHITE HOUSE
WASHINGTON

November 10, 1941.

MEMORANDUM FOR

ADMIRAL MORELL

I have a memo from my friends of the Georgia Warm Springs Foundation to ask how John Hegeman has been doing his work in your Panama contract. If it has been wholly satisfactory they want to know if he can get more work!

F. D. R.

JOHN C. HEGEMAN - ADMIRAL MOREELL - PANAMA

F.D.R.:

This is a memorandum to remind you to speak to Admiral Moreell as to how John Hegeman has been doing his work in Panama.

Hegeman has the organization to do more work and of course would like to have it. The fact that he has one contract does not preclude him from having others. Many contracts in widely scattered areas have already been given to the same contractor.

10/23/41

BF

See Dissonance Folder

THE WHITE HOUSE
WASHINGTON

PERSONAL AND
~~CONFIDENTIAL~~

November 22, 1941.

MEMORANDUM FOR

COMMISSIONER VICKERY

What do I say to this man?
It is becoming a nuisance.
Certainly his figures must be
wrong.

F. D. R.

Three memoranda from D. B.
O'C in re. Combustion Engineering
Company.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date FEB 20 1973

file
personal

PSF: dl

December 10, 1941.

Dear Elvira:

Quite some time ago the President, hearing that Doc needed a change of overalls, said he would send him a pair for Christmas. At that time I told Doc and he gave me the size and told me to be sure to see that he gets them. However, I have forgotten the size. Will you be good enough to send me his trouser, waist, chest and sleeve measurements? I asked for these because I understand they are making a new type of overall or dungaree and perhaps for the cool weather he should have sleeves.

I do hope you and the girls are well. This takes to you my congratulations on being a grandmother.

Affectionately,

Mrs. Basil O'Connor,
1220 Park Avenue,
New York, N. Y.

THE WHITE HOUSE
WASHINGTON

December 29, 1941.

MEMORANDUM FOR DOC O'CONNOR:

I cannot write and request
Vincent Cullen to call a meeting as you
suggest. Why don't you do it?

F.D.R.

Return Vincent Cullen's letter to O'Connor
dated 12/20 re War Risk Insurance

PSF Basil O'Connor
Folder

MEMORANDUM FOR F.D.R.

WAR RISK INSURANCE

DO NOT SEND THIS MEMORANDUM TO JESSE JONES OR ANYONE ELSE

This memorandum refers to war risk insurance on accounts, bills, currency, debts, evidences of debt, money, notes and securities, all of which are EXCLUDED from the War Insurance Corporation of the RFC.

Attached is a letter from Vincent Cullen showing the situation that arises from the lack of war risk protection on this particular class of property - money, stocks, securities, etc. I think it is a very important matter.

I shall appreciate your reading Cullen's letter carefully.

I recommend that you request Vincent Cullen to call a meeting of the insurance industry to consider the formation of a war risk insurance company along the lines he indicates which would cover the particular class of property not covered by the War Insurance Corporation of the RFC.