

● PSF

Henry A. Wallace (1940-1944)

Subject File

Box 190

Box 190


CHAS. J. VOGEL
DEMOCRATIC NATIONAL COMMITTEEMAN
FARGO, NORTH DAKOTA

- 2 -

In viewing our election figures for 1940 and in drawing comparisons with the two preceding presidential elections, a hastily drawn conclusion would summarize the disastrous result by blaming it all on the "German-Russians" and coming to what I believe to be the erroneous conclusion that they are necessarily un-American and the sole cause of the election reversal. As one example, in 1936 the President carried McIntosh County by approximately 450 votes. In 1940 the President lost McIntosh County by 11 to 1. This is an extreme instance but it is apparent that in most sections of the state the German and German-Russian vote went very much against the President, and our increase in the Scandinavian vote was not nearly great enough to offset it.

We should not, however, be too hasty in laying blame. There are several reasons why President Roosevelt failed to carry North Dakota in 1940. I shall summarize them below but before doing so I want to point out one of the reasons why the vote in the "German-Russian" counties was so predominately against the President. My two opponents for the United States Senate, William Lemke and Senator Langer are both of German descent and both have very large followings among the "German-Russians". That is particularly true of Senator Langer. Both Lemke and Langer campaigned vigorously for Willkie and that, without question, was greatly reflected in the President's vote in those sections of the state where Langer and Lemke were the strongest.

The Presidential vote in North Dakota for 1940 is accounted for by the following:

1. The German and "German-Russian" vote as explained above.
2. Langer and Lemke both campaigned in behalf of Willkie
3. The very considerable amount of money put into the campaign by the Republicans as evidenced in one instance by a personal check for \$4000 from Lamont Dupont to the Republican State Chairman
4. The failure of our Democratic Governor to make any mention of the President during his campaign for re-election or to campaign with or in behalf of any of the candidates for national office. This was interpreted by many as showing a lack of sympathy for the President's re-election and by some as anti-third term-ism.

When you add the above obstacles together you can hardly be surprised at the result, coupling it with the fact that only two Democratic national speakers appeared in North Dakota during the campaign, Vice President-elect Wallace, and Governor Townsend of Indiana, both of whom appeared and spoke with me but neither of whom was allowed to campaign with the Governor. This meant that I, as candidate for the Senate, and one of the candidates for

hms

PSF: ~~Mr. President's folder~~
Wallace 1.2-43
Subject

October 15, 1943.

Dear Henry:

I have talked to Morris Ernst about short books on the Four Freedoms and I would be delighted if you would do one of these books.

Personally, I would use a gentle panning of the opponents of the Four Freedoms -- but in a light vein. For instance, one could make comparisons between them and the nobility of France at the beginning of the French Revolution; with the small, but noisy minority who opposed the Magna Carta; with the rioters of Athens who drove out many wise men; and with the rambunctious children of Israel who made Moses so angry he smashed the Tables of Stone.

As ever yours,

FRANKLIN D. ROOSEVELT

Honorable Henry A. Wallace,
The Vice President.

RUTHJANE:

Mr. Early asks that you HOLD this
until the President returns.

mb

File
4/19/44

PSF:
Wallace folder 2-73

Private

October 27, 1943.

Dear Henry:

Your note of October twenty-fifth has cheered me up and since I have been in bed with the "flu" I have come to the same conclusions as you in regard to brother Willkie. He puts on a good circus act -- not three horses, but a dozen horses at the same time. I think his foot will slip -- watch for it.

That is interesting about the Scripps Howard papers. I do not know the way of doing it, but somebody might discover a way of bringing the new couple to the White House some day to say "howdy".

In regard to the people on the other side (well-meaning and otherwise) I always remember that those who keep on running around in circles are very apt to get dizzy -- especially when the circles are very small.

I hope to be around in a day or two.

As ever,

Honorable Henry A. Wallace,
The Vice President.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

October 25, 1943

The President

The White House

*The President's reply to this letter
in confidential files*

Dear Mr President:

I hope the fever has died down and that you are again enjoying life with your customary zest.

Enclosed are some items which you may enjoy if they have not already been called to your attention.

First - the clipping from the New York Times of last Saturday gives the account of the marriage of the widow of Robert Paine Scripps to William Waller Hawkins. This may mean that within a relatively short period of time Roy Howard will be out of control of the Scripps-Howard chain. Those who know Hawkins say that he is a more sensible man than Howard, that he is more just and that he has a certain amount of animus against Howard. It is quite possible that Hawkins who is in his early 60's may reorganize the whole concern.

Second - the United Press clipping of October 22 and the John O'Donnell clipping of October 20 both furnish interesting sidelights on Willkie. At Syracuse Willkie said in effect to Dewey, "It would be impertinent for you to run for President in 1944." To the Southern Democrats he said, "You are ultra-reactionaries who stay in power by grace of disfranchising millions of people."

The O'Donnell clipping, after calling attention to the well known fact that Willkie is speaking very frankly to wealthy Republicans, indicates that Willkie is getting ready to return to a modified form of his earlier isolationist line. He is undertaking the difficult feat of welding together the liberal following which he has built up recently with the old isolationist following to which he catered during the 1940 campaign. It seems that Willkie has already made peace with the most

To The President contd

-2-

powerful elements in the Republican Party in the Northeast and that they now have the idea of using Dewey to run interference for Willkie.

Respectfully yours

Hawallau

P S

Willkie's line in confidential appearances before second string wealthy Republicans in the Middlewest is freely translated as follows:

"I am your kind of a guy. I have made my own money and don't need any of yours. I have no favors to ask of you. You need me more than I need you. I can give you a business administration post war and I understand your problems. The biggest job is going to be to straighten out America and get things going.

"Fourth term Roosevelt can't help you. I am the best man you have got to get elected. I am as right on Foreign Affairs as Roosevelt. No other Republican is.

"People worried about a third World War trust me. What other Republican can they trust?

"The curse of the Republican Party is the Isolationists. We have got to meet Roosevelt on Foreign Affairs both in the platform and in the candidate. Doing that we can whip this fourth term. If Roosevelt thinks the fourth term is as easy as the third term, he is crazy. I can beat him, war or no war. Bricker could not get to first base. MacArthur is a good guy but can't win as head of the ticket. People don't want a military dictator any more than they

To The President contd

-3-

want Roosevelt as dictator. Dewey is wrong on Foreign affairs and has not got the 'oomph'.

"So you have only got me and you might as well make up your mind to it---that is if you want to get rid of Roosevelt."

TURDAY, OCTOBER 23,

MRS. SCRIPPS WED TO WM. W. HAWKINS

Widow of Editorial Head of the
Scripps-Howard Chain Bride
of Its Board Chairman

Special to THE NEW YORK TIMES.

RENO, Nev., Oct. 22—Stopping over at Minden, Little County seat town in the center of a cattle-raising section of western Nevada, William Waller Hawkins, chairman of the board of the Scripps-Howard Newspapers, and Mrs. Margaret Culbertson Scripps, widow of Robert Paine Scripps of the same publishing organization, who died on his yacht in 1938, were married late yesterday. They had motored from Miramar, a suburb of San Diego, and after the wedding, continued on to the Scripps summer home at Glenbrook, Lake Tahoe.

The ceremony was performed in the court room of the Minden court house by Justice of the Peace James Hickey. Witnesses were Hans Jepsen Douglas, County Clerk, and Margaret Faletti, court house attaché.

The couple will spend about two weeks at Glenbrook, Mr. Hawkins said this afternoon, and will return to Miramar for a few days before going to New York to make their home.

Mr. Scripps' father, the late Edward Wyllis Scripps, founded the newspaper chain, of which the son was principal stockholder and editorial director.

CAPITOL STUFF

By JOHN O'DONNELL

Washington, D. C., Oct. 20.—Since the days when Mistress Abigail Adams dried the underclothes of the second President of the United States in the cold and drafty White House, this capital has turned its cynical eye on a big parade of earnest and self-righteous men, all sincerely convinced that destiny had marked them down as rulers of the United States.

There have been rocky candidates in these generations and supremely self-confident aspirants for the White House. But the cockiest, the most supremely self-assured that Washington has ever observed through the eye of living man is our recent visitor, Wendell Willkie of Wall Street and Rushville, Ind.

Mr. Willkie, as of today, is certain that his Republican nomination for the Presidency is already in the bag. And more than that, Willkie is confident that he can tear the liver and lights out of Franklin D. Roosevelt in the '44 campaign. And furthermore, he intends to blast the present occupant of 1600 Pennsylvania Avenue on his pre-Pearl Harbor foreign policy with charges that F. D. R. never told the American people that the New Deal attitude was heading the nation straight for war, way back in '37.

Willkie's Washington visit included, of course, talks with politicians and discussions (these off the record) with political writers. After Willkie's departure, both groups were in agreement on this conclusion: that W. W.'s tough victorious attitude (he's sure he's got the delegates of the Pacific Coast, New England, the Solid South and enough more to win hands down) was something that their ears and eyes had never experienced before.

Some of the old-timers came up with the observation that the nearest approach was the self-assurance of Teddy Roosevelt when he rallied his followers in '12 to follow the Bull Moose—to defeat.

All candidates are supposed, according to the rules of the game, to make a righteous sweat from every pore until the very moment when they are washed under the cold shower of election returns. This is sound judgment. It attracts the wavering to the bandwagon of the probable victory and keeps the faithful needed up to fighting pitch.

But Wendell has gone far beyond that. He can now see, and has the heartfelt conviction that he is the next occupant of the White House with more plausibility and conviction than he ever displayed when he was doing his "Me too" act with New Deal Opponent F. D. R.

In the first place, Willkie, with definite audacity, although with possible lack of political wisdom, has told off some of the ancient G. O. P. big shots with the observation that he doesn't give a damn whether they are behind him or not and, as a matter of fact, he'd just as soon they stopped hanging around him—they were to him just political liabilities.

In the national capital, Willkie laid it cold turkey on the line that he and his organization have lined up the delegates, that they've got the victory votes in their hip pockets, and that, if the boys want to go along with him to victory, all well and good. But if they want to get tough, his backers are willing and able to strongarm them into political defeat—and how would they like that?

Climb aboard with Winner Willkie, and don't be a sucker, but, if you want to fight me, don't say I didn't warn you. You're going to get hit where it hurts—right in your little own reelection campaign.

Thus, the Willkie Washington blitz on the harassed G. O. P. Congressmen and Senators. But the Willkie strategy, designed to hurl back F. D. R.'s drive for a fourth term, is even more interesting. This is to be his assault on F. D. R.'s foreign policy from '37 to the invasion of Poland, from the outbreak of the war in '39 through the passage of lend-lease and up to Pearl Harbor—all designed to indict Roosevelt on the charge that he publicly proclaimed that he was following a course intended to keep this nation out of the European war, while, in fact, he knew in his heart that his every move was away from the honest neutrality of international law and was drawing us closer and closer, day by day, to the time of actual participation.

Willkie's advisors in the capital are now reporting that he will make this attack on Roosevelt the spearhead of his drive for the White House. His speech in St. Louis last week was only the opening gun. In this address, Willkie charged that Roosevelt's moves in foreign relations before Pearl Harbor were "not imparted to our people, apparently on the assumption that diplomacy must be secret."

He added: "If the people had been given the facts which it is now apparent the Administration possessed, they would have, as usual, been wiser than their leaders . . . and perhaps today, if the Administration would give us the facts about our diplomatic relations with Great Britain and Russia, and China and France and Italy, the people would come to a wiser conclusion than their leaders will reach behind closed doors."

This, of course, is a tip-off that the Willkie of today will pluck from his acceptance address of four years ago the assault on Roosevelt as a meddler in foreign nations—a line of attack which he abandoned immediately after it was declared and revived too late in the closing weeks of the campaign.

Under the sweltering August sun of Elwood, Ind., Willkie reached his peak in his acceptance address when he declared:

"Roosevelt has dabbled in inflammatory statements and manufactured panics" and "has courted a war for which this country is hopelessly unprepared—and which it emphatically does not want. . . . The President's attacks on foreign powers have been useless and dangerous."

This is the new Willkie issue—or the old issue revived—that F. D. R. was hellbent for war since the New Deal's licking at the polls in the midterm election of '38. How far it will be pressed, while the nation is still at war, will be of tremendous interest. Willkie's friends insist he is determined to go through with it.



Wendell Willkie

'Impertinent' to Think Otherwise

Willkie Says He's Convinced Dewey Will Not Run in '44

By United Press

SYRACUSE, Oct. 22—Wendell Willkie said today he was convinced that Gov. Thomas E. Dewey of New York will complete his full four-year term at Albany and will not be a candidate for the 1944 Republican presidential nomination.

Willkie, who defeated Dewey for the nomination at Philadelphia in 1940, expressed his views after addressing a Syracuse political rally last night in behalf of Sen. Joe R. Hanley, the party's candidate for lieutenant governor.

Willkie said Dewey had given New York a "sound, clean and able administration" which the people can expect "from him during the coming years." After the rally Willkie was asked to elaborate on the statement.

NOT 'PRESUMPTUOUS'

"Does your statement mean that you accept Gov. Dewey's pledge to serve the full four years at Albany and that he will not be a candidate for the presidential nomination?" he was asked.

"Why, of course. It would be impertinent and presumptuous to do otherwise," Willkie replied.

Willkie and the Governor have been at political odds since the Philadelphia convention, but they met on common ground when the 1940 Republican standard bearer threw his active support to Hanley.

Following the rally Willkie received a telegram from the Governor, which Willkie read at a conference with two score upstate political leaders.

"Have just heard your fine speech for Joe Hanley," Dewey wired. "It was great. Many thanks."

RAPS SOUTHERNERS

"My Dear Tom: Many thanks for your gracious wire. Joe Hanley, Rolly Marvin (Rolland B. Marvin, upstate GOP leader) and I join in sending you kindest regards and respects."

Willkie's speech for Hanley gave the

special election for lieutenant governor, a minor state post, national importance. He assailed the New Deal and charged that "political oligarchies of the South" were in control at Washington, from the State Department down.

"The Democratic Party today is in fact a combination of two antagonistic groups—one group consisting of the political oligarchies of the South and the corrupt political machines of the North; the other group are sincere Democrats together with independents and liberals," he said.

"Just consider the situation. Most of the powerful offices in Washington, from the State Department down, are now administered or controlled, whether directly or indirectly, by the Southern Democratic bloc. They remain in office because millions of the people in their states are unable to exercise the right of franchise and they filibuster indefinitely against any attempt that is made to recognize the free right of all Americans to vote."

He said that in New York State more than 45 per cent of the people vote in a presidential election but in some Southern states less than 10 per cent "met the financial requirements which permitted them to go to the polls that year."

In the North, Willkie said, the Dem-



Gov. Dewey



Mr. Willkie

ocrats have a "different kind of political racket," adding:

"Here in our state, as in other Northern states, it (Democratic Party) draws its power from reactionary political machines. We all know the sinister power of these political machines. We know the harm they can do to the democratic process. But they constitute one of the bulwarks of the Democratic party."

PROTEAN ARTISTS

Willkie said "these ultra-reactionary machines reverse their positions with agility—their sole interest being in winning the approval of those who control their immediate political destinies. And those who control them in turn are kept nicely in line by the Administration thru doubtful judiciary appointments, incredible diplomatic assignments and the presentation of a passkey to the Federal patronage rolls."

He said independents and liberals had "tried desperately to retain their faith in the Administration but are now weakening." The Democrats, he added, are engaged in a clash of major personalities while the Republicans debate something new and constructive.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

October 29, 1943

THE WHITE HOUSE
OCT 30 8 34 AM '43
RECEIVED

The President

The White House

Dear Mr. President:

(my) With regard to the second paragraph of your letter of October 27, I would suggest that you have General Watson phone Mr. W. W. Hawkins, Glenbrook Inn, Glenbrook, Nevada, suggesting that he and his wife drop in at the White House when they come East, which will probably be in the rather near future. I am informed that Mr. and Mrs. Hawkins are such old friends that it would not be inappropriate to call them at the present time.

Respectfully yours,

H A Wallace

H. A. Wallace

CHAS. J. VOGEL
DEMOCRATIC NATIONAL COMMITTEEMAN
FARGO, NORTH DAKOTA

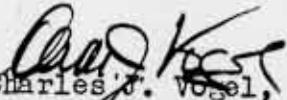
- 3 -

Congress, R. J. Downey, were carrying the entire burden of the national campaign. The results proved we were not very successful - but - - well - we did the best we could.

I have been very frank, but I believe my analysis to be correct.

With every good wish for the New Year, I am

Sincerely yours,


Charles J. Vogel,
National Committeeman

CJV:I

THE WHITE HOUSE
WASHINGTON

November 11, 1943.

MEMORANDUM FOR S.T.E.

The President would like to see Mr. and Mrs. Hawkins sometime. I am sure you know who he is, but just to refresh your memory, I attach the file of correspondence between the President and the Vice President. Perhaps you will take it up with the General sometime and arrange for them to come in and see the Boss.

G.G.T.

DEPARTMENT
OF
STATE

INCOMING
TELEGRAM

DIVISION OF
COMMUNICATIONS
AND RECORDS

PSF: Wallace folder - 2-44

NMC-337

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (~~CONFIDENTIAL~~)

Moscow

Dated June 20, 1944

Rec'd 10:51 p.m.

Secretary of State,
Washington.

2199, June 20, 7 p.m.

FOR THE PRESIDENT AND THE SECRETARY

I have just returned from spending two days
with Mr. Wallace at Tashkent and one at Alma Ata,
at which latter point he headed for China. He was
greeted by the Soviet officials and agriculturists
with great cordiality and respect, and with enthusiasm
on the part of the Russian audiences at the theatres
he attended. His speech delivered in Russian at
Tashkent was well received.

His interest in and knowledge of scientific
agriculture made a profound impression. He himself
has been greatly impressed by the scientific work and
seed selection carried on by the Soviet stations he
visited in Siberia and Central Asia, and the results
attained in the application of science to the
substantial increase of agricultural production.

He concentrated

DECLASSIFIED
State Dept. Letter, 1-11-72
By R. H. Parks Date JUN 2 1972

-2- #2199, June 20, 7 p.m., from Moscow

He concentrated his attention in his travels largely on these stations and collective farms. He leaves Russia with real enthusiasm for what has been accomplished in this field in so short a time.

I had the opportunity to discuss in detail with him and Mr. Vincent my talk with Marshal Stalin on Soviet-Chinese relations as reported in my Navy cable no. 110541, June 11.

HARRIMAN

EDA
WMB

T-330

PSF: Wallace folder 2-44

THE WHITE HOUSE
WASHINGTON

July 3, 1944.

MEMORANDUM FOR

ADMIRAL LEAHY

For the Joint Chiefs of Staff.

F.D.R.

State Dept. Telegram, dated 6-28-44
from New Delhi, from Merrell, embodying
message to the President from Wallace
(Message No. one) No. 471.

PSF:Wallace folder 2011

file
Confidential

HEADQUARTERS OF THE GENERALISSIMO
CHINA

Chungking, Szechuan
June 27, 1944

My dear Mr. President,

The Generalissimo asked me to write to you on his behalf while the memory of Vice-President Wallace's visit is still fresh in our minds.

We enjoyed very much having Mr. Wallace in China particularly as his coming here at this time will have beneficial and far-reaching repercussions on the morale of our army and people. Just when Japan is launching a widespread and vigorous attack in many parts of China, our people are greatly encouraged by the fact that you have sent Mr. Wallace as your representative at this very critical moment to demonstrate America's friendship to us.

The Generalissimo appreciates Mr. Wallace's frankness and directness. He was particularly touched when Mr. Wallace repeatedly stated how eager you personally are to see closer co-operation and real collaboration between Soviet Russia and China. With this desire the Generalissimo is in full accord and wishes to assure you that he will do everything in his power to help bring it about. Doubtless Mr. Wallace will report to you in detail the many conversations which were held and the genuine and warm welcome all China extended to him both as your representative and on his own behalf.

We have just received two copies of "Eminent Chinese of the Ch'ing Period" which you very kindly autographed and sent us. That amidst your arduous duties you think of us makes us feel that you are really an old and thoughtful friend. I was much interested that there appeared in the book a long biographical sketch of one of my maternal ancestors, Hsu Kwang-chi, who was the first noted Chinese scholar in the Ming Dynasty to embrace Catholicism, and that despite the fact that he was Premier, he found time to translate Euclid into Chinese.

With all good wishes in which my husband joins,

Yours sincerely,

May I say Chiang

(Madame Chiang Kai-shek)

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

PSF; Wallace folder 2-54

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Box 190

July 10, 1944

The President

The White House

Dear Mr. President:

I am handing you herewith a report on my
trip to the Far East.

Sincerely yours,

H A Wallace

H. A. Wallace

POSSIBLE POLICY LINE RELATIVE TO LIBERAL ELEMENTS IN CHINA

Our policy at the present time should not be limited to support of Chiang. It is essential to remember that we have in fact not simply been supporting Chiang, but a coalition, headed by Chiang and supported by the landlords, the war-lord group most closely associated with the landlords, and the Kung group of bankers.

We can, as an alternative, support those elements which are capable of forming a new coalition, better able to carry the war to a conclusion and better qualified for the post-war needs of China. Such a coalition could include progressive banking and commercial leaders, of the K.P. Chen type, with a competent understanding both of their own country and of the contemporary Western world; the large group of western-trained men whose outlook is not limited to perpetuation of the old, landlord-dominated rural society of China; and the considerable group of generals and other officers who are neither subservient to the landlords nor afraid of the peasantry.

The emergence of such a coalition could be aided by the manner of allotting both American military aid and economic aid, and by the formulation and statement of American political aims and sympathies, both in China and in regions adjacent to China.

The future of Chiang would then be determined by Chiang himself. If he retains the political sensitivity and the ability to call the turn which originally brought him to power, he will swing over to the new coalition and head it. If not, the new coalition will in the natural course of events produce its own leader.

July 10, 1944

SUMMARY REPORT OF VICE PRESIDENT WALLACE'S VISIT IN CHINA

Our first stop in China was at Tihua (Urumchi), capital of Sinkiang province. The Governor, General Sheng Shih-tsai is a typical war lord. The Government is personal and carried out by thorough police surveillance. Ninety percent (90%) of the population is non-Chinese, mostly Uighur (Turki). Tension between Chinese and non-Chinese is growing with little or no evidence of ability to deal effectively with the problem. General Sheng, two years ago pro-Soviet, is now anti-Soviet, making life extremely difficult for the Soviet Consul General and Soviet citizens in Sinkiang.

There seems little reason to doubt that the difficulties in the early spring on the Sinkiang-Outer-Mongolia border were caused by Chinese attempts to resettle Kazak nomads who fled into Outer-Mongolia, were followed by Chinese troops who were driven back by Mongols. The Soviet Minister in Outer-Mongolia stated that Mongolian planes bombed points in Sinkiang in retaliation for Chinese bombings in Outer-Mongolia. He did not appear concerned regarding the situation now.

Soviet officials placed primary responsibility on General Sheng for their difficulties in Sinkiang but our Consul at Tihua and our Embassy officials felt that Sheng was acting as a front for Chungking, willingly or unwittingly. Sinkiang is an area which will bear close watching.

Due to bad weather at Chungking, we stopped for two hours at the large 20th Bomber Command (B-29) airfield near Chengtu. The first bombing of Japan had taken place only a few days before. We found morale good but complaint was freely made of inability to obtain intelligence regarding weather and Japanese positions in north China and leak of intelligence to the Japanese.

Summary of conversations with President Chiang Kai-shek is contained in a separate memorandum. Principle topics discussed were: (1) Adverse military situation which Chiang attributed to low morale due to economic difficulties and to failure to start an all-out Burma offensive in the spring as promised at Cairo; (2) Relations with the Soviet Union and need for their betterment in order to avoid possibility of conflict (Chiang, obviously motivated by necessity rather than conviction, admitted the desirability of understanding with USSR, and requested our good offices in arranging for conference;) (3) Chinese Government-Communist relations, in regard to which Chiang showed himself so prejudiced against the Communists that there seemed little prospect of satisfactory or enduring settlement as a result of the negotiations now under way in Chungking; (4) Dispatch of U. S. Army Intelligence Group to north China, including Communist areas, to which Chiang was initially opposed but on last day agreed reluctantly but with apparent sincerity; (5) Need for reform in China, particularly agrarian reform, to which Chiang agreed without much indication of personal interest.

It was significant that T. V. Soong took no part in the discussions except as an interpreter. However, in subsequent conversations during visits outside of Chungking he was quite outspoken, saying that it was essential that something "dramatic" be done to save the situation in China, that it was "five minutes to midnight" for the Chungking government. Without being specific he spoke of need for greatly increased U. S. Army air activity in China and for reformation of Chungking government. He said that Chiang was bewildered and that there were already signs of disintegration of his authority. (Soong is greatly embittered by the treatment received from Chiang during the past half year.)

DEMOCRATIC NATIONAL COMMITTEE
NATIONAL PRESS BUILDING
WASHINGTON

OFFICE OF
HENRY A. WALLACE

November 22, 1940

THE WHITE HOUSE
NOV 25 1 42 PM '40
RECEIVED

The President

The White House

Dear Mr. President:

The votes in these German and German-Russian counties
in North Dakota are exceedingly interesting.

Enclosed also a comment about these people from a
friend of mine.

Respectfully yours,

H. A. Wallace

H. A. Wallace

Dictated by Mr. Wallace but signed in
his absence

Conversations with Ambassador Gauss and other Americans indicated discouragement regarding the situation and need for positive American leadership in China.

Mr. Wallace and Mr. Vincent called on Dr. Sun Fo and Madame Sun Yat-sen. Dr. Sun had little to contribute. He was obviously on guard. Madame Sun was outspoken. She described undemocratic conditions to which she ascribed lack of popular support for government; said that Dr. Sun Fo should be spokesman for liberals who could unite under his leadership; and advised Mr. Wallace to speak frankly to President Chiang who was not informed of conditions in China. Madame Sun's depth and sincerity of feeling is more impressive than her political acumen but she is significant as an inspiration to Chinese liberals. Dr. Sun Fo does not impress one as having strength of character required for leadership but the fact that he is the son of Sun Yat-sen makes him a potential front for liberals.

Mr. Vincent talked with Dr. Quo-Tai-chi, former Foreign Minister and for many years Ambassador in London, and to K. P. Chen, leading banker. They see little hope in Chiang's leadership. Dr. Quo spoke in support of Sun Fo under whom he thought a liberal coalition was possible. Quo is an intelligent but not a strong character. K. P. Chen said that economic situation had resolved itself into a race against time; that new hope and help before the end of the year might be effective in holding things together.

Conversations with other Chinese officials in Chungking developed little of new interest. The Minister of Agriculture (Shen Hung-lieh, who incidentally knows little about agriculture) showed himself an outspoken anti-communist. General Ho Ying-chin, Chief of Staff and Minister of War, also an anti-communist, is influential as a political rather than a military general. Dr. Chen Li-fu, Minister of Education, a leading reactionary party politician, also had little to say. Ironically, he took

Mr. Wallace to visit the Chinese Industrial Cooperatives which he is endeavoring to bring under his control to prevent their becoming a liberalizing social influence.

Conversations with provincial government officials were also without much significance. As an indication of political trends, there were unconfirmed reports that the provincial officials in Yunnan, Kwangsi, and Kwangtung provinces were planning a coalition to meet the situation in the event of disintegration of central government control. In Szechuan province the Governor, Chang Chun, is a strong and loyal friend of President Chiang. The loyalty of military factions, however, is uncertain. In Kansu province the Governor, Ku Cheng-lun, is a mild appearing reactionary who, during his days as Police Commissioner in Nanking, earned the title of "bloody Ku."

Developments subsequent to conversations with Generals Chennault and Vincent in Kunming and Kewilin have confirmed their pessimism with regard to the military situation in east China. There was almost uniform agreement among our military officers that unification of the American military effort in China, and better coordination of our effort with that of the Chinese, was absolutely essential. It was also the general belief that, the Japanese having during recent months made China an active theatre of war, it was highly advisable to take more aggressive air action against such Japanese bases as Hankow, Canton, Nanking and Shanghai. However, the factor of loss of Chinese life at those places was recognized as an important consideration. It was the consensus that Chinese troops, when well fed, well equipped, and well lead, can be effectively used. A number of Chinese generals were mentioned as potentially good leaders. Among them were Generals Chen Gheng, Chang Fa-kwei and Pai Chung-hsi.

In Outer-Mongolia there is considerable evidence of healthy progress, military preparedness, and nationalistic spirit. Soviet influence is without doubt strong but political and administrative control appear to be in the hands of capable Mongols. Any thought of resumption of effective Chinese sovereignty would be unrealistic. On the contrary, it is well to anticipate considerable agitation in Inner-Mongolia for union with Outer-Mongolia after the war.

Specific conclusions and recommendations regarding the situation in China were incorporated in telegrams dispatched from New Delhi on June 28 (copies attached).

We should bear constantly in mind that the Chinese, a non-fighting people, have resisted the Japanese for seven years. Economic hardship and uninspiring leadership have induced something akin to physical and spiritual anemia. There is widespread popular dislike for the Kuomintang government. But there is also strong popular dislike for the Japanese and confidence in victory.

Chiang, a man with an oriental military mind, sees his authority threatened by economic deterioration, which he does not understand, and by social unrest symbolized in Communism, which he thoroughly distrusts; and neither of which he can control by military commands. He hoped that aid from foreign allies would pull him out of the hole into which an unenlightened administration (supported by landlords, war lords and bankers) has sunk him and China.

Chiang is thoroughly "eastern" in thought and outlook. He is surrounded by a group of party stalwarts who are similar in character. He has also, reluctantly, placed confidence in westernized Chinese advisers (his wife and T. V. Soong are outstanding examples) with regard to foreign relations. Now he feels that foreign allies have failed him and seeks in that and the "communistic menace" a scapegoat

for his government's failure. His hatred of Chinese communists and distrust of the USSR cause him to shy away from liberals. The failure of foreign aid has caused him to turn away from his uncongenial "western" advisers and draw closer to the group of "eastern" advisers for whom he has a natural affinity and for whom he has been for years more a focal point and activating agent of policy than an actual leader.

At this time, there seems to be no alternative to support of Chiang. There is no Chinese leader or group now apparent of sufficient strength to take over the government. We can, however, while supporting Chiang, influence him in every possible way to adopt policies with the guidance of progressive Chinese which will inspire popular support and instill new vitality into China's war effort. At the same time, our attitude should be flexible enough to permit utilization of any other leader or group that might come forward offering greater promise.

Chiang, at best, is a short-term investment. It is not believed that he has the intelligence or political strength to run post-war China. The leaders of post-war China will be brought forward by evolution or revolution, and it now seems more like the latter.

NOTES ON THE VICE PRESIDENT'S CONVERSATION WITH PRESIDENT CHIANG
June 21st at President Chiang's Residence - 5 p.m.

PRESENT: President Chiang
Vice President Wallace
Dr. T. V. Soong (translating)

Pres. Chiang asked Mr. Wallace whether he had any message from Pres. Roosevelt. Mr. Wallace replied that he had nothing in writing but that he had notes on a conversation with Pres. Roosevelt just prior to his departure from Washington. Mr. Wallace said that Pres. Roosevelt had mentioned the inflation-ery situation in China but that he (Wallace) did not wish to discuss the subject in Chungking due to the absence in America of the Minister of Finance, Dr. Kung. Mr. Wallace said that Pres. Roosevelt had talked about the Communists in China. Pres. Roosevelt had assumed that, inasmuch as the Communists and the members of the Kuomintang were all Chinese, they were basically friends and that "nothing should be final between friends". Pres. Roosevelt had cited the Bryan Treaty and had quoted Al Smith and Charles Francis Adams to support his point. Pres. Roosevelt had indicated that if the parties could not get together they might "call in a friend" and had indicated that he might be that friend.

Mr. Wallace told Pres. Chiang of Pres. Roosevelt's comment that the British did not consider China a great power; that Pres. Roosevelt wanted China to be a great power in fact as well as in theory; that at Cairo the British were opposed to giving any reality to China's position as one of the "Big Four", and that at Teheran the Russians were cool regarding China. Mr. Wallace then quoted to Pres. Chiang the following statement made by Pres. Roosevelt: "Churchill is old. A new British Government will give Hongkong to China and the next day China will make it a free port." Mr. Wallace expressed the opinion that there should not be left pending

any questions which might result in conflict between China and the USSR. Pres. Chiang suggested that Pres. Roosevelt act as an arbiter or "middleman" between China and the USSR. (NOTE: Pres. Chiang's suggestion was apparently prompted by Mr. Wallace's earlier statement that Pres. Roosevelt was willing to act as an arbiter between the Communists and the Kuomintang. Mr. Wallace made no comment at the time, however, after discussing the matter with Mr. Vincent that evening, Mr. Wallace made it clear to Pres. Chiang the next morning before breakfast that Pres. Roosevelt had not suggested acting as arbiter between China and the USSR and that, whereas he felt that the US would be quite willing to use its good offices to get the USSR and China together, it could not undertake the role of "middleman" in negotiations between the USSR and China or become a party or guarantor of any agreement reached between China and the USSR.)

Mr. Wallace said that he felt that the people of the US were deeply interested in seeing an increase in Chinese agricultural efficiency which will permit a sound industrialization. The US desires a strong, democratic China which would make for a healthy political situation in the country. The US had always had this idea and it felt more strongly in that regard now. Mr. Wallace believed that no matter how dark the present situation was in China, if China exerted herself to the utmost, it could with help from the US and a kindly attitude on the part of Great Britain, realize its destiny. There would be no time to lose in effecting improvements once the war was over.

Pres. Chiang expressed a desire for friendly understanding with the USSR. Mr. Wallace mentioned a conversation which he had had in Tashkent with Ambassador Harriman. Ambassador Harriman had told Mr. Wallace of a recent discussion he had had with Mr. Stalin during which China was

discussed. Pres. Chiang asked to see a copy of the memorandum which Mr. Wallace had mentioned. Mr. Wallace said he did not have a copy. He recalled that Mr. Stalin had stressed the need for a united China eager to carry on the war against Japan. Mr. Wallace suggested that Dr. Soong discuss the matter with Mr. Vincent, who had probably a better idea of the contents of the memorandum since he had had a number of conversations with Ambassador Harriman. (NOTE: That evening Dr. Soong asked Mr. Vincent about the matter, requesting to see any notes that Mr. Vincent might have made. Mr. Vincent said that he had only his memory to rely upon and informed Dr. Soong of those portions of the memorandum which he thought it appropriate and judicious to give him. Specifically he told Dr. Soong that Mr. Stalin had agreed to Pres. Roosevelt's point that support of Pres. Chiang was advisable during the prosecution of the war; that Mr. Stalin had expressed a keen interest in there being reached a settlement between the Kuomintang and the Chinese Communists, basing his interest on the practical matter of more effective fighting against Japan rather than upon any ideological considerations; that Mr. Stalin had criticized the suspicious attitude of the Chinese regarding the Sakhalin Agreement with Japan; and that Mr. Stalin felt the US should assume a position of leadership in the Far East.)

Toward the end of the conversation Mr. Wallace described to Pres. Chiang the developments in agriculture which he had observed in Siberia. The discussion ended sometime after 6 p.m.

* * *

DISCUSSION WITH PRES. CHIANG ON JUNE 22

The discussion commenced at about 4:30 p.m. at the tea table where there were present Pres. and Mme. Chiang, Mr. Wallace, Dr. T. V. Soong, Dr. Wang Shih-chiek, Messrs. Vincent, Lattimore and Hazard.

Mr. Wallace mentioned the poor showing the Chinese troops had made. He referred specifically to a story he had heard about the Chinese peasants attacking the soldiers in the Honan campaign because they were running away from the Japanese. Pres. Chiang then undertook to explain the situation. He said that Chinese reverses were due to a loss of morale on the part of the soldiers; that this loss of morale was to a large extent due to the economic situation. Mr. Vincent asked Pres. Chiang whether he understood correctly that it was the morale of the troops rather than lack of equipment which had caused the reverses. Pres. Chiang replied "both". (NOTE: The next day, at the request of Mme. Chiang, Pres. Chiang explained his reference to the effect of the economic situation on the morale of the troops. He said that the soldiers at the front were worried about their families who were suffering at home because of the inflation. He also said that the condition of the troops themselves was adversely affected by inflationary high prices and scarcity of goods. In this latter connection he stated however that the situation was better now than it had been some months ago.)

Pres. Chiang then described what he considered to be basic in the present unfortunate military situation in China. He said that the Chinese people have fought for seven years under conditions of great hardship, and that they had expected help from abroad; that they had expected an all-out Burma campaign early this year and this would have resulted in bringing relief to the Chinese Army; and that the failure to initiate an all-out Burma campaign had had a decidedly adverse effect on Chinese morale. The Chinese people felt that they had been deserted. Pres. Chiang then referred to his conversations with Pres. Roosevelt at Cairo. He said that Pres. Roosevelt had promised an all-out campaign in Burma early in 1944 but that at Teheran

Pres. Roosevelt had reversed his decision, indicating that the necessary amphibious landing craft would not be available for such a campaign.

Pres. Chiang said that this reversal of decision had had a very unfortunate reaction in China. He referred to his conversation with Pres. Roosevelt, at which time he had told Pres. Roosevelt that, unless very early action were taken to open up Burma he could not count upon a continuance of effective Chinese resistance to the Japanese. Recent developments had proven him correct in his estimate. Mr. Wallace said that he recalled having a conversation with Pres. Roosevelt, either personally or in a Cabinet meeting, regarding this matter but that he did not recall the details. He asked Mr. Vincent regarding the matter but Mr. Vincent said he did not have any detailed information concerning the Cairo conversations. (NOTE: The day of Mr. Wallace's departure -- June 24th -- Pres. Chiang asked Mr. Wallace to inform Pres. Roosevelt that he, Pres. Chiang, understood the necessity under which Pres. Roosevelt was working when he reversed his decision regarding the Burma campaign; that he was therefore not criticizing Pres. Roosevelt for his decision; but that he wished to remind Pres. Roosevelt that the prediction which he, Pres. Chiang, had made at the time was sound.)

Pres. Chiang then discussed his relations with the American Army in China. He said that American Army Officers indicated clearly their lack of confidence in China but that he, Pres. Chiang, "continued to have full confidence in his Army". He asked Mr. Wallace to report this to Pres. Roosevelt and to tell him that, in spite of the attitude of the American Army, he would be guided by the advice of Pres. Roosevelt. Pres. Chiang, somewhat apologetically, (but with obvious intent to get across a point) mentioned what he described as a minor incident involving Gen. Stilwell.

He said that in the early stages of the Honan campaign he had asked General Stilwell for diversion to his air force of 1000 tons of gasoline, but that Gen. Stilwell had very abruptly refused the request saying that the Chinese Army could get the gasoline from its own "over the hump" supplies. Pres. Chiang indicated that it was difficult for him to operate in the face of such an uncooperative attitude. In response to Mr. Wallace's query, Pres. Chiang said that he lacked confidence in Gen. Stilwell's judgement. He went on to say that critical comment in the American press of the Chinese Army and the attitude of the American Army in China had adverse effects on Chinese morale but that he retained the confidence of his Army and confidence in his Army. Mr. Wallace commented upon the remarkable degree of faith which China had in the Generalissimo. At this point (5 p.m.) Pres. Chiang, Mr. Wallace, Dr. Soong, Dr. Wang Shih-chieh, and Mr. Vincent went into the drawing room to continue the discussion, which lasted until 7:30 p.m. Mr. Vincent made a brief recapitulation of that portion of the preceding conversation which had dealt with the military situation in China and the question of the present unfavorable position of the Chinese Army and asked Pres. Chiang whether he had any suggestions with regard to measures which might effect an improvement. Pres. Chiang said that he had nothing to suggest at that time. He went back again to the Cairo Conference decision regarding the Burma campaign, stating that if it could have been carried out the effect on morale in China would have been very great even though the material assistance which might have been afforded China would not have been large, and that the current defeats would have been avoided.

Mr. Wallace asked Pres. Chiang about the "New Life" movement. Pres. Chiang gave a brief description of the movement, stating that its purpose was to train

ELECTION FIGURES FOR SEVEN GERMAN-RUSSIAN POPULATED COUNTIES IN NORTH DAKOTA

County	1940			1936			1932			1928		
	Demo- crat	% Demo- crat	Repub- lican									
Emmons	1,004	22.2	3,515	2,424	68.5	1,117	3,089	77.0	916	2,066	53.6	1,792
Grant	609	18.2	2,730	1,858	64.5	1,022	2,912	82.0	657	1,434	44.9	1,759
Logan	478	16.0	2,510	1,292	56.8	984	2,350	85.8	390	1,293	56.1	1,013
McIntosh	318	8.3	3,494	1,900	56.4	1,469	3,078	86.9	465	1,474	55.2	1,196
Mercer	486	14.3	2,916	1,924	62.8	1,142	2,491	83.8	480	1,619	62.1	971
Oliver	266	16.4	1,356	906	65.9	469	1,152	79.0	302	631	48.1	680
Sheridan	543	18.4	2,410	1,150	58.0	834	1,945	81.0	468	944	43.2	1,242
Total	3,704	16.3	18,931	11,454	61.9	7,037	17,017	81.1	3,678	9,461	52.2	8,653

the people in having more disciplined lives and to raise their standards of thinking and conduct.

Pres. Chiang next referred to criticism of China appearing in the American press and said that this criticism should be stopped. He said that the Chinese people were losing hope of receiving aid from abroad.

Pres. Chiang next launched forth into a lengthy complaint against the Chinese Communists. He said that China suffered greatly because of the Communists. He said that the people of the US did not understand the situation. Although the Communists were not entirely responsible for the situation in China, their subversive actions and propaganda had had a very unfavorable effect on Chinese morale. He referred to the first year of the war when he had received the cooperation of the Communists "within the law", but said that the Communists now were not subject to discipline and refused to obey his orders. He said that the attitude of the Chinese towards the Communists was an important factor in the situation; that the Chinese people did not regard the Communists as Chinese, but regarded them as "internationalists", subject to the orders of the Third International. Mr. Wallace mentioned the fact that the Third International had been dissolved but Pres. Chiang indicated that the situation had not been altered by that fact.

Mr. Wallace mentioned remarks that were made to him by Mr. Martel Hall, Manager of Peking Branch of the National City Bank of New York, who had traveled from Peking through Communist territory to Chungking in 1943. Mr. Hall had spoken in terms of high praise of the Communists, had said that they continued to have confidence in the Generalissimo, but that they felt the Generalissimo was not correctly informed with regard to the situation in Communist areas. Pres. Chiang said that Mr. Hall, like many other Americans,

(he mentioned specifically Col. Carlson) was under the influence of Communist propaganda. Pres. Chiang said that he did not like to use harsh language regarding the Communists; that he would welcome them back into the Government fold; but that the fact was that the low morale of the people and the Army was due to Communist propaganda. He said that the Communists desired a breakdown of Chinese resistance against the Japanese because this would strengthen their own position. Mr. Wallace expressed amazement at this statement. Pres. Chiang admitted that the Communists desire the defeat of Japan but that they were now convinced that this defeat could be accomplished without Chinese resistance. They therefore hoped for the collapse of the Kuomintang prior to the end of the war because such a collapse would enable them to seize power, whereas, if the Kuomintang continued in power until peace the Communists would have no opportunity to supplant it. Pres. Chiang referred to the clever Communist propaganda to the effect that they were not tied to the USSR, that they were in fact nothing more than agrarian democrats. As a matter of fact, the Communists follow the orders of the Third International. The Chinese Government cannot openly criticize the Communists for their connection with the Third International because it is afraid of offending the USSR. Mr. Wallace referred to the patriotic attitude of the Communists in the US and said that he could not understand the attitude of the Chinese Communists, as described by Pres. Chiang. Pres. Chiang said that this difference in the attitude of the American and the Chinese Communists might be explained by the fact that there was no possibility of the American Communists seizing power, whereas the Chinese Communists definitely desired to do so in China. He then said that the US was far removed from the USSR but that the USSR would not feel safe if the Communists were not in power in China. He then laughingly

remarked that the Chinese Communists were more communistic than the Russian Communists.

Mr. Vincent enquired as to the progress of conversations between the Communist representative in Chungking, Lin Shou-han, and the Kuomintang representatives of which Dr. Wang Shih-chieh was chief. Pres. Chiang said he desired to make the Communists live up to their propaganda in regard to their desire for cooperation and offensive action against the Japanese. He said that there had been Communist proposals for a settlement and Kuomintang counter-proposals. The Kuomintang proposal was very simple: support the President, support the Government, and support the war effort. The Chinese Government requires obedience from the Communists and incorporation of the Communist Army within the Chinese Army as its first essential to a settlement. Secondly, the Chinese Government requires that territory now under Communist control become an integral part of China Administratively. If the Communists would accede to these two demands they would receive equal treatment with other Chinese in China, they would be guaranteed political amnesty, and given the right to continue as a political party with freedom of assembly and discussion. Pres. Chiang said also that if the Communists would accede to these requirements, the group of American officers would be allowed to proceed to North China as requested. They would not have direct contact with the Communists but would go under the auspices of the Chinese Government to train "converted" Communist troops. Mr. Wallace asked Pres. Chiang whether he was optimistic with regard to a settlement. Pres. Chiang said it was possible if the Communists showed sincerity. If a settlement were reached Pres. Chiang said he could carry out his program for democracy earlier than now expected. He said that he would try his best to reach a settlement.

Pres. Chiang again reverted to the subject of Communist propaganda.

He asked Mr. Wallace to inform Pres. Roosevelt that Communist propaganda has his highest respect. Pres. Roosevelt should bear in mind that the Communists could not openly use the USSR for support but that they could and did use the USA (opinion) to force the Kuomintang to accede to their demands. Such tactics make a settlement difficult. The best assistance that the US could give in this matter would be to display "aloofness" to the Communists. They would then show a greater willingness to reach a settlement with the Kuomintang.

At this juncture, Dr. Wang Shih-chieh said he wished to offer some explanation on the Chinese Governments' proposal to the Communists. He said that whereas the Chinese Government required that the Communists submit to its authority it was not the intention to interfere in local administration and that it was not the intention to remove local officials or even Army officers who showed themselves cooperative.

Mr. Wallace said that the Generalissimo's description of the situation filled him with "hope and fear". He said that China's relations with the USSR were threatened by the attitude demonstrated in conversations which he had had with Mr. Wei and Adm. Shen (Minister of Agriculture) and by Pres. Chiang's remarks. Mr. Wallace did not mention what it was in the situation that "filled him with hope".

Mr. Wallace stated that US Army officers felt that Chinese interpretation of the significance of the transfer of Japanese troops from Manchuria to China was incorrect. Mr. Wallace also pointed out that if, as Pres. Chiang stated, the Chinese Communists were linked with the USSR, then there was even greater need for a settlement. He also expressed his appreciation of the frankness with which Pres. Chiang had spoken.

Pres. Chiang again advised that we adopt an attitude of "coolness" toward the Communists. He said that the US Army was anxious that all military power in China be utilized against the Japanese but the US Army did not realize the threat which the Communists constituted to the Chinese Government and over-estimated the utility of the Communists against the Japanese. He went on to say that he understood Pres. Roosevelt's policy and asked that Pres. Roosevelt be informed that he, Pres. Chiang, desired a political solution of the problem.

Mr. Wallace asked whether it was not possible to reach an understanding on a "lower level" with a view to maximum use of forces in the North. Mr. Vincent asked what Pres. Chiang thought would be the adverse effects of sending the US Army intelligence group to Communist areas now without awaiting a settlement. Pres. Chiang said that "haste does not make for speed". He said "please do not press; please understand that the Communists are not good for the war effort against Japan". With this evasive reply the conversation was concluded.

* * *

Conversation was reopened at 9 a.m. June 23rd, with Pres. Chiang, Mr. Wallace, Dr. Holington Tong (translating), Dr. Wang Shih-chieh, Mr. Lattimore (assisting in translating), and Mr. Vincent present.

Mr. Wallace reported conversations with General Marshall and with Secretary Stimson before leaving America in regard to China's situation in an endeavor to persuade Pres. Chiang that we are not interested in "Chinese Communists" but are

interested in the prosecution of the war. (He and Mr. Vincent had decided upon this line of approach the night before in order to avoid further lengthy discussion of the Communists per se.) He spoke of the military situation in East Asia in general terms and of the need for taking all steps that might further hasten the end of the war and reduce the loss of American lives. He felt that the U S Army intelligence group in North China would be able to gather intelligence which would save the lives of American aviators. Mr. Vincent again stressed the point that whereas he appreciated that Pres. Chiang was faced with a very real problem in handling negotiations for a settlement with the Communists, the American Army also was faced with a very real problem with regard to obtaining intelligence from North China. He mentioned specifically the need for intelligence by the B-29 group at Chengtu. He pointed out that the American Army had no interest whatsoever in Communists but that it had for very urgent reasons an interest in carrying on the war against Japan from China. He urged that Pres. Chiang's problem of reaching a settlement with the Communists and the U S Army problem of obtaining intelligence be treated as separate -- as indeed they were.

Pres. Chiang, completely reversing his position of the evening before, said "that can be done". He said that the group could go as soon as it was organized without reference to a settlement with the Communists. He said, however, that they must go under the auspices of the National Military Council rather than under the auspices of the U S Army, and added that Chinese officers must go with them. He then stressed the point that the Communists did not take his orders and gave concrete illustrations. He said with some feeling that the U S Army must realize how essential it is to have a unified command. Much pressure has been brought to bear by the U S Government to have the Chinese Government reach a settlement with the Communists but the U S Government has exerted no pressure upon the Communists. He said that the U S Government should

issue a statement that the Communists should come to terms with the Chinese Government. He said that the U S Army attitude supported the Communists and requested Mr. Wallace upon his return to America to make it clear that the Communists should come to terms with the Chinese Government. In response to a remark by Mr. Wallace, Pres. Chiang said there were no present questions which would cause conflict with the USSR. Mr. Vincent again pointed out that solution of Pres. Chiang's important problems of relations with the Communists and the USSR need not precede the dispatch of military observers to North China. Pres. Chiang said that the military observers would be permitted to go.

Pres. Chiang said "I am confident that what Pres. Roosevelt stands for is good for China and for the furtherance of the war". "But", he said, "one of the things for which we are fighting this war is the maintenance of order. Please tell Pres. Roosevelt that I will follow his advice but I must insist on the maintenance of law and order and upon observance of discipline".

Mr. Wallace again stressed the point that there should be no situation in China which might lead to conflict with the USSR. Pres. Chiang said that the Chinese Government had gone far out of its way to come to an agreement with the Communists in order to avoid conflict with the USSR and added that anything not detrimental to the sovereignty of the Chinese Government would be done to avoid conflict with the USSR. At this point Mr. Wallace again said that the U S could not be expected to be a party to negotiations between China and the USSR. He also said that Pres. Chiang's formula for settlement with the Communists might prove transitory unless China reached an understanding with the USSR. He referred again to Ambassador Harriman's discussion with Mr. Stalin as indicating the necessity for an agreement with the USSR. Pres. Chiang stated that he fully shared Mr. Wallace's views and that the Chinese Government would seek an early opportunity to have discussions with the Government of the USSR. Although Mr. Wallace had indicated that the U S might not be able to assist in the negotiations he continued to hope that there could be found ways whereby

the U S could be of assistance.

Mr. Wallace stated that another reason why a settlement with the Communists might prove temporary was the economic situation in China and expressed a hope that measures could be taken as soon as possible to improve the economic lot of the Chinese people. Pres. Chiang endorsed this view. Mr. Wallace said that insofar as the Communists have power and influence it is due to economic conditions. He said that the Communist revolution in Russia in 1916 was brought about primarily by economic distress. He admitted that it was very difficult to do anything now after seven years of war, but he pointed out how easy it would be to attribute to the Communists social unrest in China when actually this unrest would be due to economic distress.

Pres. Chiang indicated that the making of concessions to the Communists did not matter as long as discipline could be maintained. Mr. Wallace said that unity should express itself in welfare of the people if Communism was to be avoided. Mr. Vincent suggested that the best defense against Communism in China was agrarian reform. Mr. Wallace said that when the war was over it would take much energy and foresight for the Chinese Government to avoid the fate of the Kerensky Government in Russia. Pres. Chiang said that the Chinese Government was proceeding with these considerations in mind.

Conversation ended at 11 a.m. and was resumed at 5 p.m. In the meantime Mr. Wallace had visited the Embassy in Chungking, had received a message from Pres. Roosevelt advising him to press Pres. Chiang to permit the despatch of the Army observer group and had arranged that General Ferris join the conversation in the afternoon. Participants were: Pres. Chiang, Mr. Wallace, Dr. Soong (translating), Dr. Wang Shih-chiek, Mr. Lattimore (assisting in translating), Mr. Vincent, General Ferris and Mr. John Service (aide to Gen. Ferris).

Mr. Wallace read to Pres. Chiang Pres. Roosevelt's message. Mr. Vincent made a brief recapitulation of the morning's conversation and asked Pres. Chiang

whether his understanding was correct that the observer group might proceed to North China as soon as it was organized. Pres. Chiang replied in the affirmative. Mr. Vincent then asked for an explanation of the condition under which the group might proceed. There ensued some discussion as to whether the word "auspices" was a correct translation of Pres. Chiang's Chinese term describing the relationship of the National Military Council to the U S Army group. It was decided that whereas "auspices" was not an exact translation it was about as good as any that could be found and that whatever the translation, Pres. Chiang did not intend that the group would have to operate under orders from the National Military Council.

General Ferris then asked for clarification on a number of points:- whether U S Army group would be allowed direct communication facilities with the American command. Pres. Chiang said that they would be. General Ferris said that all information gathered would be made available to the Chinese military authorities. General Ferris asked a number of questions. Pres. Chiang said that he should confer with General Ho Ying-chin in regard to details. General Ferris asked for Pres. Chiang's full support and received the President's assurances in that respect. Pres. Chiang referred to the use of the word "mission" in describing the group and said that he did not believe that it should be so called. At Mme. Chiang's suggestion (she had joined the group some minutes before) it was decided to call the group the "U S Army Investigation Section".

Pres. Chiang said that he wanted U S Army authorities to bear in mind that inasmuch as the Communists did not accept orders from him he could not guarantee the protection of the group while in Communist territory but that he would give all possible aid. Gen. Ferris asked when the group might go. Pres. Chiang said it could go as soon as it was organized. Gen. Ferris said that it would probably comprise 15-20 men. He asked Pres. Chiang whether there would be Chinese officers accompanying the group, and whether the group would be allowed freedom of movement. He pointed out that the members of the group would not of course remain together

but would "fan out" on individual assignments. Pres. Chiang said that Gen. Ferris should see General Ho with regard to the composition of the group. General Ferris expressed the hope that General Ho would place no impediments in the way of the group's carrying out its mission. Pres. Chiang said, "See General Ho tomorrow at 4 p.m. He will have my instructions." (NOTE: At this point General Ferris and Mr. Service withdrew)

Mr. Wallace presented to Pres. Chiang a scroll sent by Pres. Roosevelt to the people of Chungking. Pres. Chiang said, "Representing the people of Chungking, I accept this scroll as a priceless symbol which they will hold forever in gratitude and reverence."

Pres. Chiang then said he had a few questions to raise with Mr. Wallace. He requested Mr. Wallace to mention to Pres. Roosevelt the question of Allied Military Government of Occupied Territories (AMGOT) in the Far East and suggest to Pres. Roosevelt that there be an agreement between Britain, American and Chinese authorities on this question. Pres. Chiang said that at Cairo he had raised with Pres. Roosevelt the question of a Chinese-American economic commission to handle projects of post-war reconstruction in China. He hoped that Dr. Kung would have an opportunity to discuss this matter while he was in Washington and requested Mr. Wallace to lend whatever assistance he could. Mr. Wallace expressed approval of the idea and said he would do what he could.

Mr. Wallace referred to a comment he had made to Pres. Chiang soon after his arrival in Chungking regarding absence of any Russian territorial ambitions in the Far East. Without modifying that statement he wished to add an explanation which had occurred to him since the first conversation. He said that the USSR wanted a warm water port in the Far East and that President Roosevelt had suggested that Dairen might be made a free port. Mr. Wallace said that in making this remark he was not acting under instructions from Pres. Roosevelt or speaking officially. Pres. Chiang said that he had discussed the matter with Pres. Roosevelt at Cairo and had indicated his agreement provided the USSR cooperated with China in the Far East and provided there was no impairment of Chinese sovereignty.

ELECTION FIGURES FOR SIX GERMAN-RUSSIAN POPULATED COUNTIES IN SOUTH DAKOTA

County	1940			1936			1932			1928		
	Demo- crat	% Demo- crat	Repub- lican									
Campbell	396	21.0	1,487	736	37.0	1,238	1,116	59.0	770	588	30.0	1,346
Corson	824	45.0	1,004	1,781	55.0	1,408	2,403	72.0	946	1,374	43.0	1,847
Edmunds	730	48.0	791	2,030	53.0	1,818	2,588	69.0	1,183	1,597	48.0	1,743
Hutchinson	889	21.0	3,304	2,510	47.0	2,802	3,630	71.0	1,504	1,898	47.0	2,145
McPherson	656	23.0	2,221	1,556	45.0	1,921	2,650	81.0	606	1,468	54.0	1,234
Walworth	524	33.0	1,090	2,212	61.0	1,420	2,221	68.0	1,049	1,216	40.0	1,854
Total	4,019	28.9	9,897	10,825	50.5	10,607	14,608	70.7	6,058	8,141	44.5	10,169

Pres. Chiang referred to the present economic distress (lack of consumer products) in China and said that Dr. Kung was going to ask for an increase of "over the Hump" tonnage to provide for the importation of 2000 tons of civilian supplies each month. He said that it was very important that this request be granted from the military as well as the economic point of view. In response to Mr. Wallace's question Pres. Chiang said that these civilian supplies would be comprised of cloth, medicines and spare parts. Mr. Wallace mentioned the possibility of using C-54s now that Myitkyina was in Allied hands but he pointed out that it might prove very difficult to persuade the American Army to permit civilian supplies to take up air cargo space. Pres. Chiang asked Mr. Wallace to take a personal interest in the matter.

Pres. Chiang asked Mr. Wallace to inform Pres. Roosevelt as follows: "If the U S can bring about better relations between the USSR and China and can bring about a meeting between Chinese and Soviet representatives, Pres. Chiang would very much welcome such friendly assistance." If the U S would "sponsor" such a meeting Pres. Chiang would go more than halfway in reaching an understanding with the USSR. A conference with regard to Pacific affairs was desirable and the U S would be the logical place for such a conference. Mme. Chiang interpolated to suggest that it be called "The North Pacific Conference". Mr. Vincent enquired whether they were not speaking of two related but separate matters, that is, discussions between Chinese and Soviet representatives in regard to their problems, and a conference of nations bordering on the North Pacific to discuss more general problems. He said that it would seem desirable to have the Sino-Soviet discussions prior to any North Pacific conference. Dr. Soong said that a North Pacific conference might be used as a cloak for discussions between Chinese and Soviet representatives. Mr. Wallace said that Dr. Soong would be of value in Washington in laying the foundation for such a conference. Pres. Chiang said that he could not be spared from Chungking and added, laughingly, that with Dr. Kung

gone with Mme. Chiang planning to go abroad, Dr. Soong was his only mouthpiece in speaking to Americans.

The conversation ended at this point -- 7 p.m.

* * *

June 24th -- During the hour's ride from Pres. Chiang's residence to the airport (10 to 11 a.m.) Pres. Chiang made the following comments (Mme. Chiang interpreting) which he requested Mr. Wallace to consider as a message from himself to President Roosevelt.

1) The attitude of Pres. Roosevelt at the Cairo Conference, his warmth, etc. has immense historic value to the people and Army of China.

2) Pres. Chiang is gratified over the abrogation of the unequal treaties and efforts on behalf of the Exclusion Act.

3) Mr. Wallace's visit to China, as the representative of Pres. Roosevelt, to bring about accord with Russia shows great friendship for China.

4) Mr. Wallace's visit at this dark hour will help the morale of the troops and give hope that America will continue to aid China.

5) Assure the President and Pres. Chiang understands the necessity under which the President acted when he changed plans at Tehran. Nevertheless, Pres. Chiang foresaw what the change meant. When Pres. Chiang sent strong frank memorandum to Pres. Roosevelt it was because he foresaw what is now happening.

If the Generalissimo sees that China's collapse will come he will tell the President. But China has not yet arrived at the state of collapse which he predicted to the President. Things are not today as bad as he feared.

6) Pres. Chiang greatly respects the President's character, views, etc.

7) Pres. Chiang was deeply touched when Mr. Wallace told him about how badly the President felt about the Tehran change relating to the Generalissimo personally. Therefore he again appreciates most deeply that Mr. Wallace should come out on behalf of Russo-Chinese friendship.

8) The Chinese Communist question is an internal political problem but he

would nevertheless welcome the President's assistance. He feels that the Chinese Communists are not men of good faith. Their signature is no good. He would not like to see the President blamed for Communist failure to carry out commitments. Just the same he is happy to have the President help if the President, after mature consideration, decides he would like to give his help. The Generalissimo would not consider the President's participation as meddling in China's internal affairs, but the Generalissimo is a true friend who knows the Chinese Communists through and through and thinks that no matter what the Communists say they will do, it will not be carried out, in which case the President's prestige would suffer a great loss. The Generalissimo wants the President to know that the conflict between the Communists and the Central Government is not like that between capitalism and labor in the United States -- the situations are not analogous.

9) The Generalissimo is eager to have closer cooperation and understanding with the President -- but how? Too many channels -- through State Department. Churchill has personal representative in Carton de Wiart who handles both political and military matters. Could Pres. Roosevelt pick someone like this? He could perform an invaluable service. Today military cooperation is very difficult because of personnel. Feels that Chennault is most cooperative. Stilwell has improved, but has no understanding of political matters -- he is entirely military in outlook.

10) Generalissimo has utmost confidence in Dr. Kung. In helping Kr. Kung the President will be helping the Generalissimo.

11) Generalissimo is shaping everything toward democratic path. The Generalissimo wrote "China's Destiny" to get the Communists to fall into line. Generalissimo wants Communists to be a political party. He plans such advances in agrarian program that Communists will have no opportunity to stir up social unrest.

12) He hopes after the war to get interest rate for farmers down to 10% and hopes to promote land ownership by breaking up large land holdings.

PSF
Wallace

July 10, 1944

- Subject

The President

The White House

Dear Mr. President:

I am handing you herewith a report on my
trip to the Far East.

Sincerely yours,

H. A. Wallace

- - -

10 July 1944

SUMMARY REPORT OF VICE PRESIDENT WALLACE'S VISIT IN CHINA

Our first stop in China was at Tihua (Urumchi), capital of Sinkiang province. The Governor, General Sheng Shih-tsai, is a typical warlord. The Government is personal and carried out by thorough police surveillance. Ninety percent (90%) of the population is non-Chinese, mostly Uighur (Turki). Tension between Chinese and non-Chinese is growing with little or no evidence of ability to deal effectively with the problem. General Sheng, two years ago pro-Soviet, is now anti-Soviet, making life extremely difficult for the Soviet Consul General and Soviet citizens in Sinkiang.

There seems little reason to doubt that the difficulties in the early spring on the Sinkiang-Outer-Mongolia border were caused by Chinese attempts to resettle Kazak nomads who fled into Outer-Mongolia, were followed by Chinese troops who were driven back by Mongols. The Soviet Minister in Outer-Mongolia stated that Mongolian planes bombed points in Sinkiang in retaliation for Chinese bombings in Outer-Mongolia. He did not appear concerned regarding the situation now.

Soviet officials placed primary responsibility on General Sheng for their difficulties in Sinkiang but our Consul at Tihua and our Embassy officials felt that Sheng was acting as a front for Chungking, willingly or unwittingly. Sinkiang is an area which will bear close watching.

Due to bad weather at Chungking, we stopped for two hours at the large 20th Bomber Command (B-29) airfield near Chengtu. The first bombing of Japan had taken place only a few days before. We found morale good but complaint was freely made of inability to obtain intelligence regarding weather and Japanese positions in north China and leak of intelligence to the Japanese.

Summary of conversations with President Chiang Kai-shek is contained in a separate memorandum. Principal topics discussed were:
(1) Adverse military situation which Chiang attributed to low morale

due to economic difficulties and to failure to start an all-out Burma offensive in the spring as promised at Cairo; (2) Relations with the Soviet Union and need for their betterment in order to avoid possibility of conflict (Chiang, obviously motivated by necessity rather than conviction, admitted the desirability of understanding with USSR, and requested our good offices in arranging for conference); (3) Chinese Government-Communist relations, in regard to which Chiang showed himself so prejudiced against the communists that there seemed little prospect of satisfactory or enduring settlement as a result of the negotiations now under way in Chungking; (4) Dispatch of the United States Army Intelligence Group to north China, including Communist areas, to which Chiang was initially opposed but on last day agreed reluctantly but with apparent sincerity; (5) Need for reform in China, particularly agrarian reform, to which Chiang agreed without much indication of personal interest.

It was significant that T. V. Soong took no part in the discussions except as an interpreter. However, in subsequent conversations during visits outside of Chungking he was quite outspoken, saying that it was essential that something "dramatic" be done to save the situation in China, that it was "five minutes to midnight" for the Chungking government. Without being specific he spoke of need for greatly increased United States Army air activity in China and for reformation of Chungking government. He said that Chiang was bewildered and that there were already signs of disintegration of his authority. (Soong is greatly embittered by the treatment received from Chiang during the past half year.)

Conversations with Ambassador Gauss and other Americans indicated discouragement regarding the situation and need for positive American leadership in China.

Mr. Wallace and Mr. Vincent called on Dr. Sun Fo and Madame Sun Yat-sen. Dr. Sun had little to contribute. He was obviously on guard. Madame Sun was outspoken. She described undemocratic conditions to which she ascribed lack of popular support for government; said that Dr. Sun Fo should be spokesman for liberals who could unite under his leadership; and advised Mr. Wallace to speak frankly to President Chiang who was not informed of conditions in China. Madame Sun's depth and sincerity of feeling is more impressive than her political acumen but she is significant as an inspiration to Chinese liberals. Dr. Sun Fo does not impress one as having strength of character required for leadership but the fact that he is the son of Sun Yat-sen makes him a potential front for liberals.

Mr. Vincent talked with Dr. Quo Tai-chi, former Foreign Minister and for many years Ambassador in London, and to K. P. Chen, leading banker. They see little hope in Chiang's leadership. Dr. Quo spoke in support of Sun Fo under whom he thought a liberal coalition was possible. Quo is an intelligent but not a strong character. K. P. Chen said that economic situation had resolved itself into a race against time; that new hope and help before the end of the year might be effective in holding things together.

Conversations with other Chinese officials in Chungking developed little of new interest. The Minister of Agriculture (Shen Hung-lieh, who incidentally knows little about agriculture) showed himself an outspoken anti-communist. General Ho Ying-chin, Chief of Staff and Minister of War, also an anti-communist, is influential as a political rather than a military general. Dr. Chen Li-fu, Minister of Education, a leading reactionary party politician, also had little to say. Ironically, he took Mr. Wallace to visit the Chinese Industrial Cooperatives which he is endeavoring to bring under his control to prevent their becoming a liberalizing social influence.

Conversations with provincial government officials were also without much significance. As an indication of political trends, there were unconfirmed reports that the provincial officials in Yunnan, Kwangsi, and Kwangtung provinces were planning a coalition to meet the

situation in the event of disintegration of central government control. In Szechuan province the Governor, Chang Chun, is a strong and loyal friend of President Chiang. The loyalty of military factions, however, is uncertain. In Kansu province the Governor, Ku Cheng-lun, is a mild appearing reactionary who, during his days as Police Commissioner in Nanking, earned the title of "bloody Ku."

Developments subsequent to conversations with Generals Chennault and Vincent in Kunming and Kweilin have confirmed their pessimism with regard to the military situation in east China. There was almost uniform agreement among our military officers that unification of the American military effort in China, and better coordination of our effort with that of the Chinese, was absolutely essential. It was also the general belief that, the Japanese having during recent months made China an active theatre of war, it was highly advisable to take more aggressive air action against such Japanese bases as Hankow, Canton, Nanking and Shanghai. However, the factor of loss of Chinese life at those places was recognized as an important consideration. It was the consensus that Chinese troops, when well fed, well equipped, and well led, can be effectively used. A number of Chinese generals were mentioned as potentially good leaders. Among them were Generals Chen Cheng, Chang Fa-kwei and Pai Chung-hsi.

In Outer-Mongolia there is considerable evidence of healthy progress, military preparedness, and nationalistic spirit. Soviet influence is without doubt strong but political and administrative control appear to be in the hands of capable Mongols. Any thought of resumption of effective Chinese sovereignty would be unrealistic. On the contrary, it is well to anticipate considerable agitation in Inner-Mongolia for union with Outer-Mongolia after the war.

Specific conclusions and recommendations regarding the situation in China were incorporated in telegrams dispatched from New Delhi on June 28 (copies attached).

We should bear constantly in mind that the Chinese, a non-fighting people, have resisted the Japanese for seven years. Economic hardship and uninspiring leadership have induced something akin to physical and spiritual anemia. There is wide-spread popular dislike for the Kuomintang government. But there is also strong popular dislike for the Japanese and confidence in victory.

Chiang, a man with an oriental military mind, sees his authority threatened by economic deterioration, which he does not understand, and by social unrest symbolized in Communism, which he thoroughly distrusts; and neither of which he can control by military commands. He hoped that aid from foreign allies would pull him out of the hole into which an unenlightened administration (supported by landlords, warlords and bankers) has sunk him and China.

Chiang is thoroughly "eastern" in thought and outlook. He is surrounded by a group of party stalwarts who are similar in character. He has also, reluctantly, placed confidence in westernized Chinese advisers (his wife and T. V. Soong are outstanding examples) with regard to foreign relations. Now he feels that foreign allies have failed him and seeks in that and the "communist menace" a scapegoat for his government's failure. His hatred of Chinese communists and distrust of the USSR cause him to shy away from liberals. The failure of foreign aid has caused him to turn away from his uncongenial "western" advisers and draw closer to the group of "eastern" advisers for whom he has a natural affinity and for whom he has been for years more a focal point and activating agent of policy than an actual leader.

At this time, there seems to be no alternative to support of Chiang. There is no Chinese leader or group now apparent of sufficient strength to take over the government. We can, however, while supporting Chiang, influence him in every possible way to adopt policies with the guidance of progressive Chinese which will inspire popular support and instill new vitality into China's war effort. At the same time, our

attitude should be flexible enough to permit utilization of any other leader or group that might come forward offering greater promise.

Chiang, at best, is a short-term investment. It is not believed that he has the intelligence or political strength to run post-war China. The leaders of post-war China will be brought forward by evolution or revolution, and it now seems more likely the latter.

- - -

POSSIBLE POLICY LINE RELATIVE TO LIBERAL ELEMENTS IN CHINA

Our policy at the present time should not be limited to support of Chiang. It is essential to remember that we have in fact not simply been supporting Chiang, but a coalition, headed by Chiang and supported by the landlords, the warlord group most closely associated with the landlords, and the Kung group of bankers.

We can, as an alternative, support those elements which are capable of forming a new coalition, better able to carry the war to a conclusion and better qualified for the post-war needs of China. Such a coalition could include progressive banking and commercial leaders, of the K. P. Chen type, with a competent understanding both of their own country and of the contemporary Western world; the large group of western-trained men whose outlook is not limited to perpetuation of the old, landlord-dominated rural society of China; and the considerable group of generals and other officers who are neither subservient to the landlords nor afraid of the peasantry.

The emergence of such a coalition could be aided by the manner of allotting both American military aid and economic aid, and by the formulation and statement of American political aims and sympathies, both in China and in regions adjacent to China.

The future of Chiang would then be determined by Chiang himself. If he retains the political sensitivity and the ability to call the turn which originally brought him to power, he will swing over to the new coalition and head it. If not, the new coalition will in the natural course of events produce its own leader.

PARAPHRASE OF VICE PRESIDENT WALLACE'S
MESSAGE TO THE PRESIDENT
DRAFTED IN KUMMING JUNE 26
AND DISPATCHED FROM NEW DELHI
ABOUT JUNE 28.

Message No. 1.

The discussions between the representative of the Chinese Communists and those of the Chinese Government are taking place in Chungking but the attitude of Chiang Kai-shek toward the problem is so imbued with prejudice that I can see little prospect for satisfactory long-term settlement. Chiang has assured me that only "political" measures will be used to reach a settlement.

Chiang expressed a desire for an improvement in relations with Russia and for our assistance in bringing about a meeting of representatives of China and Russia. I emphasized to him the importance of reaching an understanding with Russia.

The economic, political and military situations in China are extremely discouraging. The morale of the Chinese is low and demoralization is a possibility with resulting disintegration of central authority. With regard to the economic situation, there is little that we can do, and the Chinese appear incapable of coping with it. However, a general collapse does not seem imminent. Instability and tenseness characterize the political situation with a rising lack of confidence in the Generalissimo and the present reactionary leadership of the Kuomintang. With regard to the military situation, I can only say that it might be worse. It is critical in Hunan Province. Potentialities and plans are in existence for stiffening China's defense south of the city of Hengyang but there is a serious threat that east China may be severed from contact with west China. Morale in remaining free China would of course be affected by such a development.

Prior to the receipt of your message of June 23 on the subject of a U. S. Army observer group proceeding to north China to obtain military intelligence, Chiang had informed me of his agreement to the dispatch of the group as soon as it could be organized. After receipt of your telegram I again discussed the matter in detail with Chiang. General Ferris, Chief of Staff in charge of General Stilwell's Headquarters at Chungking, was present and we obtained what should prove to be the full cooperation of Chiang in arranging for the early dispatch and effective operation of the group.

Chiang Kai-shek seems to be unsure regarding the political situation; bewildered regarding the economic situation, and, while expressing confidence in his army, distressed regarding military developments. Current military reverses are attributed by him to low morale caused by economic difficulties. He is convinced that a general offensive in Burma early this year would have bolstered the Chinese will to resistance and have prevented military reverses. He has assured me that the Chinese will continue to resist to the limit of their ability but he displays discouragement rather than optimism.

Our need is vital for a more vigorous and better coordinated United States Government representation in China. In its military and related political aspects our effort in China requires more positive direction and closer cooperation with the Chinese if this area is to be an effective basis of operations against the Japanese.

Message No. 2.

There is a strong probability that east China will be severed from west China in the near future. It is the general opinion that such a development can only be prevented by unforeseeable chance.

There are various estimates with regard to the rapidity with which the Japanese may be able to carry out their intentions. Although the time factor may be longer than most people seem to expect, I feel that we should be prepared to see all of east China in Japanese hands within three or four weeks.

The loss of east China will nullify our military effort in this area. It will also prove a violent political and economic shock to the Chungking regime.

China may be rendered almost valueless as an Allied military base unless determined steps are taken to halt the disintegrative process. Popular and military morale, both seriously impaired already, must somehow be strengthened. A new offensive effort must somehow be organized, primarily guerrilla in character probably.

It is necessary also to consider political factors. Disintegration of the Chungking regime will leave in China a political vacuum which will be filled in ways which you will understand.

The foregoing picture has been drawn on the basis of the best available information to show you how serious is the situation. However, the situation is far from hopeless and may actually be turned to both military and political advantage if the right steps are taken promptly. The Generalissimo is alarmed, anxious for guidance, and, I believe, prepared to make drastic changes if wisely approached. Insecurity has undermined vested interests in the Government. It should be possible to induce Chiang to establish at least the semblance of a united front necessary to the restoration of Chinese morale and to proceed thereafter to organize a new offensive effort.

As I took leave of Chiang, he requested me to ask you to appoint a personal representative to serve as liaison between you and him. Carton de Wiart occupies somewhat the same position between Churchill and Chiang. In my opinion a move of this kind is strongly indicated by the politico-military situation.

An American General officer of the highest caliber, in whom political and military authority will be at least temporarily united, is needed. It appears that operations in Burma make it impossible for General Stilwell to maintain close contact with Chiang. Furthermore, Chiang informed me that Stilwell does not enjoy his confidence because of his alleged inability to grasp overall political considerations. I do not think any officer in China is qualified to undertake the assignment. Chennault enjoys the Generalissimo's full confidence but he should not be removed from his present military position. The assignment should go to a man who can (1) establish himself in Chiang's confidence to a degree that the latter will accept his advice in regard to political as well as military actions; (2) command all American forces in China; and (3) bring about full coordination between Chinese and American military efforts. It is essential that he command American forces in China because without this his efforts will have no substance. He may even be Stilwell's deputy in China with a right to deal directly with the White House on political questions or China may be separated from General Stilwell's present command.

Without the appointment of such a representative you may expect the situation here to drift continuously from bad to worse. I believe a representative should be appointed and reach Chungking before east China is finally lost so that he can assume control of the situation before it degenerates too far.

While I do not feel competent to propose an officer for the job, the name of General Wedemeyer has been recommended to me and I am told that during his visit here he made himself persona grata to Chiang.

I realize that my opinions are based on a very short stay and that the number of people who could be consulted has necessarily been limited. In particular, I regret not having been able to see General Stilwell and get his views. - Nevertheless, I am convinced of the need for the decisive action summarized in the final paragraph of my previous message.

In the seven German and Russian counties of North Dakota, according to the 1930 census 54.1% of the total population were either born in Russia or were first generation descendants. It is my understanding that originally the ancestors of these people migrated to Russia from Germany about 1750, the inducement for the change being land, freedom from military service and an opportunity to keep their own languages, churches and schools. They left Russia because these privileges were encroached upon. Thus while the census figures record most of these people as Russian born, they are Germans. Most of them are Lutherans or Roman Catholics. The German language is used predominantly. In reality they are grain farmers attempting to earn a livelihood on grain production in an area best adapted to grass and livestock.

It has been reported to me that the AAA committees in several of these counties carry on their transactions in German and that in recent years, it is quite general to dismiss schools so the children can listen to Hitler broadcasts. No such action is taken when President Roosevelt talks. It is also reported that just prior to the current war, the German Government arranged for a number of these people to visit Germany and that the war outbreak made it difficult for some to return promptly.

Cecil Johnson

PSF:

Folder
Subject

12.45 P.M.
July 11, 1944.

REPORT FROM SENATOR GUFFEY:

Joe spoke with the V. P. for an hour last night in the presence of two of his friends, Charles Marsh, a newspaper owner and Harold Young, his Secretary and Advisor. All three of them seem to think, in spite of what Joe said, that Wallace could be nominated at the Convention.

Wallace is apparently quite stubborn about it. Joe just called Marsh, who is at the V. P.'s apartment now, and Marsh read the kind of statement which Wallace will want the President to make. It is out of the question. It is a statement by the president saying that he hopes the Convention names Wallace as his teammate; that they form a great team; "we have made a team which pulls together; thinks alike and plans alike". Joe recommends that the President make it clear to Wallace that:

1. He will state that Wallace is his first choice and that he would vote for Wallace at the Convention if he were a delegate, but that the Convention will have to decide. P Wallace has some idea that the President is merely going to make a statement preferring him but not leaving it to the Convention.

Joe is going to see Wallace again this afternoon but alone this time and will be able to speak more frankly and will keep us advised.

PSF: Wallace folder 2-44

Subject

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Enclosure
Put in (Ketch)
Wallace

August 16, 1944

Miss Grace Tully
Secretary to the President
The White House

Dear Miss Tully:

I would appreciate it if you would get this bit of information to the President.

I am leaving tonight for Atlanta, Georgia, will stop briefly at Birmingham on my way to Austin, Texas, and then back probably through Louisville.

In any event, I shall be back Thursday, August 24, and in case of emergency can be reached at any time.

Sincerely yours,

H. A. Wallace

H. A. Wallace

PS

Enclosed please find the only statements I have made since July 20. The first and third you may not have seen.

PSF: Wallace folder
Subject 2-44

THE WHITE HOUSE
WASHINGTON

October 16, 1944.

MEMORANDUM FOR THE PRESIDENT:

Frank Kelly of Brooklyn called me today to say that you and he had agreed to have Vice President Wallace speak in Brooklyn. The speech is to be on Nov. 3rd at the Academy of Music. He was afraid he had told you the date was Nov. 4th and wanted to be sure you know the exact date -- which is Nov. 3rd.

Have you spoken to the Vice President about it?

G.G.F.

PSF: Wallace papers 2-44

Subject

THE WHITE HOUSE
WASHINGTON

November 8, 1944.

Honorable Henry A. Wallace,
Vice President of the United States,
Wardman Park Hotel,
Washington, D. C.

My affectionate thanks to you
for your magnificent contribution
to the campaign. I will see you
soon in Washington.

ROOSEVELT

PSF. wallace folder
Subject File 2-04

15wh mc

THE WHITE HOUSE
WASHINGTON

Nov. 30, 1944.

The President:

Your cordial letter warmly appreciated. My memory goes back to my conference with you just before lunch on August 29th when you expressed similar cordiality and interest in my definition of poetic justice. My interest in poetic justice is stronger now than ever. Sixty million jobs will require you, plus perfect coordination between Agriculture, Labor and Commerce. My job seems to me to be Commerce. Organization plans should follow and not precede these appointments. Thanks if I may serve.

H.A. Wallace.

4:55PM

THE WHITE HOUSE
WASHINGTON

January 23, 1945

MEMO FOR THE FILES.

I check^{ed} with Ben Cohen,
and phoned Wallace today that the
President says "O.K.". *jm*

THE WHITE HOUSE
WASHINGTON

(1)

January 22, 1945.

MEMORANDUM FOR

S.I.R.

Will you be good enough to
get a line on this fellow Durr? If
he is all right, will you tell Wallace?

F.D.R.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

Wallace folder
2-45
PSF
Subject

January 17, 1945

The President

The White House

Dear Mr. President:

The news concerning my future job seems to have gotten out to certain financial people both in this country and south of the Rio Grande. They are moving fast to get certain things accomplished before you leave. They are especially interested in your signing Executive Orders one of which would take RFC out of Commerce. If we give in to the financial gang at this time, the people will say that you and I have lost another battle to the reactionaries. We need all the power we can get to help both big business and small business to service 60 million people in steady employment.

On the RFC front, I plan very few immediate changes but I do need a trustworthy liaison and would like to borrow Cliff Durr of FCC for a couple of months. As you may remember Durr was in RFC for about 10 years and knows his way around. He is a brother-in-law of Justice Black's wife and is well motivated.

Respectfully yours,

H A Wallace

H. A. Wallace

P.S. Some day you might ask Lister Hill to tell you the story of J.H.J. and



OFFICE OF THE VICE PRESIDENT
WASHINGTON

January 17, 1945

Miss Grace Tully
Private Secretary to
The President
The White House

Dear Miss Tully:

I would appreciate it greatly if you
personally would give the enclosed letter
to the President.

Sincerely yours,

H A Wallace

H. A. Wallace

Enclosure

FILE MEMO:

PSF Wallace folder
Subject 2-45-

The President directed me to telephone the Secretary of Commerce and ask him to talk with the Secretary of State about some place in the world organization where Mr. Taylor would fit in.

G.G.T.

PSF; Wallace folder
Subject File

EXTRACTS FROM A SPEECH DELIVERED
by
BERNARD H. RIDDER

Publisher of the St. Paul Dispatch & Pioneer Press, Before the Mem-
ber Banks of the 9th Federal District at Minneapolis, Saturday,
March 8, 1941.

GIVE TO THE PRESIDENT JUST BEFORE
WAYNE TAYLOR GOES IN.

G.G.T.

THE SECRETARY OF STATE
WASHINGTON

March 13, 1945

MEMORANDUM FOR MISS TULLY

Subject: Wayne Taylor.

Henry Wallace has just talked to me on the telephone about the Wayne Taylor situation and I suggest that the President say to Mr. Taylor that he has talked to me and I am confident that, after the Social and Economic Council comes into being following the San Francisco Conference, a most attractive and appealing assignment will be available for Wayne Taylor.

I have telephoned Wayne Taylor this afternoon and he is coming to see me tomorrow afternoon at 2:30.

WJ

Wallace folder
2-45
PSF
Subject

1

BSF Wallace folder 2-45
Subject
THE WHITE HOUSE
WASHINGTON

April 11, 1945.

MEMORANDUM FOR:

THE PRESIDENT

I think it would be a mistake to consider CLIFFORD JUDKINS DURR for the position of Federal Loan Administrator. I am rather certain that tremendous opposition would develop on the Hill if he were appointed.

J.
JAMES M. BARNES,
Administrative Assistant.

THE WHITE HOUSE
WASHINGTON

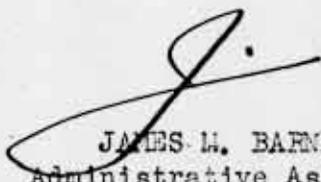
April 6, 1945

MEMORANDUM FOR:

HONORABLE WILLIAM D. HASSETT

Pursuant to our telephone conversation this morning, I am attaching hereto the background of CLIFFORD JUDKINS DURR, whom Herbert Gaston said Secretary Morgenthau and Secretary Wallace were recommending for the R.F.C. position.

Senator Lister Hill also has very highly recommended this gentleman.



JAMES M. BARNES
Administrative Assistant
to the President

April 9, 1945.

MEMORANDUM FOR

JIM BARNES

Is this man worth considering?

F. D. R.

(From Who's Who in America - 1944-1945)

DURR, Clifford Judkins - lawyer, born in Montgomery, Alabama, March 2, 1899; son of John Wesley and Lucy (Judkins) Durr; A.B. University of Alabama, 1919; B.A. in jurisprudence, Oxford University (Queen's Coll.) England, 1922; married Virginia Heard Foster, April 5, 1926; children - Ann Patterson, Clifford Judkins (dec.), Lucy Judkins, Virginia Foster. Admitted to Alabama bar 1923, Wisconsin bar 1924; associated with Rushton, Crenshaw & Rushton, Montgomery, Alabama, 1922-23, Fawsett, Smart & Shea, Milwaukee, Wisconsin, 1923-24; mem. Martin, Thompson, Turner & McWhorter, Birmingham, Alabama, 1925-33; Legal Division R.F.C., Washington, D.C., 1933-41, Assistant General Counsel, 1936-41; Vice President and Director Rubber Reserve Company, 1940-41; General Counsel and Director Defense Plant Corporation, 1940-41; Commissioner, Federal Communications Commission since 1941. Served in 4th O.T.C., Camp Pike, Arkansas, October-December, 1918. Member Phi Beta Kappa, Sigma Alpha Epsilon, Democrat, Presbyterian. Club: Redstone (Birmingham, Alabama). Home: Seminary Hill, Alexandria, Virginia. Office: New Post Office Bldg., Washington, D.C.

PSF: Wallace
Subject

(1944)

September 24, 1951

Dear Herman:

I am enclosing two copies of
White House press releases containing Henry
Wallace's letter to the President on the
subject of his mission to China in 1944.

Sincerely yours,

GEORGE M. ELSEY
Administrative Assistant
to the President

Mr. Herman Kahn
Librarian
Franklin D. Roosevelt Library
Hyde Park, New York

HOLD FOR RELEASE

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HOLD FOR RELEASE

CONFIDENTIAL: The following correspondence from the President to the Vice President and attachments thereto are for automatic release at 7:00 p.m., E.D.T., Sunday, September 23, 1951. No portion, synopsis, or intimation may be published or broadcast before that time.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR ANNOUNCEMENT.

JOSEPH SHORT
Secretary to the President

September 22, 1951

Dear Mr. Vice President:

I am sending you a copy of a letter, together with certain documents, which I recently received from Mr. Henry A. Wallace.

These papers deal with the facts of Mr. Wallace's trip to the Far East in 1944, and the part played by his advisers on that trip. These papers deal with certain matters which may be of interest to the Senate and its Committees. I am therefore making Mr. Wallace's letter available to you for use in such ways as you deem appropriate.

Very sincerely yours,

HARRY S. TRUMAN

The Honorable
The Vice President of the United States,
Washington, D. C.

Farvue,
South Salem,
New York.
September 19, 1951.

Honorable Harry S. Truman,
President of the United States,
Washington, D. C.

Dear Mr. President,

During the last three weeks there has been considerable newspaper and radio controversy as to what part John Carter Vincent and Owen Lattimore played in my trip to the Far East in 1944. This controversy arose from certain testimony before the Senate Committee on Internal Security during August. Therefore I have decided to make available to you for what disposition you care to make of it the complete file of my reports to President Roosevelt on my Far Eastern trip in 1944. Parts of these reports were at one time looked on as secret but with the situation as it is today there is no reason why these reports should not be made available to the public. I shall, of course, take no steps to publish this letter myself but I wish you to feel completely free to handle it in any way which you deem will best minister to the welfare of the United States.

The following comments as well as the documents themselves should clear up any confusion as to what I was trying to do in China. The part of various individuals in my trip will also be made more clear. In March of 1944 I wrote Secretary Hull asking him to designate someone to accompany me on the projected trip and the State Department named John Carter Vincent, then Chief of the Division of Chinese Affairs. The OWI sent Owen Lattimore to handle publicity matters in China. I passed through Soviet Asia on my way to China but China where the situation was critical, formed the sole subject of my recommendations to President Roosevelt. These recommendations were contained in two related documents:-

First, a message drafted in Kunming, China on June 26, 1944 but which because of difficulties of communication from Kunming, was cabled to the President from New Delhi on June 28, 1944. This was divided into two parts, the first part being a quick resume of the political situation in China and of my talks in the days immediately preceding with Generalissimo Chiang Kai-shek; and the second part, a resume of the military situation, its implications and requirements.

Second, a formal report to President Roosevelt covering whole trip, including also certain longer term proposals about American policy in China which I presented in person at the White House on July 10, 1944.

These were the only documents originated by me and contained all recommendations of mine resulting from the trip. Mr. Vincent, of course, transmitted to the State Department the detailed, reportorial account of my conversations with the Generalissimo which have already been published in the State Department White Paper.

There has been testimony before the Senate Internal Security Committee that Messrs. Vincent and Lattimore were members of the Communist Party at that time and were relied on by the party leadership to "guide" me along the party line. Hence it is important to specify the parts that these two men took in the recommendations that I presented to President Roosevelt. As to Mr. Lattimore, he had no part whatever. He did not contribute to and to the best of my knowledge knew nothing about either the cable from New Delhi or the formal report to the President delivered in Washington. He offered me no political advice at any time sufficiently significant to be recalled now, and when we were together, he talked chiefly about scholarly subjects of common interest such as the history of Chinese agriculture and the relationship of the nomadic tribes with the settled peasantry.

Mr. Vincent as the designated representative of the State Department was naturally consulted by me when we were travelling together. Aside from serving as reporter at the meetings with Chiang Kai-shek, his most important part was his assistance in the preparation of the two-part cable sent from New Delhi. In Kunming, the knowledge I had already gained in Chungking of the urgency of the Chinese situation, and of the grave dangers of the Japanese offensive then going on in East China was heavily underlined by General C. L. Chennault's presentation to me of the current military picture. In the light of this presentation and in response to Chiang Kai-shek's request made of me on June 24 I decided to cable President Roosevelt on June 26. Mr. Vincent joined in the advance discussions of the projected cable, was present while it was drafted and concurred in the result. The finished cable was, of course, mine but I was disturbed by the fact that I was making far-reaching recommendations without having had an opportunity to consult the Theater Commander, General Joseph Stilwell. My recommendations were so drastic that Vincent would certainly have urged that I get in touch with General Stilwell if he (Vincent) had had objections. Instead Vincent concurred in the cables of June 28.

On the other hand, as both Mr. Vincent and Secretary of State Dean Acheson have stated, Mr. Vincent took no part in the preparation of my formal report to President Roosevelt on July 10 and to the best of my knowledge was not aware of its contents. I wrote the July 10 report myself and went alone to the White House to present it to the President. In doing the work of writing I made use of various memoranda which had accumulated during the journey, some no doubt from Vincent. However, the strongest influence on me in preparing this final report of July 10 was my recollection of the analyses offered me by our then Ambassador to China, Clarence E. Gauss, who later occupied one of the Republican places on the Export-Import Bank Board.

With regard to the two-part Kunming-New Delhi cable of June 28, it should be said that the military recommendations contained therein were the most important contribution I made while in China. These recommendations were that China be separated from the command of General Stilwell, that General Wedemeyer should be considered in the choice of a new military commander in China, and that the new commander should be given the additional assignment of "Personal representative" of the President at Chungking. The name and record of General Wedemeyer are enough to indicate that the purport of these recommendations was the opposite of pro-communist.

Some months later the change of military command I proposed to the President was carried out at the most urgent plea of Chiang Kai-shek. History suggests that if my recommendations had been followed when made, the Generalissimo would have avoided the disasters resulting from the Japanese offensive in East China later that summer. And if Chiang's government had thus been spared the terrible enfeeblement resulting from these disasters, the chances are good the Generalissimo would have been ruling China today.

The political section of the Kunming-New Delhi cable of June 28 should be read with the atmosphere of that time in mind. Much emphasis had been placed from the very beginning of the war on the primary importance of "beating the Japs", and by the spring of 1944 even the most conservative American publications were urging that the Chinese communists could contribute substantially to this end. Roosevelt talked to me before I left, not about political coalition in China, but about "getting the two groups together to fight the war". Chiang Kai-shek for internal political reasons had, on his own initiative so I was informed, opened talks between the Nationalists and the Communists but, so he told me, with no prospect for success. When I cabled the President that "the attitude of Chiang Kai-shek towards the problem is so imbued with prejudice that I can see little prospect for satisfactory long term settlement" I was referring not to "political coalition" but to this "military problem" of "getting the two groups together to fight the war." On the other hand, when I said that the disintegration of the Chungking regime will leave in China a political

The outline of the world revolution that has been going on for the past seven years is beginning to take shape. The war is only one phase of this revolutionary movement, the purpose of which is to destroy the heritage of a great civilization. This revolution has been given different names - in Germany it is called National Socialism, in Italy it is Fascism, in Spain it is Falangism, and in Japan it is nameless but not without meaning.

Revolutions are no longer fought out behind barricades in crowded cities, for the technique of revolutions has changed. The leadership in revolutions comes now from above and not from the masses below, for Governments direct revolutions. As Trotsky said, "Insurrection is an engine which technical experts are required to start, and even they can not stop it."

The Nazis believe that humanity has to be kept constantly stirred up by a never-ending revolution so that men will become pliable clay in their hands to shape anew the destiny of a harried world. Hitler once said, "The revolution can not be ended. It can never be ended. We are motion itself. We are eternal revolution." Or again "externally I am the revolution, but internally it goes on just as we store up our hate and think of the day on which we will cast off the mask and stand revealed as those we are and eternally shall remain."

This revolution took Europe by surprise, which, to me seems so very surprising. What has been called the English ruling class

vacuum which will be filled in ways which you will understand", I was, of course, warning against the possibility of a Communist political triumph in China.

The July 10 report does not recommend any political coalition between the government of Chiang Kai-shek and the Chinese communists. It was written, however, against a Chinese political background which is still quite unknown to most Americans. In brief, one of the worst of several ills from which the Chungking government was suffering at the time, was the absolute control of all positions of political, military and economic power by an extreme pro-Asian, anti-American group within the Kuomintang. This was much emphasized by Ambassador Gauss who plainly stated that this group in Chungking was doing the Chinese communists' work for them. The more Western-minded, more efficient and more pro-American Chinese Nationalist leaders had been so completely driven from power that Dr. T. V. Soong's appearance as interpreter at my talks with the Generalissimo was authoritatively reported to be his first emergence from a sort of informal house arrest, while the most highly praised of the Chinese Generals, General Chen Cheng, now Prime Minister in Formosa, had been dismissed from all command some months before. These facts are hinted at in my report to Roosevelt on July 10 in which it is noted as "significant" that "T. V. Soong took no part in the discussions (with the Generalissimo) except as interpreter", while General Chen Cheng is mentioned along with Generals Chang Fa-kwei and Pai Chung-hsi as the sort of men who might rally the Chinese armies to greater efforts.

In this concluding section of this final report to President Roosevelt on July 10, a coalition is in fact suggested but not with the Communists. Instead President Roosevelt is urged to use American political influence to "support" the "progressive banking and commercial leaders", the "large group of western trained men", and the "considerable group of generals and other officers who are neither subservient to the landlords nor afraid of the peasantry." In short I urged President Roosevelt to help the Generalissimo's government to help itself, by bringing back to power the better men in the Chinese Nationalist ranks. These better and more enlightened Nationalists, being more able to stand on their own feet, were somewhat more independent of the Generalissimo than the extreme pro-Asia groups. Hence it was necessary to point out to President Roosevelt that if the desired changes were made in the Chinese Nationalist government, the Generalissimo's future would depend on his "political sensitivity", and his ability to make himself the real leader of the reconstituted administration. Internal reform at Chungking was, in short, my proposed means of avoiding the "revolution" and insuring the "evolution" that are referred to earlier in this report of July 10. It is worth noting that the Generalissimo must have been thinking along parallel lines, since the extremists began to lose their control and Dr. Soong and General Chen Cheng were brought back to power by the Generalissimo himself during the same month that I rendered my report to President Roosevelt.

Such were the recommendations, such was the direction of the influence of my trip to the Far East in the spring of 1944. During the years immediately following the end of the war my thinking about Chinese problems underwent a sharp change. My views during this later period are known as are now my views in 1944. Recent events have led me to the conclusion that my judgment in 1944 was the sound judgment. I append herewith a copy of the two-part Kuning-New Delhi cable of June 28 in the War Department paraphrase given to me when I returned to Washington and of the final report to President Roosevelt of July 10 as presented by me to him.

Wishing you health and strength in shouldering
the tremendous burdens ahead,
Mrs. Wallace joins me in asking you to
convey to Mrs. Truman and Margaret
our best regards,

Sincerely yours,

HENRY A. WALLACE

Subject File

WALLACE DISOWNS 'SOFT' CHINA POLICY

In a Cordial Note to Truman,
He Denies Bias "or Reds,"
Says He Backed Chiang

Texts of the Wallace documents
appear on Page 30.

By WILLIAM A. WHITE

Special to The New York Times

WASHINGTON, Sept. 23—In a letter wishing President Truman "health and strength in shouldering the tremendous burdens ahead," former Vice President Henry A. Wallace has denied Republican charges of a Democratic "softness" to communism in Asia going back to the Roosevelt Administrations.

Apart from leaving the impression that he was returning to the side of Mr. Truman, whom he sought to destroy politically in 1948 by leading a third party movement, Mr. Wallace:

1. Declared Prof. Owen Lattimore had been without any responsibility for the 1944 recommendations of a Wallace mission to China that the orthodox Republicans for years have called "pro-Communist."
2. Asserted that these recommendations were in fact "the opposite" of pro-communism.
3. Declared that one of them, in fact, was for the elevation in China of Lieut. Gen. Albert C. Wedemeyer, whom the Republicans for years have considered the embodiment of anti-communism, and that this was concurred in by John Carter Vincent of the State Department.

Mr. Vincent, a former chief of the State Department's Far Eastern Division, now is American representative at Tangier. He long

Continued on Page 20, Column 1

has been pictured by Republican assailants, despite many denials, as a covert worker against the Chinese Nationalist Government of Chiang Kai-shek and in favor of the Communists there. Professor Lattimore to a lesser extent has been so characterized. He is a former occasional consultant of the State Department and now is on the staff of the Johns Hopkins University.

Four Documents Issued.

Mr. Wallace, who cost Mr. Truman New York State in 1948 by running as the Presidential candidate of the Communist-supported Progressive party, left the Progressives in August, 1950, in anger at their continued criticism of the United Nations position in Korea.

His intervention on the side of the Democrats in the long foreign policy debate was made known today in the release by the White House of four documents.

One was a letter to Mr. Truman of Sept. 19 in which Mr. Wallace took an unmistakable cordial tone to the President who had ousted him as Secretary of Commerce, in 1946, following differences over foreign policy.

The second was a copy of the "Summary Report" of his China mission, which Mr. Wallace had made on July 10, 1944, to President Roosevelt. This had not been published generally, although it was printed on Jan. 19, 1950, in THE NEW YORK TIMES.

The third document was a series of recommendations about China that Mr. Wallace had cabled from New Delhi in two sections to Mr. Roosevelt in June, 1944.

The fourth was a covering letter from President Truman himself dispatching all this to Vice President Alben W. Barkley, the Senate's presiding officer, "for use in such ways as you deem appropriate."

While Mr. Wallace said nothing directly of the Administration's current policy in Asia, his action was a defense of Mr. Vincent and, by implication, of others in the State Department who long had been accused of seeking to undercut the Chiang Kai-shek regime.

Notes "Sharp Change"

He recalled that his own views of Chinese problems had undergone "a sharp change" since 1944, apparently referring to the fact that for a time in the intervening years he had taken a line that his critics called similar to that of the Communists in the United States.

He observed, however, that "recent events" had caused him to believe that his opinions of 1944, which he had described as in effect for continued support of Chiang Kai-shek, formed "the sound judgment."

At the outset of his letter, he indicated to Mr. Truman that he was handing over his old papers because Mr. Vincent and Professor Lattimore had been attacked in August before the Senate Internal Security subcommittee as "members of the Communist party" while they were serving in the Wallace mission.

"Hence," Mr. Wallace went on, "it is important to specify the parts that these two men took in

19 The recommendations that I presented to President Roosevelt.

"As to Mr. Lattimore, he had no part whatever. He did not contribute to and to the best of my knowledge knew nothing about either the cable from New Delhi or the formal report to the President delivered in Washington.

"He offered me no political advice at any time sufficiently significant to be recalled now, and when we were together he talked chiefly about scholarly subjects of common interest such as the history of Chinese agriculture and the relationship of the nomadic tribes with the settled peasantry."

As to Mr. Vincent, Mr. Wallace said he was "naturally consulted," as a designated State Department aide, in the preparation of the New Delhi cable, though not in the July 10 formal report handed to Mr. Roosevelt in Washington.

"No Alternative" to Chiang

"The strongest influence" in the July 10 document, the former Vice President said, came from the United States Ambassador to China of that period, Clarence E. Gauss, "who later occupied one of the Republican places on the Export-Import Bank Board."

The substance of this report was that while there was a great deal wrong with Chiang, there was, at one time, "no alternative" to continued United States support for him, though the best ultimate hope was for "a new coalition" in China.

The paper, Mr. Wallace declared to Mr. Truman, did not recommend a coalition with the Chinese Communists, as the Republicans long have contended was proposed then and in the 1945-46 mission to China made for President Truman by General of the Army George C. Marshall.

What was in his own mind and in Mr. Roosevelt's mind in 1944, Mr. Wallace added, was what Mr. Roosevelt had spoken of at the time as "getting the two groups [Nationalists and Communists] together to fight the war [against the Japanese]."

As to the hitherto unpublished Wallace cables of June, 1944, from New Delhi to Mr. Roosevelt, Mr. Wallace said in his letter, Mr. Vincent "joined in the advance discussions, was present while it was drafted and concurred in the result."

This paper, as made public by the White House, was in the form of "Message No. 1" and "Message No. 2."

Message No. 1 said Chiang was "so imbued with prejudice" toward the Communists that "there was little prospect" for satisfactory long-term settlement.

Message No. 2 suggested that China might be "separated" from the command of the then senior American officer in the theatre, the late Gen. Joseph Stilwell, whom many Republicans in recent years have accused of hostility to Chiang.

"While I do not feel competent to propose an officer for the job," this dispatch went on, "the name of General Wedemeyer has been recommended to me and I am told that during his visit here he made himself persona grata to Chiang."

P.F. Wallace

remained completely blind to the real nature of Naziism. Months after the war came there was still and probably still is an utter failure of comprehension of the true nature of the revolution that is sweeping the world. Recently I read Sir Neville Henderson's "Failure of a Mission." These were the memoirs of the British Ambassador to Berlin during the dangerous years when he succeeded Sir Eric Phipps. "Though he knew all the main characters in the play, he knew absolutely nothing of the social forces operating behind the scene. The fact that Hitler has been able to conceal the universal revolutionary aims of his movement and sell it as an insurance of profits for vested interests in every country is probably the major achievement of his fantastically successful career." These were the words of the Czech writer Mach in assessing Henderson's work in Berlin.

It is an idle but interesting question if the British could have stopped this revolutionary movement in its beginning. Had the statesmen of Britain and France the courage to make small sacrifices while there was still time to make them, by giving up a little in order to save all, they might not have been forced to give up all to save even a little.

It is fitting before this audience of bankers to call attention to the German financial program of the last seven years, a program which is both as revolutionary as it has been successful. When Hitler launched his vast public works and armament program in 1934

and 1935, economists generally believed that he would bankrupt Germany by this mad program. The truth is otherwise. As Dal Hitchcock in the February "Harper's" says, "The facts stand incontrovertible that instead of being bankrupt, Germany has actually created vast public improvements, expanded her industry and built her unparalleled war machine in the course of six years, the greatest economic triumph of the times. All this has been done in a nation that, at the start, was debt-ridden, impoverished and deep in depression." All this has been possible in Germany because for the first time a planned economy was attempted and operated in a nation that had both its complete mechanical equipment as well as the human mechanics to create sufficient production to prevent the operation of the laws of inflation, and furthermore because the Government had ample power to control both wages and prices and, in addition, was able to manage the technical machinery which makes the financial system go.

At the start Hitler did what all Governments have been doing during the last 20 years, namely he issued short term obligations to pay governmental expenses. The German banking system absorbed these obligations, discounted them and gradually they became a form of liquid investment by individuals and corporations. The Government and the Nazi Party saw to it that these Government obligations did not drop below a fixed price but neither the arrogance nor brutality of the methods employed was solely responsible for the success of their price fixing method.



Sub. File
DEPARTMENT OF AGRICULTURE
THE WHITE HOUSE
WASHINGTON

Mar 9 1 53 PM '40

March 9, 1940

PS F: Wallace

file
personal
national

The President

The White House

Dear Mr. President:

I have been checking up on Harry Slattery's record since he took charge of REA, and I think you will be interested in what that record is.

He came into the organization on September 26, and from that date until January 17, when he left for a speaking engagement at the largest REA project in Florida, he was not absent from his desk except for the Christmas Holidays and Thanksgiving. During that time the register kept at the door of the building by the guard on duty shows that Mr. Slattery maintained long office hours, that he was there every day until six o'clock or later, including Saturdays, and frequently was in the office on Sundays. His people have felt during that time that his health was excellent and that there was no question about his vigor and his quick mastery of the affairs of the organization.

Harry's recent illness is attributed to a change in temperature which occurred in Florida and which brought on a case of influenza. A too early attempt to return to duty brought on a serious relapse which caused some complications of a former prostate condition which has necessitated a rather slow convalescence. He has completely recovered and will be back at his desk next week.

As an indication of the progress of the REA in the first six months of the present fiscal year, since it was associated with the Department, the program has increased its total mileage of 115,000 miles serving 268,000 consumers to 180,000 miles serving 400,000 consumers. At the rate of production now under way the current program totaling 250,000 miles serving 700,000 consumers will be completed by September 1.

There are, as would be the case in any bureau or administration, some problems over in REA. But I don't believe that Harry is one of them.

Respectfully yours,

Hawalloa

Secretary

With the proceeds of the Government's securities the Nazis had ample funds with which to begin their program. Up to this point there is nothing new in this financial method. In fact, our own Government is operating under a similar system today. Hitler and the Nazis have been preaching for ten years that labor is the only wealth of the country and that modern capitalism and the "pluto-cra-
tic democracies" were unable to use either all the labor available or if available unable to give it an adequate return. Hitler has achieved and sustained full employment.

The checks and controls which the Nazis established, with which you are probably more familiar than I, are nevertheless interesting to discuss. The first danger to such a governmental financial system is undue expansion of bank deposits, a process now underway in the United States. These bank deposits are a source of great danger if left to remain in the hands of banks or the individuals and corporations to which they flow. The Nazis have discovered a new method of getting these bank deposits out of the banks after they have performed their initial service. After the Government has spent the money, the individual corporations and individuals themselves throughout the country come under the watchful eye of Nazi inspectors who determine how much cash balances each company is permitted to retain and "suggestions" are made that their excess cash balances be used to buy governmental securities. These "suggestions"

are necessarily heeded and so they reverse the order and wash the slate clean for the renewed flow of government moneys. All these transactions come within the structure of capitalistic financial procedures, retaining the profit motive as the stimulus for private enterprise, and as Dal HITCHCOCK says, "It is an astonishing demonstration of the vitality of that beleaguered institution called capitalism. This method brings the volume of banking deposits in Germany under the absolute control of the Nazi machine. Furthermore it allows the profit motive and individual enterprise to function in German economic activity." Finding that the control of bank deposits could be accomplished so easily they next set out to control the volume of currency. Fortunately for them, there was no demand for German currency in the outside world. During the period from 1933 to 1939 the British leaders, men of property and successful capitalists, were by their very background and experience the most liable to miscalculate the effects of the Nazi financial innovations. They felt instinctively that the Nazi method would have failed in England. What wouldn't work in Britain, however, worked marvelously well in Germany because of the willingness of the German people to accept an economy of coercion in a time of peace. While the British during this period were attempting an economy of prosperity and of social reform, the Germans were ready to sacrifice everything of today for the national promise of tomorrow; just as in the Middle Ages the

Church promised in exchange a happy future life for the mortal life of misery and the masses of the people of Europe accepted that promise of the hereafter and willingly suffered the social inequalities of the time, so Hitler held before German eyes a future world order of prosperity in return for his economy of slavery, and once again future profits appeared more attractive than present misery.

The control of currency and bank deposits solved another problem for the Germans which is a disturbing factor in our present economy. Each month in the United States we find the pool of capital securities growing less and opportunities for the investment of capital growing smaller, because we have found no means of completing the circle which begins and ends with Government securities issued and paid. The Germans learned how to make Government securities and bank deposits circulate.

The theory that savings are bad and that spending is good is one of the craziest assumptions that has been prevalent in this country during the past six years and is precisely the opposite of the German financial system. The Nazis believe that saving is good but they control these savings and use them either by liquidating them or converting them into governmental securities. They control and prevent the accumulation of bank balances. They prevent the hoarding of currency and they prevent the formation of idle capitalistic pools which normally stop production. The German economy has therefore avoided the major mistakes that we have made because the German

Government was in a position of deciding where the current of saving would flow and was able to direct its economy to keep the full flood of productivity at work.

There is a fundamental difference between the National Socialistic viewpoint of economy for the welfare of the state instead of our conception of an economy for the welfare of the individual. Hitler works on the principle that what eventually will help the state may raise the standard of living of those who live in the state, but he does not consider it very important to raise the standard of living as an end in itself but only as an accident in his economy of force. We are all wondering today whether democracy and the philosophy of force can live together happily in one small world. The differences are so fundamental that it is difficult for a believer in democracy to understand the Hitler system. Whereas we have always believed that the highest end is to be achieved through the development of the individual, the Nazi idea holds that the individual is only a tiny fraction of a race or state. Mussolini once said, "Fascism, the more it considers and observes the future and the development of humanity quite apart from political consideration at the moment, believes neither in the possibility nor the utility of perpetual peace. War alone brings to its highest tension all human energy and puts the stamp of responsibility upon the peoples who have the courage to meet it." I wonder to what heights of responsibility the Italian army has risen in its war test

of the last six months! Perhaps this philosophy does not work in Italy.

The Nazis are fond of quoting from Nietzsche, especially where he says, "For the present we know of no other means whereby the rough energy of the camp, the deep impersonal hatred, the cold-bloodedness of murder with a good conscience, the general ardor of the destruction of the enemy, the hollow earthquake-like convulsion of the soul, can be as forcibly and certainly communicated to enervated nations as is done by every great war. You shall love peace as a means to new wars, and the short peace more than the long. You I advise not to work but to fight. You I advise not to peace but to victory. Let your work be a fight, let your peace be a victory!" For years Hitler kept a copy of Machiavelli's "Prince" at his bedside and often quoted the following: "It is much safer to be feared than loved, because men are generally ungrateful, fickle, fools and cowards."

If the philosophy of force should triumph, then the belief in a society of free and equal men and women will perish. Our civilization has believed in an international order based on a common conception of international law, while the other system has no international order and can be only power and dictation by the strongest. Under Hitler's conception the people should serve the Government, also in the sphere of economics, and therefore there can be no free people nor a free economy. It is folly to expect that men

can have even a remnant of economic freedom under a totalitarian dictatorship.

The British leaders knew that in England's free economy the national debt is of tremendous importance, but in Germany's economy of force it was of relatively small importance because human values did not matter and welfare was no aim. The Nazi leadership exacted a claim on the hearts and minds and bodies, the possessions and faith of every man, woman and child in Germany and the result was and is political slavery. Imagine the billions of man hours of labor represented in this German production without any real increase in the people's acquisition of personal possessions, for the comforts and the conveniences of life. Therein lies the answer to how Germany could have completed her immense rearmament program without bankrupting Germany. The labor ingredient was a contribution of the German people for which they were not paid and may never be paid. Under this economy there can be no such thing as real ownership of property or control over one's work, one's thought, one's speech, or one's religion. Confiscation is inherent in the system itself, but the German economy is not likely to fail.

Is it any wonder that the British miscalculated the effects of this kind of a slave system in our modern twentieth century civilized world. They over-estimated the German people's interest in their own individual lives and own freedom. They did not realize that Nazi

inspectors could check successfully upon personal bank accounts and corporation balances, upon savings accounts, and confiscate them either through taxation or through enforced exchange of governmental securities. That is the irony and the tragedy of the British miscalculation. While an individual corporation cannot constantly capitalize its losses, a national economy as a whole can capitalize losses at one point to facilitate economic activity at other points. The important question we must ask ourselves is, Can these financial methods be utilized so that a governing people determined to preserve individual freedom and anxious to make full use of individual initiative could make private enterprise and private capitalism better serve the purposes of democracy? We must find the answer to that question in the coming years.

* * * * *

I am indebted to the New York Journal of Commerce, one of my family newspapers, and to its editor, Dr. Bogen, to articles of Dal Hitchcock and Stewart Nelson, and to some German magazines for the material in this address. As it was made extemporaneously I have forgotten exactly where credit is due, and I am adding a paragraph which is the most recent information that I have received from Germany on the present condition of the German financial system:

* * * * *

On February 9th, Fritz Reinhardt, the Assistant Minister of Finance in Germany, stated that the German national debt has more than doubled since the outbreak of the war in September, 1939. The excess borrowings of Germany amounted to three billion marks a month. The servicing of the present debt of Germany requires four billion marks a year while the Government income through taxation and other regular avenues amounts to thirty billion marks per year. Dr. Schmidt, of the Deutsche Bank, pointed out recently that the key to Germany's economic policy is not financial as bankers formerly understood it, but rather the direct management of the national economy. Through restricting consumption by a far-reaching system of rationing and price controls, the mass of the population is left with a large surplus of cash which it can not spend as it wishes to. All this cash is then absorbed by the Government either through taxes or Government loans. The Nazis therefore determine what proportion of the national productive capacity shall be allotted for consumer needs so that all personal incomes are reabsorbed by the Government.

The essential framework of this economic system closely resembles that of Soviet Russia, although the Russians have never been able to make their control plan function with even a remote resemblance of the smoothness and efficiency that characterizes the German controlled economy. It must be perfectly plain that only through force and continued force can an economic system such as the Nazis, survive.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

May 26, 1941

The President

The White House

Dear Mr. President:

I thought you might perhaps be interested in reading the enclosed short letter from Mr. Allen W. Dulles. At the moment it seems to me that he has put the heart of the problem very well when he says, "We must persuasively show the country that we need outposts to defend our shores or that these outposts must remain in friendly hands."

The country, even the "isolationist" Middlewest, is expecting from you on May 27 a more definite statement of facts and of a program based on these facts, than it has been possible to give heretofore.

The enclosed interviews from the Des Moines Register and Tribune sent me by Bill Waymack typify the current attitude of Iowa farmers. In certain German and Irish Catholic localities the attitude is different, but generally speaking, I believe the farm people of Iowa are ready for a more forceful and definite leadership than we have given so far.

Respectfully yours,

H. A. Wallace

H. A. Wallace

Enclosures

Of course we should not step in on any of these outposts unless we know that our military and naval strength is such that we can make our position good.

PSF: Wallace Folder
Subject
File
1-41
D. Wallace

ALLEN W. DULLES
48 WALL STREET
NEW YORK

May 9, 1941

The Honorable
Henry A. Wallace,
Wardman Park Hotel,
Washington, D.C.

Dear Mr. Wallace:

I enjoyed the privilege of meeting with you last Saturday evening.

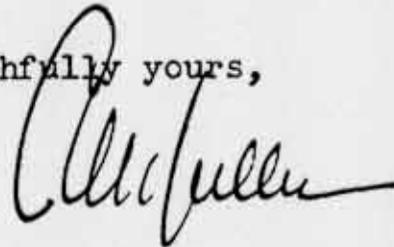
Since our discussion I have been giving a great deal of thought to the question of how we could achieve a more united public opinion to realize our common objectives. On the issue of necessity of perfecting defense of the United States, there is no dissenting voice. Where people differ lies in the determination as to where is our line of defense. The Lindbergh school of thought places our defense at our own shores.

This seems to me a narrow and mistaken view but to overcome it, and it has a very wide following, we must persuasively show the country that we need outposts to defend our shores or that these outposts must remain in friendly hands.

Too much emphasis has been placed on saving England and that we are fighting a foreign war. What we need to save are these outposts of defense which are gone if England and her fleet are gone, and in order to hold them for ourselves, it may be necessary not only to save England, but also to seize ourselves some of these outposts as England is spread too thin around the world to be able to hold them.

Again thanking you for the opportunity of joining in Saturday's discussion, I remain,

Faithfully yours,



T's F

Subject

Wallace

WHAT OUR FOREIGN POLICY MEANS AT HOME

Talk by Secretary Wallace given as part of the Democratic Forum Program "Our Foreign Policy and Peace", sponsored by the Women's National Democratic Club at the Carlton Hotel, on March 12, 1940.

Speech given to GGT for Current Speech Material folder on March 9, 1940.

THE REGISTER AND TRIBUNE
DES MOINES, IOWA

W. W. WAYMACK
VICE-PRESIDENT
EDITOR EDITORIAL PAGES

May 17, 1941

Dear Henry:

Here is a set of interviews with Marion county farmers, which we carried in The Tribune Friday, May 16.

Some differences of opinion on the war issue do appear. But the prevailing attitude is obvious. And there certainly does not appear to me to be any indication of Wheeler-Lindbergh mentality about these answers.

I think this little group of interviewed persons is a pretty fair sample of Iowa farmers. I think the attitudes indicated are far more representative of Iowa as a whole than the passionate expressions of scattered Coughlinites and such.

I merely thought this little test might interest you.

Cordially,

Bill

W. W. Waymack

Honorable Henry A. Wallace
Vice-President of the United States
Washington, D. C.

MARION COUNTY RESIDENTS SPEAK UP

Offer Views on How Far U. S. Should Go With Aid

Issue Ideas
On Britain

How far should the United States go in aiding Great Britain?

The question was asked of a number of Marion county residents, mostly farmers, by a Tribune reporter this week.

As in other Tribune symposiums, the reporter had no pre-arranged facts, but simply questioned persons he met at random. No attempt was made to select a scientific sample of public opinion as is done in the Gallup poll.

W. H. Sharlow, 74, R. R. 1, Pleasantville, owns 60 acres—That's a pretty big question for a man to pass on. I'll

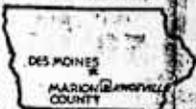
say this: that I don't want to see Germany govern the world. While I don't like to see our boys go over there, at the same time I don't want to see Hitler govern the world. If I were a young man I'd volunteer to go where they needed me.

Kenneth Sherwood, 22, R. R. 1, Dallas, owns 120 acres—I've been in the service myself. I feel that the U. S.

should help Great Britain every way possible. I don't know how the U. S. is going to get this stuff over to Britain but the U. S. has to have it if they continue this war, else it will be over right away. I believe we should see that it gets over to them.

Myra Kellen, 26, R. R. 1, Pella, owns 200 acres—I'd say give them what they need. Supplies of all sorts. Convoys would be kind of dangerous—but if that's the only way the stuff can be got there, use them.

WHERE



This Iowa map locates Marion county. Knoxville (the county seat) and Des Moines.

We ought to keep on sending supplies over there and if we have to we should convey them.

Henry Krueger, 21, R. R. 1, New- way, owns 20 acres—We should stay inside of our country and should not run around and shoot ourselves on foodstuffs and war supplies. We shouldn't send any man over there. We did that once before and now they're fighting again. Send every- thing but men.

Leslie Johnston, 22, R. R. 1, Dallas, owns 24 acres—I don't think we ought to send convoys. Let 'em have supplies if they can get them on their ships.

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Myra Kellen, 26, R. R. 1, Pella, owns 200 acres—I'd say give them what they need. Supplies of all sorts. Convoys would be kind of dangerous—but if that's the only way the stuff can be got there, use them.

the money to buy supplies we should donate them. If they haven't got the stuff to get the supplies over there we should get it there. We can do it.

Ray Vernon, 22, R. R. 1, Pleasantville, owns 20 acres—I'm ready to give 'em everything we make and they need over there but I don't want to send any men over there. Give them food and materials—all we can without robbing ourselves. But keep enough to keep our preparations up.

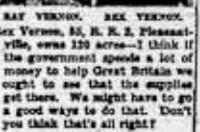
Ray Vernon, 22, R. R. 1, Pleasantville, owns 20 acres—I'm ready to give 'em everything we make and they need over there but I don't want to send any men over there. Give them food and materials—all we can without robbing ourselves. But keep enough to keep our preparations up.

Ray Vernon, 22, R. R. 1, Pleasantville, owns 20 acres—I think if the government spends a lot of money to help Great Britain we ought to see that the supplies get there. We might have to go a good ways to do that. Don't you think that's all right?

Everett Johnston, 22, R. R. 1, Dallas, owns 120 acres—We should go just as far as we've gone right now and no farther. No convoys that will get us into war. I don't think we should send any men. If we send convoys we'll have to send a lot of England didn't pay us four and a half billion dollars owed after the other war and said we were a bunch of slylocks.

surely not in favor of sending any troops over there. As far as sending ammunition and other supplies, it's all right except you're always getting closer to it (war) yourself all the time. I'm not in favor of convoys; it looks to me as if that's getting a little bit too close to it.

Harold Kading, 22, R. R. 1, Knoxville, owns 110 acres—That question's a deep one. Well, I think if they go to conveying they're going to get into trouble but I don't know if I'm against it or not. It looks as if that's what the U. S. is going to do whether we like it or not.



THE WHITE HOUSE
WASHINGTON

PSF: *Wallace Folder*
Subject
File

August 30, 1941

CONFIDENTIAL MEMORANDUM FOR
THE SECRETARY OF STATE

Please read the enclosed
and return to me.

F. D. R.

Enclosure

Let to FDR from the Vice President 8/29/41
urging that the President take "an exceed-
ingly firm stand" in the current conversa-
tions ~~re~~ re Japan.

*File
Personal*

THE WHITE HOUSE
WASHINGTON

August 30, 1941

CONFIDENTIAL MEMORANDUM FOR
THE SECRETARY OF STATE

Please read the enclosed
and return to me.

F. D. R.

Enclosure

*Thomson
CH*

Wallace Folder
1-41

OFFICE OF THE VICE PRESIDENT
WASHINGTON

August 29, 1941

URGENT

BY SPECIAL MESSENGER

The President

The White House

Dear Mr. President:

When you mentioned Japan at Cabinet meeting this afternoon, I had a strong desire to express myself but reached the conclusion it might be better to do so to you privately.

I do so hope that in the current conversations (?) you take an exceedingly firm stand. It seems to me that the appeasing stand or partially appeasing stand is certain to bring bad results not only with regard to Japan, in the long run, but with regard also to the situation in Europe. If we take a strong stand, the entire Axis will be impressed and the psychology of the American people will be strengthened.

I do hope, Mr. President, you will go to the absolute limit in your firmness in dealing with Japan. I am as confident as anyone can be in a matter of this sort that such a policy will bear rich dividends, and that any sign of weakness, concession or appeasement will be misunderstood by Japan and the Axis and will cost us, directly or indirectly, many millions of hours of man labor and much suffering.

With warmest regards, I am

Respectfully yours,

H A Wallace

H. A. Wallace

PSF: Wallace Folder

November 5, 1941.

Dear Henry:

This is getting beyond the humorous stage. When a member of the exclusive club, of which you are President, complains about the publicity attendant on your alleged cruelty and drops this note into the complaint box, I feel that it cannot be ignored.

If you can square yourself privately with Smathers, I will do the best I can to put the whole thing out of my mind!

As ever,

Honorable Henry A. Wallace,

The Vice President.

Enclosure,

clipping "Wallace Cruel, Mae West says" sent in by
Wm. H. Smathers, U.S.S.

not/dj

Wallace Folder

1-41

copy of longhand letter

Dear Henry:

I feel deeply sorry.

F.D.R.

Enclosure - Headline from Wash. Evening Star
"Wallace denied maintenance \$1000 a month by
Mae West".

Sent to the Vice President

VICE PRESIDENT'S OFFICE

Dear Mr. President -

But his first
name was Frank.

It makes one thin
and haggard to be
separated from mae.

If you and she stop
supporting me, should
I apply to mae?

Henry A.

Case
Decision

Waive
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working contro-
versy over a word
and a possibility
of a minute court

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court until
after 2 p. m.
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in and de-
partment office for

Lord Barker,
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N. H. (San-
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Judge Rules in Mae's Favor



ACTRESS' HUSBAND DENIED ALIMONY—Vaudeville Actor Frank Wallace (left) was denied \$1,000 monthly separate maintenance from Actress Mae West yesterday at San Bernardino, Calif. Judge Charles L. Allison questioned Wallace's good faith in bringing suit. Both Mae and Wallace, the latter in a less composed mood, are shown in court.

121 to Take Army Oath Today

One hundred and twenty-one selective service registrants are to take the Army oath at Richmond today, completing Washington's

Fleming, William P. Board,
order No. 2802,
Board.

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Meets

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me

*PSF wallace
Subject*

Re:Memo from Jim Rowe to the President --March 23, 1940
with attached memo of March 13, 1940

Subject--Henry Wallace and the Wisconsin Primary

See:Rowe-Administrative Assts folder-Drawer 1-1940

PSF: Wallace Fries

THE WHITE HOUSE
WASHINGTON

PRIVATE AND ~~CONFIDENTIAL~~

December 3, 1941.

MEMORANDUM FOR
THE VICE PRESIDENT

What do you think?

F. D. R.

Note to the President from
the Secretary of the Interior,
dated Dec. 2, 1941, saying he
has "on excellent authority that
Tom Corcoran would be willing to
be made counsel to Milo Perkins.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date JUN 2 1972

THE WHITE HOUSE
WASHINGTON

PSF: Wallace
file
Confidential
subject

12-8-41

MEMORANDUM FOR THE PRESIDENT:

The Vice President suggests, when the SPAB board meets, that the President make the following statement to Bill Knudsen:

→ "Bill, you have been doing a perfectly grand job. Now you have to do a bigger job. You will have to clear the decks for action in every way. I wish you would sit down with Harold Smith here, who is an expert in organization and integration, and counsel with Smith on making sure that at the head of each of your divisions you have the best man in the United States for the job."

The Vice President says that Knudsen so worships the President, is so completely loyal to him, that a statement of this sort will help amazingly in putting grease on the wheels. If the President makes some such statement at the start and then let events take care of themselves, it will help their job in SPAB an awful lot.

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

*filed
Presidential*

*PSF: Wallace F. Folger
Subject 2-42*

OFFICE OF THE VICE PRESIDENT
WASHINGTON

December 18, 1941

Dear Mr. President:

I am writing this letter instead of sending you a Christmas card.

For nearly nine years I have been a part of your official family. These nine years have been unusually happy, not only because of the opportunity they have given for service but also because the contact with you has been an altogether unique and heart-warming experience.

It has been truly providential for the nation that you have been our leader during these nine years. No one else had the insight to lead as effectively as you have done in meeting our problems both on the foreign and domestic fronts. Paul deKruif and I were talking about this this afternoon. Paul said he had been reading Sandburg's four volumes on Lincoln's war years with great care and that he had reached the conclusion that you had been doing the same kind of job as Lincoln but that you had been doing it more skilfully. And so, although Paul is not in any sense a religious sort of man, I could see him in reality giving

thanks to a Higher Power for your leadership.

In this most unusual Holiday Season the Wallaces wish the Roosevelts good cheer, long life, and the best of everything.

In warmest appreciation of my Commander-in-Chief, I am

Respectfully yours,

J A Wallace

The President

The White House

Subject

PSF: Wallace Filder

*file
personal*

1-41

THE WHITE HOUSE
WASHINGTON

12-29-41

MEMORANDUM FOR THE PRESIDENT:

Vice President Wallace phoned that, in accordance with the letter from the President dated December twenty-third, he (the Vice President) had set up a committee to treat with petroleum in foreign fields.

This committee included the Petroleum Coordinator, or some one designated by him. The Vice President said that he designated a man named Max Thornberg to be Chairman of this committee and that this had inflamed the Secretary of Interior very much because he wished to be the chairman himself.

The Vice President thought strongly that if Secretary Ickes were allowed a week or two to think this over, it might adjust itself.

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

C
O
P
Y

PSF: Wallace

OFFICE OF THE VICE PRESIDENT

WASHINGTON

April 14, 1942

Mr. Wayne Coy
Liaison Officer for
Emergency Management
State Department
Washington, D. C.

Dear Wayne:

There is urgent need of a practical survey of the crucial war transportation problems immediately confronting us. If the President is in accord, I would like to ask you to explore the following two principal questions:

(1) Who is responsible for each of the various parts of our wartime transportation system and for each of the various stages in the transportation of munitions from our factories to American or Allied troops in the field, whether by rail, ship, or air? Particularly, you should rout out the places where there are responsibilities which overlap or which fail to cover the field.

(2) What steps can be taken to alleviate the growing transportation shortages? The type of thing we should like surveyed in this connection is whether everything possible is being done to substitute rail transportation for ship and air transportation, whether our shipping is being utilized at maximum efficiency, etc.

I think you should explore these problems with the representatives of the War and Navy Departments, the War Production Board, the War Shipping Administration, the Office of Defense Transportation, the Board of Economic Warfare, the Lend-Lease Administration, the Reconstruction Finance Corporation and any of the other governmental agencies that may be concerned with transportation problems. Speed is essential: I suggest that you try to complete your report in from ten days to two weeks.

Sincerely yours,

S/ H. A. Wallace

H. A. Wallace

Penned notation:

• "OK FDR"

1947

PSF Buy 190

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ Wallace ★
FROM THE DESK OF Franklin D. Roosevelt
★ ★ ★ ★ ★ ★ ★ ★ ★ ★

- Tankers
1. Keep ^{Tankers} in port... except those to Europe.
 2. Limit them
 3. Ration ^{oil} on National Basis
 4. Increase rail haul of oil
 5. " Inland waterways "



MEMORANDUM REPORT TO THE PRESIDENT AND THE VICE PRESIDENT
ON THE WARTIME TRANSPORTATION SITUATION

Pursuant to your directive, I have made a survey of the wartime transportation situation, and hand you herewith my report in two parts; the first reviews the situation in some detail, and the second summarizes my findings and states my recommendations.

I

1. The shipping shortage is affecting the entire conduct of the war. It has dangerously delayed the fulfillment of Russian Protocol requirements. To meet Russian needs our Red Sea commitment of 15 ships monthly was broken down despite the Presidential directive that the additional ships required should come from the Caribbean and South American routes. In fact, only one American-controlled ship sailed to the Red Sea in April, one will sail in May, and none in June. Shipments to Britain have been curtailed to the point that further reductions will not only seriously weaken British striking power against the Continent, but may even dangerously threaten their morale. Ships are urgently needed for India, China, Australia and New Zealand.

2. There is nothing to indicate that the situation will improve of its own accord. The United Nations' shipping fleet is larger today than it is likely to be a year from now.

(a) There is no reliable evidence to support the optimistic view that the submarine menace is licked or is in the process of being licked. It will be many months at least before we have the necessary protection for our ships within coastal waters. Admiral Andrews, in charge of the Eastern Sea frontier, told my assistant that the danger on the Atlantic Coast will continue at least through July. The adequacy of protective devices cannot be counted upon until put to operational tests. Production of torpedo boats and sub-chasers is lagging badly; WPB confidential figures show that only three torpedo boats and seven sub-chasers were built in March. The Navy's scheduled production of escort vessels is of doubtful adequacy, and unfortunately no 1200 ton BDE's, which the British have found so useful, are scheduled for delivery this year.

(b) Our scheduled shipbuilding program will not make up for our losses. United Nations' sinkings from the first of the year to mid-April have been at a rate of 1,000,000 deadweight tons a month. If this rate continues, the United

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JUN 2 1972

~~SECRET~~

Nations will have 2,500,000 tons less shipping in January, 1943 than in January, 1942 even if we meet our scheduled shipbuilding program. If the rate of sinkings were cut in half — instead of this, sinkings rose in the first three weeks of April to a rate of more than 1,500,000 tons a month — full scheduled construction would only provide an increase of 1,500,000 tons for the United Nations by the end of 1942. Every effort must, therefore, be made to speed up our shipbuilding program. Specifications should be revised to sacrifice postwar serviceability to immediate war needs. There is no more reason for building surface ships to postwar specifications than airships.

5. There is unquestionably considerable slack which can be taken up through better utilization of our existing shipping resources. There is too much "shipping as usual." With an acute lack of shipping for war needs, waste of shipping has been left uncurbed and potential reserves of shipping have been left untapped. The record is impressively bad.

(a) Voyages up the Atlantic Coast have been permitted despite the submarine menace, and the possibility of substituting inland rail and water transportation has been ignored.

1. Only flagrant mismanagement can explain the loss of lives and tankers on the Atlantic Coast. Equally bad is the continuing failure to make plans for the diversion of those tankers to wartime overseas service.

Counting American controlled ships alone, 45 tankers totaling 534,000 deadweight tons have been lost between January 1 and April 19 off the Atlantic Coast and in the Caribbean. An estimated 600 sailors have been killed on these tankers. The Axis powers, having cut off oil supplies in the East Indies and Burma, are clearly attempting to destroy our tankers vitally needed to maintain the United Nations' oil supply lines. Despite this, no steps were taken to eliminate tanker losses until mid-April. Even then, only the stopgap action of holding tankers in port was taken.

A combination of actions is long overdue and must now more than ever be placed in effect. Strict rationing in the East Coast states would reduce the present daily requirements of oil and gasoline to below 1,000,000 barrels a day. Already tank cars are bringing in over 600,000

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UNCLASSIFIED

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barrels by rail and an additional 60,000 barrels will be provided within a month without curtailing consumption in other parts of the country. Nationwide rationing of gasoline would free an additional supply of railroad tank cars sufficient to bring the total transportation of oil and gasoline by tank car to the East Coast to at least 800,000 barrels. The present pipeline and barge deliveries of 200,000 barrels bring the total to 1,000,000. Indeed, a substantial margin of safety can be provided by the relocating of pipelines not fully used in other areas and by much greater use of the inland waterway from the West Coast of Florida to Delaware Bay. Wooden barges which have landed fuel oil efficiently in the past are now unused, and new ones can be quickly constructed in small shipyards now idle.

Full utilization of our inland transportation system will never be had until these tankers are definitely assigned to essential war routes. For despite the continuing submarine danger, efforts are now being made to put the tankers back on coastal service and some may shortly be in service. Private interests are too well satisfied with war risk insurance to bestir themselves to effect the avoidance of war risks which interfere with business as usual. Prompt and definitive governmental action is necessary. There is no justification in a war for survival for risking a single tanker to carry oil from the Gulf to the East Coast.

ii. Similarly, forty colliers, 519,000 deadweight tons, are being withheld from essential war routes. Some of these colliers could be used in the North Atlantic route, others in the Pacific, still others in the bauxite trade. Vigorous action, similar to that in connection with tankers, should be taken to substitute rail and barge transportation for these colliers. Except in emergency cases there is no justification for using ships to carry oil or coal or any other cargoes from one American port to another American port. In a war for survival, such service should be done by rail or other inland transportation facilities.

iii. The tankers and colliers are illustrative of the waste involved in Atlantic Coast shipping. In addition, other cargoes such as bauxite are being hauled from Latin American and Caribbean ports to

REGRADED
SECRET

757: Wallace
Subject
file
journal
Wallace
THE WHITE HOUSE
WASHINGTON

August 3, 1940.

MEMORANDUM FOR

THE SECRETARY OF AGRICULTURE

I think it would pay if you would get in touch with Gifford Pinchot personally and if you find there is any chance of his organizing Republicans to bolt Willkie on the conservation ground, I would be glad to see him myself when I get back.

F. D. R.

New York and Canadian ports instead of being brought by rail or barge from Florida and Gulf ports. Although, as nearly as can be ascertained, all cargoes to and from Latin America and the Caribbean except bauxite and some Army cargoes are temporarily being unloaded at Florida and Gulf ports, sailings for May and June are scheduled along the coast. Clearly all Latin American and Caribbean cargoes should be loaded and unloaded at southern ports, both to reduce war risks and to obtain a maximum use of our ships in essential war routes.

(b) Banana imports during the first three months of this year were greater than in the corresponding months of 1941, and they are still being imported. Several small banana ships have recently sailed to Central America in ballast despite the great need for supplies at the Panama Canal. Although a large stockpile exists in the United States, our ships were used to import more coffee in April. The ships so used should clearly be diverted to essential runs. A number of the refrigerated banana boats could be used, and are vitally needed, for hauling food to England. The coffee boats could bring ore or sugar. The smaller boats could haul sugar and other essential imports from the Caribbean and Latin America. If diplomatic considerations require that Latin America sell its produce, it should be purchased and stockpiled there.

(c) Some 50 South American ships are not fully utilized because of the submarine menace while United States ships are doing their work. Eight large American-controlled colliers, for example, are now hauling coal from the United States to Argentina, which is not even cooperating in the United Nations' efforts. In addition, about 50 interned Axis ships are still in South American harbors. We should give help where it is needed in repairing and manning these ships. All these vessels should be forced out onto the seas by putting United States ships on other runs.

(d) Ships which are loaded by the Army have sailed to Australia and New Zealand with empty space or nonessential cargoes when essential lend-lease material could have been used for fill-in cargo. This results from the Army's independent loading at its own piers where little fill-in cargo is available to take the space around tanks, trucks and guns. The Army's independent control over its ships has led to return trips from the South Pacific and Panama in ballast instead of bringing vital cargoes of metals, wool, etc.

REGRADED
~~SECRET~~

(e) Much greater progress can be made in controlling our cargoes from the point of view of conserving shipping space. Such conservation was of great help in the last war and should be a major source of relief now. Thus a General Motors study showed that land-lease trucks which filled 45 ships could have been sent in 5 ships had they been shipped knocked down and assembled overseas. Such perfect packaging is, of course, difficult of achievement, but we can and must make further progress in this direction.

(f) On April 6, 15 foreign flag ships fully loaded with war materials were lying in New York harbor solely because of insufficient crews. They had been delayed for an aggregate of 218 days. A cursory study turned up 6 other foreign flag ships in other Atlantic ports which had been held up from 10 to 22 days for want of seamen. Deplorable living conditions cause foreign seamen to desert at the rate of 500 a month. In order to ensure full crews, some operators pay sailors to wait on shore for 3 to 4 weeks while their ships are being repaired.

This waste of shipping could readily be avoided by a few simple measures. Certainly a government official in whom the sailors have confidence should be appointed to see that better living conditions on ship and recreational facilities ashore are provided, and that all foreign seamen after normal shore leave are dispatched from a central hall to the first boats sailing. American maritime unions have already suggested such a program and an official in whom they have trust could readily obtain their full cooperation.

(g) The Navy has been required to do an impossible job of protecting our merchant coastwise shipping without adequate forces. Certainly our convoy forces should not be withdrawn for coastal duty. But the coastal forces should be supplemented by full utilization of small boats and British experience and personnel should be drawn upon. We can learn from the British as well as they from us; losses from submarine attack off the coast of England have been negligible. The problem will be largely minimized by the cessation of traffic along the coast as indicated above.

4. The War Shipping Administration.

In the face of the acute shipping shortage, the WSA has acted with complacency and inefficiency. The heaviest responsibility for the needlessly great loss of shipping from submarines on the Atlantic Coast must fall upon the WSA. Inadequate steps have been taken to conserve our shipping by eliminating non-essential routes and nonessential cargoes. No effective action has been taken

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to insure the fullest possible loading of our ships. Valuable shipping capacity has been lost through delays in loading, unloading and repairing ships. United Nations vessels lie idle in port because no steps are taken to provide adequate crews. Vessels are allowed to make unnecessary stops because they have done so in the past and are allowed to return to "home" port regardless of the time this wastes.

These failures of the past continue because of the wholly inadequate organization of WSA. Operating officials cannot properly eliminate nonessential routes because they have no adequate data regarding shipping routes. They cannot prevent the hauling of nonessential cargoes because of lack of information on the cargoes being hauled. Ships are needlessly delayed for repairs and this goes uncorrected because of the lack of coordinated supervision of the repair program and the absence of information concerning the time of repairs. Inefficient loading and unloading, inadequate crews and other causes of shipping waste can go undetected and uncorrected because of lack of operating information. The WSA has neither adequate representation in, nor adequate information from, the foreign ports to which WSA boats sail. Practically nothing is known about, and no control is exercised over, small freighters under 1,000 tons. As a result, many of these ships which could be used on essential Caribbean routes are lying idle in port, hauling nonessential cargoes, or allowed to sail in ballast.

The general administration of WSA is thus marked by an almost complete lack of planning and effective management. Problems directly affecting the Nation's survival are being met on a day-to-day basis without adequate information for proper decisions. This has resulted in needless waste in the past and the waste will continue until effective management methods are instituted.

The inefficiency that marks the use of our shipping is also present in regard to the strategic allocation of shipping. Despite the mechanism of the Combined Shipping Adjustment Board set up by the President and the Prime Minister, the actual allocation of American-controlled ships is today in the hands of WSA operating officials who deal with each problem as it comes along without any plan or even adequate information on present allocations. For a considerable length of time, it was impossible to obtain an allocation of the ships necessary to meet the Russian Protocol. When it was ordered that Russia be supplied with 50 ships a month, the ships were obtained by depleting the Red Sea of American-controlled

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ships despite previous commitments and despite the Presidential directive that the boats should come from the Caribbean and the South American trade. Thirty-five ships were taken from the Red Sea route in the six weeks following this directive. At no time were higher officials given information from which they could have judged the possibilities of taking the necessary ships from the Caribbean, South American or other routes. The matter was reported to a transportation subcommittee of the Combined Chiefs of Staffs, but solely on the basis that ships for Russia could only be obtained by depleting the Red Sea route. Thus, a strategic decision of the highest order was made by an operating official of WSA who acted on inadequate information.

At the moment, some of the information essential to proper allocation and efficient management of our shipping is beginning to be assembled. This has come about since the appointment of Mr. Lewis Douglas as Chief Adviser of WSA and is solely the result of the efforts of Douglas and a few of his colleagues in the non-operating divisions. That greater progress in this direction has not been made is due to the fact that the operating officials continue most uncooperative in so far as Douglas' efforts are concerned.

The dangerous lack of efficient allocation and management of our vessels is underlined by the reactions of other agencies concerned with the shipping problem — e.g. the Army, the Board of Economic Warfare, the War Production Board. I have reason to believe that certain of the Allied representatives in Washington take the same view. Officials of all these agencies state that lack of proper organization has resulted in a failure to make full use of our shipping. They all see greater waste ahead unless intelligent planning and effective management is put into effect. And all of them are of the opinion that Douglas and his colleagues provide the only hope in this regard.

5. The Office of Defense Transportation.

The whole approach of the ODT is to permit transportation as usual. It constantly seeks to avoid responsibility and disturbance of normal transportation practices.

ODT disclaims any responsibility for taking the initiative in pressing domestic transportation facilities into service to relieve and safeguard coast-wise and ocean shipping. When asked about the 40 colliers in the Hampton Roads-New England trade, the Director stated that the WSA had only requested two and he

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hoped that no more would be taken. Even these two had not been released as of April 28. Yet there seems to be no insuperable obstacle to handling at least a large part of this traffic by rail and by barge in protected waters. No initiative has been taken to provide rail and inland waterway transportation hauls of bauxite and other South American products from Gulf ports to relieve and protect shipping now using North Atlantic and Canadian ports.

Means of increasing the carrying capacity of the railroads by more efficient operation and by curtailing nonessential traffic through embargoes and priorities have been avoided. The only action so far taken has been to require full loading for less-than-carload freight cars. No effective action has been taken to eliminate cross-hauling — the magnitude of the possibilities in this direction has not been determined. No restrictions have been placed on traffic and none are planned. Instead, the ODT conceives its job to be that of enabling the domestic carriers to carry all the traffic that is offered — without disturbing normal practices, and whatever the character of the "normal" traffic may be.

The Director of the ODT has indicated that his number one problem is to assure the carriers of supplies for repairs and maintenance and "whatever new equipment and facilities may be necessary to meet the demands of an increasing traffic." For example, passenger traffic has been growing rapidly because of increased income — in the first 5 months of this year it increased 40% over last year on the railroads and even more on the bus lines. Instead of proposing the curtailment of nonessential passenger traffic, ODT requested critical materials of WPB for the construction of 5,000 passenger cars, of which 1500 were sleepers. WPB turned down all of these and severely reduced ODT's request for freight cars and locomotives. In appealing this decision, ODT has made an even stronger plea for the new freight cars and locomotives.

The ODT has failed to take any adequate steps to squeeze the waste out of motor transportation and to prolong its life by conserving rubber. Sightseeing buses still burn up tires. Home deliveries are allowed, though milk and bread could be purchased at the stores; even pooling is not required. Greyhound buses, which are carrying 60% more passengers than last year, often parallel railroad operations as do motor freight lines. Twenty-seven million passenger cars, many of which must be preserved for war worker transportation, continue on nonessential trips with a waste of our tires that will cause a breakdown of local transportation. The only action taken — the requirement that intercity and local trucks take steps to reduce their mileage 25% below their operation during the peak year of 1941 —

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was taken only last week after long delays and is wholly inadequate to deal with the motor transport problem.

ODT requires more leadership, initiative and direction throughout the organization. The Director has no overhead executive staff, and his own time is so taken up by consultation with the carriers and other government agencies, that he has little time for planning and directing operations. Most of the key personnel have been too long and too closely connected with various branches of the transportation industry to be able and willing to take strong action. In addition, the men in charge of inland waterways and Great Lakes carriers still hold their private positions as head of a barge line and secretary of the Lake Carriers Association. They serve ODT only three days a week.

6. Lack of Coordination Between Government Agencies.

(a) The weakness of WSA and ODT and a desire by the principal Army transport officials to dominate transportation has resulted in the War Department assuming responsibilities which according to executive orders should be discharged by WSA and ODT.

1. Army transport officials consider that the Army's responsibility to win the war requires it to control all shipments to United States and United Nations forces. The Army is therefore seeking to obtain an increasing number of ships for its use and taking over piers for loading. The existing division of authority between the Army and WSA is not clear. Some boats the Army owns, loads, and completely controls. It has others on various kinds of charters and on assignment from WSA. Army officials state they have 599 ships in their charge, about 40% of our merchant marine.

Instead of having a pool of United Nations ships, we have two divisions of our merchant fleet with lack of coordination between them. The Army is naturally predominantly interested in delivering its own materials as quickly as possible. It is not charged with securing the best possible use of all our shipping. Such a division of responsibility is bound to cause trouble; shipping requirements of our Army are not only inseparable from the Allied Armies' requirements but also inseparable from the shipping requirements of ourselves and our Allies for food and raw materials.

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The division of authority leads to inadequate control of Army ships and piers. Army ships loading at their piers have only military cargo scheduled for shipment and do not have the wide range of lend-lease material that can be used as fill-in around Army materiel to ensure full loading. Army ships are also likely to be poorly routed from our over-all shipping standpoint so that some sail needlessly long distances and others return in ballast. As an example, Army ships have returned in ballast from Panama when essential cargoes from Chile could have been transhipped and from the South Pacific when wool and metals could have been carried.

The Navy's cargo shipments are smaller than the Army's but present similar problems. They are completely autonomous and no machinery exists for efficient use of Navy piers or ships on out-bound and return voyages.

ii. The War Department's traffic division controls the flow of rail freight from factories and warehouses to ports. Food for Britain, for example, cannot move to port without this clearance. Supposedly a Committee of ODT, WSA, Army and the British Ministry of War Transport supervises this control, but the operating machinery is solely in the War Department. The Army Transport Chief stated that the Army was in actual control, and that the Committee was relatively powerless to interfere. Here again, it was believed that the Army's duty to win the war required it to control freight movements.

The War Department's domination of this rail traffic is as unwise as its shipping control. There is no real division between Army rail needs and over-all needs and the Army is mainly interested in the aspect of rail traffic related to expediting the flow of its own goods. Army control is bound to interfere with the conservation of rail transport required by the growing demands on the railroads.

The Navy's freight is free from any control. The Navy traffic division moves its freight according to its own wishes with little provision against possible rail or port congestion or regard for over-all requirements.

(b) The Petroleum and Solid Fuel Coordinator also exercises control over the railroads which should more properly be exercised by the ODT. The Coordinator deals directly with the railroads with respect to oil and coal which make up 50% of rail traffic.

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(c) The WSA has claimed that it is not in a position to determine how much traffic can be diverted from coastwise shipping to the rails and inland waterways. The ODT is unacquainted with the shipping situation and is not able to ascertain the extent to which more extreme measures would be warranted to relieve the shipping shortage. Ultimate responsibility in this field is diffuse; liaison officers cannot remedy this situation. Jurisdictional disputes are avoided only by the passive attitude of both agencies. Only through the appointment of a single Director of War Transport with full and definite authority will full conversion of our shipping to inland transportation be achieved.

II

SUMMARY

1. The shipping shortage is affecting the entire conduct of the war. Russian Protocol shipments have hardly begun to be met, and are being met only by ships scheduled for and critically needed in the Red Sea. Shipments to England are low, and shipping needs in the Pacific and other war areas are most acute.

2. The submarine menace is neither licked nor under control. The danger of naval attack is likely to increase rather than diminish.

3. New construction, as now scheduled, will not solve the shipping shortage. If the present sinkings rate continues, United Nations' shipping will be smaller by 2,500,000 tons in January, 1943 than in January, 1942, even though all construction programs are met. Possibly construction could be accelerated by adapting specifications to exigent war needs without regard to postwar utility. But no such changes are presently planned.

4. The immediate solution lies in better protecting our existing ships and in using them more efficiently. Existing government machinery is failing in both regards.

(a) Shipping has been needlessly destroyed through failure to carry cargoes inland by rail or barge and to ration nonessential needs. The 534,000 tons of tankers sunk off the Atlantic Coast and in the Caribbean this year are the most shocking example. Even now no decision has been made to eliminate this trade although the Admiral protecting coastal waters believes that the danger will continue at least through July and the tankers are vitally needed in essential war routes.

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(b) Inefficient management has wasted shipping urgently needed for war routes. Coal moves by collier instead of by rail from Hampton Roads to New England. South American cargoes go up the Atlantic Coast instead of moving by rail or barge from Florida and the Gulf. Banana imports were actually greater the first quarter of 1942 than a year ago. Allied ships loaded with war material are lying fully loaded in our ports without crews. Many South American and interned Axis ships lie unused in South American harbors.

5. The War Shipping Administration has failed to perform its functions because it has not adjusted peacetime shipping to wartime demands. Moreover, WSA has failed to organize any system of control which could assure full use of shipping for war services.

6. The Office of Defense Transportation is similarly marked by an antipathy to any action which disturbs normal methods of peacetime operation. Obvious measures to relieve the strain on sea-borne shipping and to expedite the movement of war traffic by rail or inland waterway have not been taken. Instead of concentrating on the full utilization of present facilities, the ODT has placed major emphasis upon securing impossibly large quantities of new equipment to carry an uncontrolled volume of traffic. The ODT has failed to take any adequate steps to squeeze the waste out of motor transportation and to prolong its life by conserving rubber.

7. Serious disorganization exists between these agencies and the Service Departments largely because of the inadequacies of the WSA and ODT. The Army has taken over many of ODT's important functions without assuming responsibility for any coordinated program, and is at loggerheads with WSA over shipping control.

RECOMMENDATIONS

1. Until our coastal shipping lanes are completely free from submarine attack,

(a) no ships should be allowed to carry oil, coal or other cargoes in the Atlantic Coastal trade,

(b) no ships from South America or the Caribbean should be allowed to unload at other than Gulf or Floridian ports,

except in emergency cases with the written approval of the Secretary of the Navy and the War Shipping Administrator. Tankers and colliers now in the coastal trade should be assigned to essential war routes.

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2. Mr. Lewis Douglas should be appointed WSA Administrator and directed to make necessary personnel changes. Admiral Land, who now holds two jobs, should be free to concentrate on an accelerated ship construction program as Chairman of the Maritime Commission.

3. An energetic person should be made Deputy Director of ODT with executive functions. (Sumner Pike, now being considered by Mr. Eastman for a position in the ODT, would be an appropriate Deputy, as would J. Lawrence Fly.) Mr. Eastman's temperament will ensure a workable division of authority between higher policy and executive duties if an energetic Deputy is appointed.

4. A Director General of Transportation should be appointed with full power to give general and specific directives to the WSA, ODT, and the Service Departments in respect to all transport matters. It should be the duty of WSA and ODT to carry out the policies and programs laid down by the Director General of Transportation. The suggested personnel changes in ODT and WSA are necessary whether or not this recommendation is adopted.

5. The authority of the Army and Navy should be clearly delimited. WSA should be made responsible for operating and loading all ships except troop transports and ships which are in effect part of the Naval Fleet. Control of freight movements to ports should be exercised by ODT.

6. ODT should be instructed to eliminate cross-hauling and circuitous routing, to obtain more efficient use of facilities, and to increase the use of inland waterways, with a view to releasing all possible strain on water-borne shipping and facilitating the movement of war traffic. Under policies approved by the War Production Board, ODT should immediately begin the embargoing of freight and passenger traffic not essential to war production.

7. A division of personnel should be created in WSA in charge of longshoremen and seamen, including alien seamen, to eliminate shipping delays from lack of crews and longshoremen and to supervise other labor matters. Obviously the head of such division should be a man who can command the respect of labor.

8. American-controlled ships should be diverted from South American runs forcing idle and interned ships in South American harbors onto the seas. WSA should, whenever necessary, aid the South American countries in repairing and manning ships.

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MEMORANDUM
FOR THE PRESIDENT

THE WHITE HOUSE
WASHINGTON

July 27, 1940

Memorandum For The President:

Gifford Pinchot

Secretary Wallace wanted you to know that Gifford Pinchot is probably getting ready to organize those Republicans interested in conservation to bolt Willkie.

Pinchot talks as if he really means it this time and is willing to spend his own money on it. It should be very helpful -- if he sticks.

JHR

James Rowe, Jr.

PSF; A. Wallace Folds

THE WHITE HOUSE
WASHINGTON

Subject 1-42

May 13, 1942.

MEMORANDUM FOR THE PRESIDENT:

Mr. Early asks if you will dictate about 500 words or more on the origin of the "Good Neighbor" policy -- the inception of this policy -- to be used by the Vice President in a speech which he will deliver at a dinner at the Waldorf Astoria when the Churchman Award is given to you.

GGT

May 17, 1942.

The origin of the Good Neighbor Policy dates back to a day in the President's life when, as Assistant Secretary of the Navy at the beginning of the first Wilson Administration, the United States realized that Mexico had become critical. President Wilson decided that the insult to the American Flag at Tampico was more than this country could tolerate, in view of the unfriendly and undemocratic Administration then in power in Mexico. The Fleet was ordered to take Vera Cruz, which United States Forces occupied for several months. History may show that this whole episode was realistically necessary but the fact remains that many were killed on both sides and the bad feeling throughout Latin America created by this action lasted for a generation. The President has always believed that the germ of the Good Neighbor Policy originated in his mind at that time.

In 1915 the atrocious conditions in the Republic of Haiti, ending with the brutal murder and cutting up of the

President of Haiti, was causing unrest in other parts of the Caribbean, including Cuba, Santa Domingo and Jamaica. The United States, under a policy which had lasted for many years, restored order both in Haiti and in Santa Domingo by sending Marines there and by occupying both Republics for a long period.

In all of these operations, President Roosevelt was impressed with the great emphasis placed on trade and finance in lieu of an approach from the standpoint of the right of self-determination and the use of a quarantine system for the restoration of order rather than the use of force in occupations. After he left Washington at that time, the President saw a rebirth of dollar diplomacy and the occupation of Nicaragua.

Soon after he became Governor of New York the terrible depression, starting in this country, spread all over the world, including Central and South America, and during the next four years most of our discussions with Latin America were still largely based on dollar diplomacy. This was

accentuated by the fact that during the period from 1925 to 1930, New York banks, aided by the trips of Professor Kaemmerer to various Republics, forced on most of these Republics unnecessary loans at exorbitant interest rates and huge commission fees.

The President, therefore, began to visualize a wholly new attitude toward other American Republics based on an honest and sincere desire, first, to remove from their minds all fear of American aggression -- territorial or financial -- and, second, to take them into a kind of hemispheric partnership in which no Republic would obtain undue advantage.

After the President's election in the Autumn of 1932, he discussed this subject with Senator Hull, Senator Robinson and with a number of others.

In February, 1933, he began to formulate his Inaugural Address. In a discussion of the Address with Professor Moley he drew the analogy between the relations of the American Republics and the relations between a citizen in a small

community with his own neighbors and said "What we need in the small community is the man who is a good neighbor to the people he associates with every day". This use of the words "Good Neighbor" was seized on by Professor Moley as just the right term, and the President put it into his first draft of the First Inaugural.

PSF: H. Wallace Folders
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THE WHITE HOUSE
WASHINGTON

May 20, 1942.

MEMORANDUM FOR THE PRESIDENT:

The Vice President dictated the following for delivery to the President:

"The team of Earl and Ed had very tough sledding today, thanks to Alben, ably seconded by John Bankhead, Charlie McNary and Dick Russell."

"P.S. Alben is with me giggling."

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personal
taken care of*

*PSF: Wallace folder
Subject 1-42*

OFFICE OF THE VICE PRESIDENT
WASHINGTON

May 25, 1942

Miss Grace Tully
The White House

Dear Miss Tully:

Maurice Sheehy writes me that he would like to have another chance at DeValera via the Irish hierarchy. I do not know exactly what he has in mind, but he will be in town in the near future. Do you think the matter is of sufficient importance to warrant his seeing the President?

Sincerely yours,

H A Wallace

H. A. Wallace

Mr. President:

You asked to be reminded to
speak to the Vice President about
this today.

G.

5

OFFICE OF THE VICE PRESIDENT
WASHINGTON

PSF: Wallace
Subject

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personal

Bx 190

July 11, 1942

The President

The White House

Dear Mr. President:

Enclosed is a memorandum which represents, so I have accurate assurance, the present attitude of the German Foreign Office in Berlin. This would suggest that the real peril would come this fall in the form of a peace offensive directed toward England. This slant in the German Foreign Office probably reflects the attitude of the German Military High Command and would suggest the high desirability of throwing everything we can into the conflict at the earliest possible moment.

In talking with Litvinov at the dinner given for President-Elect Lopez Friday night, I found Litvinov holding to the view that there were only one hundred thousand German troops manning the coast from Norway to Portugal. Our own military, I believe, hold to the belief that there are four hundred thousand. As to whether or not the thing to do is to strike at once and strike hard on the western European coast, I do not know. Perhaps the place of the attack is not altogether significant but it would seem that with the Russian and Egyptian situation as it is now we should throw everything we have into the conflict at some point in the far flung battle line. I still think it is vital to throw the Japs out of the Aleutian Islands at the earliest possible moment. If this can be accomplished most readily by striking at the Japs hard in the south Pacific, all well and good.

The need for our putting forth the utmost effort during the next three months, even though we may not be fully prepared, is, I am sure, completely apparent to you. We must do everything we can to weaken the peace offensive directed toward England this fall.

Respectfully yours,

H A Wallace

H. A. Wallace

Enclosure I have the uneasy feeling the British are weaker in certain areas than they have confessed.

C
O
P
Y

After recapture of the peninsula Kertch and the successful defense of the Russian offensive at Charkow the German expectations are that the Eastern campaign can be practically finished before Fall. What was not possible last year, is to be accomplished now, in the second year. It is, however, deemed out of question that Russia will surrender. But one counts on a decided weakening of the Russian Army. This is supposed to be attained by destroying large parts of the still existing Russian forces, by cutting off the means of supplies from the Arctic ocean and in the near Orient, the latter by occupation of the Caucasian countries. Thereupon Russia would no longer be in a position to menace the German position of power in the East. With a few troops it would be possible to hold a certain line, one speaks of the Volga line. It is said that German military forces would be available for new tasks and Germany will be in a position to arrange its war economy for a long war.

A successful finish of the Eastern campaign, such as it is being expected, would also open prospects for the termination of the war with England. There they would be forced to understand that there is nothing to be gained, but everything to be lost, with the continuation of the war. The British Empire would then be menaced not only by Japan, which is now ready for an attack against India and Australia, but also by Germany in the near East. If the German troops would be standing in the Caucasus and Rommel "ante portas" of Suez, England would have to count on the loss of its position of power in the near East. American help, it is said, is being paralyzed more and more

PSF: Wallace
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THE WHITE HOUSE
WASHINGTON

January 16, 1941.

MEMORANDUM FOR
THE VICE PRESIDENT ELECT
TO READ AND RETURN

F. D. R.

through the German U-boats and will come too late. In England, the knowledge will have to sift through that it would be able to save its overseas possessions only if it came to an understanding with Germany in the last hour. Germany, it is said, has no interest in the destruction of the English Empire. The loss of the overseas territories to Japan and America would affect indirectly also the future European economy. It is, therefore, a question of fate, whether England, in the coming fall, will remember its relationship with Europe and change its foreign policy.

Reference is made to the fact that this aspect of the political world situation has also been mentioned in the last Reichstag speech which, in the first part, is also of importance as far as foreign policy is concerned. England's attention should be called to the consequences, if it opposes the German European Order after the successful termination of the Eastern campaign.

PSF: Wallace Folder
Subject File

SUBJECT:

INDIA

Letter from Vice President Wallace to the President Aug. 7th, in which he calls the Pres. attention to a letter on India which the Board of Economic Warfare has just sent the Chiefs of Staff.

Pres. sent it confidentially to Hull and Welles to read and return.

SEE: India Folder - Drawer 1-42 for corres.

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Personal*

PSF: Wallace folder
1-42
Subject File

OFFICE OF THE VICE PRESIDENT
WASHINGTON

August 7, 1942

The President

The White House

Dear Mr. President:

You may have read the book, "The Coming Battle of Germany," by William B. Ziff. After attending the dinner given by the White House to the Queen of the Netherlands last Wednesday night, I began reading this book about 11 o'clock and found it so fascinating that I could not lay it down until I had read it all. I found some errors in attitude and fact but in the main the book seemed to me to describe the current situation and the necessary action in the immediate future better than anything I have seen. The high point of the book is the chapter on the battle of Germany beginning on Page 147. This battle he would conduct chiefly by air power launched from Britain. I cannot help thinking he is sound with regard to Japan when he says on Pages 192 and 193:

"If we strongly fortify the mainland of Alaska as well as the chain of islands curving off from it to the west, protecting these natural fortresses with an interlacing network of powerful air bases, we may safely utilize a holding action against Japan while engaged in the job of subduing Germany."

I cannot help thinking that from the standpoint of the ultimate situation, Japan is weakening daily. But that doesn't mean that Japan will not launch a surprise attack on Siberia. This attack would be launched with the idea of preventing us from utilizing Siberian bases which will eventually be of such great importance to us in the final destruction of Japan. The Japanese attack on Siberia will undoubtedly be a complementary part of what she has already done in the Aleutians, and the whole move will be aimed perhaps even more at us than at Russia. Nevertheless, it seems to me that from the standpoint of the ultimates, Japan is so weak as compared with Germany that Ziff is entirely right in the tremendous emphasis he gives in his Chapter 6 on the battle of Germany as being preferable to the "defense of the Americas" approach which he describes in Chapter 5.

On Page 210, Ziff refers to the need of giving airplane engines higher priorities. It may interest you to know that at the last War Production Board meeting on August 4 Bob Patterson announced for the first time that the airplane program was given an A-1-A rating. Because we have failed thus far in using sufficient drive to put first things first in our production program relative to our military strategy, we cannot perhaps stage with certainty of outcome an effort of the magnitude which the situation now requires. Nevertheless, in addition to conducting the holding operation against Japan, in addition to preparing for the surprise attack which she will launch on Siberia, we must attack Germany with the utmost power from the air and at such additional strategic points as will best divert the enemy. Hitler has not won the war but it is of exceeding importance that our weight be thrown into the scales at the earliest possible moment. I trust you, yourself, with your unique combination of courage and judgment, will, after complete consultation but with the greatest possible speed, determine the time and place.

"Pour les vaincre, Messieurs, il faut de l'audace,
encore de l'audace, toujours de l'audace."

Respectfully yours,

H A Wallace

H. A. Wallace

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PSF: Wallace Fisher

OFFICE OF THE VICE PRESIDENT
WASHINGTON

THE WHITE HOUSE
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RECEIVED

August 14, 1942

The President

The White House

Dear Mr. President:

Undoubtedly you are familiar with most, if not all of the enclosed. I thought, however, you might perhaps want to get the slant as it was obtained in England by one of Milo's men who has just returned.

I am also enclosing to you a letter from Milo with regard to India, which I thought you might like to read.

Respectfully yours,

H A Wallace

H. A. Wallace

BOARD OF ECONOMIC WARFARE
~~ECONOMIC DEFENSE BOARD~~

WASHINGTON, D. C.

August 7, 1942

~~SECRET~~

MEMORANDUM FOR MR. PERKINS

V.I.P. to note - Fowler has just returned from a month in London. He is a very able person. You might possibly want to send this memo to the Pres.

Hils

Dear Mr. Perkins:

In response to your request, I have prepared the attached memorandum on the British experience in bombing German targets. Most of the information in it was obtained from discussions with staff members of the Ministry of Economic Warfare and the Air Ministry and from documents prepared by those two ministries.

Sincerely yours,

Fowler Hamilton

Fowler Hamilton
Chief
Enemy Branch

Attachment

DECLASSIFIED

State Dept. Letter, 1-11-72

By R. H. Parks Date JUN-2 1972

~~SECRET~~

SOME ASPECTS OF BRITISH EXPERIENCE
IN BOMBING GERMANY

I. Bombing Damage

Development of techniques for air attack on enemy industry depends in large part on the accurate and speedy reporting of damage. However, it has been found difficult to secure reliable fresh information on industrial damage from particular raids and practically impossible to evaluate the total effect of all recent raids on enemy production or morale.

The two raids upon Renault and Cologne afford the best examples of recent operations. Each of these was the most successful raid of its type: Renault was an attack on an individual plant; Cologne was a mass raid on an area carefully selected for the critical industries concentrated there.

The Renault Raid On the night of March 3-4, 1942, with almost ideal weather conditions, 200 bombers attacked the Renault plant, easily spotted on an island in the Seine. Two thousand bombs were dropped from a few hundred feet above the target. Defenses were negligible. Surprise was almost complete. Only two planes were lost.

The plant was producing thirty units of tanks, armored cars and trucks a day. Eight weeks after the raid it was producing seven units a day. By September, it is estimated, full production will be restored. This raid deprived the Germans of enough vehicles for two armored divisions. In addition, damage was done to factories producing less important goods. The raid counteracted German propaganda in Paris minimizing British air raids on Germany.

The Cologne Raid The raid upon this city on the night of May 30-31, 1942, was the most powerful blow that had ever been struck by British air power at the German industrial machine. One thousand planes dropped 3,000 tons of high explosives and an unknown amount of incendiaries on Cologne in 90 minutes. Forty-four planes failed to return.

Conservative estimates indicate that from 1,000 to 6,000 people were killed. Three hundred of the 2,500 acres in central and suburban Cologne were completely devastated. Over 250 factories, buildings and work shops were either destroyed or seriously damaged. Delayed production in the most important Cologne industries was estimated at not longer than one month. However, transportation

DECLASSIFIED
State Dept. Letter, 1-11-72
By R. H. Parks Date JUN 2 1972

difficulties will withhold the greater part of Cologne's production from the German war effort for at least another month. For two days no traffic moved in the city, and for a considerable time thereafter only emergency bus service was available. Two hundred thousand persons were evacuated from the city, and 50,000 more had to be cared for by outside relief agencies. The destruction of dwellings and other facilities rendered from 50,000 to 60,000 permanently homeless.

Several circumstances augmented the effect of the Cologne raid. Prior to the 1000-plane raid, Cologne had been attacked more than 70 times by approximately 2,000 aircraft. Over 3,000 tons of high explosives had fallen on the city. These raids had so crippled Cologne's transportation system that, when the mass raid occurred, adequate assistance could not reach the city for many days.

Conclusions based on the Cologne raid may be modified by consideration of the results of the raid on Lubeck March 28-29, 1942. That attack cut industrial production in the Lubeck area by 40% or 50% for two weeks after the raid, delayed total recovery for seven weeks and closed the port for three weeks. However, it did much less damage than the Cologne raid because efficient aid brought 40 miles from Hamburg sustained morale and quickened the recovery of industrial production.

The raid on Cologne should be viewed in its perspective as part of the present series of attacks on the heart of the Ruhr and adjacent Rhineland areas. This region, which is from ten to fifteen miles wide and forty miles long, has the finest deposit of coking coal in Europe and contains a concentration of industry without parallel in Europe or Britain. Contrary to general belief, there has been no appreciable shift of industry from this area to more remote parts of German-held Europe. Hence it retains nearly all of its pre-war importance as Germany's principal heavy industry center.

II. British Views and Methods of Bombardment

Selection of Targets Extent of bombing damage depends largely upon the economic importance of the target attacked. Industrial targets are selected jointly by the Enemy Objectives Department of the Ministry of Economic Warfare and the Target Department of the Air Ministry. The Ministry of Economic Warfare currently evaluates critical German industries and the most important target within each industry. This appraisal is in the form of a running

memorandum entitled, "Priorities for Bombing Attacks Among Economic Targets in German Europe." Recently there has been a shift from individual to area targets, and a "District Target Map" has been prepared for each important German industrial center. Every significant individual target in Germany is rated in terms of one of three priority classifications. Areas containing concentrations of high priority targets are carefully selected for attack.

The Planning and Operations Department of the Air Ministry considers the proposed target from the operational standpoint. If it is approved, the necessary maps and instructions are prepared and sent to the Commander in Chief in the field. In some cases the Ministry of Economic Warfare merely determines the most vulnerable targets in those industries such as submarine construction, which are selected for tactical reasons.

Daylight Raids British bombing tactics have changed markedly since the first bombardments of German-held territory. Raids in which a small number of planes undertook daylight attacks upon individual targets were abandoned because of:

1. The difficulty of finding the target,
2. The difficulty of hitting the target,
3. The strength of defenses, both anti-aircraft guns and fighter planes,
4. The resistance of modern factories to bombing, and
5. The lack of fighter plane protection.

Night Raids The present program calls for mass night raids upon industrial areas. Even though the highly experienced pilots lead the raid and drop incendiary bombs to illuminate the target, only 70% to 80% of the planes find the objective area. High explosives from bombers manned by less experienced men follow. A second group of highly experienced pilots go for any precise targets outside the central area under attack. These include critical plants which have been camouflaged, placed underground or moved to the outskirts of concentrated industrial regions.

Concentration of Attack The British have found that relatively greater damage can be done by concentrated attack than by smaller scattered efforts. The 1,000-plane raid upon Cologne, in which 3,000 tons of high explosives were dropped, probably caused much greater damage than the preceding 70 scattered raids requiring in the aggregate 2,000 planes and 3,000 tons of high explosives. If air raid precaution services are knocked out, the damage caused

by each additional ton of explosive increases at an accelerated rate. Thus, the order of attack in mass raids is to start fires to illuminate the target, to pour in enough high explosives to stop the air raid precaution services and to finish off the raid with more incendiaries. Fires cause more damage than explosions to modern industrial machinery.

The principle of concentration also applies to the size of the bombs employed. A two-ton bomb will destroy an area four times as large as a one-ton bomb.

Rate of Loss In both mass raids and lighter attacks upon individual targets, 3.8% of the men and machines engaged are lost. This figure does not take account of damaged planes that manage to return. Daylight raid losses are much higher.

Present British Policy The British Air Force believes that if they could be undertaken heavy daylight raids aimed both at areas and individual targets constitute the most effective method of attack, but at present their policy is to emphasize mass attacks by night, and they believe that a large number of these raids will so soften German resistance that successful land operations can be undertaken.

MEMORANDUM FROM EDWARD J. FLYNN

THE WHITE HOUSE
JAN 13 9 05 AM '41
RECEIVED

January 11th, 1941.

MEMORANDUM TO THE PRESIDENT:

The enclosed is the report that you requested.

E. J. F.

BOARD OF ECONOMIC WARFARE
~~ECONOMIC DEFENSE BOARD~~

WASHINGTON, D. C.

OFFICE OF THE EXECUTIVE DIRECTOR

August 14, 1942

MEMORANDUM FOR THE VICE PRESIDENT

Dear Mr. Vice President:

A week ago you sent the President a copy of our engineering report on India together with a copy of your letter to the Chiefs of Staff concerning it. Detailed engineering projects totaling \$212,000,000 have been worked out which will strengthen the industrial side of India so as to make it a strong military base. Only one-third of this total is for exports from our country. The balance can be gotten from within India. Obviously, the important decision which we do not yet know has to do with whether or not the United Nations intend to use India as a strong military base. If they do, our people feel that it might be useful to explore the following approach:

1. The United States, possibly in conjunction with China and Great Britain, should guarantee the independence of India; this can be followed by an interim period during which military considerations for the defense of India will have to be dominant.
2. Military command in India during this period should be transferred to an American Commander-in-Chief working with a War Council made up of representatives from India, China, Britain and the United States.
3. It is vitally important that the representative of the Indian Government on this Council be an Indian citizen holding the position of Defense Member, analogous to our Secretary of War. Indian citizens should be given the maximum responsibilities possible, particularly in connection with organization for civilian defense.
4. The quarter-billion-dollar industrial engineering program now ready to go would be proof of our sincerity expressed in action. Psychologically, it could be treated as a forerunner to increasing industrialization of India in the years ahead.

- 2 -

The existence of this industrial engineering program is a trump card in the Indian situation which our Government has not yet played. Members of the Indian mission themselves feel so strongly about putting it into effect that, as a last resort, they would be inclined to go ahead even if the engineering program were divorced from the political changes we have suggested.

Sincerely yours,

Milo Perkins

Executive Director

PSF: No. Wallace folder
file 2-42
Confidential

Subject
THE WHITE HOUSE
WASHINGTON

December 10, 1942.

MEMORANDUM FOR

THE VICE PRESIDENT

You and I think alike. I
told Winston last January to
read up on Wellington's Peninsula
Campaign. We have both done it.

F. D. R.

THE WHITE HOUSE
WASHINGTON

December 9, 1942.

MEMORANDUM FOR THE PRESIDENT:

The Vice President 'phoned the following message for the President:

"While it is conceivable Hitler may have induced Franco to make his pro-Fascist statements at this time to immobilize some of our forces near Spanish Morocco, -- is it not the part of wisdom to have the British prepared to move with greater speed via Portugal to protect the Rock of Gibraltar against a German advance from the north? My own feeling is that Hitler will move through Spain against Gibraltar and Africa unless he is certain we are too strong for him. I trust you have your best intelligence sources reporting constantly to you on Spain and North Africa."


H.M.W.

Subject File PSF: ~~Wallace~~ Wallace folder 243
Yes if it made perfectly
clear that trip is an
invitation of Chilean Government
February 25, 1943

MEMORANDUM FOR GENERAL WATSON: 16 Feb. 43

The Vice President dictated the following memorandum for you, with the request that you take up with the President for him at convenient time, in the morning, if possible:

"The Chilean Ambassador informs me this afternoon that he has talked with Under Secretary Welles, that Under Secretary Welles has talked with the President about an invitation which the Chilean Government would like to extend to me to visit Chile. Furthermore, he says he is informed by the Under Secretary of State that the President thinks that it might be a good idea.

"Under Secretary Welles has informed the Vice President over the 'phone that he, Welles, thinks it would be a good idea to go to Chile and to stop either going or coming, at the point where the aeroplane normally stops which, as I understand it from him, might be Panama, Colombia, Ecuador and Peru.

"I informed Mr. Welles that I had just received from Secretary Hull a request of the Foreign Minister of Costa Rica a formal invitation to stop there to lay the cornerstone of the Inter-American Institute of Tropical Agriculture.

"The Chilean Ambassador wishes to know from me as soon as convenient whether or not I will accept the invitation. I told the Ambassador that I was favorably disposed but necessarily wanted to know from the President myself whether or not he wanted me to go, and I am suggesting, if convenient to the President, that I stop after Cabinet tomorrow and get his opinion, or perhaps you can get it and let me know."

PSF: Wallace *feldu*
2-43
Subject
THE WHITE HOUSE
WASHINGTON

file personal

March 12, 1943.

MEMORANDUM FOR

MISS GRACE TULLY.

I have discussed this with the
President and he asks you to please file.

W.B.
WILSON BROWN.

THE WHITE HOUSE
WASHINGTON

March 2, 1943.

MEMORANDUM FOR

ADMIRAL BROWN

Will you be good enough to look into this matter but for heaven's sake don't give up the name of Ingersoll, the Vice President or myself? I know nothing about it.

F. D. R.

OFFICE OF THE VICE PRESIDENT
WASHINGTON

THE WHITE HOUSE
FEB 27 9 28 AM '43
RECEIVED

February 26, 1943

The President

The White House

Dear Mr. President:

Ralph Ingersoll, who is leaving for active duty in North Africa Sunday morning, has left with me the enclosed memorandum. As you know, he has spent seven months with the "Engineer Amphibian Command" of the Army. He tells me that this command will be disbanded as the result of a request from the Navy. He thinks that if the Navy doesn't like the Army's doing this kind of work, it should take over the command because of the "going concern value."

You may remember that the night before you left for North Africa I phoned you about this matter and you suggested that I have Ingersoll take it up with Jimmie Byrnes. Jimmie Byrnes felt it was inadvisable to go into the matter. I believe it is of such importance that you might well take the five minutes necessary to glance over Ingersoll's memorandum and, following that, perhaps call in Colonel Trudeau, Chief of Staff of the "Engineer Amphibian Command" at Camp Edwards, Massachusetts.

Respectfully yours,

H A Wallace

H. A. Wallace

Enclosure

February 26, 1943

The Army's "Engineer Amphibian Command" creates and commands amphibian transportation, supply, and maintenance units. The manning of large fleets of landing craft, their maintenance, and the organization of beach-heads to facilitate the landing and passage of the combat units to solid ground—all these functions are accomplished by carefully integrated military units, scaled to fit standardized ground force landing teams. Some 30,000 officers and men are involved.

This organization has been in business since last May—nine months. It is the oldest and most experienced in our armed forces. The mistakes that were made by green organizations on the beaches of Africa, Engineer Amphibian units had made in manoeuvres on Cape Cod months before—and analyzed and corrected. The strategic possibilities of integrated amphibian brigades has been recognized by MacArthur, who has requested three (one is on its way), and is understood to be basing the plans of a major campaign on their use. The officers and men of the Amphibian Command include thousands of specialists, carefully procured, and painstakingly trained. One fleet of landing craft made a two thousand mile coast wise voyage and arrived without losing a boat. Morale is high. Maintenance procedure, perfected by trial and error, has no equal. The commanding General was recently awarded the Distinguished Service Medal for creating this organization.

I have served with the Engineer Amphibian Command for seven months—and have been everything in it from a Private to Assistant Director of Training and Operations (G - 3). I have written training manuals for the Command. By the commanding General, I have been given the facilities and freedom to study every phase of the operation—and I have devoted every waking moment of the last seven months to this task. (I have also considered it a part of my business, as a student of amphibian warfare, to study the Navy's facilities and techniques.) These are my credentials.

I have just learned that this Command is to be disbanded as a result of a request from the Navy that all amphibian activities be centered under the Navy's direction. The Command is not being "taken over"—it is being disbanded—enlisted boat and maintenance men will be given the option of transferring to the Navy

as individuals.

I yield to no man as an advocate of unity of command, but this decision seems to me like making a prize fighter concentrate on improving his left jab by cutting off his right arm! From every direction of the compass, the need for amphibian attack stares at us--across the Mediterranean--across the Channel--north from Australia--West from Guadalcanal--and south from Alaska. Yet we are about to meet this supreme need by halving our capacity to produce trained units for it!

The salvage of a few individuals by their transfer into naval units, seems to me like cutting up and scrapping the "Queen Mary" in order to get a few hundred feet of boiler tubing with which to build a new ship!

There are other considerations. Making war from high powered landing craft -- waging a "water Blitz" -- is a new kind of military operation. There are two theories about how it should be waged -- and neither has been completely proven in action. In our armed forces, the Navy has advocated one theory, the Army Engineers another.

The Navy holds that an attack can be organized by means of small companies of boats, kept in repair at naval bases. It considers that the problems of "organizing" the beach during attack can be solved by a brief (two or three weeks) training period of the combat unit just before sailing. When we speak of "organizing the beach" in a military sense, we include the demolition of all obstacles which could impede the landing, whether placed by nature or by the enemy, whether under water or above ground. We include the special problems of building beach roads, of creating ammunition and supply dumps, of setting up communications, of defending all these works, of salvaging equipment and keeping the boats running. The organizational problems of a beach during the first hours -- and then during the first weeks -- of an attack can only be understood by one who has seen the need with his own eyes.

The Army amphibian practice is based on the belief that the attack in boats, the actual landing and the organization of the beach, are all one transportation problem and not two problems, one afloat and one ashore, as the Navy believes. This is because mechanized combat troops, relying heavily on wheeled vehicles cannot become effective until they are put on good solid dependable ground beyond the beach -- in other words,

CHAS. J. VOGEL
DEMOCRATIC NATIONAL COMMITTEEMAN
FARGO, NORTH DAKOTA

January 9th
1941

Air Mail
Personal

Hon. Edward J. Flynn,
Chairman Democratic National Committee,
Hotel Biltmore,
New York City.

Dear Ed:

In accordance with your recent request and our subsequent conversation, I have studied the report and election figures forwarded by Cecil Johnson to Vice-President-elect Wallace and by him to the President. I am returning to you, herewith, the original letters and the election figures for some of the German and German-Russian counties in North Dakota and South Dakota.

I speak only for my state, North Dakota. Mr. Johnson is correct in his statement regarding the ancestral background of that portion of our population generally referred to locally as "German-Russians". They were originally Germans, voluntarily moving en masse out of Germany into Russia in order to avoid military service in Germany and with an agreement with the Czar that they and their children would be exempt from military service for one hundred years. The Czar's purpose in the acquisition of the Germans was to help educate the Russians in the German methods of agriculture. Upon the expiration of the one hundred years exemption from military service in Russia these people moved to North Dakota, to again escape military service and now many of our southern and southwestern counties are predominately populated by these people. The outstanding thing through their migrations over a period of more than a century has been that their moves have been to escape military service. In analyzing their vote that must be kept in mind.

I am informed that for some time this portion of our population has been subjected to Nazi propaganda - and that in at least one particular instance a school teacher in one of our mid-western counties visited Germany at the expense of the Nazi party and returned here to preach the alleged virtues of that system. I am also informed that during the campaign these people were told that if President Roosevelt were reelected we would be in the war in sixty days and they in concentration camps shortly thereafter. Such statements insofar as I know were not made in public addresses but passed quietly around from one to another and of course had their effect.

it is not enough simply to shove them in through the surf. A mass attack by mechanized forces is not a Commando Raid. The beach over which it passes must first be made into a boulevard, and then so organized that during the vital supply phase, it can function as efficiently as a deep water port -- for huge tonnages must be swept through to the front.

In the face of this difference of opinion as to how a mechanized landing force should be put ashore, is it wise to commit our victory entirely to one of the two theories -- by the annihilation of those who were trained and practiced in the other?

The only large body of evidence on the subject to date is the evidence of the landings in Africa. The lesson, reflected in every single observers report, points not towards less integration but towards more.

If I thought that those who had made this decision were fully informed, I would not be writing this memorandum. There is, however, strong reason to believe that they are not fully informed. The reason is this: Although officers of the Engineer Amphibian Command have known for several months that the Navy was advocating the abolition of the Army's Amphibian Command, this information has come only through underground channels. The Army's Amphibian Command has never had a hearing. It is not having a hearing now. The Commanding General of the Engineer Amphibian Command -- who was two weeks ago awarded the Distinguished Service Medal for his accomplishment in creating the command -- was never consulted, is not now being consulted, and has received no official word. Highly placed confidential sources, however, tell us that the decision has been made, and that the orders which will make it practically irrevocable will be issued within thirty days.

Success in battle and thousands of lives seem to be at stake in this decision, and that it is being made without even hearing the Staff of the Engineer Amphibian Command, is a colossal stupidity -- a stupidity so great that nature can not possibly overlook it and we as a nation will surely pay for it in blood.

February 26, 1943

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73-
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Subject PSF: ~~Wallace~~ ^{Wallace} folder 2-43
VICE PRESIDENT'S OFFICE

March 13, 1943

Miss Grace Tully
The White House

Dear Miss Tully:

The Vice President is extremely eager to present one of these pictures to each of the Latin American Presidents when he goes down there next week. He thinks they would be ever so much more appreciated if the President would sign them under his own picture. Do you think it would be possible for the President to sign them over the weekend? Mr. Wallace would certainly appreciate it.

Mary Huss
Mary Huss

7 Photos of the VP + Wallace
signed by the Pres.
Check to whom VP gave

PSF: ^{Wallace} ~~Vice President~~ folder
Subject

THE WHITE HOUSE
WASHINGTON

March 25, 1943.

MEMORANDUM FOR

HON. CORDELL HULL

FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F.D.R.

Telegram from Wilson, Panama, 3-23-43,
"For the President from the Vice Presi-
dent" re visit in Panama and with the
President of Panama.

Wallace PSF; ~~Vice President address~~
Subject 2:43

THE WHITE HOUSE
WASHINGTON

June 4, 1943.

MEMORANDUM FOR THE
SECRETARY OF STATE:

What do you think of this proposed speech of the Vice President?
Please let me know at Cabinet Meeting.

F.D.R.

Commencement address at Conn. College
for Women, New London, June 6th

PSF: ~~W. Wallace~~ *W. Wallace* *2-49*
Subject

THE WHITE HOUSE
WASHINGTON

July 7, 1943.

MEMORANDUM FOR

THE PRESIDENT

The Vice President just tele-
phoned the following message:

SUBJECT: RACE RIOT RESOLUTION

On Monday Gerald Smith, Detroit rabble rouser (formerly of Oklahoma) called on Martin Dies with regard to the race riot situation. On Tuesday, Brooks of Illinois, introduced into the Senate Resolution #171, providing for looking into the race riot situation. The Resolution was referred to the Committee on Judiciary. Senator Van Nuys, the Chairman, appointed as a sub-committee, McCarron, O'Mahoney and Ferguson. Rumor has it that the sub-committee will indicate the desirability of the Resolution and, in the report on the Resolution, will emphasize bad housing, indiscreet conversation in Washington, etc. Ferguson of Detroit has his own ambitions.

Orig. filed - Speech Material

THE WHITE HOUSE
WASHINGTON

-2-

Since the race riots the Negroes have been very restive. They know President Roosevelt is their friend and they are waiting for some kind of action. Certain friends of the Negroes suggest that the President give a fireside chat. Others have suggested an investigation by a friendly Committee like the Committee on Labor and Education (I talked with Senator Thomas about this last suggestion and he felt it inadvisable). Still others have suggested a Committee outside of Congress composed of outstanding people, such as Justices Black and Roberts, for example.

Senator Thomas spoke to me today saying that he was convinced the O'Mahoney, McCarron, Ferguson set-up was bad from the standpoint of the 1944 election. He said definitely he felt the States of Ohio, Pennsylvania and New York were in the balance on the basis of this issue. I replied to him that I thought he might perhaps add also Indiana and Michigan.

Conclusion: Is there any devise by which Senate Resolution #171 could be headed off and the Negroes be assured that the President's heart is where it always has been?

G. G. T.

PSF: Wallace ~~-----~~ 2-4

THE WHITE HOUSE
WASHINGTON

*file
personal*

September 29, 1943.

MEMORANDUM FOR THE PRESIDENT:

The Vice President asked that I give you the following message, which he has just dictated over the telephone:

"To the President:

I would suggest that you consider having Connally, Barkley and McNary, instead of Connally and the two Senators who were discussed this morning. There is real reason for thinking that Vandenberg will use any information he gets for purposes of his own, and that McNary is safer from the over-all point of view."

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