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EXTRA CONFIDENTIAL

April 17, 1944

At nine-thirty Sunday night, after reading a so-called "type of speech Wendle Willkie could make on our Argentine Policy", I called up Luxford and told him that I think that we ought to go ahead and write a letter to Hull that we want him to freeze the Argentine assets. I said that we could tell him that we are encouraged by the strong position that the State Department took vis-a-vis Sweden on ball bearings, on which, as I understand it, they asked the British to go along and the British wouldn't go along, so we said we'd do it anyway and then the British got on the band-wagon; and that we should compliment the State Department on this and say that we are encouraged and therefore we are approaching them on freezing. Luxford said he didn't think we'd have any trouble getting the Argentine, now, to freeze.

He said in talking to Lauch Currie the other, that Lauch Currie said that if he was going to pick one man in the whole Administration to support him in a fight, he'd pick me. He said that was a nice compliment.

Luxford said that it was wonderful about the cable that came through from the Chancellor of the Exchequer to me Sunday. I heard about it at seven-thirty when I called White. He said if during my occupancy of the office of Secretary of the Treasury, I could acquire international stabilization, he thought it would be the greatest achievement of any Secretary of the Treasury could accomplish. I agreed with him. I told Luxford at nine-forty-five that they were to do nothing on the Argentine that might get the English upset until after we get agreement out of the English on

the World Stabilization Conference. And he said he agreed with me entirely. I said, after all, it will only be a matter of three or four days and it's been a year and a half, so we can wait another three or four days hoping that we will get an agreement out of the English. Luxford was in entire agreement with me.

April 17, 1944
9:50 a.m.

INTERNATIONAL STABILIZATION FUND

Present: Mr. White
Mr. Luxford
Mr. Bernstein
Mr. Smith

H.M.JR: While I am thinking about it, I left up at the house this report which Gaston sent me on an investigation of a girl who is supposed to be pro-German. I tried to read it and couldn't, because the thing is typed so badly, you see. I would like you to read it and digest it.

One of the things that I would like to know most is - she works for McQuillan - is McQuillan satisfied to have a girl like that work for him? There is no question - I read enough of it - that the girl went to Germany with Fritz Kuhn in 1936 and came back wearing a swastika pin and telling everybody how she feels about Hitler, and everything else.

Now, why does McQuillan take a girl like that? That interests me more than the girl.

MR. O'CONNELL: He must have just taken her without making an investigation that disclosed that.

H.M.JR: I still want to know how long he has known all this. Has he protested? Has he been satisfied? Now, McQuillan is in a key post, and it is much more important to me to find out what is McQuillan's attitude toward a girl like this, than about a little clerk. He is Internal Revenue Intelligence of New York; it is a key position.

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MR. O'CONNELL: Yes.

H.M.JR: This thing has been hanging fire for six months, and as near as I can make out, Chapman straddles the fence on this. He is on the Committee. The only fellow who seems to take a strong position is the representative of the Federal Reserve.

MR. O'CONNELL: He took the strong position of getting rid of her?

H.M.JR: Yes.

MR. WHITE: I would very much like to read it if it is available.

H.M.JR: I think you will save your eyes by having the thing re-typed. Why they send me fourth ribbon copy!

Now, you men who have been living with this thing - is it time for me to go up on the Hill?

MR. WHITE: Yes, I would say that is the very first thing to be done - to make arrangements to go on the Hill. We don't have much choice in the time. It has to be Thursday afternoon.

I would like Fred Smith to come in here at this point.

H.M.JR: I meant to have him sit in on the whole thing.

(The Secretary sends for Mr. Fred Smith)

MR. WHITE: It is a question of leaks, and so forth.

H.M.JR: I can't do more than one in the afternoon and one in the morning. I said that before.

MR. O'CONNELL: You can't do them except one in the morning and one in the afternoon?

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H.M.JR: I can't do two. Let's say whichever one you go to, it means going up there at ten and being there two hours. You adjourn and you come back. The other group says, "We will see you at three or four." That is the way it will work out in practice.

MR. WHITE: You can see two a day?

H.M.JR: Yes, but not two in the afternoon.

MR. WHITE: Then the Senate better be first.

MR. O'CONNELL: See the Senate first and make a deal with them which you hope would keep them quiet.

H.M.JR: I can't do it by two in the afternoon. It is a physical impossibility.

MR. WHITE: Then I think the Senate would have to be first.

H.M.JR: You can't stand it any better than I can, Harry, physically.

MR. WHITE: I wasn't thinking of that at all.

H.M.JR: I am. I am thinking of the physical part. To suit their convenience one will say, "All right, ten o'clock." Then they all meet at twelve. The other will say, "All right, you come up around three or four."

MR. O'CONNELL: I think we ought to shoot for the Senate at ten, say, which would be ten-thirty before you got started, and the House at two or two-thirty. Isn't that about what you would want in the way of timing?

(Mr. Smith enters the conference)

H.M.JR: I think the Senate in the morning - it doesn't make much difference, but you have to give the Senate the preference.

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MR. O'CONNELL: We will ask for ten for the Senate and two-thirty for the House.

H.M.JR: That is all right.

MR. WHITE: Then we need a press conference as soon as Fred thinks we can have it and be safe, because you have to have a press conference before Friday so they will have a good story on Friday.

H.M.JR: We can have a press conference after the Hill.

MR. LUXFORD: Can you get a good story on Friday if you have it late in the afternoon on Thursday?

MR. SMITH: Sure. You have the Friday morning papers.

MR. WHITE: How late could you have a press conference and still function?

MR. SMITH: Oh, it would have to end up before six o'clock.

MR. WHITE: That is all right.

H.M.JR: It wouldn't be bad ball to have it in between.

MR. WHITE: We might have them in at two for some of the technical questions.

MR. BERNSTEIN: No.

MR. O'CONNELL: We had better ask for two for the House - the closer to two you get it--

MR. WHITE: You need a little time between the morning session and--

MR. O'CONNELL: You can count on the morning session being over by noon. Is that all right?

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H.M.JR: The ideal time would be two-thirty.

MR. O'CONNELL: I thought you might stretch out. It would be a little harder to meet the deadline which Fred has just indicated for the purpose of Friday morning stories.

H.M.JR: Well, look, I will give you some leeway. See what they want.

The most important thing, I think, other than the press is this: I think that if these Chairmen who meet the Democrats in the Senate and in the House, if we could have a meeting with them, maybe Wednesday morning - the Chairmen in the Senate and the House - and they could be asked to meet together - and Wednesday morning go over this thing with them in advance so they would know and help us out on the questions. I think it is terribly important that you don't go in to them cold.

MR. WHITE: You mean the Chairmen of the various Committees?

H.M.JR: Yes. Ask them if we could meet with them Wednesday morning somewhere off the record and put them through school so they would know what it was about. Take Bloom - if he knows what it is about, he could help us a lot.

MR. LUXFORD: That has a further advantage, too, Mr. Secretary, in that they can perhaps prepare a little statement they will want to make to the press to supplement yours, and you will get a double play on it.

H.M.JR: A lot of reasons why that should be done Wednesday morning.

And the other suggestion I have on technique - I told somebody - I don't know whether they forgot it - that is, I threw it out - I don't know what arrangements Hull has made on the Hill. He has made some arrangements.

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MR. WHITE: You made it, and I did forget it. You asked me what people did they have present at the conference.

H.M.JR: And I said I wanted to do at least as well.

MR. WHITE: I have a partial alibi - it relates to the conference and not to this hearing.

H.M.JR: The point I want to be able to do - I don't know - Hull has made some arrangement in criticizing them this morning; but at least I want to do as well, and I want to know what technique Hull has used.

MR. O'CONNELL: You mean as to Congressional participation?

H.M.JR: In a conference.

MR. WHITE: We were waiting until there was a decision on the conference.

MR. SMITH: Wasn't that in the papers yesterday?

H.M.JR: I want to get Hull's side of it.

MR. O'CONNELL: I think a couple of fellows were working on it over the week end. It is background material. It won't be ready until the end of the day, as to what the State Department has done and what the general position has been, and how they have handled it, and so forth.

H.M.JR: Harry's suggestion?

MR. WHITE: No, but we had talked about it.

MR. SMITH: As a matter of fact, you told Joe to do it, because I was here and I remember. Harry, you are out of it.

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MR. WHITE: No, we talked about this last week. I didn't tell him to do it over the week end.

MR. O'CONNELL: I was--

MR. WHITE: What do you propose to tell them about the meeting?

MR. O'CONNELL: I could tell them only in the vaguest terms unless you give me a little more of the definite idea.

MR. WHITE: I suppose you might say that there has been substantial and important progress made in the discussions on monetary matters and Secretary Morgenthau wants to--

MR. O'CONNELL: I would like to be able to indicate this is an important meeting rather than just a progress report.

H.M.JR: May I suggest this, I think it is always better to take these fellows in a conference. Tell them we have been working like hell to get an agreement and the agreement is just always over the horizon, and we have told both the English and Russians that I was going up on the Hill on Thursday and hoped that that would bring them into line. We have got a pretty good chance, but this has been going on since the last meeting of October - was it?

MR. WHITE: No, no.

H.M. JR: When was I up on the Hill last?

MR. WHITE: I don't remember exactly. It was in the fall.

H.M.JR: It could be found out. It is not a secret, when I was last on the Hill. And a lot of work has been done and we are hoping that we will be able to tell them.

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If we can tell them that the English and Russians have agreed, that is important; if they haven't agreed, that is important, anyhow. But we have had to tell these people that this is the deadline, and then I would go a step further. I think it is much better to be frank and tell them the thing about Congressman Dewey - that Congressman Dewey has a bill which is almost like ours but not quite which they want to put the Republican label on. I have to appear there next week and therefore we felt that while we are not trying to play politics, we want to keep them from playing politics. "This is to be non-partisan," and so forth and so on. But they are trying to play politics, therefore it is important that I come up this week instead of next week to be on the defensive.

Here we have a positive program which we think is a good one, and we have a fairly good chance - but the reason this week rather than next week is to keep the Republicans from stealing the show and putting the Administration on the defensive. "Therefore, win or lose, it is important that we come up there" - and they love this thing from the standpoint of the Democratic Party. I have used that the last month or two and they love it. "From the standpoint of the Democratic Party, it is important that we come up and make a good showing" - because on the international front, here is something positive they can put their teeth into. This is good for the businessman, you see. This is going to help business get off to a quick start after the Armistice, and put men back to work, re-employ soldiers and workmen, because factories can start up, because the great risk of how they are going to get paid will be eliminated. This is good for the middle class of America, see?

Now, Harry can add or subtract, and even Mr. Bernstein and Mr. Luxford will be permitted to do the same, and Mr. Smith. How do you like that kind of talk?

MR. WHITE: That is first-rate. I think I might add this, that we have practically - use the word "practically" - all the countries agreeing except Britain and Russia, and

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the chances are good that we will hear from them before - in other words, China has agreed - practically all the countries.

H.M.JR: And they love to be in on the inside. You can tell them this, that we surmise that one of the things that is holding us up was Montague Norman, which is the old fight of the Central Banks controlled by the private banks against the Government. Now Montague Norman is out, and the thing has seemed to take a turn for the better. Montague Norman's motto was "no explanation, no apologies." That was his motto.

This is just a surmise - because of his going out and Lord Catto's coming in, things seem to take a turn for the better. We know this is a fact, that this thing has been held up. This has been a fight, the old Central Bank, the old business crowd, do you see? It is the same fight there that is here, and when the Democratic Party moved the thing here to Washington - and you can even say there is a little feeling they don't want the thing in Washington, but in London - "so this is to nail down the accomplishments of twelve years for the people."

MR. WHITE: Is this to be said just to the Chairmen of all the Committees, or just the House and Senate?

H.M.JR: Whoever Joe sees. I am telling you in a little flip manner, but it happens to be dead in earnest.

MR. WHITE: Would it be possible to have those two men to lunch and tell them that yourself?

H.M.JR: No. Look, Harry, they don't like lunch. Lunch is a bad time and the bell rings. They don't like it. I have tried it. It is much better to say to these people, "We will meet either in the Speaker's room, or over in Colonel Halsey's room, or any place that you say where we are not apt to be seen." If we meet in the Capitol we are apt to be seen - but some place that they suggest. If we could meet Wednesday morning, bright and early - meet here, meet at my home - any place that

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they say, so we could have a dress rehearsal on this thing.

From the standpoint of the Democratic Party, this is a very important accomplishment, something they can use and talk about and put their teeth into; because, after all, after the Armistice, the first thing we think we need to resume international business is currency stabilization, foreign exchange stabilization. If you have a stable thing there, then the fellow can begin to ship and do business; if you don't he just doesn't know how he is going to get paid. Before they can start resuming business after the Armistice, this is the first thing that you need.

MR. WHITE: Mr. Wallace has said this was the one bright thing on the economic horizon. That was his own judgment. We didn't discuss it. I don't quite understand - is he to tell them this, or are you?

H.M.JR: Look, Harry, Mr. O'Connell, my General Counsel, says he doesn't know much about it. I am trying to give it to him so he knows how I am feeling.

Has anybody told you this kind of stuff?

MR. O'CONNELL: No.

H.M.JR: It is new and it is good?

MR. O'CONNELL: It is all right. As I visualize it, I could--

H.M.JR: And I am trusting to use what he has. You have to know something.

MR. WHITE: But I don't understand whether he is going to make an arrangement for you to see the leaders up there, or whether the meeting you referred to was the meeting of the Chairmen of all the Committees.

MR. O'CONNELL: He was speaking of the Chairmen of the Committees.

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H.M. JR: The Chairmen of the Committees.

MR. O'CONNELL: I thought I would start with Barkley.

H.M. JR: If Sam Rayburn wants to attend - and Barkley is very sensitive--

MR. O'CONNELL: I thought I would start with Barkley in the Senate and Rayburn in the House and lay the cards on the table along the lines you have indicated, and ask their help in arranging for the Chairmen of the Committees to call their Committees together for Thursday, and for them to meet with the Secretary on Wednesday morning at a place that would be mutually satisfactory, where it would be completely off the record. But I would start with Barkley and Rayburn.

H.M. JR: That is right. And if Barkley and Rayburn could be present at those meetings; and in the House, if McCormack could be present, too, at the Wednesday meeting--

MR. O'CONNELL: Now, McCormack is Barkley's opposite number in the House. I don't know why we have all assumed it should be Rayburn rather than McCormack.

H.M. JR: It should be Rayburn. The organization is different.

MR. O'CONNELL: I would prefer to approach Rayburn and it would be up to him.

H.M. JR: Rayburn is terribly fast. Say, "Here are the facts; please tell them how to proceed" - to Rayburn.

MR. LUXFORD: Mr. Secretary, developing your political arguments, I wonder--

H.M. JR: Excuse me. Did you think I knew as much about it, Harry, as I did?

MR. WHITE: I liked the statement. It isn't strictly accurate, but so much the better.

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H.M.JR: What isn't accurate?

MR. WHITE: Never mind. It is a good statement.

H.M.JR: Listen, it is a statement to win, isn't it?

MR. WHITE: That is why it is a good statement.

H.M.JR: It is a campaign document; I am saying this, also, that somebody in the room who is going to write it could get the spirit I want to carry out. Isn't this thing as good as I think it is?

MR. WHITE: I don't know how good you think it is, but it is good - but maybe not for the same reasons.

MR. LUXFORD: Another campaign argument that might be made to these people is that you are going to put the Republicans squarely on the spot. They are going to have a definite program of international cooperation in the monetary field, and this is the way to really flush the Republicans out on where they are going to be for international cooperation.

H.M.JR: All right, but they have already been flushed through Congressman Dewey, who has a bill, so our argument--

MR. LUXFORD: Have they said they go along with the bill? It is nice to talk about broad general language, but will they come up and really adhere to a program?

MR. WHITE: It is not an international--

H.M.JR: I thought Harry would like my statement, but evidently he doesn't.

MR. WHITE: I like the statement, but don't expect the reaction from technicians and professors that you want to get, because we are overburdened with the necessity for accuracy and it cramps our style.

H.M.JR: I thought you had graduated from being a professor and technician.

MR. BERNSTEIN: He is thinking of my sensibilities.

MR. WHITE: And my own. No, it is all right.

H.M.JR: That is the kind of thing it will take to push it over.

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MR. LUXFORD: I think Harry's point is significant, that Dewey's program isn't one for international cooperation, but national action.

MR. SMITH: Here is one other thing. Do you think it would be advisable when you are having this meeting with the chairmen to ask them to bring along a few key people in addition to the chairmen so you would have a good army in case they go to work on you?

H.M.JR: The trouble with that is, once you begin to bring key people you hurt too many feelings.

MR. WHITE: That is right.

MR. O'CONNELL: This group is going to have about ten people in it, anyway, Wednesday morning. It has the leaders and chairmen of seven or eight committees. And there will be a meeting with sixty or more in each House Thursday.

H.M.JR: The chances are that the only fellow who will talk will be Bloom, anyway, but we have enough.

MR. SMITH: All right.

MR. O'CONNELL: Mr. Secretary, there is a new committee that is going to be in here who hasn't been in other meetings, and that is the Colmer Committee in the House, which is the counterpart in the House of George's Committee in the Senate on post-war planning. They haven't been in on any of these before because the Committee hadn't been created until a couple of months ago. I assume that I ought to suggest them to Barkley and Rayburn, particularly in the House, as a Committee that has an interest in this.

MR. WHITE: What about that little informal House committee that was formed and disappeared before Steagall died? He was appointed chairman.

MR. O'CONNELL: All the members of that committee are members of the other committee. But Colmer is not, and that is the reason--

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H.M.JR: O.K. What else?

Now, I think you can be on your way.

MR. O'CONNELL: I can? I wonder if you would think it would be helpful if you would call Barkley and Rayburn for me, because Rayburn, I think, for one--I don't know Rayburn, and I would meet them with a little better auspices.

H.M.JR: I can let Fitz do it. I think that is just as good. Yes, I will tell him.

(The Secretary held a telephone conversation with Mr. Fitzgerald.)

(Mr. O'Connell leaves the conference.)

MR. WHITE: Here is the Exchequer's reply.

H.M.JR: Fred, I want you to sit in on this until it is finished, so you take it in through your pores, please.

MR. SMITH: All right. My pores are open!

H.M.JR: I wasn't sure. I have seen them closed. This Monday morning stuff! God, how I have to work on this stuff. The only people who seem normal this morning are Luxford and me.

MR. LUXFORD: And he is not sure about me!

(The Secretary reads to himself communication of April 15, 1944 from the Chancellor of the Exchequer.)

H.M.JR: What does "Non-Unitas basis" mean?

MR. WHITE: That is their version.

MR. BERNSTEIN: Their version given our name.

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MR. WHITE: They took our name and put it in their version. It was one of these one rabbit, one horse--not one horse, this Army building up here--one rabbit, and one Pentagon. They thought that would please us.

H.M.JR: What name do they use?

MR. WHITE: We are not using any name, but the "Non-Unitas" version is the Keynes plan.

MR. BERNSTEIN: The Unitas version, Mr. White.

MR. WHITE: Yes, so they took our name and his plan, and they thought that would please us.

H.M.JR: What is our name?

MR. WHITE: Unitas. And his plan--

H.M.JR: But that isn't the way it is now?

MR. WHITE: No, we dropped the name out entirely.

MR. BERNSTEIN: We will keep our plan.

H.M.JR: So it is our plan minus Keynes'?

MR. WHITE: It is a part compromise, but much more like the American plan.

H.M.JR: They have now gotten across the idea that it doesn't commit the Government.

MR. WHITE: There hasn't been any doubt of that in the last eight months.

H.M.JR: Well, what they say is a technician's way of saying what I said, this next paragraph about progressive development, international trade, and stability of prices. It is not very different from what I said.

MR. LUXFORD: I would say that there would be no one that the Secretary speaks to who could possibly challenge any statement he made.

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H.M.JR: That is right.

H.M.JR: "In the light of these proposed arrangements we should propose not to show any document to technical experts of European Governments over here and to await publication before discussing statement with them." They don't want any leaks.

MR. WHITE: That is contrary to arrangements we previously made, and Opie concedes that is so. Our arrangements were, as soon as the agreement was made we would show it.

MR. BERNSTEIN: They could show it so late, Mr. Secretary, that there wouldn't be any problem of a leak.

H.M.JR: They act as though this was an agreement between England and ourselves.

MR. WHITE: We are going to change that. We pointed it out to them not only yesterday, but half a dozen times before. They are constantly trying to make it appear that this is an arrangement between the two countries.

You know they will say, "This statement of principles for an international monetary fund is the result of close study over many months at expert level between our two countries. It in no way commits Governments concerned. It is conceived as part of a general plan." We are changing that.

H.M.JR: What else is there to do now?

MR. WHITE: We are drafting an answer to that cable in which we will not only restate the points, but also raise the question about the bank.

We received a statement from them, a copy of which we haven't. He promised to give it to us, but he hasn't yet. He read it to us, which includes the sentence that they regard "the bank or some agency for providing credit for reconstruction development as extremely important." We want to give them three choices: One, to agree with

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us on a similar statement of principles for the bank, copy of which we have drafted, in which we have eliminated all-- or we think all--possible points of difference, leaving most of that to be discussed at the conference.

H.M.JR: Well, I don't have to pass on that just this minute. You are waiting for the answer, aren't you? You are waiting until this cable comes in?

MR. WHITE: We are waiting for what cable to come in, sir?

H.M.JR: The one you just mentioned.

MR. BERNSTEIN: The one in which they showed interest in the bank.

MR. WHITE: That should be in this morning, because he had a copy of it in his hands.

(The Secretary held a telephone conversation with Secretary Hull, as follows:)

April 17, 1944
10:17 a.m.

Operator: Secretary Morgenthau is on the wire.

HMJr: Hello.

Cordell
Hull: Hello, Henry.

HMJr: Good morning.

H: I want to be sure that I was correct about this
International Monetary Conference proposition.

HMJr: Please.

H: Some days ago Acheson and Pasvolsky and one or two
others here had a conference with Mr. White.

HMJr: Yes.

H: I think you were away. And they had been opposed,
and we'd all been opposed to undertaking it for
lack of time this spring.

HMJr: Yes.

H: And they came back and reported to me that White
had convinced them that we should have it in May.

HMJr: Yes.

H: Is that right?

HMJr: That's right.

H: And they said, of course, the matter, they said
you and I would lay it before the President, with
you doing the main talking, so what then happened,
you had a talk with the President.

HMJr: After you did.

H: Well, I told him that he would talk that out with
you because you had the main functions to perform.

HMJr: Yes.

H: I said -- I told him then all I knew, that my
crowd had been convinced by White....

HMJr: Yes.

H:that they should have it in May....

HMJr: Yes.

H:contrary to their judgment up to that time.

HMJr: Yeah.

H: And I said, "You will have to pass on it."

HMJr: Who will?

H: The President.

HMJr: Yeah.

H: "And you and Morgenthau get in touch." So that's the way it was left and you talked with him and then you and he agreed on May?

HMJr: Well, no. Let me just explain. You remember it was a Monday morning I called you at your home?

H: Yes.

HMJr: And spoke to you about this conference.

H: Yeah.

HMJr: And....

H: I repeated this White's conference conclusion.

HMJr: And then you must have seen the President -- I think you saw him at lunch, or something.

H: Yeah.

HMJr: And the President called me on the phone. I asked to see him and he said, no, he would talk to me on the phone.

H: Yeah.

HMJr: And he got on the phone and said to me, "Henry, it's all right to go ahead with that conference in May." He brought up the subject.

H: I see.

HMJr: I didn't.

H: You didn't talk with him then?

HMJr: No, he simply said, on the telephone, "Henry, it's all right to go ahead in May."

H: Yes. Well, now, the reason I -- one of my fellows is making an impression on me that he thought he couldn't hold it before July and I told him I didn't understand that at all as part of the talk....

HMJr: No.

H:at the time.

HMJr: No, this is what the situation is now and as of this morning.

H: Yeah.

HMJr: We sent a cable through your office last week....

H: Yes, I saw it.

HMJr:in which we said to the English that I had to go up on the Hill Thursday and that I hoped that I'd be able to say that the English were in agreement.

H: Yeah.

HMJr: But I would have to go one way or the other before these three or four committees in the Senate and three or four committees in the House.

H: Yeah.

HMJr: Because I've promised them that I would make a report.

H: Yeah.

HMJr: Since then there have been a number of cables between ourselves and the English; one coming in yesterday from the Chancellor of the Exchequer.

H: Yeah.

HMJr: And we're practically together.

H: Yeah.

HMJr: I saw the Russian Ambassador -- I think it was Friday -- in connection with this printing money for -- I don't want to say -- for one of these countries, you see?

H: Yeah.

HMJr: And I told the Russian Ambassador that I was going up Thursday and I hoped that he would have an answer for me before then because I thought it was bad to have to say that they didn't.

H: Yeah.

HMJr: But everything that we're doing here is aiming towards May.

H: Yes.

HMJr: Does that make it clear?

H: Yes, I wanted to be certain because somebody in my group has gotten July....

HMJr: No, they're misinformed, Cordell.

H: I told him that wasn't the way it was represented to me....

HMJr: No.

H:by my group....

HMJr: No.

H: ..of which he was one.

HMJr: When the President got on the phone, I didn't even raise the question.

H: Yeah.

HMJr: And he said, "Henry, it's all right to go ahead and hold this in May."

H: Yeah.

HMJr: And I think I either called you or wrote you a line and thanked you for what you'd done to help us.

H: Now, you don't -- you want to -- of course, this is your business, but....

HMJr: Yes.

H:you want to be awfully careful to keep a frame-up over in these committees that you've been before to postpone....

HMJr: Excuse me?

H: You want to be mighty careful to keep down a frame-up over there by some group in the committee that you are going to appear before to postpone this and give them more time.

HMJr: Yes. Well....

H: You have to watch that or they'll -- they will throw this overboard, you see?

HMJr: Well, I'm....

H: In a longer time.

HMJr: I appreciate your caution but I am explaining to the Demo -- I've asked to meet with the Democratic Chairmen....

H: Yeah.

HMJr:on Wednesday....

H: Yeah.

HMJr:before I go up because I have to testify next week....

H: Yeah.

HMJr:on Congressman Dewey's bill....

H: Yeah.

HMJr:which is a bill which is very near the same but it has the Republican label.

H: I know about that, yes.

HMJr: And we want to -- the reason that we've done it this week is, we want to get there and be on the positive side....

H: Yeah.

HMJr:and not be defending ourselves.

H: Yes. All right, then.

HMJr: Now.

H: I just wanted to keep absolutely clear what....

HMJr: Now, are there any other suggestions you'd care to make?

H: No, I haven't a thing in mind.

HMJr: Is Acheson following this for you?

H: He's supposed to be, yes.

HMJr: Or Pasvolsky?

H: Well, they -- Acheson is the head man.

HMJr: Well, because the next....

H: But they're both working together.

HMJr: Yeah. Well, the next day or two I'll be -- I hope I'll be moving fast and White and I will take great pains to keep both of them posted on

H: Yes. Pasvolsky knows more about the technical side, you know.

HMJr: I see. But now, is it all clear in your mind?

H: Oh, yes, it's clear. It just was that date thing I wanted to get clear.

HMJr: And you have no other suggestions?

H: No, not now. Thank you very much.

HMJr: Thank you.

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MR. WHITE: There isn't a single sneeze that we have made that Pasvolsky hasn't reported.

H.M.JR: Wait a minute; somebody told him we were aiming for July.

MR. WHITE: He just doesn't keep in contact with his own people who are with us every step of the way.

H.M.JR: Now, Harry, do the old man justice. Somebody over there may still be trying to cut our throat.

MR. WHITE: I am sure of it. I will give you a number of bits of evidence.

H.M.JR: He said he was afraid it would be July, and then he said, "Be sure that the Committee doesn't wangle you into seeing that the thing goes over." Now, look, give the old man credit. He put it so funny. You will have to read it, the way he put it to the President, that White said it was all right, and he said to the President that this is what White wants, and "White has convinced my man this is what they want."

MR. WHITE: You were present at every discussion we have had. Mr. Secretary, that Pasvolsky, I think--well, I can't quite make it out. He is fighting us behind the scenes.

H.M.JR: That is it. Don't blame Hull. He goes in and tells Hull, "This isn't going to be in May; the Treasury is double-crossing you; this is going to be held in July."

You heard me say, "Is there anything else?"

He said, "No, I just wanted to make sure it was in July."

"You saw the President?"

I said, "Afterwards."

The President picked up the phone and said to me, "Henry, it is all right to go ahead in May."

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MR. WHITE: We could wangle it so that Acheson takes the lead instead of Pasvolsky.

H.M.JR: The next thing I am going to do, gentlemen, is, we should have a meeting tomorrow with the people there--

MR. WHITE: That is the next thing on the list, to arrange a meeting with the same group that you met with many months ago in which this thing was initiated. That includes Secretary Jones, Eccles, and somebody from the State Department, and Crowley.

(The Secretary notifies Mr. Fitzgerald of 9:00 o'clock appointments for April 18, 1944.)

H.M.JR: Harry, look, this is not the final gasp, but another gasp of the group who went to the Disarmament Conferences and all the other international conferences to keep this country playing a second-class role.

MR. WHITE: That isn't their objective; that may be the result.

H.M.JR: That was their objective, originally. Just as long as they could keep London the center and keep the English fleet on the basis of two to one for ourselves, they had the world trade and kept us in a second place. Now, you just stop and think a minute.

MR. WHITE: That may be the objectives over there, but not here in the State Department. They are somewhat different objectives.

H.M.JR: Well, but they pull the wool over these fellows. But if you stop and think, it is the same crowd that kept our fleet small and kept us as a second-class nation in the international monetary field. Have you ever thought of that?

MR. LUXFORD: In London, that is true. I doubt that about State, though.

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H.M.JR: I am not saying State, but they are "me too's."
They go along.

MR. WHITE: The campaign by Pasvolsky and some of his colleagues is now being centered on the Bank to stop us from discussing the Bank. The thing has gone too far to stop the Fund, though Pasvolsky did lead the discussion in the State Department to prove we ought not raise the question of a fund before this summer. We went over there in Dean Acheson's office, and after an hour or more of discussion, convinced Dean Acheson that we were right and they were wrong.

But Pasvolsky worked behind the scenes.

MR. LUXFORD: You know what I think it is, behind Pasvolsky? He has been in charge of post-war planning. The only thing he can show in the way of tangible results is what Treasury has produced.

H.M.JR: Now, don't jump on me, Harry. Let me finish what I am going to say. It may not be any good, but let me suggest it; as an antidote to Pasvolsky with this conference coming up, what would you think of calling in Herbert Feis as a consultant?

MR. BERNSTEIN: Are you asking me? I don't think Herbert Feis is good enough for the kind of work we do.

H.M.JR: I am talking politics now.

MR. WHITE: I think that will only make our task more difficult, because it will make Pasvolsky fight all the harder. The only chance we have is by bringing him on the inside, and that is what we have tried to do; every time we have had a conference we have called Pasvolsky in and asked his advice, so he won't have the slightest justification for saying either he didn't know or we weren't informing him, or feel slighted in the least. Isn't that correct?

MR. LUXFORD: Yes.

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MR. WHITE: Now, if we bring in somebody--and that is one of the difficulties about Dean Acheson, except that he is over them; he doesn't fight in the open. If he did, we would be able to meet him. He is a throat-slitter of a very vicious kind.

MR. LUXFORD: I think we had better play with Acheson.

H.M.JR: Wait until you read that conversation.

MR. WHITE: Is there any possibility of Pasvolsky misunderstanding our program?

MR. BERNSTEIN: I don't see how it is possible any longer. I am inclined to think now they are just knifing.

MR. WHITE: This explains, Mr. Secretary, also why he complained, not once, but twice to Stettinius, without the slightest grounds, because we have been very careful in keeping him completely informed.

MR. BERNSTEIN: I think it is what Luxford has said, Mr. Secretary, they have been laboring with committee after committee in the State Department, and nothing concrete has come out between the two proposals from the Treasury.

MR. LUXFORD: And they really are burned about it.

H.M.JR: I get this every two weeks, a digest of all interviews with prisoners (refers to Army communication concerning interviews with Allied prisoners). There is a slight weakening in the morale for the first time.

MR. WHITE: The new prisoners coming in?

H.M.JR: Yes, English.

MR. WHITE: Do they do a good job in interviewing them?

H.M.JR: That, I don't know, but this is a summary for over a two-weeks period. This is both from American and Allied and British sources. Then they sum it up. In

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each case for the first time there seems to be a little bit of weakening. But it was very interesting, to digress a minute. Our saying that we were going to fight to a conclusion and have no compromise was the worst thing that we have done as far as morale is concerned. It is the one thing that stiffened the morale of the German soldiers and the German people more than anything else, that one statement. They say, "What is the use if that is the case?" Then they have gotten desperate. It is interesting. You sit here and think, "Well, this would be a good thing to do," and we will say, "We are going to fight this thing to a conclusion," and that statement has done more to build up the German morale than anything we have done.

MR. WHITE: Of course, the statement was made to meet home consumption because the people were afraid we were going to quit.

H.M.JR: Yes. One other thing, Harry, and Bernstein, make notes; whenever we get out of this jam I want to talk to you people about this new Committee of Civil Affairs in London, you see, with no Treasury representative. I don't want to talk about it now.

MR. WHITE: That is Taylor?

H.M.JR: Please make a note of it. My thought is that I could either telephone or cable Stettinius and say to him, "Now, look, I think there should be a Treasury representative. I got that idea over the week end. I can try to telephone Stettinius over Eisenhower's telephone, which is not listened to by the English. I could get on that phone and say, "Look, Ed, if you could look into this thing for me--" he will be there another two or three weeks. I can call him up. It doesn't have to go through the State Department; the English can't listen. I will say, "Look, Ed, would you mind having a look at this Committee for me? You have two State Department representatives, and we have none."

MR. SMITH: We had another discussion while you were out here. What would you think of having a statement all ready for Hull to release on Thursday, just backing us up

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a hundred percent, making it a solid front, and having in it that you want Hull committed, too?

H.M.JR: I hadn't approached that. I was thinking of Acheson going up there with me. But if we can get Hull in to share it with me, I think it would be all to the good. Now, you think of how to do it, see, but Hull should be in it. He said something very good last night, that this is terribly important, and when it is all through and done, this and the financing of the war will most likely be the most important things that will have been done while I was here.

MR. WHITE: This would be a permanent something.

H.M.JR: But the financing of the war--

MR. WHITE: Yes, I wasn't comparing it with the financing of the war.

H.M.JR: I compare it--

MR. LUXFORD: That is one reason, Mr. Secretary, I would query whether you want Hull to go up there with you or have Hull issue a statement the same day.

MR. WHITE: I don't think Hull should go up; if anybody goes up, it should be Acheson.

H.M.JR: Acheson should go up and have a part of it; and if we could prepare a statement for Hull that he could give out after this thing is over, I think it would be fine.

MR. LUXFORD: At the same time.

MR. WHITE: Can I go to the next item? We are preparing a cable to the Russians which we have and would like to read.

H.M.JR: Don't do anything that isn't looking toward this meeting on Thursday.

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H.M.JR: That can't go until you hear from the English?

MR. WHITE: No, but we will send it the minute we do.

MR. BERNSTEIN: This can go now, Mr. White.

MR. WHITE: This says we have received an agreement, and we haven't.

H.M.JR: Why don't I do it when I have the whole thing?

MR. WHITE: I don't think you want to read the other, anyway. They are corrections in the technical draft.

H.M.JR: Oh.

(The Secretary reads first page of attached cable to the American Embassy, Moscow, dated April 17, 1944.)

Did the cable go to Harriman on the monetary business, the printing of money?

MR. LUXFORD: Yes.

H.M.JR: That went Saturday, didn't it, bringing Harriman up to date?

MR. WHITE: Yes, I am pretty sure. I don't know whether we sent it to the State Department or directly out. I don't know.

H.M.JR: Who would?

MR. WHITE: Only I would know--Taylor or I or Mrs. Shanahan, preferably Taylor.

(Mrs. Shanahan and Mr. Taylor enter the conference temporarily.)

H.M.JR: Why not say we plan to have it signed in Washington, London, and Chung King?

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MR. BERNSTEIN: Above it speaks of China and the United Kingdom joining.

H.M.JR: It should be London, Chung King--

MR. BERNSTEIN: Yes, sir; we have it down there, but not up here.

MR. WHITE: These other things can wait. There is just one item I would like to call your attention to; it relates to the general background. The State Department, under the leadership of whom, I don't know, is insisting that when we talk of a conference, it shall not be of Finance Ministers; and the position they have taken is, you only invite governments to send representatives, not special ministers.

I want to call your attention to this Rio conference of Ministers of Foreign Affairs. The reason why we put Ministers of Finance was at that meeting when we said we wanted it in the Treasury, so we said, instead of Ministers of Foreign Affairs, we would put Ministers of Finance. That was our resolution and the fight we had then. So there is a background for it.

H.M.JR: Wasn't there one to be called Ministers of Finance, subsequently, some meeting you went down to?

MR. WHITE: It was the last meeting I was at, at Rio.

H.M.JR: Didn't they pass a resolution?

MR. WHITE: That is the resolution which we have in there.

H.M.JR: Where is it? Show it to me. That is what I am asking for.

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MR. LUXFORD: Harry, isn't it fairly clear that this is Pasvolsky again? He is always articulate on this point

MR. WHITE: We put it in. There was quite a fight at the time. (Mr. White points out resolution to the Secretary.)

H.M.JR: Yes, well, what I thought I would do was to call up Acheson now on the phone.

MR. WHITE: There is this complicated circumstance which I don't know how to resolve yet. That is, the British are taking the view they won't send a Minister.

They are also taking the view that this will not be what they call a meeting of plenipotentiaries; plenipotentiaries being people who can commit their government, and, therefore, Ministers don't--of course, there still remains the problem of whether they will agree.

H.M.JR: Let me get this straight now with Acheson, first.

MR. WHITE: The cable has not gone. We just had it ready.

H.M.JR: It should have gone.

MR. WHITE: We notified the State Department, Dunn, and he said he was going to notify them. That cable, I remember now, was on my desk ready to go when Dunn called up and said he would notify Harriman.

H.M.JR: But you were so insistent with me that you wanted a Treasury draft to go.

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MR. WHITE: Because I thought at the time we wanted to tell them it was the Combined Chiefs of Staff that held it up; and I thought it would not be wise to put that in a cable, so we told the Ambassador.

H.M.JR: What does this cable say? (Mr. White hands attached draft of cable to Mr. Harriman, dated April 17, 1944 to the Secretary.)

Why has this been held up?

MR. WHITE: Now that I remember it, I decided not to send it because he was going to cable directly.

H.M.JR: You mean not at all?

MR. WHITE: I don't think so, since Dunn said he would cable Harriman.

H.M.JR: There isn't much purpose in sending this now.

MR. WHITE: There isn't much purpose, no.

H.M.JR: This is what I thought I would do, that I call up Acheson on the phone and say, "Look, Dean, we are having this meeting tomorrow. I don't want to have a public discussion, but if there is any question as to how this conference is to be held, and if it isn't going to follow the pattern of the Rio Conference, I would like to talk to you about it privately."

MR. WHITE: He has notified me that Hull specifically wanted deletion of reference to a conference of Finance

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Ministers, and make it "...of Representatives of Governments." That is when we deleted it in the cable.

H.M.JR: Let me talk to him about it. I will say that I wish he would stay behind tomorrow and talk to me about it. Mr. Hull has said any of these matters ought to be matters between Treasuries. Harry, why don't you let me go ahead and do this?

MR. WHITE: Because it is the British that are troubling me, not the State Department.

H.M.JR: Let me get my own Government straightened out, first. What do you boys think?

MR. BERNSTEIN: I think so, yes, sir. It should be cleared up in the State Department. If we are together, then we can put a united front toward the British.

H.M.JR: But how can I say to the British, "I want you to send over the Minister of Finance," if the State Department isn't backing me?

MR. LUXFORD: Let the British send whom they want.

H.M.JR: I have to get my own State Department straightened out, don't I?

MR. WHITE: The British have not yet agreed to any conference. That is the next step.

H.M.JR: But let me get one thing straightened out at a time.

What else?

MR. WHITE: I think that should suffice for the morning. We also have to prepare the statement, which we will begin on at once.

H.M.JR: I want Smith to sit in on it from the beginning.

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MR. WHITE: Also we have a number of meetings with the representatives of other Governments on this point now, but they don't need to concern you.

There is just one point about which apparently Bernstein and I are not together on what your judgment is on this. In this telegram from the Exchequer, there is the statement - "Provided that an agreement on outstanding points can be reached in time, publication will be next week as you desire." There remain three points of difference, two of negligible importance, one of possible importance. Opie cannot commit his Government, and he was going to cable yesterday. We assume that we get an answer saying that they agree on those three points.

MR. BERNSTEIN: My point was the practical one that there was no chance at all of getting a cable to Moscow in time to have any notion of whether they are issuing it or not when the Secretary appears, unless we cable today.

MR. WHITE: Irrespective of whether we get an answer.

MR. BERNSTEIN: Therefore, we must really go ahead.

H.M.JR: What does that mean?

MR. BERNSTEIN: When they ask you on Thursday whether the Soviet Union has joined in the statement or not, you ought to know the answer - whatever you may give to them. There is no way of getting an answer from Moscow unless we cable today.

MR. WHITE: Without waiting to hear the final word--

MR. BERNSTEIN: There is no doubt the reply will be perfectly satisfactory on the language we talked about yesterday from the British.

H.M.JR: May I make a suggestion? Why couldn't everybody perfectly well be in agreement except the English? I would go ahead with a cable to Harriman and

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say that we hope to get an agreement with the Russians, irrespective of what the British do.

MR. WHITE: We have done that.

MR. BERNSTEIN: That was the previous cable, Mr. Secretary.

MR. LUXFORD: I think we can tell Harriman that the British have indicated they will go along. There is one minor point but we don't envision any difficulty in proceeding on the premise that they will agree.

MR. WHITE: We have told the Ambassador that?

H.M. JR: Which?

MR. WHITE: Russian Ambassador, after you spoke to him. I said we were practically in agreement, but not quite. There is nothing we can add unless we say the British agree. Now, the chances are ninety-nine out of a hundred they will.

H.M. JR: Have you told them you want simultaneous publication with the Russians?

MR. WHITE: Yes. We might call Opie up and tell him that in order to get simultaneous arrangement, we have to send another cable off, and can we assume that his Government will agree? If he says yes, we will go ahead! If he says no, we won't.

H.M. JR: All right?

MR. WHITE: There are a number of other matters, but they will wait.

H.M. JR: They will have to.

MR. WHITE: I mean on this same thing - but they can wait. The whole question of the Bank which we haven't touched, we want to take up with this. We have only been talking so far about the Fund.

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H. M. JR: Am I not going to make a report on both on Thursday?

MR. WHITE: That remains to be seen.

MR. BERNSTEIN: Mr. White started to give you three alternatives, but I don't think he finished. So we have been talking about the Fund only.

H. M. JR: God, Harry, you do make this about as difficult for me as you can.

MR. WHITE: That is a special technique!

H. M. JR: I don't see why you make it so difficult. You haven't decided whether I am going to report on the bank on Thursday.

MR. WHITE: That is right, because we haven't got the British permission, and we either do it with or without.

H. M. JR: All right. I am not going to sit around and wait. If I don't tell them, it will leak out.

MR. WHITE: Well, we haven't gone nearly as far with the British on the Bank. They have been holding it up. It is only recently, within the last few days, that they have turned a somersault and said they are eager for the Bank, and that is why we have drafted a general principle of a bank to avoid as many possible points of difference as we can, so they will have the least trouble in agreeing.

H. M. JR: Now, look, gentlemen, you can't have had all this discussion in the paper. Somebody ought to know the last time I was up there.

MR. BERNSTEIN: It was in October, I guess.

H. M. JR: I have to be prepared. Somebody up there smart is going to say - once they hear the meeting is

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called - the Republican National Committee will plan a lot of questions. They will say, "What about the Bank, Mr. Morgenthau? Where does it stand?" I will have to have a statement prepared.

MR. WHITE: Yes, you will have a statement prepared. The question now is what the statement will say. No matter what it is, you will refer to the Bank.

H.M. JR: You have to tell them just where it is, who is holding out, and everything else. The only way to do with these people is to be frank. Tell them everything.

MR. BERNSTEIN: That is what Mr. White contemplates in this statement. The point that he was making was what you will be able to say at that stage. It will be perfectly frank, whatever the statement is.

H.M. JR: What are you arguing about? You have to be prepared. Between now and Thursday we have to have a group of questions. You people have to have a group of questions to ask me. You have to ask me every kind of a question under the sun. I have to be grilled on these things. I can't be sitting here not knowing the answers. I have to answer where we stand and tell these people the truth.

I am not going to be evasive. I want all the answers, irrespective of what the situation is. Tell the British, tell the Russians, tell the Committees, I am going to discuss this thing freely. I hope it won't be in the papers, but the chances are ninety-nine out of a hundred it will be in the papers. I am not going to go up there and be a dummy on this thing.

I am going to discuss the whole thing and make a report of what the technicians have done since last October. If you don't want me to do that, I don't want to go up there. I want to have in my mouth, in my hands, in writing, a report of what has been going on in the last six months.

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MR. BERNSTEIN: Mr. Secretary, if the British agree to publish a statement a week later, would it be possible to tell the Committee that we are now preparing with the British, on the Bank alone, a joint statement which will be ready for publication in a week, and you will send it up to them at that stage? In that way we could have the extra effect.

H.M.JR: If that is the best you can do, all right. But they will most likely come back and say, "Well, are we going to read it in the papers first from London?"

MR. WHITE: The answer is no.

I raised this discussion about the Bank because I wanted to make certain that you appreciate that the discussions on the Bank with the British are not nearly as far along as with the Fund, because of their refusal to discuss it until the last few days, and that we are going to put as much pressure as we can--

H.M.JR: Well, you call Mr. Opie on the telephone and say, "I have just come from the office of the Secretary of the Treasury and he is going to make a factual report of what the technicians have done in the last six months, and he is going" - the whole works. You tell Sir John Anderson that.

MR. WHITE: All right.

H.M.JR: You have got to do it, Harry. We cannot go up there - those boys are smart. Here Taft announces this morning they have a group studying how to raise taxes. Those people - the minute it goes out that the meeting is going to be called, they are going to prepare their group to make it just as embarrassing for me as possible.

MR. SMITH: That is right. They will make it so it will add up to the Dewey bill.

H.M.JR: And you people have been all over the country, you have been talking on the Bank, haven't you?

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MR. BERNSTEIN: We haven't spoken as much on the Bank, but we have spoken on it.

H.M.JR: The Congress of the United States is entitled to know just as much as whatever you have said in New York.

MR. BERNSTEIN: I wonder, nevertheless, Mr. Secretary, if a statement coming a week later on the Bank, in the midst of the Dewey hearings, wouldn't give us more publicity and set up more clearly the difference between our international approach and his one-sided national approach.

MR. WHITE: The Secretary wants to be able to tell them what we have done. We certainly wouldn't get agreement with the British with that statement of principles by the Bank. Opie said that is impossible.

H.M.JR: Luxford, you are here advising White and me. Can I go up there and not make a full report?

MR. LUXFORD: Harry agrees with you.

H.M.JR: He hasn't said.

MR. WHITE: There has never been any doubt on that score, but I want to indicate the degree of progress that you will be able to make is much different in the Bank than it is with the Fund.

H.M.JR: All right.

MR. LUXFORD: Just one thing I would like to add.

H.M.JR: Are you in agreement that I have to give a factual report where we stand as of Thursday, and no bluffing, no pulling the punches, or anything else?

MR. LUXFORD: Certainly.

H.M.JR: If we can get to the point and say, "Well, we are going to give you a report a week from now - that

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is the best we can do - I am sorry, but we are having our troubles pulling these people together," all right; but I want to be completely frank and I will not say anything White says that I shouldn't.

But I want to say, "Gentlemen, this is an up-to-the-minute report where things stand. We have had certain successes and certain failures, and I want to take you completely into my confidence. You are going to know just where the thing stands." And give them the failures, if you want, first. Let me take the wind out of their sails. But I am not going to go up and spar with them.

MR. LUXFORD: There is just one thing, Mr. Secretary.

H.M. JR: But you fellows have to prepare a group of questions and answers, and put me through this thing. I am willing to be put through it. I will get mad and impatient, but you have to put me through these questions and answers. You can clear your own thinking when you write them, too.

MR. WHITE: I have been thinking about this for two years. It would be kind of late for us to clear our thinking, Mr. Secretary.

H.M. JR: Then it will be easy to write the questions and answers.

MR. WHITE: Sure will. We have almost all of them written.

H.M. JR: Then you have it, and my remark is uncalled-for.

MR. LUXFORD: I query whether you want to tell Opie at this moment that you are going up there, and in any event give a full disclosure on the Bank and where it stands with the British, until after the British have gone along with the publication of your statement. I wouldn't inject that Bank issue until you have the British on the line.

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MR. WHITE: I think that could be better worked out. I know just what you have in mind; I agree with you and we will work it out.

H.M.JR: Gentlemen, I am not going up before the Congress of the United States and not make a full disclosure of where we stand.

MR. LUXFORD: Everybody agrees.

H.M.JR: Here it is Monday. It is now four or five o'clock in London. Time is passing and I think if I am going to do it, you ought to tell the British. I haven't been in on these conferences, so I don't know. But I am on the spot now. And whatever happens - I mean, some God damned figures are published in the statement which I don't even read, and it is Morgenthau, although it is the Office of the Treasurer of the United States, Julian, who comes here one day a week, but I have to take it, and I should.

MR. WHITE: Comes where, one day a week? Not in this office. Do you see Julian once a week?

H.M.JR: Once every other year.

MR. WHITE: Comes to work once a week.

H.M.JR: That is biennial.

The point I am getting over is, I realize that White and his staff have done everything that any human can do; I realize they are up against the most forceful financial group in the world, who don't want this thing to happen.

Now, here it is Monday. I have to go up Thursday. You fellows have to put in my mouth all the answers, and you might just as well tell the British and the Russians we are going to do it.

MR. LUXFORD: Why don't you wait until you get that cable from London?

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MR. WHITE: It is all right, we have the point.

H.M.JR: I don't care as to whether it is an hour, or this afternoon, but don't forget they can move fast as between five o'clock one afternoon and the next morning. I stopped the Chancellor of the Exchequer from making a report on Lend-Lease in Reverse. I don't care whether this morning or this afternoon, but certainly today, you ought to tell Opie what I am going to do.

Am I right, Fred?

MR. SMITH: Yes, indeed. I think you are right. Another thing, I think you had better think two or three times before you have any statement on a Bank appear here at the time that the Dewey hearings are going to be held, because you have all the people sitting up ready to kibitz it. They have the newspapers there, and everything.

(The Secretary holds a telephone conversation with Mr. McConnell, as follows:)

April 17, 1944
11:08 a.m.

HMJr: Okay.

Operator: Go ahead.

Robert
McConnell: Hello.

HMJr: Hello, McConnell.

M: Good morning, sir.

HMJr: How are you?

M: Colonel Doyle is here discussing this problem
and you asked me to call you when he came in.

HMJr: Oh, yes.

M: Now, he's got some very good ideas on it. If you --
he's going to be here all day -- if you have five
or ten minutes, I think it will be worthwhile to
talk to him.

HMJr: Colonel Doyle?

M: Yeah.

HMJr: Well, now, wait a minute. I've got White in here.

M: The first thing he asked me, Mr. Secretary,
whether we'd talked to Leonard Wood or not.

HMJr: Well, Colonel Doyle? Wait a minute -- let me
ask -- supposing you bring him in at three
o'clock.

M: At three?

HMJr: Yes. Will you?

M: At three o'clock, I'll bring....

HMJr: I'll see him at three o'clock.

M: All right. Thank you.

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H.M.JR: Colonel Doyle at three o'clock.

MR. WHITE: Dewey wrote you a letter. I think if it can be avoided, I am not sure whether you will want to go, because if you do they will try to make of it a Roman Holiday and you may not have to go. You can send a Treasury representative.

MR. LUXFORD: I wouldn't dignify it, Mr. Secretary, by your attending Dewey's.

H.M.JR: It is a question of whether Daniel should enter the lion's den. You gentlemen come back at three-fifteen.

MR. WHITE: I didn't want you to commit yourself.

H.M.JR: Whom would I talk to besides you fellows? I am not going to talk to Drew Pearson.

MR. LUXFORD: Can we count on that?

H.M.JR: Better than I can count on some other people outside of this room.

April 17, 1944

Mr. Collado

Mr. White

Please send the following cable to the American Embassy, Moscow.

"This is a message to Harriman from the Secretary of the Treasury.

"1. I would appreciate it if you would call on the People's Commissar of Finance and inform him that I have just received word from the Chancellor of the Exchequer informing us of their agreement to the publication of the joint statement of the technical experts of the United and Associated Nations recommending the establishment of an international monetary fund. It is contemplated that the publication will be simultaneous in London and Washington. It would obviously be highly desirable if the statement were also issued at the same time in Moscow.

"Please stress the desirability, for obvious reasons, of having the Soviet Union join with the United States, the United Kingdom, China and other United Nations in a statement of this character setting forth the recommendations of the experts on international monetary cooperation.

"2. Arrangements have been made for the release of this statement in Washington and in London and in a number of other countries immediately after my appearance before the appropriate Congressional committee which is definitely scheduled for Thursday afternoon. Time of release is 8:00 p.m. Thursday, April 20, Washington time.

"3. The text to be released contains the following provisions in place of those of corresponding members in the joint statement cabled to you:

"I-5 To assist in the establishment of multilateral payments facilities on current transactions among member countries and the elimination of foreign exchange restrictions which hamper the growth of world trade.

"II-1 Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$8 billion if all the United and Associated Nations subscribe to the Fund (corresponding to about \$10 billion for the world as a whole.)

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- "II-2 The quotas may be revised periodically with approval of a four-fifths vote; but no change shall be made in a member's quota without its assent.
- "II-3 The obligatory gold subscription of a member whose home areas have suffered substantial damage from enemy action or occupation shall be only three-fourths of the above.
- "III-2(c) The Fund's total holdings of the currency offered (after having been restored, if below that figure, to 75 percent of the member's quota) have not been increased by more than 25 percent of the member's quota during the previous twelve months and do not exceed 200 percent of the quota.
- "III-5 So long as a member country is entitled to buy another member's currency from the Fund in exchange for its own currency, it shall be prepared to buy its own currency from that member with that member's currency or with gold. This shall not apply to currency subject to restrictions in conformity with IX, 3 below, or to holdings of currency which have accumulated as a result of transactions of a current account nature affected before the removal by the member country of restrictions on multilateral clearing maintained or imposed under X, 2 below.
- "VII-1 The Fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including the representatives of the five countries with the largest quotas.
- "VII-2 The distribution of voting power on the board and the executive committee shall be closely related to the quotas.
- "X-3 The Fund may make recommendations to any member that conditions are favorable to the withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with IX, 3, above. Not later than three years after coming into force of the Fund any member still retaining any restrictions inconsistent with IX, 3 shall consult with the Fund as to their further retention."

For Release:
8:00 P.M., April 21, 1944

April 17, 1944

Joint Statement by Experts on the Establishment
Of an International Monetary Fund

Sufficient discussion of the problems of international monetary cooperation has taken place at the technical level to justify a statement of principles. It is the consensus of opinion of the experts of the United and Associated Nations who have participated in these discussions that the most practical method of assuring international monetary cooperation is through the establishment of an International Monetary Fund. The principles set forth below are designed to constitute the basis for this Fund. Governments are not asked to give final approval to these principles until they have been embodied in the form of definite proposals by the delegates of the United and Associated Nations meeting in a formal conference.

I. Purposes and Policies of the International Monetary Fund.

The Fund will be guided in all its decisions by the purposes and policies set forth below:

1. To promote international monetary cooperation through a permanent institution which provides the machinery for consultation on international monetary problems.
2. To facilitate the expansion and balanced growth of international trade and to contribute in this way to the maintenance of a high level of employment and real income, which must be a primary objective of economic policy.
3. To give confidence to member countries by making the Fund's resources available to them under adequate safeguards, thus giving members time to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.
4. To promote exchange stability, to maintain orderly exchange arrangements among member countries, and to avoid competitive exchange depreciation.
5. To assist in the establishment of multilateral payments facilities on current transactions among member countries and in the elimination of foreign exchange restrictions which hamper the growth of world trade.
6. To shorten the periods and lessen the degree of disequilibrium in the international balance of payments of member countries.

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II. Subscription to the Fund.

1. Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$8 billion if all the United and Associated Nations subscribe to the Fund (corresponding to about \$10 billion for the world as a whole.)

2. The quotas may be revised from time to time but changes shall require a four-fifths vote and no member's quota may be changed without its assent.

3. The obligatory gold subscription of a member country shall be fixed at 25 percent of its subscription (quota) or 10 percent of its holdings of gold and gold-convertible exchange, whichever is the smaller.

The obligatory gold subscription of a member whose home areas have suffered substantial damage from enemy action or occupation shall be only three-fourths of the above.

III. Transactions with the Fund.

1. Member countries shall deal with the Fund only through their Treasury, Central Bank, Stabilization Fund, or other fiscal agencies. The Fund's account in a member's currency shall be kept at the Central Bank of the member country.

2. A member shall be entitled to buy another member's currency from the Fund in exchange for its own currency on the following conditions:

- (a) The member represents that the currency demanded is presently needed for making payments in that currency which are consistent with the purposes of the Fund.
- (b) The Fund has not given notice that its holdings of the currency demanded have become scarce in which case the provisions of VI, below, come into force.
- (c) The Fund's total holdings of the currency offered (after having been restored, if below that figure, to 75 percent of the member's quota) have not been increased by more than 25 percent of the member's quota during the previous twelve months and do not exceed 200 percent of the quota.

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- (d) The Fund has not previously given appropriate notice that the member is suspended from making further use of the Fund's resources on the ground that it is using them in a manner contrary to the purposes and policies of the Fund; but the Fund shall not give such notice until it has presented to the member concerned a report setting forth its views and has allowed a suitable time for reply.

The Fund may in its discretion and on terms which safeguard its interests waive any of the conditions above.

3. The operations on the Fund's account will be limited to transactions for the purpose of supplying a member country on the member's initiative with another member's currency in exchange for its own currency or for gold. Transactions provided for under 4 and 7, below, are not subject to this limitation.

4. The Fund will be entitled at its option, with a view to preventing a particular member's currency from becoming scarce:

- (a) To borrow its currency from a member country;
- (b) To offer gold to a member country in exchange for its currency.

5. So long as a member country is entitled to buy another member's currency from the Fund in exchange for its own currency, it shall be prepared to buy its own currency from that member with that member's currency or with gold. This shall not apply to currency subject to restrictions in conformity with IX, 3 below, or to holdings of currency which have accumulated as a result of transactions of a current account nature effected before the removal by the member country of restrictions on multilateral clearing maintained or imposed under X, 2 below,

6. A member country desiring to obtain, directly or indirectly, the currency of another member country for gold is expected, provided that it can do so with equal advantage, to acquire the currency by the sale of gold to the Fund. This shall not preclude the sale of newly-mined gold by a gold-producing country on any market.

7. The Fund may also acquire gold from member countries in accordance with the following provisions:

- (a) A member country may repurchase from the Fund for gold any part of the latter's holdings of its currency.

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- (b) So long as a member's holdings of gold and gold-convertible exchange exceed its quota, the Fund in selling foreign exchange to that country shall require that one-half of the net sales of such exchange during the Fund's financial year be paid for with gold.
- (c) If at the end of the Fund's financial year a member's holdings of gold and gold-convertible exchange have increased, the Fund may require up to one-half of the increase to be used to repurchase part of the Fund's holdings of its currency so long as this does not reduce the Fund's holdings of a country's currency below 75 percent of its quota or the member's holdings of gold and gold-convertible exchange below its quota.

IV. Par Values of Member Currencies.

1. The par value of a member's currency shall be agreed with the Fund when it is admitted to membership, and shall be expressed in terms of gold. All transactions between the Fund and members shall be at par, subject to a fixed charge payable by the member making application to the Fund, and all transactions in member currencies shall be at rates within an agreed percentage of parity.

2. Subject to 5, below, no change in the par value of a member's currency shall be made by the Fund without the country's approval. Member countries agree not to propose a change in the parity of their currencies which will affect their international transactions unless they consider it appropriate to the correction of a fundamental disequilibrium. Changes shall be made only with the approval of the Fund, subject to the provisions below.

3. The Fund shall approve a requested change in the par value of a member's currency, if it is essential to the correction of a fundamental disequilibrium. In particular, the Fund shall not reject a requested change, necessary to restore equilibrium, because of the domestic social or political policies of the country applying for a change. In considering a requested change, the Fund shall take into consideration the extreme uncertainties prevailing at the time the parities of the currencies of the member countries were initially agreed upon.

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4. After consulting the Fund, a member country may change the established parity of its currency, provided the proposed change, inclusive of any previous change since the establishment of the Fund, does not exceed 10 percent. In the case of application for a further change, not covered by the above and not exceeding 10 percent, the Fund shall give its decision within two days of receiving the application, if the applicant so requests.

5. An agreed uniform change may be made in the gold value of member currencies, provided every member country having 10 percent or more of the aggregate quotas approves.

V. Capital Transactions.

1. A member country may not use the Fund's resources to meet a large or sustained outflow of capital, and the Fund may require a member country to exercise controls to prevent such use of the resources of the Fund. This provision is not intended to prevent the use of the Fund's resources for capital transactions of reasonable amount required for the expansion of exports or in the ordinary course of trade, banking or other business. Nor is it intended to prevent capital movements which are met out of a member country's own resources of gold and foreign exchange, provided such capital movements are in accordance with the purposes of the Fund.

2. Subject to VI, below, a member country may not use its control of capital movements to restrict payments for current transactions or to delay unduly the transfer of funds in settlement of commitments.

VI. Apportionment of Scarce Currencies.

1. When it becomes evident to the Fund that the demand for a member country's currency may soon exhaust the Fund's holdings of that currency, the Fund shall so inform member countries and propose an equitable method of apportioning the scarce currency. When a currency is thus declared scarce, the Fund shall issue a report embodying the causes of the scarcity and containing recommendations designed to bring it to an end.

2. A decision by the Fund to apportion a scarce currency shall operate as an authorization to a member country, after consultation with the Fund, temporarily to restrict the freedom of exchange operations in the affected currency, and in determining the manner of restricting the demand and rationing the limited supply among its nationals, the member country shall have complete jurisdiction.

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VII. Management.

1. The Fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including the representatives of the five countries with the largest quotas.

2. The distribution of voting power on the board and the executive committee shall be closely related to the quotas.

3. Subject to II, 2 and IV, 5, all matters shall be settled by a majority of the votes.

4. The Fund shall publish at short intervals a statement of its position showing the extent of its holdings of member currencies and of gold and its transactions in gold.

VIII. Withdrawal.

1. A member country may withdraw from the Fund by giving notice in writing.

2. The reciprocal obligations of the Fund and the country are to be liquidated within a reasonable time.

3. After a member country has given notice in writing of its withdrawal from the Fund, the Fund may not dispose of its holdings of the country's currency except in accordance with the arrangements made under 2, above. After a country has given notice of withdrawal, its use of the resources of the Fund is subject to the approval of the Fund.

IX. The Obligations of Member Countries.

1. Not to buy gold at a price which exceeds the agreed parity of its currency by more than a prescribed margin and not to sell gold at a price which falls below the agreed parity by more than a prescribed margin.

2. Not to allow exchange transactions in its market in currencies of other members at rates outside a prescribed range based on the agreed parities.

3. Not to impose restrictions on payments for current international transactions with other member countries (other than those involving capital transfers or in accordance with VI, above) or to engage in any discriminatory currency arrangements or multiple currency practices without the approval of the Fund.

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X. Transitional Arrangements.

1. Since the Fund is not intended to provide facilities for relief or reconstruction or to deal with international indebtedness arising out of the war, the agreement of a member country to provisions III, 5 and IX, 3, above, shall not become operative until it is satisfied as to the arrangements at its disposal to facilitate the settlement of the balance of payments differences during the early post-war transition period by means which will not unduly encumber its facilities with the Fund.

2. During this transition period member countries may maintain and adapt to changing circumstances exchange regulations of the character which have been in operation during the war, but they shall undertake to withdraw as soon as possible by progressive stages any restrictions which impede multilateral clearing on current account. In their exchange policy they shall pay continuous regard to the principles and objectives of the Fund; and they shall take all possible measures to develop commercial and financial relations with other member countries which will facilitate international payments and the maintenance of exchange stability.

3. The Fund may make representations to any member that conditions are favorable to withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with IX, 3, above. Not later than three years after coming into force of the Fund any member still retaining any restrictions inconsistent with IX, 3 shall consult with the Fund as to their further retention.

4. In its relations with member countries, the Fund shall recognize that the transition period is one of change and adjustment, and in deciding on its attitude to any proposals presented by members it shall give the member country the benefit of any reasonable doubt.

April 17, 1944
11:20 a.m.

HMJr: Hello .

Dean
Acheson: Yes, Henry.

HMJr: Hello, Dean. How are you?

A: Fine, thank you. How are you?

HMJr: Fine. Dean, you will find a memorandum in there. I'm trying to get a meeting together tomorrow at nine o'clock of the various people like yourself, Paslovsky -- I know that isn't the way to pronounce his name but....

A: Yeah.

HMJr: Jesse Jones and Crowley and Eccles on this before I go up on the Hill, you see, Thursday. Hello?

A: Yes, sir.

HMJr: On this Conference. Now, I'm going to lean very heavily on you to help me on this thing because -- were you there when Mr. Hull called me?

A: No, I was not.

HMJr: Well, somebody went to him and told him that we were going to hold this thing in July instead of May and I don't know where he got that misinformation but I got him straightened out on that. Hello?

A: Yes. You are going -- you are going to hold it in May?

HMJr: Well, what happened -- the time table is this: I called Hull on the morning of April 3rd at his home.

A: Yes.

HMJr: And spoke to him about the thing and urged him to talk to the President and evidently you had spoken to him previously and he was prepared to talk to the President and did. Hello?

A: Yes.

HMJr: The President got on the phone and simply said to me, "Henry, go ahead and hold it in May." You see?

A: Yes.

HMJr: After having seen Mr. Hull. So, that's what we're aiming for. And we're moving Heaven and Earth to get the English and the Russians lined up between now and Thursday when I go on the Hill.

A: Yes.

HMJr: How much success I'm going to have I don't know, but I've told the English I'm going on the Hill Thursday, whether they agree or not, but they practically agreed, you see?

A: Yes, I saw their cable this morning.

HMJr: Which is encouraging.

A: Yes.

HMJr: And I hope sincerely they will and I saw the Russian Ambassador Friday and I told him I was going up Thursday and I hoped that they'd agree. Now the reason we're rushing it ~~this~~ week is because we've got to testify on the Dewey Bill next week.

A: Yes.

HMJr: And the Dewey Bill is simply a Republican trick to try to get something almost like it but not like it, you see?

A: Yes.

HMJr: Which will have the Republican label.

A: Yeah.

HMJr: Now, one thing which I don't lay great importance to and I don't know how much importance you lay to it, but the point is that Harry White told me that in these various discussions somebody at the State Department said that this meeting should be called as representative of foreign governments. We had in mind to follow the same language of the Rio Conference. Hello?

A: Yes.

HMJr: When -- I have it before me -- this report in which it said, here, "The third meeting of the Minister of Foreign Affairs of the American Republic recommends: 1. The Governments of the American Republics participate in a special conference of Ministers of Finance or their representatives to be called for the purpose of considering the establishment of an international stabilization fund." Hello?

A: Yes.

HMJr: Now, if you want to discuss that with me, do you mind staying behind tomorrow and not throw it into the open meeting?

A: I'll be glad to, yes. We have -- we have some things we want to put up to you on that.

HMJr: Well, as I say....

A: I will not throw it into the....

HMJr: I think it would be a mistake.

A: Yeah.

HMJr: Because we've got troubles enough without seemingly having differences between State and Treasury, so if there's something along that line -- if you have some good reasons why you don't want it that way, if you'd stay behind, I'd appreciate it.

A: First rate. I'll be glad to.

HMJr: And then the other thing: In the -- when I go on the Hill Thursday, which we've asked for -- Thursday before the Senate in the morning and in the afternoon, I would very much hope that you can go with me.

A: All right, I'll ask Mr. Hull.

HMJr: I very much hope that you can go with me because I want this an Administration matter, and the State and Treasury, we've got to be together on this.

A: That is the background of our suggestion, that it should be between Governments, to make it clear.

HMJr: Well, anyway, when I go -- whenever I go, I'd very much like you to go along and -- so that it would seem a united front. That's the way I want it.

A: Yes. Well, now, may I come back to this "May" business.

HMJr: If you please.

A: Is it your impression that the President is -- is wedded to May as the only time?

HMJr: I don't know. It's -- there are two things: The President saw Hull. See? I don't know just what Hull told him, but he got on the phone and said to me, this: "Henry," because White's asked me the same question

A: Yes.

HMJr: And he simply said, "Henry, it's all right to go ahead and call your conference in May."

A: Yes.

HMJr: Now, I, at the time, didn't have anything else in mind but May.

A: Yes.

HMJr: Now, what Mr. Hull told him, I gather, after talking to you -- I don't know, but certainly the President said, "Go ahead, hold it in May."

A: Well, I don't know what was said either. I've never been clear on that.

HMJr: Well, but....

A: But the questions that we had up....

HMJr: Yes.

A:and what we hoped that he was going to say is that the earlier that it could be held, the better. If it could be held in May, that would be ideal time.

HMJr: Yes.

A: If it could not be held in May, then what was the President's view about holding it after the Convention.

HMJr: Yeah. Well, that....

A: He, assumedly, would not wish to hold it during the Convention.

HMJr: Yeah. Well, frankly, I don't know. I don't know what I'd like to do.

A: Yes.

HMJr: And I'd like to leave it this way: if we're not successful in getting it in May, I'd like to discuss it with you and with Mr. Hull -- what would be advisable.

A: Yes.

HMJr: But this morning somebody, Hull said, had told him that we were aiming for July.

A: Yes.

HMJr: Well, I've never discussed July. We're moving Heaven and Earth to get it in May.

A: Yes. Well....

HMJr: I mean you didn't -- you have no doubts -- you didn't suspicion that we were trying to hold it in July, did you?

A: No. No, no. The sole thing that we -- Harry and everyone talked about with Mr. Hull was the obvious embarrassment of holding it during the sessions of the two political conventions.

HMJr: Yeah.

A: Which might get somebody excited and they might put in some planks or make some speeches which would be embarrassing to those who were conducting the conference. Therefore, we said, obviously if the time table is such that it could be held in May, that would be the ideal time. If, however, that isn't possible, what would the President think

A:
Cont'd: about holding it later in the summer after the conventions were over. Would his judgment be that that would be possible. We all....

HMJr: Well, I....

A:agreed with you that it ought to be held this year.

HMJr: Well, we'd have to put it up to him over again if we're unsuccessful.

A: Yes.

HMJr: And I'd like to -- I mean, discuss the thing very carefully -- if we can't do it in May whether we want to do it at all.

A: I see.

HMJr: I mean, I just don't know. I'd like some advice.

A: Yes. Well, I will -- I will be there tomorrow at nine o'clock....

HMJr: Yes.

A:and bring Leo Pasvolsky and Pete Collado with me.

HMJr: Fine. Fine.

A: And we'll stay afterward and have a talk with you about this other matter.

HMJr: If you would, please. Thank you so much.

A: All right, Henry.

HMJr: Thank you.

April 17, 1944
11:37 a.m.

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Operator: Go ahead.

HMJr: Hello.

Charles Frey: Hello. Good morning, Mr. Secretary.

HMJr: How are you?

F: All right, thank you. Yourself?

HMJr: Very well, Mr. Frey.

F: I'll tell you what we are working on. So far we have two rooms....

HMJr: Yes.

F:meaning a bedroom and a living room....

HMJr: Yes.

F:on the Fifty-Fifth Street side.

HMJr: Yes.

F: And we are working to get a third room. We won't get it adjoining but we are working to get it on the same floor.

HMJr: That's all right.

F: You see, it's not -- we wouldn't mind disappointing somebody else, you know, to take care of the thing. But we, of course, are not going to get the suite until Friday. Anything else -- do you think this will be all right?

HMJr: Well, now, let me -- I don't quite understand -- on the Fifty-fifth Street side you're going to have what, Mr. Frey?

F: A two-room suite.

HMJr: One room is a parlor?

F: A bedroom and a living room.

HMJr: Now, will that suite have -- the way we had it in the one -- 1230 -- I mean, two doors to the....

F: No, the living room is a little larger.

HMJr: Yeah, but has it got two doors to the bath room so you can get to the bath room from the living room or not?

F: No, it wouldn't have that. No.

HMJr: You've got to go through the bedroom?

F: Yes. But you see, we are getting another room.

HMJr: Yes.

F: A third room, meaning a second bedroom.

HMJr: Yes.

F: And trying to get it on the same floor.

HMJr: Yes. Well, now, let me just think a minute. Well, what we might want to do is -- we may put -- we could put a cot for one night, if necessary, in that living room, couldn't we?

F: Yes, of course.

HMJr: Hello?

F: Yes, certainly, we could do that, Mr. Secretary.

HMJr: I mean, if necessary just for that one night, we could put a cot in the living room. Do you have plenty of cots?

F: Yes, if you wish us to do that.

HMJr: Well, as I understand it, what you are offering me for Wednesday night is a bedroom and a parlor?

F: That's right.

HMJr: And another room on that floor?

F: That's right.

HMJr: Is that right?

F: That's right.

HMJr: Well, that will be fine. Hello?

F: And you'll be arriving on Wednesday.

HMJr: Some time Wednesday.

F: Very well, Mr. Secretary.

HMJr: How the rooms will be arranged I don't know, but I'll speak to Mrs. Morgenthau and I'll have somebody phone you tomorrow or Wednesday. Is that all right?

F: Very well, sir.

HMJr: But I can count on a bedroom and a parlor and another bedroom?

F: That's right.

HMJr: For Wednesday afternoon?

F: Yes, very well.

HMJr: I'm ever so much obliged.

F: Not at all, Mr. Secretary.

HMJr: Thank you.

F: Good bye, sir.

HMJr: Bye.

April 17, 1944
11:42 a.m.

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HMJr: Hello.

Sidney
Weinberg: Mr. Secretary, this is Sidney Weinberg.

HMJr: Good morning.

W: Good morning to you, sir. Say, I talked to Harry Bowers and Harry Bowers said that he will advocate it. They've called a special meeting on Monday.

HMJr: Yes.

W: He is going out to Minneapolis to attend it.

HMJr: Good.

W: He said it will be up to the Board. He says there are some reactionaries on that Board like John Pillsbury....

HMJr: Yeah.

W:confidentially, who may be opposed to it, but that he thought that -- he would certainly throw his influence into it and would -- he thought it would go through.

HMJr: Well, I think I have ways of -- of friends who know John Pillsbury.

W: Well, he thinks -- he's going -- he's trying to get John Pillsbury on the wire today himself. He said, "I'm not sure that he will do it but," he said, "John is one of those fellows that's anti-everything" and he thought he could swing him, but he said he just wanted to be -- wanted you to know the fact that he is a little reactionary, but that he thought he could swing it.

HMJr: Well, if he can't, will you send me a wire?

W: I'll -- yes -- I'll ask him to communicate with you direct from Minneapolis on Monday if there's any problem.

HMJr: That will be a little -- I thought you said he was going to talk to him.

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W: Yes, he's going to talk with him today. Yes. Unless you hear from me to the contrary, you'll know it's all right, because he's calling the whole Board himself.

HMJr: Wonderful. Now....

W: In Minneapolis.

HMJr: Well, if -- he's doing that today?

W: He's doing that today.

HMJr: Well, now, if he has any troubles, let me know because we have -- the Treasury has some friends there that are very influential on the War Bonds. You see?

W: Right.

HMJr: We have some of the leading financial people there.

W: Right.

HMJr: And who I'm sure would go to bat for us.

W: Well, he -- he doesn't -- he doesn't envision any difficulties but he said -- we know John Pillsbury very well ourselves. We are bankers for his company but he's kind of anti-administration and everything comes up, he and Jim Bell, out there, are always against everything.

HMJr: You mean to say that people are against the Administration?

W: (Laughs) I hope you are realistic enough to know there are some people like that.

HMJr: Well, well, well.

W: (Laughs)

HMJr: How times have changed! (Laughs)

W: (Laughs) Well, anyway....

HMJr: Yeah.

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W: ...we'll do everything....

HMJr: All right.

W:that we can. We've talked to the man -- to Olrich -- twice....

HMJr: Fine.

W:on it. Harry Bowers talked to him on Sunday.

HMJr: Yeah.

W: And we talked to him again this morning and we think we've got it set. Unless you hear from me to the contrary, why, you'll know it's gone through.

HMJr: Fine. Now, when you come down, I think that's worthy of treating you to lunch in the Treasury.

W: Well, that will be wonderful.

HMJr: You tell the....

W: I'll be delighted to do it. I'm coming down probably to see Will Clayton a week from tomorrow and I'll certainly give you a ring. I know how busy you are and I'm not going to bother....

HMJr: Now, wait a minute. If you are coming down and you know it, let me know a day or two in advance, so I can hold lunch.

W: Well, that will be fine.

HMJr: Just send me a wire a couple of days in advance.

W: I appreciate that very much....

HMJr: Because I....

W:and I'll take advantage of it.

HMJr: I really mean it because the restaurants are crowded and this will give you a place to rest your feet.

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W: Well, that will be fine. I appreciate that,
Mr. Secretary.

HMJr: Okay.

W: Thank you. Call on me any time. I'm glad to
help.

HMJr: You call -- I call on you and I'll feed you.

W: Okay.

HMJr: All right.

W: Thank you, sir.

HMJr: Bye.

W: Bye.

April 17, 1944
12:30 p.m.

APPEARANCE BEFORE CONGRESSIONAL COMMITTEES

Present: Mr. O'Connell

MR. O'CONNELL: I talked to Senator Barkley, and he was, I thought, quite receptive to the whole plan. He did want to know if we could make it Friday. He was speaking of himself; he will not be here Wednesday or Thursday.

I left it open. I told him I was going to speak to Rayburn at two-thirty. He definitely preferred Thursday, so he is going to talk to George, Connally, and Wagner in the meantime, and I am to see him again immediately on talking to Rayburn. My impression is that we just thought Thursday would be the best day, but we didn't rule out completely Friday, did we?

H.M.JR: No, it makes a little difference, personally, but--

MR. O'CONNELL: He didn't make too much of a point of it.

H.M.JR: Well, let's see.

MR. O'CONNELL: It may be that Thursday will be as palatable to the others.

H.M.JR: Will Barkley be there?

MR. O'CONNELL: He cannot be there either Wednesday or Thursday.

H.M.JR: It is pretty important to have him there.

MR. O'CONNELL: Well, he just can't be. He says he is leaving town tomorrow and will be gone Wednesday and Thursday. Of course, he couldn't be at your preliminary

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meeting with the Chairman of the Committee in either event, because that would have to be the day before.

H.M.JR: He is funny, though. You don't know whether the House makes any difference or not.

MR. O'CONNELL: I don't know. I can't see Rayburn until two-thirty. There is another complication that may arise in connection with Wagner's Committee activities, because his Committee is holding hearings on the OPA legislation, and they have already been postponed a couple of times.

H.M.JR: Well, I have to suit my own personal plans to the Hill, that is all.

MR. O'CONNELL: I think it is an odds-on bet for Thursday, without Barkley. But it is still kind of open. I wanted to be sure if we had to do it that way it could be Friday.

H.M.JR: That is all right.

April 17, 1944
12:56 p.m.

HMJr: Hello.

Operator: Admiral Land.

HMJr: Hello.

Admiral Land: Yes.

HMJr: Hello, Jerry, this is Henry talking.

L: Yes, sir.

HMJr: How are you?

L: Fine, thank you.

HMJr: Look, could you this afternoon see John Pehle, the Director of the President's Refugee Board in regard to steamer -- passenger steamer to Turkey?

L: Yes.

HMJr: What time could you see him?

L: Well, about four o'clock.

HMJr: Four o'clock?

L: Yeah.

HMJr: He's got with him Ira Hirschmann who is just back from Ankara.

L: Yes.

HMJr: And we're going to ask you a favor to help us get some of those people out.

L: Yeah.

HMJr: So I hope....

L: I'll be glad to go into it. I know a little bit about the high spots. Who's -- who's with him? Who's with Pehle?

HMJr: A man by the name of Ira Hirschmann.

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L: Yeah.

HMJr: Who is just back from Ankara.

L: All right.

HMJr: And then he's going to talk to you about Lieutenant Commander Becker. We'd kind of like to send him to London if we could.

L: What for?

HMJr: For the War Refugee Board.

L: Well, now, listen, I've got too small a staff to spill out anybody like that here. Everybody's picking on this poor organization here, including the Army and the Navy and I've tried to get some help from them and they turned me down.

HMJr: Yeah.

L: I've just sent a Captain over there to help the Navy....

HMJr: Yeah.

L:which is rather amusing here in view of the fact that we've got about one percent as many as the Navy and about a tenth of one percent as the Army.

HMJr: Yeah.

L: I don't -- I doubt very much -- I'm perfectly willing to talk about it, but Becker is filling a job here that, to my mind, is....

HMJr: Well.....

L:vitally -- very vital to our organization.

HMJr: Well, let Pehle tell you about it anyway.

L: Yeah, I will.

HMJr: Thank you very much.

L: I don't want to give Pehle -- I'm perfectly willing to work out the ship....

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HMJr: Yeah.

L:but I'm too shy of personnel to give much advance encouragement to that. However, I'll be glad to listen to him.

HMJr: Well, I think he's more interested in the ship than he is in Becker.

L: Yeah.

HMJr: Yeah.

L: Okay.

HMJr: Thank you.

L: Thank you.

April 17, 1944
2:36 p.m.

HMJr: Hello.

Operator: Mr. Sullivan is up on the Hill.

HMJr: Well, get me Clifton Mack, please.

2:27 p.m.

HMJr: Hello.

Operator: Mrs. Morgenthau is calling you. Do you want to take it first?

2:38 p.m.

HMJr: Hello.

Clifton Mack: Hello.

HMJr: Mack?

M: Yes, sir.

HMJr: I'm sending you back a memorandum which came to me direct from John Loeb.

M: Yes.

HMJr: Now, I've -- John Loeb came to work for you without my knowledge and there's no reason why John Loeb should write any letters directly to me.

M: Yes, I didn't know that there was such a letter.

HMJr: Well....

M: I....

HMJr:I'm going to send it back and he makes certain statements that I have no way of knowing about. This -- he wants us to let the passenger cars go to the tax-supported institutions.

M: I see.

HMJr: And there are certain statements that he makes and I have no way of knowing whether they are correct or not about getting more money and there being more -- that there are more cars now that -- than O.P.A. knows what to do with.

M: Yes.

HMJr: Which I greatly doubt.

M: Yes. Well....

HMJr: I mean, I don't want this on my desk in a sense. I don't know whether he's trying to make a record or what.

M: Yes, well, I talked to him the other day.

HMJr: Yeah.

M: And told him that if he had anything to go to Treasury, I wanted it to come through me.

HMJr: Well, it doesn't please me at all.

M: Well -- well, I'm sorry that he did that.

HMJr: After all, if he's sending something to me, he's presuming on his relationship.

M: Yes.

HMJr: And after all, he's over there on his own, or should be.

M: Yes. Well, all right, then. I didn't know about that.

HMJr: Well, you know it now and you can tell him I'm not at all pleased and -- but I don't -- you'll have to answer these things because I don't know whether they're so or not.

M: Yes, well, I'll -- I will find out what he has to say. Of course, it's like all of these things.

HMJr: Yes.

M: There are a good many points to them.

HMJr: Yeah. Well....

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M: It's a question of the -- of judgment -- what is the best thing to do.

HMJr: Sure. And -- well anyway....

M: I'll go over them with him.

HMJr: I've made up my mind, but there's certain -- as I say, I know that there are not enough cars for munition workers....

M: Yes.

HMJr:to go around.

M: Yes, well....

HMJr: What did you find out about those nine hundred cars that R.F.C. has?

M: Well, I found out that they have cars but apparently they are not moving very fast.

HMJr: Yeah.

M: And then -- then we got into it with O.P.A. to find out about -- about price ceilings if we sell these cars to dealers and so on.

HMJr: Yes.

M: And that's when the question came up about -- about price ceilings that wouldn't be quite as high as for tax-supported organizations.

HMJr: Yes.

M: However, I talked to John Sullivan about it this morning, and we -- we're getting that additional information so it will be available.

HMJr: Well, O.P.A.'s regulations may be too strict.

M: Well, that may be. They -- they take the point that the -- if we sell to dealers, we're selling wholesale, and so forth. Nevertheless, I'll get all of the information on each one of these points so it will be specific.

HMJr: Well, I'm sending it back and please tell him that we have an organization; you're his superior and if he wants to communicate with me, he should do it through you.

M: Yes, sir.

HMJr: I'm not answering him. I'm just sending it back to you.

M: All right.

HMJr: Thank you.

M: Good.

For C. Maub-79
for his comment
orig. sent to Mr. Maub.
4/17/44

April 17, 1944

MEMORANDUM TO THE SECRETARY

Not having had the opportunity of discussing the matter with you, I am taking the liberty of listing below certain reasons, which may not have been presented to you, for selling passenger cars to Tax-Supported Institutions.

1. The entire available stock of 1942 cars, including those held by us, are under the rationing control of the OPA.
2. The Federal Agencies and Tax-Supported groups who receive cars from us are high on the OPA eligibility list, and if we do not transfer or sell to them they would obtain cars direct from the OPA Dealer Pool.
3. Cars, which are no longer new, are filling a demand which would otherwise have to be satisfied with new cars.
4. As the cars are in many cases in poor shape and deterioration has set in, from a conservation standpoint, the sooner they are put to use the better.
5. If sold to dealers these cars would undoubtedly remain unsold longest as they are the least desirable.
6. Sales to Tax-Supported Institutions for immediate delivery would avoid the double handling and double storage involved in selling to dealers.
7. Sales to dealers would probably net some \$300.00 less per car, as we would have to allow them the usual discount from the retail price.

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8. Sales to Tax-Supported Institutions on the other hand will recover original cost and expenses.

9. Assuming sales to dealers, imagine the mechanical difficulties, the scramble, confusion and possible ill will which would result from trying to allot a few hundred or a few thousand cars to over 30,000 dealers. For this reason our method has the backing of the trade.

10. Sales to Tax-Supported Institutions make more and better cars in the regular OPA pool available for other essential users including workers in critical industries.

For your information the OPA believes that they are in a position to take care of all urgent needs during the next twelve to fourteen months, after which they anticipate some new car production.

John L. Loeb .

JLLoeb:J

April 17, 1944
3:55 p.m.

APPEARANCE BEFORE CONGRESSIONAL COMMITTEES

Present: Mr. O'Connell
Mr. White
Mr. Smith
Mr. Bernstein
Mr. Luxford

MR. WHITE: Dean Acheson had called a meeting several hours ago for four o'clock in his office, at which Crowley was to be present and, I think he said, Jones, to discuss the coming hearings on the Dewey Bill. I said we would be there.

Now, if you could call up and tell them that you are holding this--

H.M.JR: When you say "we," who is that?

MR. WHITE: Luxford, Bernstein, and I.

H.M.JR: You can't all go. On the Dewey Bill?

MR. WHITE: Yes, and they are raising the question of requesting new powers to increase the resources of the Export-Import Bank.

H.M.JR: Does Bernstein ever go to these meetings over there?

MR. WHITE: Oh, yes.

H.M.JR: Let Bernstein go, and you tell her--I will tell them--

MR. WHITE: Yes, will you tell them please?

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MR. WHITE: (To Bernstein) Go ahead. Do nothing, and fight everything!

They are not very sympathetic with this bank, and this is all maneuvering that is going on, one way or another.

H.M.JR: Have you any friends outside the Treasury, Harry, on this thing?

MR. WHITE: Oh, yes.

H.M.JR: Would you give me a list?

MR. WHITE: Well, practically all of the technicians. Wouldn't you say so?

MR. LUXFORD: Yes.

MR. WHITE: Officials--even technicians in the State Department, but they don't happen to be Collado, Pasvolsky, and Warren Pierson. Pierson is interested in the Export-Import Bank, and anything that interferes with that is suspect.

H.M.JR: Now, where are we?

MR. WHITE: You know about the arrangements of the Committee meeting. I just heard about it, so I suppose you know more about it than I do.

H.M.JR: No.

MR. WHITE: Joe O'Connell had better report to you, then.

MR. LUXFORD: About half an hour ago they told him there were conflicting dates about Thursday and Friday, but he would have it straightened out.

MR. WHITE: Here is a cable which is your answer to the Chancellor of the Exchequer.

H.M.JR: My answer? Has it gone?

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MR. WHITE: This is it.

H.M.JR: Has it gone?

MR. WHITE: Not yet, no.

(Hands the Secretary attached cable to Winant.)

H.M.JR: I haven't had anything to do today!

Is this fixed now, Friday, April 21?

MR. LUXFORD: No, that is the uncertainty.

H.M.JR: Do I have to read this whole thing?

MR. WHITE: I think the second page, yes.

H.M.JR: Beginning with three.

MR. LUXFORD: Yes.

(Mr. White hands the Secretary a new coin minted for the French.)

(Mr. O'Connell enters the conference.)

H.M.JR: I have just been tipped! Shall I keep this?

MR. WHITE: Yes.

H.M.JR: It is heavy.

MR. WHITE: Yes, it is a nice coin. It is two or four cents.

H.M.JR: Same as our pennies, the same material?

MR. WHITE: I don't think so.

H.M.JR: Oh, you have gone into "Liberty, Equality, and Fraternity," and General DeGaulle.

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MR. WHITE: In a big way.

H.M.JR: To digress a minute, boy! we always pick a loser, don't we? You no sooner back Badoglio than he quits.

MR. WHITE: Apparently that is the way to get people in power, pick the other guy.

H.M.JR: We told them when we were out in Algiers-- I told them, certainly, I was "agin"--

MR. WHITE: And subsequent to that, we got information which was very definite that DeGaulle is out and Giraud was on top, and there was no need of concerning ourselves any more with DeGaulle. This was about four or five months ago.

H.M.JR: Well, it is just putting a gun to their head again, isn't it?

MR. LUXFORD: Kind of.

H.M.JR: It is all right.

MR. WHITE: It is the only way of getting results. They will be angry, but--they held this thing up, the bank part, for six months. They refused to discuss it with us.

H.M.JR: All right.

MR. WHITE: Now, the one thing we are uncertain of is the day.

H.M.JR: Joseph, give a report.

MR. O'CONNELL: From the Senate point of view it has to be Friday. Before I went to see Barkley the second time, I saw Rayburn, and he had already arranged something for Thursday afternoon before I could stop him. I went back to see him after talking with Barkley.

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The reason the Senate can't meet Thursday is, number one, Barkley won't be there; number two, the Senate Foreign Relations Committee has a hearing scheduled for Thursday morning which Connally doesn't want to change. Wagner had meetings scheduled with OPA every day this week. But they are both agreeable to Friday morning at ten-thirty.

H.M.JR: You are talking of the Senate?

MR. O'CONNELL: Friday morning at ten-thirty in the Senate in the Banking Committee Room.

George is out of town and will probably not be back for that meeting, but Barkley took the bull by the-- Barkley took the reins and called the Committee.

H.M.JR: Took the bull by the--! I just wondered--

MR. WHITE: And looked him right in the face!
(Laughter)

H.M.JR: Joe said he took the bull by the--

MR. O'CONNELL: Well, I had to recollect myself, but it is all set for Friday at ten-thirty. George probably will not be there, but his Committee will be.

H.M.JR: Are you going to send George a wire?

MR. O'CONNELL: Barkley told the Post-War Committee people to let George know.

H.M.JR: I would call up George's secretary up there, who is a very smart girl, and tell her I want him to know this. What is her name?

MR. LUXFORD: Ask Pehle.

MR. O'CONNELL: I will take care of that. I don't think he talked with George's office, but the Post-War Planning group. It is set in the Senate.

- 6 -

I went back to see Rayburn. Rayburn was a little upset because he thought the Senate had decided it would be held Friday, and he had decided it was going to be Thursday afternoon, but said he would call me later this afternoon. He indicated there wouldn't be any difficulty about arranging Friday afternoon in the House, but I have to wait until I hear from him before it can be arranged. While I was with him the first time, he called Spence, and it was agreeable to Spence.

When I left him, he was going to speak to Bloom, Colmer, and Andy Somers.

But, as I said, he spoke to Spence about Thursday, and he is now going to change it to Friday.

H.M.JR: Friday afternoon?

MR. O'CONNELL: Yes, he is to call me late this afternoon.

Now, it can't be Thursday.

MR. WHITE: Therefore, the date must be Friday.

MR. O'CONNELL: It must be Friday.

MR. WHITE: The release will be Saturday.

MR. O'CONNELL: I think it is entirely in Rayburn's control, and he could have said as easily Friday as he said Thursday the first time. But he wanted to know why I had to pay any attention to the Senate, and Barkley wanted to know whether Rayburn was insisting on Thursday, and whether he knew that he, Barkley, was going to be out of town. It sounded to me like the two Houses--

H.M.JR: I told you it was a little important with Barkley.

MR. O'CONNELL: I know. It was more important to Rayburn, it seemed to me, than I would have thought, but I am confident he will go ahead and do on Friday what he started to do Thursday, and call me late this afternoon.

- 7 -

H.M.JR: You have to hold this cable up, because it won't get there until in the morning, anyway.

MR. WHITE: Well, in any case--

H.M.JR: I mean about the release and all that.

MR. WHITE: The release will have to be Saturday, in any case, because you are seeing the Senate on Friday. The most that can happen is that you have to see the others Thursday afternoon.

MR. O'CONNELL: There is one more thing.

MR. WHITE: We are glad for the extra day if it is the same for you.

H.M.JR: It is very inconvenient for me, but, as I told Joe, disregard my own personal arrangements.

MR. O'CONNELL: There just couldn't have been anything anything done on Thursday.

H.M.JR: I have to rearrange all my plans.

MR. O'CONNELL: You couldn't have gotten to first base with the Senate.

H.M.JR: That is all right. I said to make the deal and disregard what I have.

MR. O'CONNELL: Now, one thing that isn't finally buttoned up is whether you will meet with the Chairmen of the Committees the day before, on Thursday. I mentioned that both to Barkley and Rayburn, and Rayburn was very willing to have you meet with the Chairman of his Committee and McCormack in his office the afternoon before. Barkley was more or less noncommittal the first time, although he thought it was a good idea. But after Rayburn indicated he would be willing to call the group of the House Committee Chairmen together, but sort of brushed aside the suggestion it should be joint House and Senate, I thought I wouldn't mention it to Barkley when I went back since neither George nor Barkley will be here on Thursday. So you can either meet with the House Chairmen on Thursday afternoon, or just have the full meeting. You can't meet with the Senate Chairmen beforehand, because they aren't here.

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H.M.JR: I have a suggestion to make. Let's meet with the House Thursday afternoon, and then with the Senate Chairmen, see them at ten o'clock Friday morning.

MR. O'CONNELL: Fine.

MR. SMITH: The only trouble with that is that the Republicans will have over night to find out what you are saying and will be ready for you in the Senate Friday morning.

H.M.JR: How - if I see the Democrats?

MR. O'CONNELL: These are all Democrats he is seeing.

MR. SMITH: Oh, oh, excuse me.

H.M.JR: Organization Democrats.

MR. SMITH: Excuse me, sir. Yes, sir. I am sorry, sir. I could eat my tongue out!

MR. O'CONNELL: If and when Barkley calls and it is set, then you would be agreeable to Thursday afternoon in Rayburn's office with the Chairmen and McCormack?

H.M.JR: And ten o'clock Friday morning with the Senate group.

MR. O'CONNELL: Right. I will speak to Barkley about that, then, after I have cleared everything up with Rayburn. That is the one thing to keep our fingers crossed about. The Senate group would be Barkley, Connally, and Wagner, because George won't be there unless he changes his mind.

H.M.JR: Well, it sounds as though you did a good day's work.

MR. O'CONNELL: Well, thank you. We will know more when the returns are in from Rayburn. I shouldn't have mentioned to Rayburn that I had even seen Barkley at all. I shouldn't have made them both believe I had seen them first. We live and learn.

H.M.JR: Now, what else?

- 9 -

MR. WHITE: Well, we had a meeting this morning.

H.M.JR: Excuse me. Have you read my conversation with Hull and Acheson?

MR. WHITE: Yes, I read them both.

H.M.JR: You (O'Connell) ought to read them, too.

MR. O'CONNELL: I was starting to when I was called in here.

MR. SMITH: I have.

MR. LUXFORD: Not yet.

H.M.JR: Wasn't that thing with Hull peculiar?

MR. WHITE: Yes. I don't quite make it out.

H.M.JR: Did you notice the way I pinned Acheson down, whether he misunderstood about the July date - to eliminate him?

MR. WHITE: Yes, it sounded as though it was Acheson.

H.M.JR: No, no, no. Acheson said he didn't misunderstand.

MR. WHITE: It wasn't clear from that conversation who told Hull.

H.M.JR: I don't think there is any question. It is Pasvoisky.

MR. WHITE: We had this meeting with the American Technical Committee in which we cleared with them the general principles on the Bank. They may get a little feeling we are pushing them, but--

MR. LUXFORD: That, or being railroaded. I don't know which it was.

- 10 -

MR. WHITE: And that is all. The rest of the things - we are going forward on the various cables.

H.M.JR: Well, do I have an agenda for tomorrow morning?

MR. WHITE: I will see that you have an agenda. (Attached)

Here is this. (Hands Secretary proposed letter to Secretary Hull, re: Central Bank for Saudi Arabia.)

I don't understand. We have been discussing the Bank and this monetary system in Saudi Arabia. There has always been present two or three State Department men, and they have had copies of whatever we have been preparing.

H.M.JR: You don't think this should go.

MR. WHITE: Oh, I didn't intend it that way.

H.M.JR: See how this sounds: "Members of the Treasury Staff have already consulted members of the State Department," and so forth - "copies of which were presented," and so forth.

He is asking me to send a copy as though it is something quite new.

MR. LUXFORD: No, what he asked for was an American version, whereas - wasn't that a joint version?

MR. WHITE: This is an American version, which we had discussed with the British.

Let me read it over with that in mind.

H.M.JR: It is a little bit rubbing his nose in it.

MR. WHITE: It isn't that important, to rub his nose in.

- 11 -

H.M.JR: Don't let's rub it in, then. The old man over there, he isn't told what is going on. Somebody writes a letter and he doesn't know it. He signs it. Bring it in tomorrow, will you?

Now, what else?

MR. WHITE: That is all.

H.M.JR: You can still go over to your meeting with Acheson if you want to.

MR. WHITE: I have an excuse not to, so if you don't mind, I am not going.

H.M.JR: I have got to do a couple of things.

I want to talk to you (O'Connell), a minute, and I would like Luxford to wait outside.

I am through with you (Smith).

I will take Harry out in the corridor a minute.

MOST URGENT - HIGHEST PRIORITY

Please send the following cable to the American Embassy, London.

"To Winant from Secretary Morgenthau:

"I am very grateful to you for the prompt reply from the Chancellor of the Exchequer.

"Please give this message to the Chancellor of the Exchequer.

"1. I wish to express my thanks to the Chancellor of the Exchequer for his message of April 15.

"2. At the request of the Congressional leaders, my appearance before the appropriate Congressional committees has been postponed to Friday, April 21. In consequence of this modification, we shall release the Joint Statement to the press at 8:00 p.m. April 21, Washington time.

"In accordance with previous arrangements with Opie we have asked Moscow and Chungking, as well as some of the American Republics to join in the publication of the Joint Statement. We are also sending a summary, but not the text of the Joint Statement, to all of the American Republics with whom we have consulted.

"We assume you will make similar arrangements for informing the Dominions and governments in London and Cairo prior to publication, and to arrange, if possible, for simultaneous publication or announcements by some of these countries.

"We have discussed with Opie the issuance of an explanatory statement to the press at the time the text of the Joint Statement is released. He will inform you of our general agreement with the statement you suggest and with the slight modification we propose. It is my understanding that the explanatory statements issued in Washington and London will not be precisely the same in language although they will convey the same meaning.

"Mr. White and Mr. Opie have examined in detail the arrangement previously agreed upon for steps following the publication of the Joint Statement on the Fund. As Mr. Opie will have informed you, it has long been clearly understood that after the publication of the Joint Statement on the Fund there would be opportunity for debate in Parliament. Promptly after the conclusion of the debates, we will

- 2 -

raise with you the immediate issuance of invitations to a conference of the United and Associated Nations on the establishment of international agencies for postwar financial cooperation. As I have previously explained, a prompt decision on this matter would make it possible for us to hold a formal conference at the end of May in accordance with the preference expressed by the President.

"3. We have transmitted to Winant the text of a proposed Joint Statement on the establishment of a Bank for Reconstruction and Development with the request that he furnish it to you. The Joint Statement is confined to an exposition of those principles which should govern a Bank for Reconstruction and Development on which we feel there could be no disagreement among the technical experts.

"Mr. White told Mr. Opie this morning that when I appear before the Congressional committee on Friday I will be compelled to report to them on the results of the technical discussions on the Bank for Reconstruction and Development. Obviously, I would like to be able to report that the experts of the United States and the United Kingdom are in agreement on a statement of principles on the establishment of the Bank, and at the same time make the statement available to the Congressional committee. I am not unmindful of the short notice you have received on this proposal. If your experts cannot indicate their agreement at once, but feel that agreement might be reached on a statement if postponed for a week, I could inform the Congressional committee that the technical experts of the United States and the United Kingdom have come to a large measure of agreement and hope to issue a joint statement of principles within another week.

"On the other hand if it should not seem feasible to the experts of the United Kingdom to join with the experts of the United States in issuing a Joint Statement on the Bank within the next week or so, I shall explain frankly to the Congressional committee that there has not been opportunity to reach agreement with the technical experts of all of the countries. I will then release this statement on the establishment of a Bank for Reconstruction and Development as representing the views of the technical experts of the United States and having the approval of the experts of a number of other countries, but not including the United Kingdom. I shall, of course, add that it is my hope that after further study the experts of the United Kingdom will see their way clear to join in subscribing to this statement of principles.

"As I must make arrangements immediately on the material to be presented to the Congressional committee, I should appreciate a prompt reply indicating which of these courses on the Bank you would prefer. I hope you will understand that the urgency for a decision is one forced upon me by circumstances.

EMB:AFL:sh

4/27/44

Agenda for meeting in Secretary Morgenthau's office
April 18, 9:00 a.m.

1. President's wishes on the conference date.
2. Status of discussions on the Fund with Chinese, Russians and British.
3. Proposal to appear before Senate Committees: Foreign Relations, Banking and Currency, Special Committee on Post-War Economic Policy; and before House Committees: Foreign Affairs, Ways and Means, Banking and Currency, Coinage, Weights and Measures, Colmer Committee on Post-War Economic Policy.
4. Proposal to publish Joint Statement on the Fund in Washington, London, Chungking and perhaps Moscow, as well as several other capitals.
5. Status with respect to a Joint Statement on the Bank.
6. Next steps toward a conference.
7. Meeting of the technical representatives of China, U.S.S.R., U. K. and U. S.
8. Possible location for a conference. Whether in U. S. or in a foreign country.
9. Selection of countries to be represented on drafting committee.

April 17, 1944
4:37 p.m.

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HMJr: Hello.

Operator: Here's Mr. Bell. Go ahead.

Charles S. Bell: Hello, sir.

HMJr: Charlie.

B: Yes, sir.

HMJr: Make a note for the record that when Joe O'Connell becomes full-fledged General Counsel....

B: Yes, sir.

HMJr:Luxford will be second....

B: I see.

HMJr:which means that when Joe goes out of town, Luxford will be Acting.

B: Yes, sir.

HMJr: This is in the form of a memorandum from me to you.

B: All right, sir.

HMJr: Joe O'Connell knows about it and I've told Luxford.

B: All right, sir. I'll take care of it.

HMJr: Thank you.

B: Righto.

April 17, 1944
4:48 p.m.

HMJr: Hello.

Operator: I have Chairman Eccles.

HMJr: All right.

Operator: There you are.

HMJr: Hello.

Chairman
Eccles: Oh, Henry.

HMJr: Yes, Marriner.

E: About that meeting in the morning.

HMJr: Yes.

E: What -- what's it about?

HMJr: Well, gosh, Goldenweiser ought to know.

E: Well, yeah. Well, what I meant is -- he -- this is on a technical level, isn't it?

HMJr: No, this is on the level of you and me, to tell -- inform you people and get your advice before I go up on the Hill Thursday and Friday. I mean, Crowley's coming and Acheson is coming and Jesse Jones is coming and each are bringing their -- the fellows who have been on the technical level.

E: Yeah.

HMJr: But the principals are coming.

E: Yeah. Well, all I wanted to say is that so far as I am concerned and the Board and the Open Market Committee, too, because they're interested likewise in this thing.

HMJr: Yes.

E: That it's been on a technical level and we've never put it on any other basis because we didn't know that you or the other agencies had.

HMJr: Yes.

E: The last time that I met was some time ago, as you recall, with you.

HMJr: Yes.

E: And you said at the time that the whole thing was on a technical basis.

HMJr: Yeah.

E: And now, I'm not in a position to -- I can come over and sit in but I'm not in a position to make any commitments of any kind.

HMJr: Well....

E: Now, I didn't know whether you wanted me to come over on that basis or not.

HMJr: I'd like very much to have you come over and -- for instance, Crowley is bringing four men with him.

E: Well, I'll bring Goldenweiser and Gardner who have been, of course, meeting and sitting in on this thing without -- on a technical level, and of course, have had no authority to commit anybody.

HMJr: That's right.

E: They have been merely advising and working with White.

HMJr: Yes.

E: Now, I'll bring them over but I just wanted you to know -- I wanted to say this to you before I came so that if you wanted me to come just as an observer and not being able to commit anybody, I'll be glad to come.

HMJr: Well, I'd like you to come but as I gather from White -- I may be wrong -- that Goldenweiser -- well, maybe I'd better not say -- what I've been -- why not say, I got the impression that Goldenweiser has been trying to get a commitment from his superiors and has been unable to do so.

E: That's correct.

- HMJr: See?
- E: That's correct. He -- Goldenweiser has been talking to us more or less -- he's brought the matter up several times and -- but the Board has never gotten together and gotten down to the position of considering this thing so they could make a commitment.
- HMJr: Well, now....
- E: It is an involved question, as you know.
- HMJr: Yeah, but now we're going to move and....
- E: And what I'd like to do -- I think that before the commitment is made, it ought to be really made with a system. That's going to take some time.
- HMJr: Well, you're not going to have much time.
- E: Well, then we just won't make a commitment. We'll have to be free.
- HMJr: Yeah. Well, you've had all the time in the world.
- E: Well, ~~we~~ we have, yes. We have in a way, but the last time I talked to you, you -- you took the position that the whole thing was on a technical basis and you weren't prepared to make a commitment.
- HMJr: Well, what I gathered, as I say, I hate to be quoting somebody who quotes somebody else, but I got the impression from Harry who gets it from Goldenweiser that he, Goldenweiser, has been ready to recommend -- that he and White are together, but that he has been unable to get his superiors to give him any authority.
- E: Yeah. Well, I think that's correct.
- HMJr: And so, the reason there is a rush, Marriner -- I'm not trying to rush anybody -- but I'm being rushed by Congressman Dewey and I've got to move before he does.
- E: Well, the thing to do is just refuse to go up and....

HMJr: I can't.

E: And if Dewey wants you to testify.

HMJr: No, it's next week.

E: I know, but Dewey -- Dewey is going to want us to testify, too, and all I propose to do is just refuse to testify.

HMJr: Well, look, come over in as cooperative a frame of mind as you can. Will you, old man?

E: Yeah. Well, I'll come over and I'll bring the staff, but I just don't want to be put on the spot.

HMJr: I won't put you on the spot.

E: To make any commitments. See?

HMJr: I won't put you on the spot.

E: Because, after all, you speak for yourself and Jesse speaks for himself and Crowley for himself and, hell, I've got about twelve people.

HMJr: I know.

E: And it's entirely a different problem.

HMJr: It's very difficult.

E: I'll say it's difficult. So I just don't want to come over and be put....

HMJr: I will treat you as my most honored guest.

E: Yeah? Okay, I'll be over there, then, Henry.

HMJr: Thank you.

E: I'll bring Goldenweiser and Gardner.

HMJr: That will be entirely agreeable.

E: Okay.

April 17, 1944
4:57 p.m.

100 ✓

HMJr: Yes.

Operator: Go ahead.

HMJr: Hello.

Speaker
Rayburn: Henry.

HMJr: Yes, Sam.

R: How much do you like me and Wright Patman
anyhow?

HMJr: What's that?

R: How well do you like Wright Patman and me?

HMJr: I love you both.

R: Well, that fixes it up all right, then. We
want you to make a speech down in Texarkana on
the 12th of June.

HMJr: (Laughs) What do the boys -- the cow boys say? /

R: You're asking -- you're asking us for a lot of
money down there, you ought to show yourself.

HMJr: What do you boys say? "Ride 'em, cowboy,
whoopee!"

R: That's right.

HMJr: Is that the way you yell?

R: That's right and get on the radio where it will
extend over into my district

HMJr: Yeah.

R: and say a few kind words about me.

HMJr: I see.

R: It might be helpful. You can't tell.

HMJr: I see.

R: I hope you do consider that seriously, Henry.

HMJr: Well, my God, to get a few more Texas cowboys with spurs, what am I going to do?

R: Well, they'll help you ride.

HMJr: What?

R: They'll be on your team.

HMJr: (Laughs)

R: They'll help you ride.

HMJr: Well, I'd like to be on your team.

R: All right.

HMJr: Do you really think that I ought to go down there?

R: Well, I think it would be a fine thing and Wright is awfully loyal, you know.

HMJr: Yeah.

R: And he's terribly anxious for you to go.

HMJr: Yeah.

R: He thinks you'd be a lot of help down there.

HMJr: Well, I feel highly complimented that anybody wants me.

R: Well -- well, you are Henry Morgenthau in the first place, and in the next place you're Secretary of the Treasury. Of course, I'm -- mine's the other way. I'm Speaker of the House and then I'm Sam -- Little Sam Rayburn, you see.

HMJr: (Laughs) Listen, when did you go to Ireland to kiss the Blarney Stone?

R: (Laughs) I haven't been there.

HMJr: You haven't?

R: Well, Henry, I hope you do consider that.

HMJr: Yeah. Now, while I've got you and you're in such a good frame of mind, is this -- all these meetings that O'Connell was up to see you about, are all fixed?

R: Yeah, all fixed for Satur -- Friday at two o'clock in the House.

HMJr: Yeah.

R: He said that the Senate didn't want to go on Thursday.

HMJr: Yeah. And are we going to have....

R: And I've called all the Chairmen except Sol. I'll get him.

HMJr: And we'll have a little dress rehearsal Thursday?

R: That's right, Thursday afternoon.

HMJr: Wonderful.

R: And I'll just get the Chairmen there.

HMJr: That's right.

R: All right, Henry.

HMJr: All right.

R: Fine.

HMJr: Thank you.

APR 17 1944

My dear Mr. President:

On April 3 you sent me Secretary Ickes' letter of March 6, suggesting that the issue of the recent tax bill veto again be placed before the people. You asked, "What do you think we can do about this?"

In my opinion this is not the time to reopen the question of the vetoed tax bill. The controversy over the veto has subsided. Reopening the matter now would not appreciably strengthen your record on the bill or the veto, while it would endanger the prospect of securing a simplification law. You will recall that in my letter of March 8, I indicated that in agreeing with Senator George and Chairman Doughton to limit the scope of the simplification bill we would be promising, in effect, that no revenue or social security message would be sent up, at least while the simplification bill is pending in the House.

The tax situation is very fluid, however, and it may be desirable a little later in the year to reaffirm the need for higher wartime tax revenue. A statement on this subject might touch also on the problem of tax adjustments appropriate to the transition and postwar periods. This problem is under study in the Treasury at the present time. There is also in process of preparation a "White Paper" describing and defending the policies of the Administration in financing the war.

If an appropriate occasion arises for making a tax statement, I should like to present suggestions to you as to its contents.

Faithfully yours,

(Signed) E. Morgenthau, Jr.

Secretary of the Treasury

The President

The White House

EB:eb
4/17/44

Blough to you -
your letter for

104

April 8, 1944 *Wiggins*
Pres.

MEMORANDUM FOR THE SECRETARY

From: Mr. Sullivan
Mr. Blough
Mr. Surrey

JKS
RB
m/

It is recommended that no action be taken at this time to take the tax bill to the people, as proposed in Secretary Ickes' letter to the President.

The Revenue Bill of 1943 was vetoed February 22, 1944. Secretary Ickes' letter was sent to the President March 6. It is now April 8. The controversy raised in connection with the tax bill has subsided. Whether or not the issue should have been reopened when Secretary Ickes' letter was written, the present is emphatically not the time to reopen it.

Any steps taken at this time to reopen the discussion of the tax bill would, in our opinion, meet with public disapproval and endanger the chances of securing a simplification law. Moreover, such a step would be in effect a contradiction of your letters of March 8 to the President and to Senator George and Chairman Doughton.

In a field so fluid as that of taxation the situation may change so that a further statement by the President on taxes may be found desirable at a later date. As you know, there is in process of preparation a "White Paper" describing and defending the policies of the Administration in financing the war, which may be useful in connection with any such future statement.

O

THE WHITE HOUSE
WASHINGTON

April 3, 1944.

MEMORANDUM FOR

HON. HENRY MORGENTHAU, JR.

What do you think we can
do about this?

F.D.R.

O



SECRETARY OF THE INTERIOR
WASHINGTON

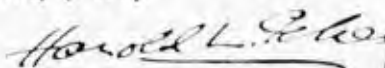
March 6, 1944. *7 11 1944*

My dear Mr. President:

I suggest again that the tax bill will prove to be a popular issue if it is taken to the people. If it be argued that if you should do this you might be charged with reopening the controversy with Barkley, the reply could be that the alternative would permit the metropolitan press to get away with the proposition that you were in the wrong in vetoing this bill, and that you had no constitutional right to do so. After all, this is your issue because you made it. You have not answered the specious arguments advanced by Barkley and the newspapers and others. The opposition should not be permitted to get a verdict by default. I do not believe that any one else can effectively open this fight, although others can help after the issue has been raised. It would not be necessary to mention Barkley, or anyone else, by name. The discussion should be kept on an impersonal basis, but the reasons for your veto should be stated clearly and simply as you best can do.

Moreover, I think that the whole issue should be put up to the people promptly. It ought to be done, in my judgment, before the people shrug their shoulders with indifference and, not being well advised in the matter, come to the conclusion that the Administration was probably wrong because it stood silent under grave charges.

Sincerely yours,



Secretary of the Interior.

The President,
The White House.

APR 17 1944

My dear Mr. Attorney General:

Answering your letter of April 13, 1944, the informal understanding that has been reached between representatives of your Department and this one that the Department of Justice will represent the Treasury in proceedings in the Tax Court of the United States involving renegotiation under Title VII of the Revenue Act of 1943, is entirely agreeable to the Department, and this letter will act to confirm it.

Sincerely yours,

(Signed) H. Mergenthaler, Jr.

Secretary of the Treasury

The Honorable
The Attorney General
Washington, D. C.

JJO'C.Jr:cp
4/17/44

Office of the Attorney General
Washington, D.C.

April 15, 1944

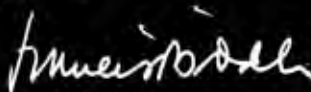
The Honorable
The Secretary of the Treasury
Washington 25, D. C.

My dear Mr. Secretary:

In conversations between members of your staff and representatives of this Department, it was agreed that this Department should represent you in proceedings in the Tax Court involving renegotiations under Title VII of the Revenue Act of 1943.

Will you be good enough to confirm this arrangement.

Sincerely yours,



Attorney General

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE
April 17, 1944

TO Mr. Charles Bell

FROM Mrs. Doyle *mwd*

I have now been employed in the Treasury for 6 months as Employee Relations Adviser, and I thought that the Secretary might wish to know what I have been doing. I have listed my main fields of endeavor with an indication of future plans in each field. In effect, all these activities are ways and means to carry out the Secretary's wish that Treasury employees have the best possible working conditions, together with such services as will tend to keep employees healthy, well-adjusted and as free as possible from worry.

1. Day Care for Children of Working Mothers

A. A continuous program is maintained to insure comprehensive information to Treasury mothers of young children concerning available facilities. The program is as follows:

1. Circulars are mailed to all mothers who expressed a need for day care for their children. These circulars list all nursery schools and extended day care centers in Metropolitan Washington that are maintained from Lanham Funds and supervised by municipal or educational authorities.
2. Circulars are made available to all personnel officers.
3. I visit every school personally and keep on hand information on teachers, type of equipment, food served, etc.
4. As each new school opens, mothers who live in the vicinity are called on the telephone and advised of the school.
5. Personnel officers have been asked to send to the Employee Relations Section for an interview all who express an intention to resign, giving as a reason lack of care for their children.

B. Statistics

1. Number of mothers leaving:

July	59
August	28
September	27
October	27
November	19
December	17
January	23
February	23
March	19

2. Treasury children now in schools:

January 4, 1944 - 28

April 14, 1944 - 47

C. Future Plans

1. The vacation months when schools are closed present a problem to working mothers. To meet their needs a circular will be issued on playgrounds that are open all day throughout the summer. I have arranged with the D. C. Recreation Department to have playground supervisors visit the homes of Treasury mothers who wish it, after working hours, to acquaint them with play opportunities. These services are all free.

2. A survey will be made of Treasury mothers who need child care to follow up the survey conducted by the Children's Bureau 6 months ago.

II. Health Program

A. I have kept in touch with the proposed Employee Health Service and the medical program. In this connection I have taken the following steps:

1. I have had conferences with Mr. Charles Bell and with the doctors in charge of the program from time to time.
2. I have visited all the Emergency Units.
3. I work with Dr. Whitehead on individual cases, on the Employee Health Service, on nutrition and related subjects.
4. I give one of the lectures in the In-Service Training Course for nurses at the Public Health Center. My lecture is on "Community Resources".
5. I strive to insure that the Employee Health Service shall move forward constructively and without friction.

B. Future Plans

1. Space with adequate facilities for an enlargement of Dr. Whitehead's quarters is desirable to insure privacy for Treasury employees who need medical aid.
2. A survey at the Bureau of Engraving and Printing on the illness of employees should be initiated soon by the U. S. Public Health Service.
3. A conference of all personnel officers in the Treasury at which the Medical Program would be explained by the U. S. Public Health Service - Dr. Parran or Dr. van Acheren. At the same time, the new psychiatric service could be explained by the psychiatrist, Dr. Solby.
4. Initiation of the Visiting Nurse service under the supervision of the Medical Officer of the Treasury.

III. Individual Counselling of Women

During the past 6 months I have interviewed 59 women. These cases came to me the following way:

Referred by Mr. Jordan	12
On their own initiative	22
Referred by Medical Officer	5
For care of children	7
Other referrals	<u>13</u>
	59

Referred by Mr. Jordan: These cases include among others women who are referred by their supervisors to the Employee Relations Section because they are "difficult". In some cases I try to counsel the women to work more cooperatively, to get more rest or to see a physician. In others, I come to the conclusion that the woman is not entirely at fault, and I therefore recommend that she be transferred. Such cases naturally include interviews with the supervisory officers.

On Their Own Initiative: These have a wide range and include such problems:

1. Girl who needs help in finding home for herself and coming baby. This case includes constant counselling as there are many family complications developing from a marriage which was kept secret for several months.
2. Difficulty on the job; personality problems.
3. Women who are "nervous" and "want to talk to another woman".
4. Need for information on educational or recreational or volunteer opportunities.
5. Request for shift from night work.

Referred by Doctor:

Dr. Whitehead sends me cases of women that he thinks need help in adjustment. For instance, he sent to me a young girl who came to him with laryngitis. She was in a highly nervous state. She wished to resign immediately but would give him no reason. Her supervisors could not understand her wish to resign as she was a conscientious, faithful employee whom they were anxious to retain.

I gained the girl's confidence. She was seen by the psychiatrist of the U. S. Public Health Service. He worked with her, corresponded with her father, recommended a 10 day visit to her home. He suggested to me that upon her return I keep a contact with her so that I may help her if she gets so "upset inside" again.

She is, for the present, a happy, well-adjusted employee and has been recommended for a promotion.

One interesting phase of this case is that this girl told her inward nervousness to no one but to me, therefore, no one of her fellow workers or supervisors would have been able to help her if Dr. Whitehead had not recognized that she needed such help and sent her to me for counsel. A good employee has thus made an adjustment to the job.

IV. Cafeteria

I have served as chairman of the Cafeteria Committee with Mr. Birgfeld and Mr. Barker as the other members of the Committee.

The cafeteria in the Main Treasury has been the greatest single help to employees since I have been here. The attractiveness of the room and the good food are enjoyed by all, but the general atmosphere of relaxation that prevails in the cafeteria is its greatest asset.

V. Visit to Chicago

I made a complete report on my visit to Chicago on March 29, 1944.

I think that I should visit the Chicago office again in about 6 months as a follow-up.

VI. General Conditions

I am interested in any method that can be used to alleviate for men and women the strain of a 6 day week of 8 hour days. The difficulties of marketing, of shopping for clothes for self or family, of crowded street cars and buses, all extend the work day for women. Sundays and evenings must be used for personal chores, such as mending, washing or household duties. Life becomes a proposition of working all day today, and sleeping to get ready for to-morrow. This will inevitably result in poor work in the office.

For the duration, therefore, we should be continuously conscious that this problem exists and we should use any methods possible to make working conditions as good as can be. Some of these are:

1. Complete cessation of work for 10 - 15 minutes twice a day in rooms where there are noisy machines. The rooms should be thoroughly aired during the recess. The Division of Disbursement initiated on April 3 a schedule of rest periods of 15 minutes during the forenoon and during the afternoon.

A survey of other divisions and bureaus is being made in order that the program may be carried further.

2. Elimination of the midnight to 3 a. m. shift whenever possible.

3. A room for smoking and relaxation. A pattern is being developed in the Main Treasury Building and, if practicable, this pattern will be followed in other buildings.
4. Even greater use of the Emergency Rooms. Short rest periods in bed are often suggested by the Medical Officer and such rest will keep an employee fit to stay on the job.
5. As mentioned above, Cafeterias are a very real aid, especially when they provide a chance for social contact during the meal.
6. A coordinated program of information on housing, recreation, health facilities, and community resources under the Employee Relations Section.
7. Regular conferences of personnel officers to discuss the best methods of maintaining such working conditions as will produce the best work.

April 17, 1944.

Mr. Charles S. Bell,
Administrative Assistant
to the Secretary.

Dear Mr. Bell:

You are hereby designated to serve as a member of the Treasury Department Committee on Deferment of Government Employees established on March 16, 1943, in accordance with the provisions of Executive Order No. 9309.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

jc

April 17, 1944.

Dear Mr. Puryear:

Pursuant to War Manpower Commission General Order No. 7 and in accordance with the provisions of Executive Order No. 9309, I wish to advise that Mr. Charles S. Bell, Administrative Assistant to the Secretary, has been designated to serve as a member of the Treasury Department Committee on Deferment of Government Employees to replace the late Mr. W. Norman Thompson.

Very truly yours,

(Signed) H. Morgenthau, Jr.

Secretary of the Treasury.

Mr. Edgar F. Puryear,
Chairman, Review Committee on
Deferment of Government Employees,
Room 1123, 1778 Pennsylvania Avenue, N. W.,
Washington, D. C.

jc

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE April 17, 1944

TO Secretary Morgenthau

FROM R. E. McConnell

Subject: Three O'Clock appointment with Colonel Robert Doyle and Mr. McConnell.

Colonel Doyle has a wide acquaintance among the merchandisers. He was the Manager of Lord & Taylor; was also the head of McCreery & Company. He is a close personal friend of General Marshall. He organized and was the head of the Orange Crush Company in Chicago. He dropped this to join the General Staff under General Eisenhower. He has been particularly successful in organization work.

I doubt that Colonel Doyle would be able to undertake this assignment because of recent injuries. He does, however, seem to appreciate the nature of the problem. He believes the Department should obtain the most able merchant in America who has had a diversified experience.

I think if you can give Colonel Doyle five or ten minutes he can give you his analysis of the problem which may be helpful.

I am canvassing the industry rather extensively because I feel that it is very important not to make a mistake in this appointment.

General Browning will also have four or five suggestions this afternoon.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

CONFIDENTIAL

DATE April 17, 1944

TO Secretary Morgenthau
 FROM Mr. Har *CA*
 Subject: The Business Situation,
 Week ending April 15, 1944.

Summary

Employment: Factory employment in March declined for the fourth consecutive month, with total factory employment falling slightly under 13.4 millions as compared with 14.0 millions at the war-time peak last November. Cut-backs in war contracts, loss of workers due to the draft, and increased efficiency in production processes have contributed to the recent decline in employment.

Commodity prices: Futures prices displayed an easing tendency last week, but spot prices generally showed little change. While the BLS index of 28 basic commodities was a trifle lower, it has moved in a very narrow range during the last five weeks, following a gradual rise since November. The BLS all-commodity index continues only fractionally above the level of a year ago.

Crop report: The April 1 crop report indicates a winter wheat crop of 602 million bushels, 75 million more than was forecast last fall, but heavy rains or cold weather have generally delayed farm work and may reduce acreage and yields in some areas. Late frosts have damaged early vegetable and fruit crops in the South. For the country as a whole, however, prospects are still favorable for the planting of a near-record crop acreage.

Stock market: Despite a renewed advance in prices of second-grade railroad bonds, stock transactions on the New York Exchange showed a further decline last week, while the Dow-Jones average of 65 stocks eased fractionally. Indicative of recent bearishness on the part of many traders, the short interest showed a further rise of 7 percent in March and attained the highest level since June 30, 1936.

Textile industry: To correct the growing shortage of textile goods, the textile industry has been placed on a 48-hour week, effective May 14. (Current hours average around 41.5.) Other industries now on a 48-hour basis are steel, lumber, and non-ferrous metals.

- - - -

- 2 -

Factory employment lower in March

The decline in factory employment which started near the close of 1943 continued in March, with the number employed dropping nearly 200,000 below the February level. In consequence, the estimated number of wage earners employed in manufacturing industries fell slightly under 13.4 millions, as compared with last November's war-time peak of 14.0 millions. The reduction in factory employment in March was rather general, with 17 of the 20 major manufacturing groups showing declines. The most important factor was a decrease of 46,000 workers in the transportation equipment industry, now largely engaged in making war equipment. The automobile industry employed 14,000 fewer workers during the month, while sizeable employment declines also occurred in the chemical, machinery (excluding electrical), and iron and steel industries, in reflection of further out-backs in small arms ammunition, explosives, and machine tools.

Improved production processes and more efficient manpower utilization in turning out war materials have been cited as important contributory factors in the decline in factory employment in recent months. Reference to Chart 1 will disclose that since national defense preparations got under way in the latter part of 1940, factory production has risen at a much faster pace than employment. It will also be noted that, following a sharp drop in December, actual factory output in January and February 1944 was maintained at unchanged levels, while factory employment was declining. Further divergence in the trend of factory employment and output probably occurred in March, as the employment index showed another decline, while preliminary reports indicate a well-sustained level of factory output although the actual production index for March is not yet available.

Civilian production restricted by labor shortages

Although the WMC Chairman stated last week that labor shortages currently are causing less damage to war production than at any time in the last 12 months, the WPB recently tightened restrictions on production of civilian goods in 183 labor shortage areas. In a move to concentrate manpower in war plants, the WPB issued orders to hold civilian production in the 183 areas at the current rate or first quarter rate, whichever is lower. While the order does not apply to producers using surplus materials or those able to operate without WPB aid, it is apparent that previous expectations of

- 3 -

1944 civilian production in some lines may have to be revised drastically as a result. It is reported that the order will hold electric iron production in 1944 to around 200,000 units instead of the 2 million previously scheduled. On the other hand, it is expected to have little effect on the program for producing 88,000 electric ranges for domestic use in 1944.

Cotton textile industry ordered on 48-hour week

In contrast to a slight increase in employment in the durable goods industries during the past year, employment in the nondurable goods industries in March was nearly 350,000, or 6 percent, less than a year earlier. Nearly one-third of this decline was accounted for by the textile mill products group, due largely to manpower difficulties, which arise in part from the relatively low wage scales in the industry. With cotton textile production in the first quarter of 1944 falling below last year's level, while textile requirements for the current year are estimated above the 1944 level, the WMC last week issued an order placing the cotton textile industry on a 48-hour week. The order will become effective May 14 and will apply to all plants manufacturing and processing cotton yarns and broad woven fabrics.

Inasmuch as average weekly hours in the textile industry are currently reported to be around 41.5, it is obvious that a substantial increase in production of cotton textiles should result from the order, unless offsetting factors intervene. The cotton textile industry will be the fourth industry to go on the 48-hour week on a nation-wide basis, the others being steel, lumber and non-ferrous metal mining and milling. Despite the trend toward the longer work week under the pressure of war-time conditions, it is interesting to note that the Conference Board index of actual hours worked per week in 25 manufacturing industries in January was still only 91.9 percent of the 1923 average.

Construction contract awards at low level

With contracts for construction of war plant facilities dwindling to low levels, and severe WPB restrictions on private construction continuing in effect, construction contract awards in the first quarter of 1944 declined far below the corresponding period of last year. Despite a seasonal upturn in March, total construction contract awards during the first quarter of this year, as reported by the F. W. Dodge Corporation, were 56 percent below last year's level. (See Chart 2.) This drop was entirely due to the

decline in public ownership projects, as awards for privately owned projects were 8 percent above the very low level prevailing in the first quarter of 1943.

Contract awards for manufacturing buildings in the first 3 months of 1944 were only one half as large as in the corresponding period last year. The widest declines occurred in awards for construction in the automobile and aircraft, metal working, and petroleum refining industries. On the other hand, construction awards in the chemical industry continued above last year's level and exceeded all other categories, while awards in the food products and textile industries also showed notable gains.

Futures prices lower but spots show little change

Futures prices showed some weakness last week, but in the spot markets there was little change except in hog and steer prices. The BLS index of 28 basic commodities was a trifle lower. (See Chart 3.) This index has moved within a very narrow range during the past five weeks, following the gradually rising trend which had been apparent since last November. The leveling out in cotton prices and the downturn in rosin prices have been largely responsible for stopping the rising trend of the index.

With hog receipts heavy, prices declined noticeably last week to around the Government support level, but steer prices showed an appreciable rise. Many droves of good and choice quality butcher hogs have been marketed ahead of schedule because of the necessity to conserve feed grains, and also because of the elimination of the Government support program for hogs weighing over 270 pounds, effective April 15.

The BLS all-commodity index in the week ended April 8 advanced 0.1 percent. Higher prices for grains, eggs, and apples accounted for most of the advance, but the increases in federal excise taxes, particularly for alcohol, had some effect on the index. At 103.7 percent of the 1926 average the index is now 0.2 percent higher than in the corresponding week of 1943, and is 38.3 percent above the pre-war level of August 1939.

Wheat prospects improved but farm work still delayed

While winter wheat prospects have improved markedly, frequent rains and snows or cold weather have delayed farm work in nearly all states, according to the April 1 general crop report of the Department of Agriculture. Last month was the wettest March since 1922. In the northern portion of the

- 5 -

country east of the Rocky Mountains, the delay in field work has not yet become serious and the heavy rains have greatly improved prospects for pasture and hay crops. In the southern portion, however, the late planting season may affect the acreage that can be sown to spring oats and may also tend to reduce yields of corn and small grains in some areas. Moreover, late frosts have damaged early vegetable and fruit crops in the South. Contrasting with other areas, the Pacific Northwest has continued to receive insufficient rain, and prospects for crops and ranges are rather unfavorable. For the country as a whole, however, the Department of Agriculture states that weather irregularities to date do not appear particularly significant except in the Pacific Northwest, and prospects are still favorable for the planting of a near-record acreage of crops.

Although conditions on April 1 indicated a peach crop somewhat better than average and materially larger than the 1943 harvest in all of the 10 early Southern States, low temperatures during the first week of April caused damage to a varying extent in most of the states. A preliminary check, however, shows a smaller reduction in the prospective crop than was suggested by early reports. Citrus fruit production has attained a record level this year, with the 1943-44 orange crop now estimated at more than 99 million boxes as compared with around 85 million boxes last year.

Winter wheat production of 602 million bushels is now indicated, which represents an increase of 75 million bushels over the forecast made last December. Rye prospects have also improved and on April 1 the condition was 79 percent of normal, which is 4 points above the 1933-42 average.

The acreage of early potatoes shows a small increase, but the larger acreage may be offset by smaller yields due to unfavorable weather. While the spring vegetable acreage is estimated to be almost one-fourth larger than a year ago, cold and wet weather has retarded growth, and total tonnage may be only about 16 percent above that of last year.

Grain stocks considerably reduced

Due to the heavy feed requirements of our record live-stock population, grain stocks on farms have been considerably reduced since last fall. Farm stocks on April 1 were at the lowest level for that date in five years, although substantially above the 1933-42 average. Disappearance of corn from farms during the first three months of 1944 amounted to about 883 million bushels, the heaviest on record.

- 6 -

The following table compares the stocks of grain on farms on April 1 in the past two years with the 1933-42 average:

	10-year average 1933-42	1943	1944
	(--Millions of bushels--)		
Corn	973	1,375	1,114
Wheat	148	325	218
Oats	384	505	418

While stocks of grain on farms are still large, supplies available for purchase in deficit areas are smaller than the total stocks would indicate, owing to the tendency of farmers to hold grain for feeding on their own farms. The supply situation of corn processors continues critical due to the very light corn marketings.

OPA to establish ceiling prices on
luxury fruits and vegetables

Ceiling prices on fresh strawberries will be established in the near future, the OPA announced last week, in a move designed to protect growers of basic war foods and to prevent undue increases in prices to consumers. Shipping point maximums will be set generally at 1943 levels, and will be translated into community dollar-and-cents ceilings by adding freight cost and markups. With the acreage of strawberries indicated to be 23 percent less than in 1943, prices would be likely to rise considerably if ceilings were not imposed.

The OPA also indicated that other "luxury" foods such as watermelons and cantaloupes will have price ceilings this summer, along with all major fruits and vegetables. Prices of many of these items increased from 80 to 100 percent last year. Some growers who raised "luxury" foods derived larger profits than those growers who concentrated on raising basic war crops. Thus the establishment of ceiling prices on strawberries, cantaloupes, watermelons, and other such products should tend to reduce this advantage.

Another significant action taken by the OPA last week was to raise the manufacturers' ceiling price on rolled oats by 1.3 cents per pound. The result will be an increase in the retail price of about 3 cents for a 20-ounce package. The revision in the ceiling was necessary to maintain adequate production "in the face of the substantial increase in the prices

- 7 -

of raw oats" during the past two years. The previous price ceilings had been set at the March 1942 level, and since that time the price of raw oats has risen 44 percent.

Easing in cold storage situation indicated

The tight situation in cold storage freezer space has been relieved somewhat, judging from the April 1 cold storage report of the WFA, which shows a decline in freezer occupancy from 92 percent on March 1 to 87 percent on April 1. A year ago, however, only 61 percent of the freezer space was occupied. Unusually heavy withdrawals of frozen fruits, vegetables, and butter, together with declines in holdings of frozen poultry and meat, were largely responsible for the lower freezer occupancy. Nevertheless, stocks of these items continue to be substantially larger than last year. Frozen egg stocks showed a much greater than normal increase and are now 50 percent larger than a year ago.

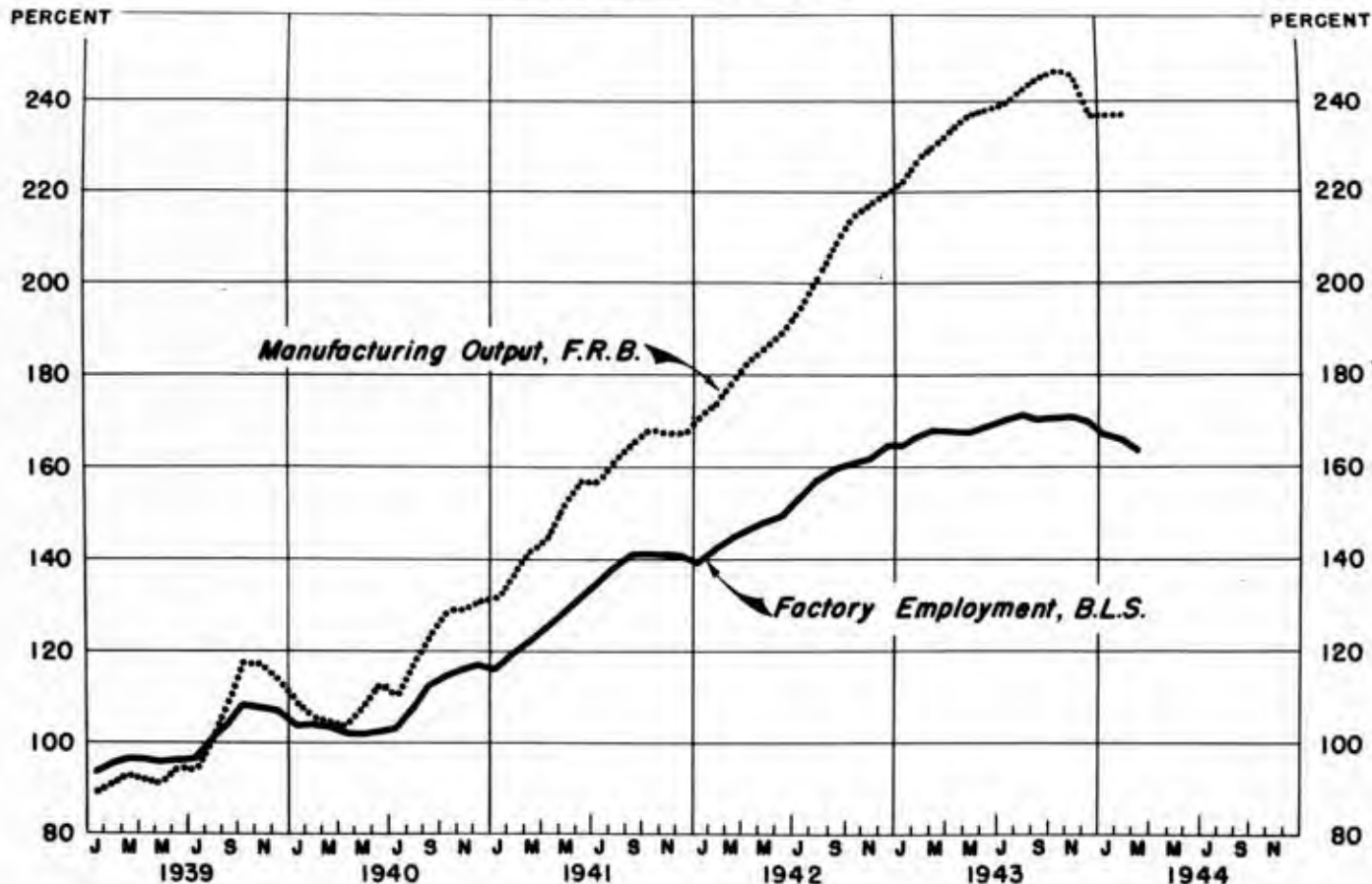
Counterbalancing the decline in freezer occupancy, a seasonal increase in cooler occupancy was noted, with cooler space 79 percent in use as compared with 74 percent last month and 61 percent on April 1, 1943. Reductions in stocks of apples and cheese during the month were more than offset by significant accumulations of shell eggs and lard. Apple stocks are only 58 percent of last year's stocks, but lard holdings are 232 percent above last year.

Stock market activity shows further decline

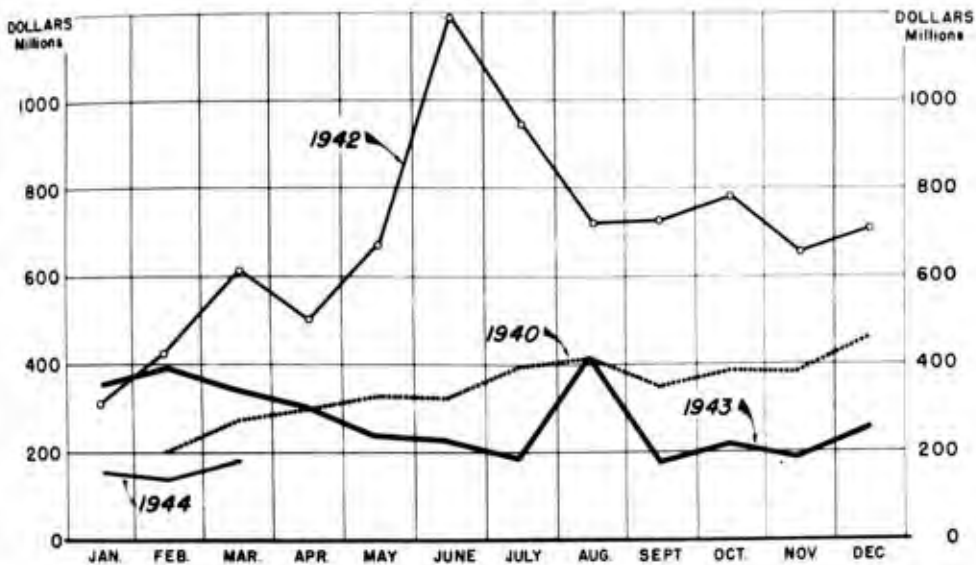
Stock market activity continued to decline last week, with transactions on Friday falling to the lowest level for any full day since October 14, 1943. (See Chart 4.) Caution engendered by uncertainties over invasion prospects appeared to be the dominant factor in the market's lethargy. Despite sporadic strength in railroad issues, featured by a rise to a new high for the year in prices of second-grade railroad bonds, the Dow-Jones average of 65 stocks at the close on Saturday was fractionally below week-earlier levels. Indicative of the prevailing caution or bearishness on the part of many traders recently, it was revealed last week that the short interest on the New York Stock Exchange during March showed a further increase of 7 percent. Moreover, the total short interest of 1,028,000 shares was the highest since June 30, 1938.

FACTORY EMPLOYMENT AND OUTPUT

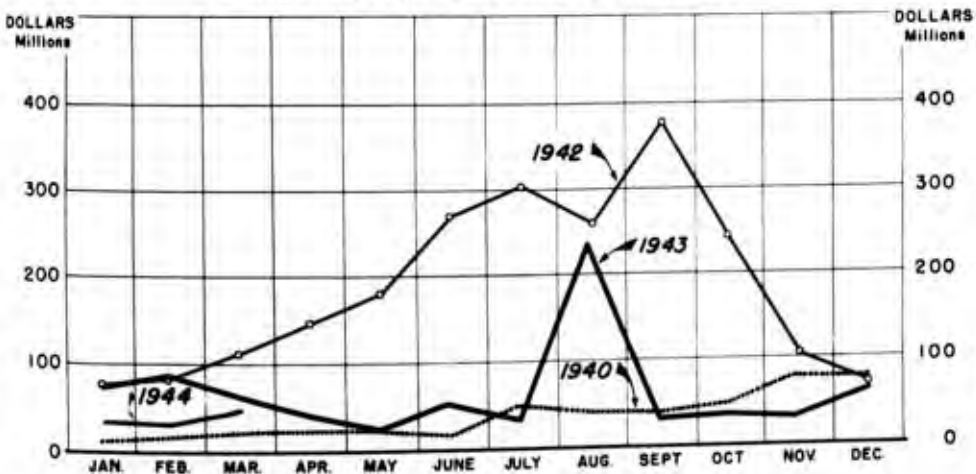
1939 = 100, Unadjusted



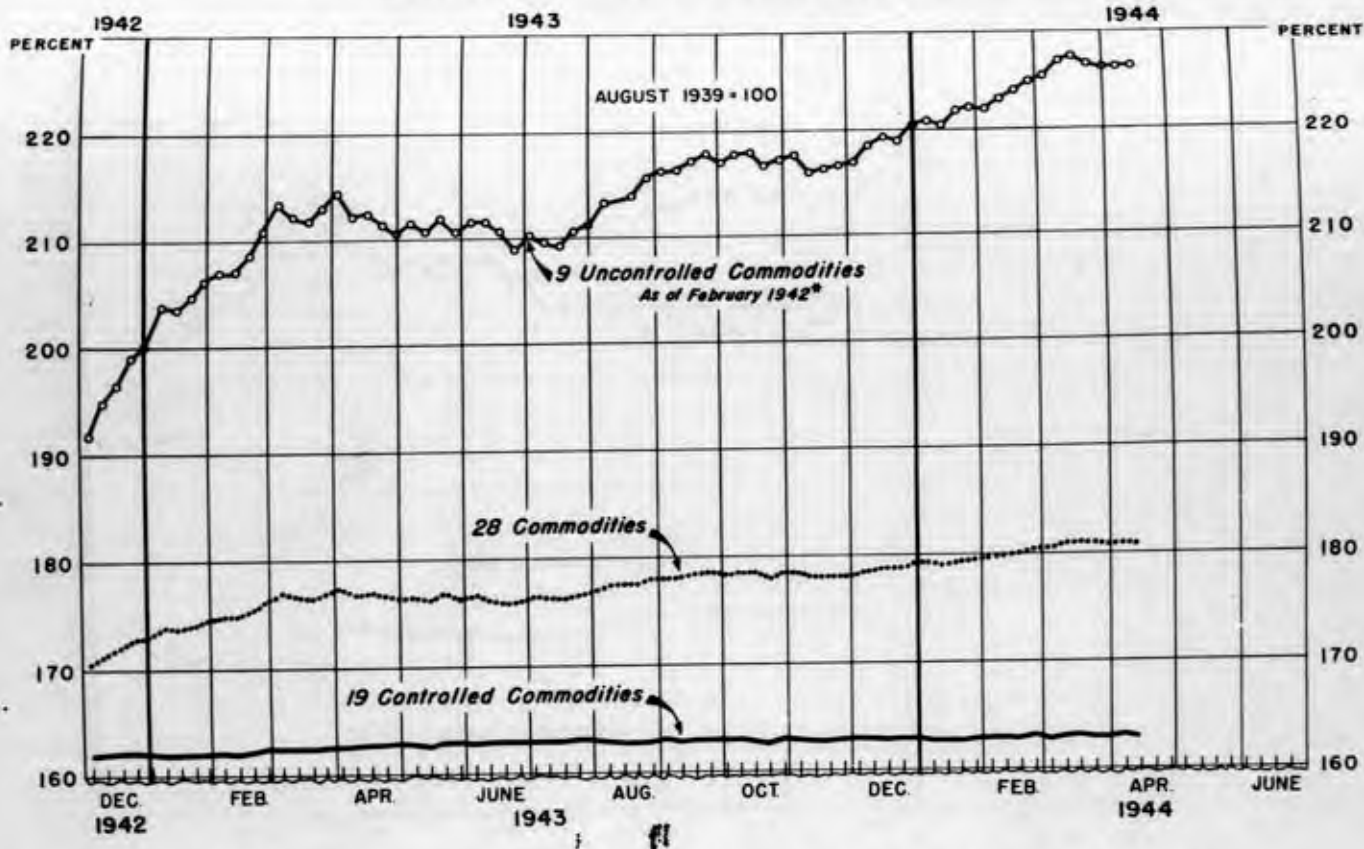
TOTAL CONSTRUCTION CONTRACT AWARDS (37 States, F. W. Dodge Corp)



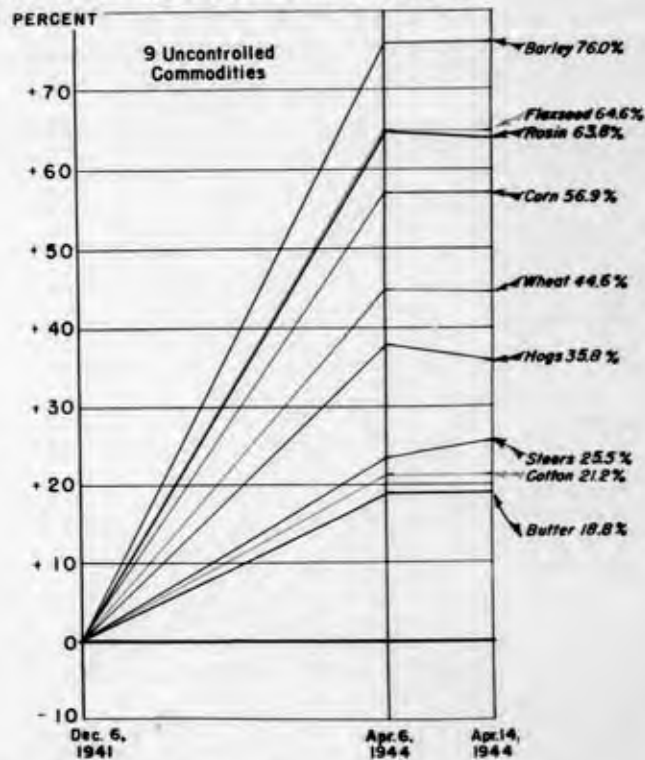
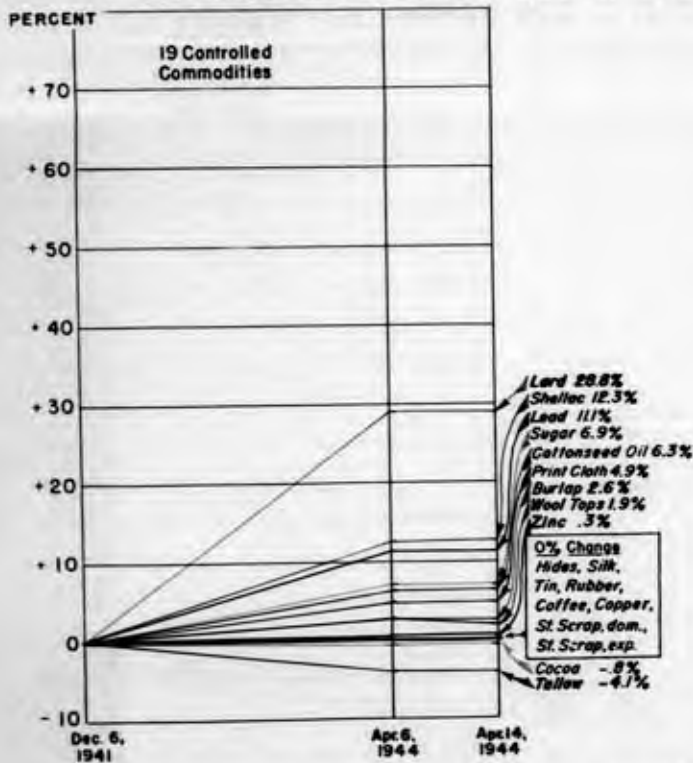
MANUFACTURING BUILDINGS CONSTRUCTION CONTRACTS AWARDED



MOVEMENT OF BASIC COMMODITY PRICES



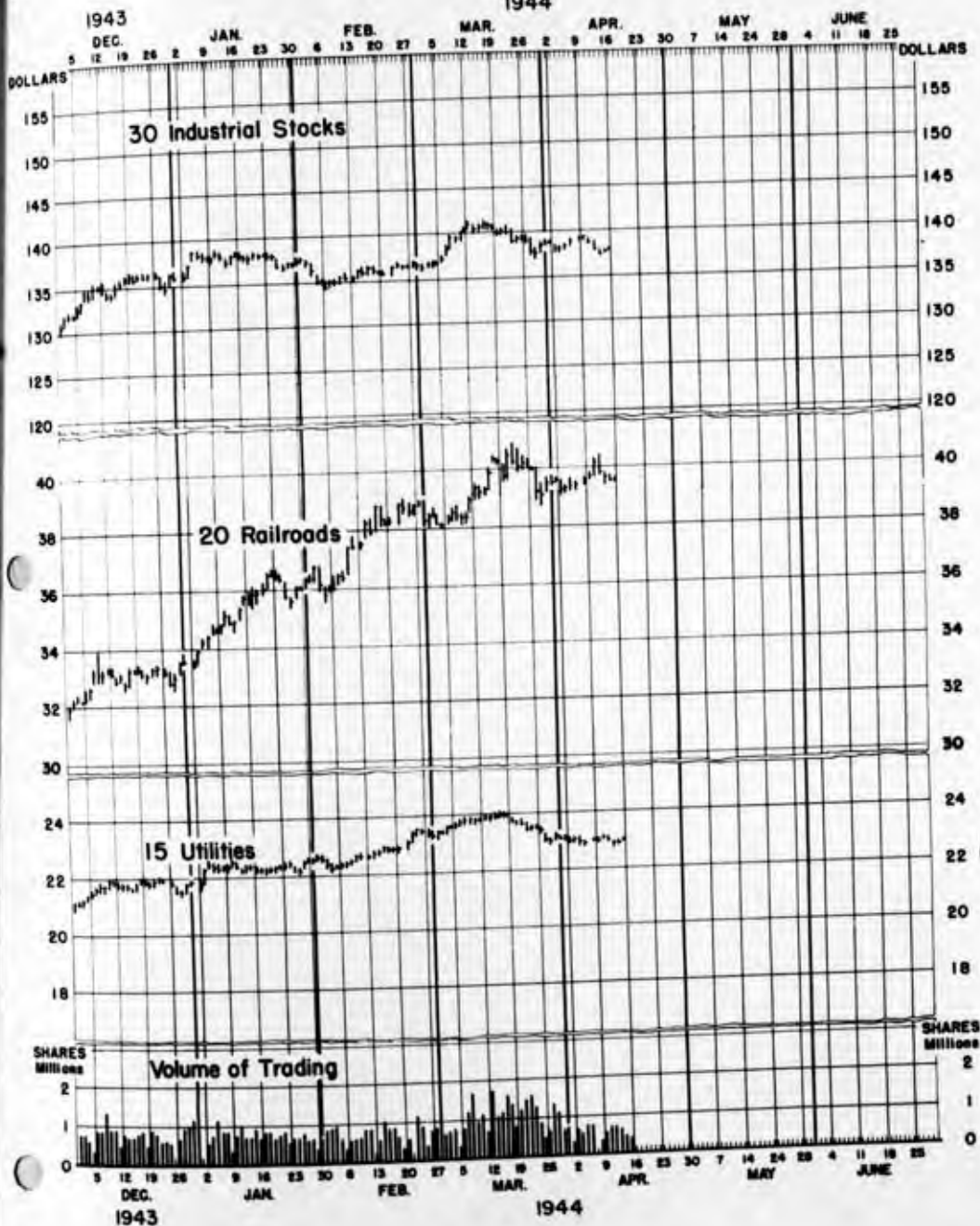
PERCENTAGE CHANGE DEC. 6, 1942 TO APR. 6, AND APR. 14, 1944



*All commodities in index are now under some forms of price control except rosin and cotton.

STOCK PRICES. DOW-JONES AVERAGES

Daily



**BRITISH AIR COMMISSION**

1785 MASSACHUSETTS AVENUE
WASHINGTON, D. C.

TELEPHONE HOBART 9000

PLEASE QUOTE

REFERENCE NO.....

With the compliments of British Air Commission
who enclose Statements Nos. 130, 131 and 132 —
Aircraft Despatched — for the weeks ended
March 21st, March 31st and April 7th respectively.

The Honourable Henry Morgenthau, Jr.
Secretary of the Treasury
WASHINGTON, D. C.

April 17, 1944.

STATEMENT NO.130

Aircraft Despatched from the United States
 Week Ended March 21st, 1944

<u>TYPE</u>	<u>DESTINATION</u>	<u>ASSEMBLY POINT</u>	<u>BY SEA</u>	<u>BY AIR</u>	<u>FLIGHT DELIVERED FOR USE IN CANADA</u>
<u>BOEING</u>					
Fortress III	Azores	Azores		1	
Catalina IVB	U.K.	U.K.		5	
<u>CONSOLIDATED</u>					
Liberator B VI	M.E.	M.E.		1	
Liberator BVI	India	India		2	
Liberator BVI	Canada	Canada			1
<u>NORTH AMERICAN</u>					
Mitchell II	U.K.	U.K.		1	
Mustang	N.W. Africa	Casablanca	9		
<u>VEGA</u>					
Ventura GR V	M.E.	M.E.		1	
Ventura GR V	S. Africa	S. Africa		1	
<u>GLENN MARTIN</u>					
Baltimore V	M.E.	M.E.		10	
<u>DOUGLAS</u>					
Boston IV	U.K.	U.K.		14	
Dauntless SBDV	U.K.	U.K.	6		
<u>VULFEE</u>					
Vengeance	U.K.	U.K.	2		
Vengeance	Australia	Sydney	9		
Vengeance	Australia	Melbourne	14		
<u>GRUMMAN</u>					
Avenger	U.K.	U.K.	5		
<u>REPUBLIC</u>					
Thunderbolt	India	Karachi	25		
<u>STINSON</u>					
alliant	U.K.	U.K.	3		
<u>BELL</u>					
Bell P-63	U.K.	U.K.	1		
<u>FAIRCHILD</u>					
Argus	India	Karachi	10		
<u>NOORDUYN</u>					
arvard	U.K.	U.K.	6		
TOTAL:			90	36	1

Note: In Statement No.129 Ventura GR V to U.K. should read 1 not 2 and Ventura GR V to S. Africa should read 4 not 3.

Movements Division
 British Air Commission

March 27, 1944

mmh

Regraded Unclassified

STATEMENT NO. 131

Aircraft Despatched from the United States
Ten Days Ended March 31st, 1944

<u>TYPE</u>	<u>DESTINATION</u>	<u>ASSEMBLY POINT</u>	<u>BY SEA</u>	<u>BY AIR</u>	<u>FLIGHT DELIVERED FOR USE IN CANADA</u>
<u>CONSOLIDATED</u>					
Liberator B VI	M.E.	M.E.		3	
Liberator B VI	India	India		7	
<u>GLENN MARTIN</u>					
Marauder II	M.E.	M.E.		1	
Baltimore	M.E.	M.E.		15	
<u>NORTH AMERICAN</u>					
Mitchell II	Canada	Canada			10
*Mustang	N.W.Africa	Casablanca	45		
Harvard	New Zealand	Auckland	6		
Harvard	S. Africa	Capetown	21		
*Mustang	U.K.	U.K.	8		
Harvard	S. Rhodesia	Capetown	5		
<u>GLAS</u>					
Boston IV	U.K.	U.K.		9	
Dakota III	U.K.	U.K.		6	
<u>BOEING</u>					
Catalina IVB	U.K.	U.K.		10	
<u>BEECH</u>					
Expediter	Columbia	British Military Attache		1	
<u>NOORDUYN</u>					
Harvards	U.K.	U.K.	50		
<u>REPUBLIC</u>					
*Thunderbolt	India	Karachi	15		
*Thunderbolt	U.K.	U.K.	2		
<u>WACO</u>					
Gliders	M.E.	M.E.	20		
<u>WEE</u>					
Vengeance	India	Karachi	4		
Vengeance	U.K.	U.K.	3		
*Vengeance	U.K.	U.K.	21		
<u>VOUGHT-SIKORSKY</u>					
Corsair	U.K.	U.K.	8		
Helicopter	U.K.	U.K.	1		
<u>QUINNAN</u>					
Goose	Canada	Canada			1
*Avenger	U.K.	U.K.	1		
Wildcat	U.K.	U.K.	1		
*Hellcat	U.K.	U.K.	1		
<u>FAIRCHILD</u>					
Cornell PT26	S. Rhodesia	Capetown	71		
Cornell PT26	S. Africa	Capetown	71		
Argus 2	N.W. Africa	Algiers	5		

STATEMENT NO. 131
(cont'd)

<u>TYPE</u>	<u>DESTINATION</u>	<u>ASSEMBLY POINT</u>	<u>BY SEA</u>	<u>BY AIR</u>	<u>FLIGHT DELIVERED FOR USE IN CANADA</u>
<u>VEGA</u>					
Ventura GR V	U.K.	U.K.		5	
Ventura GR V	M.E.	M.E.		3	
Ventura GR V	S.Africa	S.Africa		2	
<hr/>					
<u>CURTISS</u>					
Kittyhawks	Australia	Melbourne	10		
Kittyhawks	Australia	Sydney	10		
Kittyhawks	New Zealand	Auckland	12		
<hr/>					
		Total	391	62	11
			<hr/>	<hr/>	<hr/>

* Naked Fuselages

Notation - Re Statement 130 March 27th relating to revised destination for Ventura GR V, it is confirmed that destination as reported in Statement 129 is correct. Correction as noted in Statement 130 should therefore be deleted.

Movements Division
British Air Commission

jab

April 12, 1944

STATEMENT NO. 132

TOP SECRET

Aircraft Despatched from the United States
Week Ended April 7th, 1944

<u>TYPE</u>	<u>DESTINATION</u>	<u>ASSEMBLY POINT</u>	<u>BY SEA</u>	<u>BY AIR</u>	<u>FLIGHT DELIVERED FOR USE IN CANADA</u>
<u>CONSOLIDATED</u>					
Liberator B VI	U.K.	U.K.		2	
Liberator B VI	M.E.	M.E.		28	
Liberator B VI	India	India		26	
Liberator B VI	Canada	Canada			5
Catalina 1 B	U.K.	U.K.		1	
<u>GLENN MARTIN</u>					
Marauder III	U.K.	U.K.		2	
Marauder III	M.E.	M.E.		41	
Baltimore V	M.E.	M.E.		30	
<u>DOUGLAS</u>					
Boston IV	U.K.	U.K.		9	
Dakota III	U.K.	U.K.		2	
Dakota III	M.E.	M.E.		8	
Dakota III	India	India		4	
Dakota III	N. Africa	N. Africa		1	
<u>BOEING</u>					
Catalina IV B	U.K.	U.K.		9	
<u>NORTH AMERICAN</u>					
Mitchell II	Canada	Canada			4
Harvard	U.K.	U.K.	15		
Harvard	S. Africa	Capetown	10		
<u>VEVA</u>					
Ventura GR V	U.K.	U.K.		4	
Ventura GR V	S. Africa	S. Africa		9	
<u>FAIRCHILD</u>					
Cornell PT 26	S. Africa	Capetown	55		
Argus II	M.E.	M.E.	5		
<u>HOOROUYN</u>					
Harvard	U.K.	U.K.	109		
Harvard	U.K.	U.K.	53		
<u>REPUBLIC</u>					
Thunderbolt	India	Karachi	28		
Thunderbolt	India	Madras	10		
<u>WACO</u>					
Glider	India	Karachi (via M.E.)	20		
<u>VULTEE</u>					
* Vengeance	India	Karachi	4		
* Vengeance	U.K.	U.K.	7		
<u>VOUGHT-SIKORSKY</u>					
Corsairs	U.K.	U.K.	6		
* Naked fuselages.					
		Total:	322	176	9

Movements Division, British Air Commission

msh File V-17

Regraded Unclassified

THE WHITE HOUSE
WASHINGTON

April 17, 1944

MEMORANDUM TO

MR. JIM ABRAMSON

For your information.

DAVID K. NILES

It has been proposed that our government offer now temporary protection and refuge to those people in Europe who have been persecuted by the Nazis but have escaped, and are now homeless, who could save themselves by coming here. The plan proposes that these people would be kept in special camps in this country for the duration of the war. They would not be allowed to have jobs outside the camps. When the war is over, they would all be returned to their native lands. Would you approve or disapprove of this plan?

Approve	<input type="checkbox"/>	70%
Disapprove	<input type="checkbox"/>	23%
Don't know	<input type="checkbox"/>	7%

Chief Reasons given by those who Disapprove:

- (1) Fear and dislike of foreigners.
- (2) We are not sure they would leave when the war is over.
- (3) Objections to cost involved.

H. C.

April 14, 1944

WAR REFUGEE BOARD
Executive Office of the President
Washington

FOR RELEASE MORNING NEWSPAPERS
Monday, April 17, 1944

RELEASE NO. 9

John W. Pehle, executive director of the War Refugee Board, today announced the appointment of Dr. Robert C. Dexter, executive director and acting commissioner for Europe of the Unitarian Service Committee, as the Board's special representative in Lisbon, Portugal.

Dr. Dexter has been in Lisbon since the fall of 1942. In his new post, as special attache to the Legation on war refugee matters, he will work with public and private agencies in developing programs and implementing measures for the rescue, transportation, maintenance and relief of refugees.

He has spent much of his life abroad. For seven months in the winter of 1941 and 1942 he directed the Unitarian Service activities in Portugal and England. In 1940 he spent three months in Europe surveying refugee needs. At that time he visited 13 countries and was instrumental in securing the release of 1,500 prisoners in Hungary. In 1938 he was head of the Commission for Service in Czechoslovakia and was decorated by the Czech Government-in-Exile for his work with Czech refugees. Before the war he traveled in Hungary and Rumania and attended many sessions of the Assembly and Council of the League of Nations in Geneva. In 1926 he was one of 50 university professors sent to the Hague and Germany by the Carnegie Endowment.

A graduate of Brown University, Dr. Dexter was for 10 years a social worker in the United States and Canada and taught social and political science at Skidmore College and Clark University.

o o o

APR 17 1944

Dear John:

Thank you very much for your letter of April 14 concerning the efforts which have been made to try to save the lives of Polish Jews and other persons interned in enemy occupied Europe who hold passports issued in the names of Latin American countries. This is one of the many projects in which the War Refugee Board is engaged designed to forestall the extermination of the Jewish people of Europe and other victims of Nazi oppression.

You may be assured that the doors of the War Refugee Board are always open to Rabbi Korff and any other person who can contribute in any way to our efforts to save these people from death.

Your real interest in this matter is greatly appreciated.

Sincerely yours,

(Signed) Henry

Honorable John W. McCormack
Majority Leader
House of Representatives.

JEDuBois:scr
4/15/44



Office of the Majority Leader

House of Representatives U. S.

Washington, D. C.

14th April, 1944

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

PERSONAL AND CONFIDENTIAL

Dear Henry:

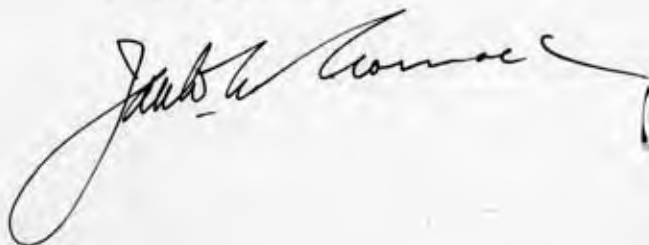
I want to take this occasion to extend to you my sincere thanks for the manner in which you have received my very good friend, Rabbi (Dr.) Baruck Korff, of 160 Central Park, South, New York City, who is a close personal friend of mine and one for whom I entertain the highest regard.

I am most pleased at the preliminary results and progress which has been made toward the goal of rescuing those unfortunate victims of Hitlerism. I am certain these results are due in no small measure to your splendid cooperation.

You may be assured of my deep appreciation of your further cooperation with Dr. Korff whenever he feels it necessary to contact you personally.

With kindest personal regards,

Sincerely yours,



MEMORANDUM

April 17, 1944.

TO: Sir Herbert Emerson, Director, Intergovernmental Committee
on Refugees.

FROM: Mr. John Pehle, Executive Director, War Refugee Board.

SUBJECT: The Intergovernmental Committee on Refugees and its
Working Relations with the War Refugee Board.

This is a reply to your memorandum of April 14 in which you presented your proposals as to the working relationships that should prevail between the Intergovernmental Committee and the War Refugee Board. First of all I wish to state that I am in entire agreement with the proposals contained in the memorandum. It seems to me that on the basis of the working relationships which you outline, it should be possible for our respective agencies to continue to work in complete harmony toward our common goal of alleviating the plight of the refugees. We are sending copies of this exchange of memoranda to our representatives abroad, and are again emphasizing to them the necessity for the closest cooperation on the part of members of our respective staffs.

The discussions that we have held in recent days have been of extreme help to us in appreciating both the assigned duties and actual achievements of your organization. The spirit you have demonstrated leads me to believe that the relations between our two agencies will continue to be mutually helpful and friendly.

Your generous offer of unstinted cooperation is appreciated and I wish to assure you that we on our part intend to reciprocate wholeheartedly. Only in this way can we move forward together, united in our determination to meet the tragically pressing refugee problem.

(s) J. W. Pehle

4/21/44

CABLE TO AMBASSADOR WINANT, LONDON

You are referred to the Department's telegram of January 25 No. 634 regarding the establishment of the War Refugee Board.

The Board feels that it would be desirable to appoint a Special Representative in London to operate there on its behalf. The Special Representative so appointed will be designated by the Department as Special Attache to the Embassy.

In general the Special Representative would be charged with the responsibility and duty of carrying out the policies and program of the Board in Great Britain. He will be responsible to you and will be instructed to regularly and fully discuss his activities and problems with you. Among other things, he will be expected to develop and assist in the development of programs and implementation of measures for the rescue, maintenance, relief and transportation of refugees and to forward recommendations and frequent reports on progress of work and difficulties encountered.

At the present time no selection has been made for the position of Special Representative. However, the Board would like to send to London Dorothy K. Brown (Mrs. La Rue Brown) as an assistant to the Special Representative who will be designated later. It is understood that Mrs. Brown is known to you. Please advise the Department promptly as to your views with respect to this matter.

April 17, 1944
11:15 A.M.

cc: Miss Chauncey (for the Sec'y.), Abrahamson, DuBois, Friedman, Hodel, Laughlin, Lesser, Mann, Pehle, Stewart, Central Files, Cable Control Files.

EFRains:ms 4/14/44

No. 15,061

London, England, April 17, 1944.

BY AIR POUCHEconomic Warfare (Blockade) Series: No. 861

Subject: Letter from Lord Drogheda to Mr. Riefler concerning suggested method of financing operations of the War Refugee Board in enemy territory.

The Honorable
The Secretary of State,
Washington, D. C.

CONFIDENTIAL

Sir:

I have the honor to refer to the Department's telegram No. 2518 of March 31 and to transmit a copy of a letter from Lord Drogheda, Director General of the Ministry of Economic Warfare, to Mr. Riefler concerning the action which has been taken by the British Government to ensure coordination with the work of the War Refugee Board.

The Embassy transmitted to Mr. Nemeč and Mr. Becko the text of the license contained in the reference telegram authorizing a remittance of \$150,000 for their use in carrying out the objectives of the War Refugee Board in Czechoslovakia and has discussed with the Ministry of Economic Warfare the arrangements necessary for making the license effective.

The enclosed letter, although not directly concerned with this license, sets forth a suggested method for financing similar operations in the future. The Embassy assumes

- 2 -

procedure outlined has already been raised in Washington by Lord Halifax and would appreciate being informed if it is decided to take action along the lines proposed.

Respectfully yours,
For the Ambassador:

John W. Easton
Lt. Colonel, F.A.
Economic Warfare Division

Enclosure:

Copy of letter from Lord Drogheda to
Mr. Riefler, dated April 8, 1944.

Suggested distribution by the Department:

Foreign Economic Administration, Washington
War Refugee Board

MC:JH

(Original and hectograph to the Department)

COPYEnclosure

Ministry of Economic Warfare,
Berkeley Square House,
Berkeley Square,
London, W.1.
April 8th, 1944.

CONFIDENTIAL

My dear Riefler,

As I promised in our conversation yesterday, I am writing to inform you of the action that has been taken by His Majesty's Government to ensure co-ordination with the work of the War Refugee Board.

This aspect of the subject first arose in October last when we learned that the U.S. Treasury had granted a license to the World Jewish Congress for the expenditure of 25,000 dollars on refugee operations from Switzerland. The American Minister in Berne felt unable to agree to this license without the concurrence of his British colleague who referred the matter to us for instruction. After discussion with your people, we were able to agree to this license subject to a slightly stricter definition of the conditions on which the currency of the enemy territories concerned might be obtained, and on the understanding that further licenses for the expenditure of funds for a similar purpose would not be granted without consultation and until a report had been received of the work of the proposed schemes of rescue.

We were, therefore, rather perturbed to learn in February through the Foreign Office, that at the instigation of the War Refugee Board a license had been granted for the remittance of 100,000 dollars to the International Red Cross Committee for the assistance of refugees, part at least to be spent in Hungary and Roumania on food and other supplies, as this grant was contrary to the policy previously agreed between us.

This financial point, together with other aspects of the refugee problem was recently been discussed by the War Cabinet Committee on Refugees, and H.M. Ambassador at Washington has been instructed to represent how undesirable it is to give, without prior consultation, licenses on

- 2 -

terms which cut across agreed blockade policy. Notwithstanding the conditions laid down for the procurement of the enemy currencies required, it seems likely that the effect of these licences would be to make Swiss francs available to the enemy, and this, in our view, cannot be described as action "consistent with the successful prosecution of the war" as laid down in the War Refugee Board's terms of reference. Lord Halifax will however make it clear that H. M. Government are in full sympathy with the purposes of the War Refugee Board, whose creation they have publicly welcomed and with whom they have stated their determination to co-operate. Our sole object is to ensure that any action which might be taken in which H.M. Government would assist, would not be in a form which would give help to the enemy.

Lord Halifax will also point out that the raising of funds in enemy territories by means of loans from persons in those territories against post-war repayment is far superior from the blockade point of view to the actual use of dollars or Swiss francs in occupied countries. The Inter-Governmental Committee have already been successful in raising very considerable sums of money in this war against a personal promise of repayment given by Mr. Sally Meyer, a leading Swiss Jew; and in the opinion of the Committee, much more local currency could be obtained in this way if more backing were available for repayment after the war. But the use of dollars or other hard currency, even though blocked until after the war, would be an embarrassment to the organisations concerned since it would be likely to disrupt the credit scheme. Those who up to now have accepted credit would be encouraged to demand cash.

H.M. Government, therefore, have a new suggestion to make. The charitable organisations which have set aside sums for credit schemes of this kind will doubtless continue to do so, but more can be spent than can be raised from these sources. H.M. Government propose accordingly that they should supplement these schemes, and those already run by the exiled governments, by setting up a guarantee fund in the hands of the Governmental Committee in which H.M. Government and the U.S. Government would contribute in equal shares under their normal arrangements for covering the Committee's normal operational expenses.

- 3 -

In order to avoid receipts or credit notes for loans made in enemy countries for this purpose, which are backed by a guarantee of the British and American Governments, becoming negotiable instruments, H.M. Government suggest that receipts for goods and services which were supplied to refugees should be made out to the lenders in enemy territory and deposited in a Swiss bank for redemption after the war, and that the lenders should be only verbally informed. These receipts would be guaranteed by the fund in question. On the basis of the information at present available it is proposed to ask Parliament for whatever sums may be necessary for this purpose up to £½ million, provided the U.S. Government would contribute a similar sum.

H.M. Ambassador at Washington will emphasize that His Majesty's Government's proposals are designed to prevent the risk of benefiting the enemy and also to extend the possibility of benefiting persons, whose relief and safety is a cause which both Governments have equally at heart, and in whose interest it is important that there should be complete co-operation at the centre and that competition between different interests should be eliminated. Above all we fear that the licensing of remittances might take on such dimensions that substantial advantage to the enemy would result.

I am very glad to learn that we shall in future be able to discuss with you those aspects of the refugee problem which concern this Ministry. We are very much interested in this problem, and wish to handle it in the fullest co-operation with you and in such a way as to bring the minimum of benefit to the enemy, as well as the maximum benefit to the refugees.

Yours sincerely,

(sd.) DROGHEDA

Copied by: JH

EMBASSY OF THE
UNITED STATES OF AMERICA
San Jose, Costa Rica,
April 17, 1944.

145

No. 1279

Subject: Views of Foreign Minister regarding subject
matter Department's Secret Airgrams of
March 31 and April 11.

STRICTLY CONFIDENTIAL

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Department's secret airgrams of March 31 and April 11, 1944, I have the honor to advise the Department that on April 15th I discussed the subject matter thereof with the Minister for Foreign Affairs. He stated that our conversation was most opportune since he had been contemplating taking an early opportunity to recommend to President Calderon Guardia a complete investigation of all outstanding Costa Rican passports. It had been his original intention of declaring the invalidity of a number of these passports and the restriction of others to limited periods of validity only.

The Minister stated he thoroughly understood the situation and would be inclined to cooperate with the Department along the lines recommended in view of the humanitarian considerations involved. As he stated, there was no other alternative but to attempt to save the people concerned from harsh treatment by the Germans.

As suggested, I recommended that the Foreign Minister address the German Government through the protecting power as soon as possible along the lines suggested in the Department's airgram of April 11. I shall remind him of this matter either to-day or tomorrow.

Respectfully yours,

/s/Edward G. Trueblood,
Edward G. Trueblood,
Charge d'Affaires ad interim.

EOJ:mc

EMBASSY OF THE
UNITED STATES OF AMERICA

Managua, D.N., Nicaragua, April 17, 1944.

No. 2137.

Subject: Nicaraguan Passports Held by Europeans
in Occupied Europe.

SECRET—BY COURIER

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's further circular secret airgram of April 11, 1944, 11 a.m., regarding the attitude which the Department hopes will be adopted by the Nicaraguan Government toward the bearers in occupied Europe of Nicaraguan passports. This was the subject, likewise, of the Embassy's secret despatch no. 2128 dated April 13, 1944.

In view of the instructions contained in the airgram under reference, and as forecast in my despatch, I had an opportunity today of discussing this subject with Dr. ARGUELLO, the Foreign Minister.

Dr. Arguelle stated that the Nicaraguan Government believed that between 125 to 150 persons in occupied Europe had fraudulently obtained Nicaraguan passports. It had been the practice of his Government heretofore generally to decline to confirm the validity of any such travel documents when questions were asked by the German Government through the Swiss Government as protecting power. In a few cases involving humanitarian considerations, they had confirmed the bearers as Nicaraguan nationals, although they were aware that the travel documents had been fraudulently obtained.

Dr. Arguelle said that he could not say offhand whether any requests for confirmation of validity had been received through the Spanish Government. He would

look into

look into the matter and let me know. Startlingly, he would discuss with President Somosa the feasibility of sending through this Embassy and the American Legation at Bern a telegram beseeching the German authorities to safeguard the interests of the bearers of all Nicaraguan passports. He thought that the President would accede and that this might be done. He intimated, however, that Nicaragua would probably not want to receive any of these persons as permanent residents of the country. He thought, however, that if we could assure the Nicaraguan Government that the Nicaraguan passports of these people would be taken up following their exit from occupied Europe after exchange for German nationals, and that (as I indicated to him) these persons would not reach Nicaragua, the President would probably approve our negotiating for such an exchange on behalf of his Government.

Dr. Arguello intimated that he would like to have something from the Embassy in writing on this subject before discussing the matter with President Somosa, but when I had explained that I was reluctant to transmit any written document on this subject, he seemed to accept that position.

As soon as a further conversation is had with Dr. Arguello on this subject, I shall not fail promptly to report the results.

Respectfully yours,

Harold D. Finley
Charge d'Affaires ad Interim

801.2
HDW/ep

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: Amlegation, Lisbon
DATED: April 17, 1944
NUMBER: 1088

SECRET

From War Refugee Board to Norweb.

Please deliver the following message to Dr. Joseph Schwartz, 242 Rua Aurea, Lisbon, From Moses A. Leavitt of the American Jewish Joint Distribution Committee:

"Regret not possible issue special passport to you and your regular passport renewable any American Consulate. Liebmann Hirsch cables Jewish Labor Committee requesting more funds for OSE children rescue program. Difficult understand why OSE reports to you satisfactory relationship with Saly Mayer and at same time continues send requests for funds directly and through Hirsch. Important this be clarified with OSE since separatist fund raising efforts are disrupting maximum collections. Suggest if possible OSE cable directly its representatives here regarding their satisfactory cooperation Saly Mayer. Remitted \$25,000 to Finance Officer British Foreign Office for Island of Rab evacuation".

HULL

ORIGINAL TEXT OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Legation, Lisbon
DATED: April 17, 1944
NUMBER: 1059

SECRET

FROM JOINT DISTRIBUTION COMMITTEE AND WAR REFUGEE BOARD
TO MINISTER NORWEB, LISBON, PORTUGAL.

The following message to Joseph Schwartz, 342 Rua Aurea,
Lisbon from Joint Distribution Committee and War Refugee Board.

QUOTE. Reference your Nos. 879 of March 23 and 918 of
March 27.

Have received message from Steinhardt urgently recommend-
ing that you conclude negotiations for Portuguese ship with
Portuguese Shipping Company as apparently there is sufficiently
large number of refugees to justify use of ships in addition
to SS TARI. Furthermore, granting of German safe conduct
for SS TARI is not (repeat not) certain. Please conclude negotia-
tions as soon as possible and keep us advised. UNQUOTE.

It will be appreciated if you and Mr. Dexter will lend
all possible assistance to Mr. Schwartz in his effort to obtain
a Portuguese ship for evacuation from Rumania. Please advise
the Board of action which should be taken by it to facilitate
these negotiations including the obtaining of safe conducts, etc.

This is WRB Cable No. 1.

"In order to avoid confusion in connection with its
cables to representatives in the field, the Board, com-
mencing with this cable, intends to number its cables
to each representative consecutively. In replying to
Board cables kindly refer to the WRB designation. You
should also consecutively number all cables to the Board"

No. 150

American Embassy, Madrid, Spain.
April 17, 1944.SECRETBANCO ESPANOL EN PARIS

This bank has \$240,000 on deposit in the United States and blocked by the Treasury Department. Information recently received concerning the change in ownership of its stock is thought to be of interest.

The Banco Espanol en Paris was founded in Paris in 1924, with a capital of Fcs. 15,000,000. It was established principally in connection with the financing of Spanish exports to France. The bank was formerly controlled by a group of banks in the north of Spain, viz:

Banco Guipuzcoano
Banco de Aragon
Banco Mercantil de Santander
Banco Zaragozano
Caja de Ahorros de Guipuzcoa
La Vasconia
Barcaiztegui y Maestre, San Sebastian
Garriga Nogues, Barcelona

It is reported by informed sources that at the outbreak of the war the Board of Directors of this bank decided to convert part of the capital into dollars. This was done, and the amount of \$240,000 was deposited with its correspondents in New York, i.e., the Irving Trust Company and the Manufacturers Trust Company. This amount was subsequently frozen by the United States, and the bank has been unable to obtain transfer

- 2 -

of these dollars to the Instituto Espanol de Moneda Extranjera, Madrid. It is reported that applications were filed by both the American banks mentioned above, on behalf of the Instituto Espanol de Moneda Extranjera, with the assistance of the Consul General of Spain in New York. The Irving Trust Company requested the unblocking of \$195,000 and the Manufacturers Trust Company applied for the release of \$35,000. On February 23, 1943 the Manufacturers Trust Company wrote the Banco Espanol en Paris, Madrid, that they had been informed by the Federal Reserve Bank of New York that the Treasury Department had denied their application for permission to transfer the sum of \$35,000 from the account of the Banco Espanol en Paris to the account of the Instituto Espanol de Moneda Extranjera, Madrid, adding that the Treasury Department has made a policy not to state the reasons for its decisions. In view of this it is stated that the Banco Espanol en Paris has dropped the matter.

On January 1, 1942, the Board of Directors represented by the Spanish banks mentioned above arranged to sell their interests in the Banco Espanol en Paris, owing to the situation in France created by the war and the fact that the Banco Exterior de Espana (an official bank) intended to establish a branch in Paris which would make the existence of a private Spanish bank impossible. The 30,000 bearer shares of 500 francs each of the Banco Espanol en Paris were taken over as follows:

Banco Exterior de Espana	27,000 shares
Instituto Espanol de Moneda Extranjera	800 or 900 shares
Remainder - Acquired by other interests	

The regulations of the Instituto Espanol de Moneda Extranjera permit the purchase of shares of Spanish firms abroad, and this is reported to be the first instance where the Instituto has bought such shares (see Blas HUSTE and Manuel VILA in list of new Board of Directors of the Banco Espanol en Paris given below).

The Banco Espanol en Paris continues to operate under the name of Banco Espanol en Paris, and is the official correspondent of the Instituto Espanol de Moneda Extranjera and an affiliate of the Banco Exterior de Espana. The Banco Espanol en Paris now has, through the Instituto Espanol de Moneda Extranjera, the control of all money transfers in francs from France to Spain and, through the Banco Exterior de Espana, the

control

- 3 -

control of the greater part of Spanish commercial operations with foreign countries. Demetrio CARCELLER, Spanish Minister of Industry and Commerce, has considerable interest in the Banco Exterior de Espana, of which Manuel ARBURUA is General Manager. Arburua's influence has steadily increased by orders issued by Carceller in his capacity as Minister. Manuel Arburua, Ildefonso Gonzalez-FIERRO, Ignacio VILLALONGA Villalba, Salustiano LON LAGA, and Luis FIGUERAS Dotti (three of whom are members of the Board of Directors of both the Banco Exterior de Espana and the Banco Espanol en Paris) are known to be close friends of Carceller and it is stated that these connections make possible Carceller's close supervision of the activities and policies of these two banks. It is generally considered in local banking circles that the Banco Espanol en Paris now depends entirely upon official support through the Banco Exterior de Espana. In the event of a radical change of regime in Spain and the dissolution of the present syndicates, it is most likely that the bank will either disappear or be reorganized with the elimination of the majority of the present members of the Board of Directors.

The Financial operations of the Banco Espanol en Paris, since the war have been almost nil, and commercial operations are non-existent. The present financial operations of this bank consist of transfer of capital of Spanish subjects from France to Spain for the subsistence of their families and relatives, and collection of interests on French securities belonging to Spaniards domiciled in Spain. The Banco Espanol en Paris has had very good relations with Morgan & Company of Paris, but the latter has no capital interest in the bank.

Board of Directors of the Banco Espanol en Paris

Antonio GOICOECHEA	President. (Governor of Banco de Espana)
Ramon ARTIGAS	Vice President. (Assistant Governor of Banco de Espana and member of Board of Directors of Banco Exterior de Espana)
Blas HUETE	Vice President. (General Manager of Instituto Espanol de Moneda Extranjera)
Manuel ARBURUA	Member. (General Manager of Banco Exterior de Espana)
Ildefonso Gonzalez-FIERRO	Member. (Member of Board of Directors of Banco Exterior de Espana)
Ignacio VILLALONGA Villalba	Member. (Vice President of Banco Central)

- 4 -

Salustiano LON Laga	Member. (Member of Banco Exterior de Espana)
Luis SAEZ de Ibarra	Member. (General Manager of Banca y Bolsa)
Luis FIGUERAS Dotti	Member. (General Manager of Banco Hispano Colonial)
Federico REPARAZ	Member. (General Secretary of Red Nacional de Ferrocarriles)
Ramon MACHIMBARRENA	Member. (Executive Secretary of Banco Guipuzcoano)
Manuel VILA	Member. (Assistant Director of Instituto Espanol de Moneda Extranjera)
M. H. GAURAN	Member. (General Manager of Banco de Estado de Marruecos, Paris)
Antonio ANGULO Marques de CAVIEDES	Member. (Member of Board of Directors of Compania de Ferrocarriles del Norte)

- - -

Approved:

Ralph H. Ackerman
Commercial Attache

August Hurdlebring
American Clerk

820.02
AH/ah

Source of information: Local banking connections.

In single copy to the Department
(for ozalid machine)

NOTE:

On several occasions the Instituto Espanol de Moneda Extranjera and the Banco Exterior de Espana sought the Embassy's assistance to have the \$240,000 now blocked in New York released. The Embassy was informed by the Department (see Department's air mail despatch no. 343 of March 24, 1943) that the application from the Manufacturers Trust Company, New York, for the transfer of \$195,000 to the Instituto had been denied by the Treasury Department.

CABLE TO HAROLD H. TITTMANN, JR., AMERICAN REPRESENTATIVE, VATICAN CITY

As a result of intercession by the Holy See, whose humanitarian efforts on behalf of the oppressed peoples of Europe have resulted in the saving of thousands of lives, the Spanish Government has on several occasions in the past recognized groups of Sephardic Jews in Axis-occupied territory as Spanish nationals, and has intervened with Germany for their release from concentration camps and subsequent evacuation to Spain.

Information has now been received by the War Refugee Board that 400 such Sephardic Jews, Spanish nationals residing in Athens, have recently been imprisoned in a concentration camp, and it is vital that they be given Spanish recognition to forestall deportation and almost certain death.

It is earnestly requested that you approach appropriate Vatican officials to the end that the Papal Nuncio at Madrid be advised of this situation and his aid enlisted in the rescue of these unfortunates. Full assurances may be given to the Spanish Government that funds will be available for the support of such of these persons as may be evacuated to Spain, and that prompt action will be taken to speed their departure from Spain to places of refuge. Please keep the Department informed of all developments.

April 17, 1944
5:25 p.m.

RLSmith:LSLesser:als 4/17/44

CABLE TO MINISTER HARRISON AT BERN FROM THE WAR REFUGEE BOARD

The War Refugee Board requests that you deliver the following message to Dr. Gerhart Rigner, Geneva: QUOTE Please advise whether you can resume contacts with Willy, his superiors and associates, and others exercising similar authority. If this is possible, would appreciate your views as to possibility of arranging for evacuations from Hungary to neutral countries or for holding up deportations or permitting sending relief to those detained. If any such arrangements possible, please indicate amounts you consider would be involved and extent to which such amounts could remain in neutral countries. Also is Willy reliable. Signed Nahum Goldmann, World Jewish Congress. UNQUOTE.

April 17, 1944.

11:15 a.m.

LSLesser:als 4/15/44

RMN-647

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

Bern

Dated April 17, 1944

Rec'd 7:32 p.m.

Secretary of State

Washington.

US URGENT.

2425, April 17, 9 p.m.

Your 1299, April 15. I have delivered message to McClelland as requested but would respectfully point out that McClelland is not yet officially representing War Refugee Board in Switzerland, has not been accredited to Swiss as such and that such action will depend on Department's determination of his final status in response to my telegram number 754, March 22, and my follow up inquiry 2045, April 3.

HARRISON

RB

CABLE TO AMBASSADOR STEINHARDT, ANKARA, FROM THE WAR
REFUGEE BOARD.

Hirschmann arrived Saturday. We are gratified to receive his personal report on the difficult situation in Turkey which you and he faced and which you are now facing. We are convinced that his report in person was indispensable to the Board's continued program in Turkey.

Hirschmann is working here with us on the pending situations and you will hear from us concretely as soon as possible.

The Board desires again to express to you its great appreciation for the unremitting and wholehearted support which Hirschmann has reported that you have given to all of the efforts of this Government to save the lives of victims of Nazi oppression.

THIS IS WRB ANKARA CABLE NO. 25

April 17, 1944
5:15 p.m.

FROM: SECRETARY OF STATE, WASHINGTON
TO: AMERICAN EMBASSY, ANKARA
DATED: APRIL 17, 1944
NUMBER: 342

SECRET

FROM THE WAR REFUGEE BOARD TO AMBASSADOR STEINHARDT,
ANKARA.

The following refers to your no. 657 of April 12 from
Ankara to the War Refugee Board.

With respect to the replacement of a passenger vessel
of QUOTE an equivalent vessel of similar age, size and general
characteristics UNQUOTE for the SS TARI as designated in
Article 4 of the proposed charter with the Turkish Government
for the aforesaid ship, Hirschmann is in full agreement with
the position you have taken in your telegram abovementioned.

Hirschmann and I conferred with Admiral Land of the War
Shipping Administration today. The War Shipping Administration
and the Foreign Economic Administration have authorized you to
commit this Government to the replacement of the SS TARI in the
event of loss with a passenger repeat passenger vessel as re-
quested by the Turkish Government.

At this point every recommendation submitted by you and
Hirschmann to complete the negotiations for you to sign the
Charter agreement for the War Refugee Board with the Turkish
Government for the SS TARI has been authorized. Please refer
to War Refugee Board cable to Ankara No. 20 relating to all
the conditions mentioned in your numbers 565 and 594. The
single obstacle remaining is the granting of safe conduct
by the German Government. We have taken every available measure
to expedite this safe conduct in Washington as reported in our
War Refugee Board cable no. 20.

Hirschmann informs me that Simond has expressed to him
unequivocally, unreserved confidence that von Papen would
arrange to obtain this safe conduct without delay. He also
informs me that Simond agreed personally to see von Papen with-
in a few days after his first meeting with him in Ankara on
this subject. Assuming that the German safe conduct has not
been obtained Hirschmann urges that both Simond and the
Apostolic Delegate from Istanbul arrange to see von Papen in
person in order to again urge granting of safe conduct without
delay. Hirschmann reports that Simond expressed the view that
he can succeed in securing the safe conduct and he suggests that
you personally confer with Simond along the above lines with-
out delay.

CABLE TO AMBASSADOR STEINHARDT, ANKARA, FROM THE WAR
REFUGEE BOARD.

The following refers to your No. 657 of April 12 from Ankara to the War Refugee Board.

With respect to the replacement of a passenger vessel of QUOTE an equivalent vessel of similar age, size and general characteristics UNQUOTE for the SS TARI as designated in Article 4 of the proposed charter with the Turkish Government for the aforesaid ship, Hirschmann is in full agreement with the position you have taken in your telegram abovementioned.

Hirschmann and I conferred with Admiral Land of the War Shipping Administration today. The War Shipping Administration and the Foreign Economic Administration have authorized you to commit this Government to the replacement of the SS TARI in the event of loss with a passenger repeat passenger vessel as requested by the Turkish Government.

At this point every recommendation submitted by you and Hirschmann to complete the negotiations for you to sign the charter agreement for the War Refugee Board with the Turkish Government for the SS TARI has been authorized. Please refer to War Refugee Board cable to Ankara No. 20 relating to all the conditions mentioned in your numbers 585 and 594. The single obstacle remaining is the granting of safe conduct by the German Government. We have taken every available measure to expedite this safe conduct in Washington as reported in our War Refugee Board cable No. 20.

Hirschmann informs me that Simond has expressed to him unequivocally, unreserved confidence that von Papen would arrange to obtain this safe conduct without delay. He also informs me that Simond agreed personally to see von Papen within a few days after his first meeting with him in Ankara on this subject. Assuming that the German safe conduct has not been obtained Hirschmann urges that both Simond and the Apostolic Delegate from Istanbul arrange to see von Papen in person in order to again urge granting of safe conduct without delay. Hirschmann reports that Simond expressed the view that he can succeed in securing the safe conduct and he suggests that you personally confer with Simond along the above lines without delay.

THIS IS WRB ANKARA CABLE NO. 26

April 17, 1944

6:10 p.m.

4-17-44

TELEGRAM SENT

JN

PLAIN

April 17, 1944

EMBASSY,

MOSCOW,
937-SEVENTEENTH
FOR AMBASSADOR FROM WAR REFUGEE BOARD.

With reference to the statement made by the President, (Department's 699, March 24) the British Government, in a reaffirmation of its attitude toward the Nazi war crimes and atrocities, directed that the BBC report the President's statement fully in all languages. Subsequently, on March 30, Mr. Eden, in the House of Commons, reiterated the position of the British Government with regard to these crimes.

You are requested to approach the appropriate authorities of the Soviet Union and ascertain whether, in view of the positive action taken by the British Government, the Soviet Government would take similar action and issue a statement expressing its attitude concerning the crimes and atrocities of the Nazis. It is felt by the Department that such action on the part of the Soviet Government would have a most profound and important effect upon the leaders and peoples of Rumania and Hungary.

Please report the result of your discussions concerning this matter.

HULL
(GLW)

WRB:GLW:KG
4/17/44

EE

LE

A-B

CABLE TO AMBASSADOR HARRIMAN, MOSCOW, RUSSIA FROM SECRETARY OF STATE HULL

Please refer to Department's circular airgram of January 26 in regard to the establishment of the War Refugee Board, also to War Refugee Board cables Nos. 554 and 555 of March 11.

The Executive Director of the Board John W. Pehle has informed the Department that in conformity with the President's Order of January 22, the Board proposes to appoint Mr. Robert J. Scovell, former representative of the American Red Cross in Russia and now on the headquarters staff of that organization, as the Special Representative of the Board with the designation by the Department as Special Attache to the Embassy on war refugee matters. The Presidential Order provides that the State Department shall appoint such Special Attaches on the recommendation of the Board, that they shall have diplomatic status, and that their duties and responsibilities shall be defined by the Board in consultation with the State Department.

It is understood that Mr. Scovell is personally known to you. It is assumed that there will be no objection on the part of the Russian Government to this designation, although you may in your discretion approach the Russian authorities informally, if you consider it necessary or advisable to do so. If Mr. Scovell's appointment meets with your approval, please advise us accordingly in order that his designation may be made effective at once.

If Scovell is appointed we propose to advise him through you that:

- (a) He is charged with the duty and responsibility of carrying out the Board's policies and programs in Russia;
- (b) He is responsible to the Ambassador and should discuss his activities and problems with him regularly and fully;
- (c) The Embassy will provide him with the necessary communication facilities in carrying on his official duties;
- (d) He should extend all possible assistance to the Ambassador in carrying out instructions contained in the airgram and cablegrams referred to above;
- (e) He should work with and give all possible assistance to public and private agencies operating in Russia in this field regardless of whether such organizations are American, foreign or international;
- (f) He should develop and assist in the development of programs and implementation of measures for the rescue, transportation, maintenance and relief of refugees;
- (g) He should forward to the Board recommendations and frequent reports on progress of work and difficulties encountered;

-2-

(h) In so far as the Trading with the enemy Act is concerned, the Secretary of the Treasury has vested in the War Refugee Board and its representatives in the field full authority to communicate with enemy territory to carry out the purposes of the Order. The Secretary of the Treasury has also delegated to the War Refugee Board and its representatives the power to authorize any public or private agencies who may be subject to the provisions of our Trading with the enemy Act to communicate with enemy territory for the purpose of carrying out the Order. Scovellis authorized to act accordingly upon your confirmation of his designation.

April 17, 1944

11:15 A.M.

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Moscow
TO: The Secretary of State, Washington
DATE: April 17, 1944
NUMBER: 1326

CONFIDENTIAL

I have received from the Foreign Office a memorandum which replies to my memorandum of March 21st concerning the creation of the War Refugee Board (please see my number 1020 dated 6 p.m., March 24 and number 1083 dated 1 p.m., March 23) which says in substance that the Russian Government's policy has been, and still is, to aid the victims of persecution by Hitlerite Germany in every way possible. As the Embassy knows already the Government of the U.S.S.R. in keeping with this principle has agreed to the passage of three Bulgarian vessels and one Turkish ship from Rumanian and Bulgarian ports to Turkey for the purpose of evacuating refugees.

It is my plan to discuss with the Foreign Office at the first favorable opportunity the possibility of further Russian cooperation in the implementation of our policy.

HARRIMAN

DCR:MPL
4/18/44

DE
 This telegram must be
 paraphrased before being
 communicated to anyone
 outside a Governmental
 Agency. ()

April 17, 1944

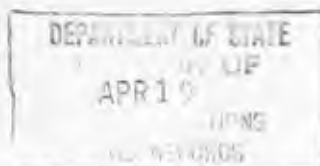
8 p.m.

U. S. URGENT

EMBASSY,

CHUNGKING.

513
FOR THE AMBASSADOR AND ADLET FROM THE SECRETARY OF
THE TREASURY



1. Arrangements are being made for the simultaneous publication in Washington, London, Chungking, Moscow and a number of other countries of joint statement by technical experts of the United and Associated Nations on the establishment of an international Monetary Fund. Copy of this joint statement has been given to Hsi Te-mou who has informed us that it has already been cabled to Dr. Kung. Hsi Te-mou has indicated that China pleased to have joint statement published simultaneously in Chungking, Washington and other capitals. For reasons of economy we are not repeating this joint statement on the assumption that copy can be obtained from Dr. Kung. Copies of joint statement are going forward by pouch.

2. I am to appear before the appropriate Congressional committees on Friday, April 21, to bring them up

-2- #513, April 17, 8 p.m. to Chungking

-8-

to date on our discussions regarding international monetary cooperation and to present to them the joint statement. This joint statement will be released on Saturday, April 22 (April 23 in Chungking). It is essential that statement should not REPEAT NOT be released in Chungking before it is released in Washington. The statement will be released here irrespective of whether or not it is released in Chungking.

3. In view of the fact that the Chinese technical experts here have indicated their agreement with the proposal for establishment of an International Monetary Fund, if I am asked during my testimony before the Congressional committees whether China has indicated agreement to this proposal, I will answer "yes".

4. Minor changes have been made in the joint statement which was cabled to Dr. Kung. We are advising the Chinese representatives here of these minor changes. It is suggested that you obtain from Dr. Kung copy of joint statement in order to make corrected copy for him. The text to be released contains the following provisions in

-3- #513, April 17, 8 p.m. to Chungking

-3-

place of those corresponding numbers in the joint statement cabled to Dr. Kung:

QUOTE I-5 To assist in the establishment of multi-lateral payments facilities on current transactions among member countries and the elimination of foreign exchange restrictions which hamper the growth of world trade.

II-1 Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$0 billion if all the United and Associated Nations subscribe to the Fund (corresponding to about \$10 billion for the world as a whole.)

II-2 The quotas may be revised from time to time but changes shall require a four-fifths vote and no member's quota may be changed without its assent.

II-3, paragraph 2 The obligatory gold subscription of a member whose home areas have suffered substantial damage from enemy action or occupa-

-4- #515, April 17, 3 p.m. to Chungking

-4-

tion shall be only three-fourths of the above.

III-2(c) The Fund's total holdings of the currency offered (after having been restored, if below that figure, to 75 percent of the member's quota) have not been increased by more than 25 percent of the member's quota during the previous twelve months and do not exceed 200 percent of the quota.

III-5 So long as a member country is entitled to buy another member's currency from the Fund in exchange for its own currency, it shall be prepared to buy its own currency from that member with that member's currency or with gold. This shall not apply to currency subject to restrictions in conformity with IX, 3 below, or to holdings of a current account nature effected before the removal of the member country of restrictions on multilateral clearing maintained or imposed under X, 2 below.

-5- #513, April 17, 8 p.m. to Chungking

-5-

VII-1 The Fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including the representatives of the five countries with the largest quotas.

VII-2 The distribution of voting power on the board and the executive committee shall be closely related to the quotas.

X-3 The Fund may make representations to any member that conditions are favorable to the withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with IX, 3, above. Not later than three years after coming into force of the Fund any member still retaining any restrictions inconsistent with IX, 3 shall consult with the Fund as to their further retention. URGENT

CULL
(EGC)

RIA:KGC:ja
4/17/44

TELEGRAM SENT

165

April 17, 1944

10 p.m.

LG
This telegram must be
paraphrased before being
communicated to anyone
other than a Governmental
agency. (ER)
Treasury
(White)

U. S. URGENT

AMBASSY,

MOSCOW.

938

FOR THE AMBASSADOR FROM THE SECRETARY OF THE TREASURY



1. I would appreciate it if you would call on the People's Commissar of Finance and inform him that I have just received word from the Chancellor of the Exchequer informing us of their agreement to the publication of the Joint Statement of the technical experts of the United and Associated Nations recommending the establishment of an international monetary fund. It is contemplated that the publication will be simultaneous in a number of the United Nations. It would obviously be highly desirable if the statement were issued at the same time in Moscow.

2. Please stress the desirability, for obvious reasons, of having the Soviet Union join with the United States, the United Kingdom, China and other United Nations in a statement of this character setting forth the recommendations of the experts on international monetary cooperation.

#938, April 17, 1944, 10 p.m., to Moscow

-2-

3. Arrangements have been made for the release of this statement in Washington, London, Chungking, and in a number of other countries immediately after my appearance before the appropriate Congressional committees which is definitely scheduled for Friday afternoon. Time of release is 8:00 p.m. Friday, April 21, Washington time.

4. The text to be released contains the following provisions in place of those of corresponding numbers in the Joint Statement cabled to you:

QUOTE I-5 To assist in the establishment of multilateral payments facilities on current transactions among member countries and the elimination of foreign exchange restrictions which hamper the growth of world trade.

II-1 Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$8 billion if all the United and Associated Nations subscribe to the Fund (corresponding to about \$10 billion for the world as a whole.)

#938, April 17, 1944, 10 p.m., to Moscow

-3-

II-2 The quotas may be revised from time to time, but changes shall require a four-fifths vote and no member's quota may be changed without its assent.

II-3, (paragraph 2) The obligatory gold subscription of a member whose home areas have suffered substantial damage from enemy action or occupation shall be only three-fourths of the above.

III-2(c) The Fund's total holdings of the currency offered (after having been restored, if below that figure, to 75 percent of the member's quota) have not been increased by more than 25 percent of the member's quota during the previous twelve months and do not exceed 200 percent of the quota.

III-5 So long as a member country is entitled to buy another member's currency from the Fund in exchange for its own currency, it shall be prepared to buy its own currency from that member with that member's currency or with gold. This shall not apply to currency subject to restrictions in

#938, April 17, 1944, 10 p.m., to Moscow

-4-

conformity with IX, 3 below, or to holdings of a current account nature effected before the removal by the member country of restrictions on multi-lateral clearing maintained or imposed under X, 3 below.

VII-1 The Fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including the representatives of the five countries with the largest quotas.

VII-2 The distribution of voting power on the board and the executive committee shall be closely related to the quotas.

X-3 The Fund may make representations to any member that conditions are favorable to the withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with

EC38, April 17, 1944, 10 p.m., to Moscow

-5-

IX, 3 above. Not later than three years after coming into force of the Fund any member still retaining any restrictions inconsistent with IX, 3 shall consult with the Fund as to their further retention. END QUOTE

HULL
(EGC)

FHA:EGC:ja
4/17/44

RCC
VE URGENT
AMBASSY
LONDON

3076, Seventeenth.- FOR THE AMBASSADOR FROM THE SECRETARY OF THE TREASURY.

1. The American technical experts have drafted a statement on the Bank for Reconstruction and Development. Opie has been informed of this statement and has communicated with the British Treasury. Please deliver this statement to the Chancellor of the Exchequer for the U.K. technical experts.

2. The text of the proposed statement is as follows:

BEGIN QUOTE. PRELIMINARY DRAFT

A Statement on the Establishment of A Bank for Reconstruction and Development

The technical experts of some of the United and Associated Nations who have participated in the discussions on international financial problems are of the opinion that the revival of international investment after the war is essential to the expansion of trade and the maintenance of a high level of business activity throughout the world. In their opinion, the most practical method of encouraging and aiding private investors to provide an adequate volume of capital for productive purposes is through the establishment of a permanent Bank for Reconstruction and Development. They have set forth below the principles which they, as technical experts, believe should be the basis for this Bank. Governments are not asked to give final approval to these principles until they have been embodied in the form of definite proposals.

I. Purposes and policies of the Bank.

1. The Bank will assist in the reconstruction and development of member countries by facilitating provision of long term investment capital for productive purposes through private financial agencies. It will do so by guaranteeing and participating in the loans made by private investors.

2. The Bank will supplement private financial agencies by providing capital for productive purposes out of its own resources, on conditions that amply safeguard its funds, when private capital is not available on reasonable terms.

3. The Bank will promote the long-range balanced growth of international trade by encouraging international investment for the development of the productive resources of member countries.

4. The Bank will take into consideration, in its operations, the effect of international investment on business conditions in member countries. In the immediate post war years, its policy will be to assist in bringing about a smooth transition from a wartime to a peacetime economy.

II. Capital of the Bank.

1. The Capital of the Bank will be the equivalent of \$10 billion, to be subscribed by member governments. Liability on shares will be limited to the unpaid portion of the subscription.

2. A substantial part of the subscribed capital of the Bank will be reserved in the form of unpaid subscriptions as a surety fund for the securities guaranteed or issued by the Bank.

3. The initial payment on shares will be 30 percent of the subscription, some portion of which should be in gold and the remainder in local currency. Further payment on subscriptions will be made as the Board of Directors may determine, but not more than 30 percent of the subscription may be called in any one year.

III. Operations of the Bank.

1. The Bank will deal through the governments of member countries and their fiscal agencies, the International Monetary Fund, and other international agencies owned predominantly by member governments.

It may also deal with the public and private institutions of member countries in the Bank's own securities or the securities which it has guaranteed.

2. An appropriate limit will be placed on the outstanding obligations of the Bank; and all the resources of the Bank will be available to meet its obligations.

3. The Bank will not finance the local currency needs of a borrower except in those special circumstances where facilities are not available for borrowing investment funds at home.

4. The Bank may guarantee, participate in, or make loans to any member country, its political subdivisions, and business and industrial enterprises in a member country, under the following conditions:

a. The national government, central bank or a comparable agency guarantees the payment of interest and principal.

b. The borrower is otherwise unable to secure the funds from other sources under conditions which in the opinion of the Bank are reasonable.

c. A competent committee, after careful study of the merits of the project, reports that the loan would serve to raise the productivity of the borrowing country and that the prospects are favorable to the servicing of the loan.

d. Loans are made at reasonable rates of interest with schedules of repayment appropriate to the project and the balance of payments prospects of the borrowing country.

e. The Bank is compensated for its risk in guaranteeing loans made by private investors.

5. To encourage international investment in equity securities, the Bank may obtain a governmental guarantee of conversion into foreign exchange of the current earnings on such investments. It may also employ a small portion of its capital directly in equity investment.

6. The Bank will impose no conditions as to the particular member country in which a loan will be spent. The Bank will make arrangements to assure the use of the loan only for the approved purposes.

7. In providing the funds for loans made by the Bank, its policy will be:

a. To furnish the currencies needed by the borrower in connection with the loan.

b. To make available an appropriate part of the loan in gold or needed foreign exchange when a development program gives rise to an increased need for foreign exchange.

c. To furnish gold or needed foreign exchange for a part of the loan expended by the borrower at the request of countries in which portions of the loans are spent.

8. No loans may be guaranteed or made by the Bank without the approval of the country in whose currency the loan is made.

9. With the approval of the representatives of the governments of the member countries involved, the Bank may engage in the following operations:

a. It may issue, buy, or sell its own securities, securities taken from its portfolio, or securities, which it has guaranteed.

b. It may borrow from member governments, central banks, or private financial institutions in member countries.

c. It may buy or sell foreign exchange where such transactions are necessary in connection with its operations.

IV. Repayment Provisions.

1. Payment of interest and principal on loans participated in or made by the Bank will be in currencies acceptable to the Bank or in gold.

2. In the event of an acute exchange stringency the Bank may, for brief periods, accept local currency in payment of interest and principal under conditions that safeguard the value of the Bank's holdings.

3. Payment of interest and principal, whether made in currencies or in gold, must be equivalent to the gold value of the loan and of the contractual interest thereon.

V. Management.

1. The administration of the Bank will be vested in a governing board and an executive committee representing the members. The governing board may appoint an advisory council consisting of representatives of banking, business, labor and agricultural interests, and such committees as it finds necessary. Provision will be made for consultation with other interested agencies on matters of direct interest to them.

2. The distribution of voting power will be closely related to the share holdings of the member countries.

3. The Bank will publish regularly a balance sheet showing its financial position and a statement of earnings showing the results of its operations. The Bank may also publish from time to time such other information as would be helpful to the sound development of international investment.

4. One-fourth of the profits would be applied to surplus until surplus equals 20 percent of the capital.

VI. Withdrawal and Suspension.

1. A member country may withdraw from the Bank by giving notice in writing.

2. A member country failing to meet its financial obligations to the Bank may be declared in default and may be suspended from membership, provided that a majority of the member countries so decides.

3. If a member country elects to withdraw or is dropped from the Bank, its shares of stock would, if the Bank has a surplus, be repurchased at the price paid. If the Bank's books show a loss, the country would bear a proportionate share of the loss. Appropriate provision should be made for meeting the contingent liabilities.

END QUOTE.

FMA: E.G.C. S MHH:MCW

HULL(MNH)

ef:copy

TELEGRAM SENT

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

April 17, 1944
 midnight

US URGENT

AMEMBASSY

LONDON

3077

FOR THE AMBASSADOR FROM SECRETARY MORGENTHAU

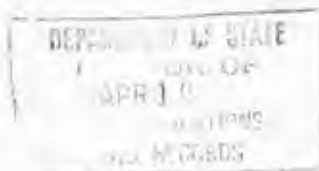
I am very grateful to you for the prompt reply
 from the Chancellor of the Exchequer.

Please give this message to the Chancellor of the
 Exchequer:

BEGIN QUOTE. 1. I wish to express my thanks to the
 Chancellor of the Exchequer for his message of April 15.

2. At the request of the Congressional leaders, my
 appearance before the appropriate Congressional
 committees has been postponed to Friday, April 21.
 In consequence of this modification, we shall release the
 Joint Statement to the press at 8:00 p.m., April 21,
 Washington time.

In accordance



-2-#3077, April 17, midnight to London.

In accordance with previous arrangements with Opie we have asked Moscow and Chungking, as well as some of the American Republics to join in the publication of the Joint Statement. We are also sending a summary, but not the text of the Joint Statement, to all of the American Republics with whom we have consulted.

We assume you will make similar arrangements for informing the Dominions and governments in London and Cairo prior to publication, and to arrange, if possible, for simultaneous publication or announcements by some of these countries.

We have discussed with Opie the issuance of an explanatory statement to the press at the time the text of the Joint Statement is released. He will inform you of our general agreement with the statement you suggest and with the slight modification we propose. It is my understanding that the explanatory statements issued in Washington and London will not be precisely the same in language although they will convey the same meaning.

Mr. White and Mr. Opie have examined in detail the arrangement previously agreed upon for steps following the publication of the Joint Statement on the Fund. As Mr. Opie will have informed you, it has long been clearly understood

-3-#3077, April 17, midnight, to London.

understood that after the publication of the Joint Statement on the Fund there would be opportunity for debate in Parliament. Promptly after the conclusion of the debates, we will raise with you the immediate issuance of invitations to a conference of the United and Associated Nations on the establishment of international agencies for postwar financial cooperation. As I have previously explained, a prompt decision on this matter would make it possible for us to hold a formal conference at the end of May in accordance with the preference expressed by the President.

3. We have transmitted to Winant the text of a proposed Joint Statement on the establishment of a Bank for Reconstruction and Development with the request that he furnish it to you. The Joint Statement is confined to an exposition of those principles which should govern a Bank for Reconstruction and Development on which we feel there could be no disagreement among the technical experts.

Mr. White told Mr. Opie this morning that when I appear before the Congressional committees on Friday I will be compelled to report to them on the results of the technical discussions on the Bank for

Reconstruction

-4-#3077, April 17, midnight, to London.

Reconstruction and Development. Obviously, I would like to be able to report that the experts of the United States and the United Kingdom are in agreement on a statement of principles on the establishment of the Bank, and at the same time make the statement available to the Congressional committees. I am not unmindful of the short notice you have received on this proposal, if your experts cannot indicate their agreement at once, but feel that agreement might be reached on a statement if postponed for a week, I could inform the Congressional committees that the technical experts of the United States and the United Kingdom have come to a large measure of agreement and hope to issue a joint statement of principles within another week.

On the other hand if it should not seem feasible to the experts of the United Kingdom to join with the experts of the United States in issuing a Joint Statement on the Bank within the next week or so, I shall explain frankly to the Congressional committees that there has not been opportunity to reach agreement with the technical experts of all of the countries. I will then release this statement on the establishment of a Bank for Reconstruction and Development as representing the views of the technical experts of the United States

and having

-5-#3077, April 17, midnight, to London.

and having the approval of the experts of a number of other countries, but not including the United Kingdom. I shall, of course, add that it is my hope that after further study the experts of the United Kingdom will see their way clear to join in subscribing to this statement of principles.

As I must make arrangements immediately on the material to be presented to the Congressional committees, I should appreciate a prompt reply indicating which of these courses on the Bank you would prefer. I hope you will understand that the urgency for a decision is one forced upon ~~me~~ by circumstances. END QUOTE.

HULL
(MNH)

FAM:EGC

S MNH:MCW

NOT TO BE RE-TRANSMITTEDCOPY NO. 71SECRETOPTEL No. 123

Information received up to 10 A.M., 17th April, 1944.

1. NAVAL

Ten enemy aircraft attacked and dropped mines at ANZIO on 15th. Two of them were shot down.

2. MILITARY

ITALY. Active patrolling by both sides on whole front. In Bridgehead a U.S. raid supported by tanks and artillery on strong points at CERRETO and ALTO was successful. 61 prisoners were captured for loss of two tanks by mines and one man wounded.

BURMA. ARAKAN. Our troops have captured some Japanese positions four miles west of BUTHIDAUNG. In the KOHIMA area Japanese appear to be concentrating in some strength about 15 miles east of DIMAPUR.

3. AIR OPERATIONS

ITALY. 14th. Mitchells bombed VITERBO airfield.- 121 tons and LEGHORN Railway Centre - 26 tons. Communications and bridges in the FLORENCE/LEGHORN /AREZZO area were bombed by 139 medium and fighter bombers and smaller objectives near ROME and in Central Italy were attacked by 278 Fighters.

BURMA. 14th. 100 Vengeances and Hurricanes attacked objectives in the IMPHAL area.

15th. About 30 Japanese aircraft raided the landing strip at IMPHAL damaging two aircraft. Two Japanese aircraft destroyed and two damaged. Lightnings destroyed 6 Japanese aircraft and damaged two on HEHO airfield MANDALAY.

April 18, 1944
9:00 a.m.

INTERNATIONAL STABILIZATION

Present: Secretary Jones ✓
Mr. Bell
Mr. Crowley ✓
Mr. Smith
Mr. Currie ✓
Mr. Acheson
Mr. Collado }
Mr. Eccles -
Mr. Coe
Mr. Cox
Mr. Pasvolsky -
Mr. White
Mr. Luxford
Mr. Bernstein
Mr. Goldenweiser ✓
Mr. Gardner ✓
Mrs. Klotz

H.M.JR: I think you gentlemen know why I called this meeting. The technicians of your various departments have been working on an international stabilization plan and the World Bank for, I guess, a little over a year, and have put in a lot of good hard work on it.

I think that we, by and large, are pretty well together, at least sufficiently so that we in the Treasury felt that if we were going to do anything this year, we ought to do it before the political conventions.

We put the matter up to Mr. Hull and he agreed that we should go ahead in May, and so recommended to the President, and the President called me and said to go ahead and do it.

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Now, I hope I don't sound as though we had been arbitrary about the matter, but those of you people who have been working on this thing over a year - and there have been, literally, hundreds of meetings - that isn't an over-statement, is it?

MR. WHITE: No, I don't think so. Probably a couple of hundred meetings.

H.M.JR: A dozen meetings. You said last night, hundreds. Anyway, dozens - it may seem like hundreds - dozens, anyway.

So we had arrived at a point where we felt that we either were going to have to move, or abandon the plan, pretty much, for this season. Then the fact that the Congressman from Chicago, Dewey, had a plan which was very much similar which would give the appearance of doing something in this field and still wouldn't do it right, but would give it the Republican label. Now, that was going to come off next week.

It is very cleverly done, and he has told the people who repeated it first-hand, that it was a part of the Republican Party plan to get behind that thing and make it a Party issue so they could say, "Well, we have something in the foreign field, also."

So, for those reasons, we just had to move. Otherwise the Treasury would be up on the Hill, and the other Departments, on a defensive basis, saying we don't like Mr. Dewey's plan, but we haven't any plan of our own.

So, from all standpoints, we felt that it was good for the world, good for the nation, and good for the Democratic Party, for us to move. If anybody doesn't like that, he can leave the room.

Anyway, that is the mood I am in. I made Acheson laugh! Have to get a little political around here, Dean. Looking around the room, I think I am fairly safe.

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MR. ACHESON: Got you worried.

H.M.JR: I can't say it in Cabinet, anyway. I have looked around several times.

Is that right, Jesse?

MR. JONES: It is all right.

H.M.JR: Now, to be very frank, by having set a date, first for Thursday and then Friday, because Senator Barkley won't be here - but he is here - to go up on the Hill, and telling our English friends that we had that deadline, I think that we have been able to make more headway over the week end than we have in months. I don't think that is an over-statement.

MR. ACHESON: I think that is right.

H.M.JR: By simply saying we are going to go ahead, with or without, we have made real progress, and we have a very good chance that between now and Thursday night the English will be in agreement.

I think the fact there has been a change in the Bank of England has been helpful in making progress. The Russians, also, are almost in agreement - not quite. We had something we were holding them up on. I don't know whether the two things added up, but we were able to say yes to the Russians on something they had been pressing us very hard on, on Friday, and I have hopes that we will hear from them. But we are in that very difficult state. We are going to move, anyway, with the approval of the President, I say, and Mr. Hull. And I hope, if we can't get the approval of you gentlemen here, at least we won't get your public opposition. I think there will certainly be some of you here who will go along, I hope; and if one or two of you shouldn't, I think it isn't too much to ask, once the President decided we go ahead, at least we ask that we don't have any public opposition. I don't think that is asking very much.

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The plan is this - I mean, as to what we are going to do this week. Thursday afternoon, people from the Treasury, Mr. Acheson and whoever he wants to bring - we are going up to see the Chairmen of these Committees in the House and have a dress rehearsal with them Thursday afternoon. I don't know just the time; the Speakers will arrange it - so they will know what it is all about.

Then Friday morning we appear before four Committees in the Senate.

MR. WHITE: Four now, yes, sir.

H.M.JR: And we are going to go there half an hour earlier and see the Chairmen of the Committees so they will know what it is about. Then Friday afternoon we will appear before the three or four Committees in the House.

And then the idea is that the publication of these papers will be released Friday night or Saturday morning, we hope, in Moscow, Chungking, and London and Washington - we hope.

Now that, very briefly, is it. I don't think I have over-stated it, have I?

Would you (Acheson) care to add or subtract anything?

MR. ACHESON: No, I think you stated it as I understand it.

H.M.JR: Is that accurate, Dean?

MR. ACHESON: As far as I know, that is accurate.

H.M.JR: It may seem as though we were kind of rushing things, but we have to. But each one of you gentlemen here have had representatives continuously on this technical level committee, and they ought to be informed about the plan.

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Now, I wish anybody who had any questions would either question me or anybody who is here.

Jesse?

MR. JONES: I am not very familiar with the plan. In fact, I am very unfamiliar. I think Mr. Clayton has been representing us, mostly, and I would like - between now and whenever the time comes to go to the Hill - to study it myself and get better acquainted with it.

H.M.JR: Clayton gave it a lot of time. He was very much interested, and was very helpful in bringing the plan into being. He made a real contribution.

MR. JONES: I will have a chance to talk with him, but I would like to read the plan myself so I will know what I am talking about, if I talk.

H.M.JR: I think what might be helpful - I know it has been for me - is a series of questions and answers which the men have here.

MR. JONES: I could have those, too, I suppose.

H.M.JR: Anything else that you would like to ask?

MR. JONES: No, I just wanted to study it.

H.M.JR: Don't you think, in view of these other things happening, if we had to move--

MR. JONES: No, frankly, I hadn't attached that much importance to the Dewey bill. I don't think it would get very far, but you have been giving it thought, and it is your responsibility, so--

H.M.JR: We think it could make us a lot of trouble.

MR. JONES: I would be surprised if it did.

H.M.JR: I hope you are right.

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MR. JONES: I have seen the bill, read the bill, studied the bill; not much in it.

H.M.JR: Well, the people he has seen brought back reports that make us think there will be a real effort to get behind it. Now, maybe we are wrong. I have been wrong before.

MR. JONES: I don't see any mistake at this time. If I may say so, if I get any different views on studying it, I will be glad to give them to you.

H.M.JR: I would like to have them.

MR. WHITE: Mr. Clayton wrote a letter in which he resigned by virtue of his new activities, I think, about a month ago - possibly a little before that - and Mr. Maffry was appointed in his place. Wayne Taylor called me up and asked me whom we would like. I said anybody he chose would be satisfactory. Maffry is very able and also very helpful.

MR. JONES: Who?

MR. WHITE: Maffry - very able and very helpful.

I think possibly Secretary Jones might be told that what you are going up with is not the plan, but a statement of general principles, which is much briefer and much more general than the plan itself, and contains many fewer items about which there could be disagreement at this stage; leaving for a later stage a discussion on a number of important details. But this is merely a statement of principles on which we could get various Governments to agree, at this time.

MR. JONES: Is this to acquaint the Committees, or the Chairmen of these Committees, with what we plan to do? Is that it?

MR. WHITE: Partly that, and partly to acquaint them with the fact that the discussions of the technicians,

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which have been going on with the various countries for a year, now, have emerged in agreement on these points. And I think that when you have had an opportunity to read the statement of general principles, you will find that they are much simpler to agree on at this time than would be a specific plan which was submitted about a year or two ago as a basis for discussion.

MR. JONES: Have you digested it in short form?

MR. WHITE: It is four or five pages, but we can digest it further.

MR. JONES: That is not too much.

MR. WHITE: We can distribute them here, or--

H.M. JR: When it is over.

Mr. Crowley?

MR. CROWLEY: I think Harry has answered the question that I had back in my mind, that what you are going to do is to go up and acquaint the members of these Committees with what you are contemplating doing, and then later on you would have a bill drafted to be introduced. Is that correct?

MR. WHITE: No, there was no contemplation of any bill at this time.

MR. CROWLEY: No necessity for any legislation?

MR. WHITE: I assume that the program is not to present it formally before Congress at all, unless there is a formal conference that has presented a specific plan. At this stage we only have a set of principles which we have been able to get agreed to by the various countries.

MR. CROWLEY: On the Dewey thing, when we were up before Foreign Relations on UNRRA, I guess it was, Dean, Dewey was complaining quite bitterly that they had passed

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him by in demanding a hearing on his bill. Then when we went up on Lend-Lease extension, he called and again complained about it. Oh, I presume he has called me eight or ten times to complain that we were all giving his bill the run-around. So there is some merit in recognizing that he is insisting upon a hearing on his bill.

MR. WHITE: He is also lining up some very substantial support among certain banking groups, and among the Republicans. At least he boasts of that. Whether that comes from him, personally--

MR. CROWLEY: I don't think he would get anywhere, but he has a value up there of promoting these things and getting publicity - especially he gets a world of publicity out of it in Chicago.

MR. WHITE: I think possibly it has been a little misleading to assume that the motivation for action on this has been solely the Dewey bill. That has been one of the factors, immediately, but the prime motivation has been to get something done this year, if possible; and if it is to be done this year, I gather that the Secretary felt it should take place before the Convention.

MR. CROWLEY: Would it take legislation to put the World Bank in existence?

H.M.JR: Oh, sure.

MR. WHITE: It will have to come before Congress for final action, and that may not be this year.

MR. BELL: Is that a contemplated bill, or a treaty?

MR. LUXFORD: It may be the arrangement on UNRRA - about the same setup you had on UNRRA - but it will clearly require Congressional approval before it is finally brought into effect.

H.M.JR: Mr. Acheson?

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MR. ACHESON: Are you going to talk with the Committees about your plans from here out, in this connection, or just going to talk about the nature of these principles?

H.M. JR: I thought we would tell them everything we had in mind. I thought we would be prepared to tell them everything.

MR. ACHESON: That you hope to go on to some meeting in May?

H.M. JR: I wanted to be just as frank with them as I would be with this group. That is what I think we should do. I don't know whether you agree.

MR. ACHESON: Yes, I do.

H.M. JR: And then I want to be familiar with just what arrangement the State Department has made for Congress to participate. I would like to have that explained to me so that if they ask, "Well, how will Congress be kept informed?" - I think we ought to have a plan. I don't know just what you people have decided on over there. When you have one of these conferences, how will Congress participate?

MR. ACHESON: I don't think that has reached the stage of perfection.

H.M. JR: They are going to ask us that, you know. Do you think, between now and the time we go up, we could sort of agree? I would like to go at least as far, and it might be embarrassing to you if I went further.

MR. ACHESON: I think we could talk it over.

H.M. JR: I think there ought to be some kind of a plan - if you hold these conferences, just how do we invite Congress to participate. Frankly, I am not familiar with what the State Department has in mind. Could we clear that up before we go up, because I know they are going to ask us that question?

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MR. ACHESON: Yes, indeed. So do I.

MR. JONES: May I ask - I don't think I quite got it in the beginning - about what Committees, or who would constitute the Committees we propose to see on the Hill?

H.M.JR: These Committees that we propose to see - I went up once before and I can't name them all, but I know Banking and Currency, both in the Senate and the House, and the Committee that deals with Foreign Affairs, and there is a Post-War Committee, and in the House, Weights, Coinage, and Measures - is that about it?

MR. WHITE: Yes, and the Ways and Means Committee was there last time. Because it involved an appropriation, they felt they wanted to be in on it.

MR. JONES: Do you plan to have one meeting?

H.M.JR: No, we get up here before ~~these~~ four Committees in the Senate in the morning, and appear before corresponding groups in the afternoon.

MR. JONES: But the four Committees sitting as one Committee?

H.M.JR: Yes, that is what they did last time.

MR. JONES: That is Foreign Relations?

H.M.JR: Having to do with Foreign Affairs, Banking and Currency, Post-War, Weights, Coinage, and Measures - and last time there was Ways and Means and Finance. But it is being arranged through Barkley and Rayburn, who are handling it. And in each case we were going to see the Chairmen in advance to explain to them what we had in mind.

MR. JONES: I see.

H.M.JR: But we had a surprisingly good turn-out last time. I don't know whether we will this, or not.

Anything else?

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MR. ACHESON: No.

H.M.JR: Mr. Eccles?

MR. ECCLES: Do you expect to release the statement prior to meeting on the Hill - this statement of principles - or is it to be released after?

H.M.JR: It is supposed to be eight o'clock Friday night.

MR. ECCLES: And you expect to appear on the Hill Friday?

H.M.JR: That is right.

MR. ECCLES: That would be this statement of principles which has been prepared and which has been submitted to these other countries for their approval?

H.M.JR: That is right.

MR. WHITE: Not to all of the countries - the British - we would have liked to have submitted it to all the countries. We are submitting a briefer statement, an outline, to all the countries, but the British representatives were very insistent that we not submit them to various countries. They were afraid, they said, of a leak.

MR. ECCLES: The announcement of the conference would be made publicly, not at the time that you meet on the Hill, I suppose.

MR. WHITE: No, no, because there are a couple of hurdles to cross before that occurs. We have not yet got an agreement with the British to have a conference. That discussion will take place immediately after agreement to publish the document.

MR. ECCLES: So that the first step is meeting with the Committees of Congress and presenting the statement of principle, and then releasing the statement. So far

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as the conference is concerned, that will still be in abeyance, depending upon developments.

MR. WHITE: Though I presume they will ask the Secretary and he has said he will tell them exactly what he has in mind - he will tell them he hopes to have the conference, but the decision to have it has not yet been made if other Governments, the British Government, would have to be a party to that decision. They have not yet agreed to a conference. They have taken the position they could not agree until the Parliament has had an opportunity to discuss the principles, so that even if they personally felt a conference should be held, they could not let Parliament learn that they had made such a commitment; because presumably Parliament wants to discuss the matter and make such suggestions, or give such instructions as they see fit before a conference is decided upon.

Therefore, the British will not tell us officially that they are ready to participate in a conference until after there has been an opportunity for debate. They have promised to have a debate on these principles, if they finally agree - and we have not yet obtained their final agreement - within the week after the publication of the documents. They are going to set aside, I think they said, one day for discussion in Parliament. After that discussion they will be in a position to indicate whether or not they wish to participate in a conference.

MR. ECCLES: The conference, I assume, would discuss not only the general principles which would be included in the statement, but the minute details of the plan that they would be willing to recommend to their Governments.

MR. WHITE: Yes, the conference would have as an assignment, I presume, the formulation of a plan. They would go into as much detail as the conference members thought was necessary to formulate the kind of plan, which would then be discussed by the various parliaments and Congress here, for acceptance or rejection.

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MR. ECCLES: So that the plan upon which this statement of principles has been developed might be modified at the conference; so that so far as this Government is concerned, the ultimate plan would first depend upon the plan that might come out of the conference, and then, secondly, a plan that the Congress would finally authorize by legislation.

MR. WHITE: Yes. I am not sure of the first; the second, certainly. The first plan that would emerge from the conference would have many things that are not stated in the principles and may take the form of many provisions quite different from anything that has hitherto been decided. However, the plan will have to contain the principles which are indicated in this general statement, unless there is complete agreement that they shall be modified.

In other words, the Americans and the British, and any other - well, not any other, but the Americans and the British, and if they join, the Russians and the Chinese, have agreed that they will not initiate or support any measure or provision which is contrary to the principles which are stated here.

MR. ECCLES: So that the development, as a result of the conference, would have to fit within the framework of those principles, unless there was a unanimity of agreement on the part of the four principals.

MR. WHITE: That is a good way to state it - exactly. And you remember we had decided to do that in order to assure success of the conference.

We couldn't go into conference during war with a possibility of failure, so we thought we would iron out the major differences ahead of time so that the conference would be certain to emerge with a plan that would have been agreed upon by the major parties.

MR. ECCLES: Then I take it that there is a desire on the part of this Government to have the legislative

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representatives participate in the development of this plan.

MR. WHITE: Well, I judge that that is the general desire. Certainly Secretary Morgenthau has expressed it, and I gather the State Department - to bring Congress along with them as much as possible and to get their ideas as much as possible in the shaping of the document.

MR. ECCLES: So that whatever plan is developed would have some chance of successful action in the legislature.

MR. WHITE: That is right.

MR. ECCLES: So that in going up there on Friday, it would seem to me that the plan - the detailed plan that has been discussed among the technical experts - would not get into the discussion, necessarily, before the Committees.

MR. WHITE: I should be surprised if it did, other than there would be, I would presume, a number of questions and doubtless there would be some comments by some of the members which would be favorable, and some that might be unfavorable. But it certainly wouldn't be appropriate or likely that they will then hold the equivalent of committee meetings on the individual provisions.

MR. ECCLES: I would think it unfortunate if a discussion of the detail of the plan that is still so remote, because it is a matter for the discussion of the conference, should get into a controversy before the Congress at this time.

MR. WHITE: I should think it not only would be unfortunate, but would create an impossible situation, because there are so many details, and it takes too long to discuss them, that it would be a most complicated and extended affair.

However, I think - I shouldn't want my comments to be misinterpreted, and I am not sure I get the full force of yours, Marriner - it should be clear that the principles

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which are agreed upon among the various countries will not be altered before the conference, because those are principles--

MR. ECCLES: I understood that. That is why it wouldn't serve any useful purpose for the Congress to begin discussing the detail of a plan at this time - a plan that hasn't been agreed to yet by the conference.

MR. WHITE: That is right. After the conference makes a plan, then I presume that Congress will study it carefully and discuss it endlessly at some period before it is accepted.

MR. ECCLES: I was going to say, with reference to the Dewey proposal - of course, he proposes a definite, specific plan, a program. I don't take that very seriously, personally. I think that he has no chance whatever of getting anywhere. I don't believe anybody is going to take it very seriously. They may use it politically, but it is done pretty largely to help put water on his own political wheel - to get a little publicity, I think, primarily. I think the purpose of the thing is that, without any expectation of every getting anywhere.

MR. WHITE: You may be right. That is certainly what we thought to begin with.

H.M.JR : Excuse me a minute. If there isn't anything else - unless somebody has something else, I think we will go ahead. But if, between now and Friday, anybody has any suggestions to make, I would be most pleased to receive them.

So I think, unless somebody has something else - you all have a lot of work to do and we might as well stop.

April 18, 1944
10:15 a.m.

DISCUSSION WITH STATE DEPARTMENT
Re: INTERNATIONAL STABILIZATION

Present: Mr. Bell
Mr. White

H.M.JR: After this meeting, Mr. Bell, Mr. White, Mr. Acheson, Mr. Pasvolsky, and Mr. Collado stayed, and we discussed how we could go ahead.

Out of the various discussions came this, that Mr. Acheson said that he thought that--I first said that I wanted the cooperation and help of the State Department. Mr. Acheson said that he thought that inasmuch as this would be the first real world conference, invitations should go from the President ~~to~~ the heads of the various members of the United Nations saying that he had appointed as the head of the U. S. delegation the Secretary of the Treasury, and that the President hoped that each of these governments would appoint their principal financial person, whoever he was, to attend a conference. I said that was entirely satisfactory to me.

Then we got on to the discussion about the Hill, and to my surprise the State Department had not yet thought the thing through; and out of this discussion came, "Should Members of Congress be appointed by the President on the American delegation?"

After considerable discussion, in which I had to do my own original thinking, it was decided that we would send a joint telegram tonight to the President, signed by Hull and me, recommending that the President authorize us to say on Friday that if such a conference took place, he, the President, would appoint Members from Congress as delegates to the American delegation. I, for my part, felt that the State Department's attitude was very cooperative and sympathetic. I mean, I felt it was a very nice atmosphere.

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MR. WHITE: I wonder whether he said this was the first world conference, or the first world conference of United and Associated Nations. There have been other world conferences.

MR. BELL: Not during Roosevelt's administration.

H.M.JR: No, he said that Roosevelt had not called a real world conference since he had been President.

MR. WHITE: I thought you said this was the first world conference.

H.M.JR: No, during Roosevelt's administration. And, also, Mr. Pasvolsky said this was so important for the British because when the British made up their mind what they were going to do on this one, they would have to decide whether they were going to really join with us on the United Nations basis, post-war economic problems, or whether they were going to go their own way. This was a terrifically important decision for them to make.

MR. BELL: By the way, isn't there a meeting of the Dominion Ministers in London?

MR. WHITE: There has been. They called a meeting of the Dominion Ministers to discuss Article Seven, which is the post-war economic policy, and that included these monetary discussions, and they were discussed in London for a month.

H.M.JR: I, as you notice, cut the thing a little short, because what I was worried about was that Eccles might say something that would throw the whole meeting into an uproar. You were being too kind to him, so I didn't--

MR. WHITE: That is all right.

H.M.JR: I didn't think there was anything to be gained. Eccles was on a fishing expedition. He knew his stuff. He knew what he was talking about.

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MR. BELL: He was very cagey, I thought, by asking questions.

MR. WHITE: The reason I wanted to correct him was that I thought he was going to report back to his Board that the Congress was going to shape the principles upon which the Fund was going to be created.

I was a little bit afraid he was going back to his Board and tell them, "You boys don't have anything to worry about. This is just a statement of principles, and Congress is going to consider this and rehash it long before it gets into any form, so don't get concerned about it." And then later he might say, "Well, I thought you told us that Congress would have something to do with the shaping of this declaration before it was agreed upon." Well, of course, that isn't true about the principles. If the principles are agreed upon, we can't change them unless it is done by unanimous consent.

MR. BELL: That is one question you are probably going to have to answer Friday. You are going to have this conference and agree on plans. Now, is it going to be in such shape that Congress can't change it when you come up here for legislation?

MR. WHITE: Well, the answer is that they will have their representatives on the Committee who will help to modify it, but the real answer to your question is, "No, they won't be able to change those principles." They either accept it, or reject it, or accept it and reject it with certain major amendments which then would have to go to the other countries.

MR. BELL: Your best answer will probably be that if the Congress accepts it with amendments, those amendments will have to go back to the other countries as signatories of the plan.

H.M.JR: All right?

MR. WHITE: Yes.

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H.M.JR: I thought we went as far as we could this morning.

MR. WHITE: I thought it was an excellent meeting.

H.M.JR: Somebody has to do something about the Federal Reserve, though.

MR. WHITE: I think the time we can do some work with them is after the conference.

MR. BELL: The trouble is, Eccles talks so much. He talks so much outside privately and off the record.

MR. WHITE: I presume it won't be necessary to write this little meeting up.

H.M.JR: Your presumption is correct.

April 18, 1944

TELEGRAM FOR THE PRESIDENT FROM THE
SECRETARY OF THE TREASURY

I have made arrangements to appear before the appropriate Congressional committees on Friday, April 21, to discuss the joint statement of technical experts of the United Nations on the establishment of an International Monetary Fund. The Treasury has planned the release of the joint statement to the press at 8:00 p.m., April 21, Washington time for Saturday morning papers, and it is anticipated that the statement will be released in London as well as possibly Moscow, Chungking, and some of the American republics and British Dominions.

Although no final discussion can take place with the British regarding the convening of an international conference on the monetary fund and bank proposals this spring pending discussion of the matter early next week in the British Parliament, I propose to tell the Congressional committees frankly of our desire to call such a conference if circumstances permit. In this connection the members of Congress are certain to ask questions regarding the composition of the United States delegation and particularly the participation of the Congress in the conference. Secretary Hull and I would recommend that I be authorized to state that you would probably appoint a delegation to be headed by the Secretary of the Treasury and including, among others, representatives of both houses of Congress. We believe it very important that a statement be made of your intention thus to invite direct Congressional participation in the work of the United States delegation to the conference if it is convened.

We both believe that such a statement to the Congressional committees will be of the greatest importance in getting the proposed conference off to a good start with the Congress and request accordingly that, if you approve, you authorize me to make the suggested statement to the members of Congress.

Secretary Hull approves this telegram.

April 18, 1944
10:20 a.m.

FINANCING

Present: Mr. Bell

MR. BELL: This is a letter to the President on the basket of securities for the Fifth War Loan Drive.

(Secretary signs letter.)

MR. BELL: You sign two, you know. It goes over in the original and duplicate. If the President approves both, one stays in his file, and one comes back.

(Secretary signs copy of letter.)

MR. BELL: Charlie Bell is being designated on this Deferment Committee in the place of Norman Thompson.

(Mr. Bell hands the Secretary a letter addressed to Mr. Charles Bell, dated April 17, 1944, which the Secretary signs.)

MR. BELL: There are two letters there, too.

H.M.JR: God, I have never done this before. Why do I have to sign this thing to the President twice?

MR. BELL: Yes, you have to.

H.M.JR: No, sir. I have been signing stuff all week, only one copy.

MR. BELL: Well, you see what this is--this letter goes over, and the President puts his approval on the back of it.

One time they didn't take the carbon off, and Forster made a rule over there that hereafter it will come over

- 2 -

in duplicate, and the President will sign both, one to stay in the files as approved copy, and the other to come back to you. That has been within the last sixty days.

You sent me a note on Gordon Rentschler. Do you know what he has?

H.M.JR: He has a plan where he is increasing his deposits a million dollars a week.

MR. BELL: Out of hoarded money?

H.M.JR: Yes.

MR. BELL: Well, I think we might look into it and see what we can do.

H.M.JR: Cy Upham most likely hasn't much to do, and they might sort of follow through on a thing like that. I haven't talked to Cy.

MR. BELL: Gordon, I suppose, will be glad to tell it.

H.M.JR: Oh, yes.

MR. BELL: It is a wonder Burgess doesn't put it up to the Reserve Bankers.

H.M.JR: I think he has something else he is going to do.

MR. BELL: Who, Burgess?

H.M.JR: Yes. I don't know just what it is. He had another something in this connection, but this is something. They said they started last December, and it has gotten so they feel they are getting a million dollars of hoarded money a week in new deposits.

If they like it and can get it and sell it to the country, let Cy Upham go to work and have it as his baby, and let the other banks do likewise.

- 3 -

MR. BELL: O.K. All right, I will see.

H.M.JR: I was working with Rentschler to try to help him get a man to set up surplus property. I have offered it to Aldrich. He wants to come.

MR. BELL: It is up to the Board? I think he will be a good man.

These people out in Minneapolis asked you to make a speech, and apparently you wrote them and said you would suggest or give them a substitute.

H.M.JR: No, this is their own idea.

MR. BELL: Well, they said it was very kind of you to arrange for a substitute. I suppose Smith put something like that in. They ask if I can come. I have turned down a couple so I feel a little embarrassed about accepting this right on top of it. I turned down the National Savings and also the Missouri Bankers Association.

H.M.JR: It is purely up to you. There is no pressure from me.

MR. BELL: I don't think I want to go up there during the Drive.

H.M.JR: That is the way I felt.

MR. BELL: Well, we can send them somebody. That is all you care?

H.M.JR: Yes.

TREASURY DEPARTMENT

WASHINGTON

APR 18 1944

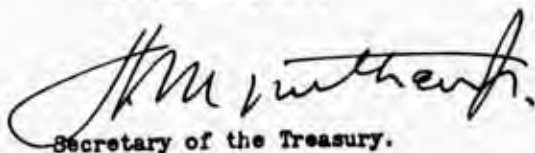
Dear Mr. President:

Subject to your approval, I propose to offer for cash subscription, under authority of the Second Liberty Bond Act, as amended, an additional issue of the 2-1/2 percent Treasury Bonds of 1965-70, an issue of 2 percent Treasury Bonds of 1952-54, and an issue of 1-1/4 percent Treasury Notes of Series B-1947. At the same time I propose to offer for cash subscription an issue of 7/8 percent Treasury Certificates of Indebtedness to mature June 1, 1945. All of these securities will be dated June 26, 1944, except the 2-1/2 percent Treasury Bonds of 1965-70, which are dated February 1, 1944.

These four issues, Series E, F and G savings bonds, and Treasury savings notes, will constitute the securities available in the Treasury's Fifth War Loan Drive, with an objective of \$16,000,000,000 to be sold to nonbanking investors. In general, the terms and conditions of the new securities will be similar to those sold in previous drives, and the amount of securities to be issued will not be specifically limited. I propose to start the drive and make the new securities available for subscription on June 12. I am planning to permit commercial banks holding savings deposits and time certificates of deposit to make a limited investment in the two Treasury bonds concurrently with, but not as a part of, the drive.

The authorizing act provides that bonds and notes may be issued only with the approval of the President. Accordingly, I trust that the proposed issues will meet with your approval.

Faithfully yours,

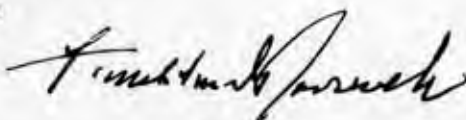


Secretary of the Treasury.

The President,

The White House.

APPROVED:



4-21-44

THE NATIONAL CITY BANK OF NEW YORK

CHAIRMAN
OF THE BOARD

April 18th, 1944

Dear Henry:

I am sending this along
because I think you would like to use
a National City Bank blotter when you
start work on June 12th.

Ever sincerely,


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

The Fifth War Loan

To Our Depositors:

The United States Treasury has announced that the Fifth War Loan Drive will open on June 12 and continue through July 8, 1944, offering the following securities:

MARKETABLE ISSUES

(Interest will accrue from June 26)

$\frac{7}{8}$ % Certificates of Indebtedness due June 1, 1945

1 $\frac{1}{4}$ % Notes due March 15, 1947

2% Bonds due June 15, 1954, callable June 15, 1952

2 $\frac{1}{2}$ % Bonds due March 15, 1970, callable March 15, 1965

SAVINGS BONDS and NOTES

(All purchases between June 1 and July 31, 1944, will be credited to the Fifth War Loan)

Series E War Bonds yield 2.90% if held 10 years

Series F and G Savings Bonds yield 2.50% if held 12 years

Series C Savings Notes yield 1.07% if held 3 years

*You and your friends are cordially invited to purchase these securities
through any of our offices*

The National City Bank of New York

April 17, 1944

Memorandum to All Officers

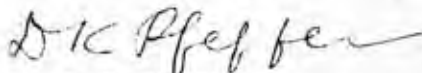
Re: Fifth War Loan Drive
June 12 - July 8, 1944

A blotter (sample attached) announcing the terms of the Fifth War Loan securities will be enclosed with our April month-end statements to depositors, including special checking accounts.

The National City Bank Fifth War Loan circular will be available on or before the first of May. As before this will include an order form on the back page.

Because of the early announcement and the fact that many of you will be writing your customers enclosing our descriptive circular, we shall probably eliminate the President's letter to all depositors. However, we may enclose our circular or some official circular, if acceptable, in statements to metropolitan customers at the end of May.

Pending the printing of our descriptive circular we can obtain a further but limited supply of Federal Reserve circular 2784, the Treasury's original announcement of the Fifth War Loan drive, which many of you have already used in writing to your depositors.



D. K. Pfeffer
Vice President

April 18, 1944

Ted Gamble.

Secretary Morgenthau.

A year or two ago, the actor Danny Kaye offered his services to the Treasury in any capacity that we might use him. I saw him last night in a picture and he was most exceptional. I am sure that Hollywood now ranks him amongst the best stars. It may be too late but I wish you would get in touch with him for the Fifth War Loan and see whether you can get him to go around the country because the man is certainly one of the country's great comedians. Please let me know what happens and if you can't reach him, I know how to reach him.

File - Ben Higin 5/16/44

207
April 18, 1944
10:32 a.m.

Operator: Mr. Pehle.

HMJr: Who?

Operator: Oh, you want Mr. Gamble, don't you? I'M sorry.

HMJr: Gamble, I said.

(Pause)

Ted
Gamble: Hello, Mr. Secretary.

HMJr: Ted, you called me last night.

G: Yes. I wanted to just report to you about our bankers meeting....

HMJr: Oh.

G:in Chicago.

HMJr: Yeah.

G: We had an excellent meeting. They had about twenty-five of their top committee people there.

HMJr: Good.

G: And we went all over this Fifth War Loan very thoroughly and they have adopted what I think is a good program.

HMJr: Good.

G: They're putting it all in writing; how we're going to get out a special manual which the A.B.A. is going to get out. They've agreed to set up a special committee in every State. We're getting out a report form so that each bank will make a report on how thoroughly they do this job in the Fifth War Loan. And it looks very good. I just wanted you to know that.

HMJr: Well, I'm delighted.

G: Because it's definitely a "plus" item for us.

HMJr: Good.

- 2 -

G: We had a memorandum....

HMJr: I'd like to know what the banks are going to do. When you get the memo, I'd like to see it.

G: All right, sir.

HMJr: I'm sure Mr. Bell will, too.

G: Well, he will and I've already told him that we had a very successful meeting and Mr. Wiggins wanted me to assure you that they'd do everything possible to see that we got the kind of action out of them in the Fifth War Loan that we were anticipating.

HMJr: Good.

G: That was all I wanted to tell you.

HMJr: That's good news.

G: All right, sir.

HMJr: Is everything else all right?

G: Well, yes. There are a couple of matters I think we ought to settle in the next two days when you get a minute or two. We ought to talk about the slogan and then we ought to talk about your participation in the Fifth War Loan before we start on our....

HMJr: Well, you'd better -- I'll tell Fitz to put you down because I'm concentrating everything on going up on the Hill.

G: Yes.

HMJr: Well, now, I'll see if I can work you in.

G: Because, see, we start our regional meetings this week-end.

HMJr: All right.

G: All right, sir.

HMJr: Right.

April 18, 1944
10:34 a.m.

Wright
Patman: Mr. Secretary.

HMJr: Talking.

P: This is Wright Patman.

HMJr: How are you?

P: Fine. I hope you're all right.

HMJr: I was never better.

P: That's good. Well, while you were away, I phoned down and left just as cordial an invitation as was possible to extend for you to open up your Fifth War Loan Drive at the middle and the heart of the Gulf Southwest.

HMJr: Yes.

P: You got my message, I hope.

HMJr: I sure did and our mutual good friend, Sam Rayburn called me up yesterday.

P: He told me he was going to.

HMJr: And he said he would like me to go and I'm giving it very serious consideration.

P: Well, it's all right for you not to say that you'll do it right now because I have some other invitations I want to come in.

HMJr: Yes.

P: But I sure want you to do it, Mr. Morgenthau.

HMJr: Let me ask you. Do I understand that if I went there, you can get the five Governors to come?

P: I feel reasonably certain that we can.

HMJr: I see.

P: And anyway we'll have a banquet there that night of the Directors of the Gulf Southwest....

- 2 -

HMJr: Yeah.

P:and they are the most prominent people in those five States.

HMJr: Yes.

P: That's business and civic and industrial leaders.

HMJr: What do you call them -- Gulf

P: The Gulf Southwest Agricultural and Industrial Conference.

HMJr: I see.

P: It's quite a big organization and composed of the most prominent people. John W. Carpenter is the head of it.

HMJr: I see.

P: He sent you a telegram.

HMJr: Well, I know you fellows have beating up the tom-toms.

P: Yes, sir.

HMJr: (Laughs)

P: And we just must have you, now, because you see the Southwest has a little glamour and romance that you don't find elsewhere, we think.

HMJr: I'm sure you're right.

P: And we're just depending on you.

HMJr: Well, I feel very much complimented and I'll make up my mind in the next day or two. I want to talk with Gamble about it.

P: All right, sir. Well, I hope it's "yes".

HMJr: Well, I feel very much complimented.

P: Well, thank you, sir.

HMJr: All right.

P: Good 'bye.

April 18, 1944 211 ✓
10:43 a.m.

HMJr: Outside of my window there is a great big healthy man cutting the lawn with a gasoline engine. Now, if they've got to cut the lawn with a man, he can either push it -- I'm not going to have them use up gasoline outside there.

Charles
Bell: I see.

HMJr: It's perfectly ridiculous. I mean, he's just hanging on to this mower with the gasoline engine.

B: Riding around.

HMJr: This grass around the Treasury -- if they're going to take manpower, they can either push a lawn mower or I don't -- just let the damn grass grow.

B: All right, sir.

HMJr: But I'm not going to have both a man and a gasoline motor.

B: All right, sir.

HMJr: Please.

B: Okay, sir.

212
April 18, 1944
11:38 a.m.

HMJr: Yes.

Operator: All right. Mr. Taylor.

HMJr: Hello.

Myron Taylor: Good morning.

HMJr: Hello, Mr. Taylor.

T: I understand our negotiators are getting on very well.

HMJr: So I hear.

T: Now, I was talking with the Secretary and made that report to him this morning. I spent the evening with Sir Herbert and Mr. Pell and Mr. Malin last night.

HMJr: Right.

T: And Sir Herbert is leaving here Friday. They are preparing some kind of press release.

HMJr: Yes.

T: And I should suggest that in a press conference, it be limited to Sir Herbert and Pehle. What do you think?

HMJr: It's all right with me.

T: I mean, the suggestion was made that someone representing the Secretary should be present.

HMJr: Oh.

T: I think that expands the field too much. I talked with him about that this morning. He thinks so, too.

HMJr: Well, if that's his wish. I -- I have discussed this and I thought that Mr. Hull might like to associate himself with it. That was....

T: Well, I don't think at the moment he needs to do that. I mean, that's his view.

- 2 -

HMJr: Well, that -- does that -- that's all that's

T: Yeah. Well, now, one thing that we did discuss, and I think that's quite important -- I had him meet Sir Herbert again last week.

HMJr: Yeah.

T: He met him four years ago when he was here.

HMJr: Oh, yes.

T: And they had a talk about this thing, which was quite satisfactory. He's leaving Friday, and I suggested to the Secretary that Sir Herbert come in again with Pehle tomorrow

HMJr: Yeah.

T: and that if you and Secretary Stimson could stop here at nine-thirty on your way down -- he's going to phone you to that effect

HMJr: Who is?

T: The Secretary.

HMJr: I see.

T: Through his office -- I think that would give it a - proper wind-up. I

HMJr: Well, if - if that is what Mr. Hull wants, I'd be delighted.

T: Well, don't you think that's good?

HMJr: Uh - yes. Yes, but if - but - he'll have to let me know fairly soon.

T: Well, I think that he's - he told me nine-thirty would suit him very well.

HMJr: Well

T: His office is going to call you very soon -- this is a little advance information.

HMJr: Well, uh - I think the more -- how should I say -- window dressing that we can give it -- referring to myself as window dressing -- I think the better.

T: I don't -- this isn't for press purposes.

HMJr: Oh!

T: This is just a private meeting to have these men who have been working for your committee

HMJr: Yeah.

T: and our committee

HMJr: Yeah.

T: report the results.

HMJr: Well, I - I

T: It won't take fifteen minutes.

HMJr: Well, I -- I know fifteen minutes -- I'd be delighted.

T: Well, you'll hear from me.

HMJr: Thank you.

T: And I'll see you then.

HMJr: Thank you.

T: Thank you very much. Oh -- hello?

HMJr: Yes.

T: The cash side of this thing is one that we've got to work out today, and -- the original two-million dollar commitment still stands, so I assume, because Winant gave that commitment to the -- to Sir Herbert and to the British.

HMJr: I'm not familiar with that.

T: Yeah. Well, will you look into that a bit?

HMJr: I will.

T: Because it's coming out of the fund that we've discussed in your office -- the other day -- avoiding the necessity for putting it in there -- in the budget anywhere -- appropriation.

- 4 -

HMJr: I'll - I'll familiarize myself with it.
T: All right.
HMJr: I appreciate your calling me.
T: Thank you.
HMJr: Thank -- hello?

April 18, 1944.

Dear Mr. Ezekiel:

This is to thank you for sending me, on April 5, a reformulation of the Secretary of State's recent general policy statement. I look forward to reading it with interest.

Very truly yours,


(Signed) H. Morgenthau, Jr.

Mr. Mordecai J. B. Ezekiel,
Economic Advisor to the Secretary,
Room 218, Administration Building,
Department of Agriculture,
Washington, D. C.


Dear Mr. Ezekiel:

This is to thank you for sending me, on April 5, a reformulation of the Secretary of State's recent general policy statement. I shall read it with interest.

Very truly yours,

 Secretary of the Treasury.

Mr. Mordecai J. B. Ezekiel,
Economic Advisor to the Secretary,
Room 218, Administration Building,
Department of Agriculture,
Washington, D. C.

 JWPehle:lhk 4/17/44

OFFICE OF
THE SECRETARY OF AGRICULTURE

218

D

April 5, 1944

*See Mr. Tolson, this should be
revised*

Mr. Morgenthau:

Recent discussions with friends on their reactions to Mr. Hull's recent general policy statement led to an attempt to reformulate these ideas in terms of what they mean to the ordinary people in enemy or occupied countries.

This draft attempts to reassure people abroad and here as to what they can look forward to after the Allies win. This is submitted for any use that you might care to make of it.

M.E.
M. Ezekiel

Attachment

John Rehle:

*Please refer to
file*

M.E.

TO THE PEOPLES ENSLAVED BY DICTATORS, INCLUDING THE INHABITANTS
OF GERMANY AND JAPAN:

This statement is issued jointly by the leaders of England, the Soviet Union, and the United States, after consultation with one another.

- I. We are fighting to destroy the dictators who have enslaved you. We are not fighting to destroy the peoples whom they have enslaved and menaced all over the world.
- II. We will fight until the dictators have surrendered unconditionally.
- III. After the dictators surrender, we will start at once to help you reconstruct a world in which you and your children can live with dignity, honor, prosperity, and freedom.
- IV. To this end we will see that those political parties which have supported the dictators and which have preached destruction, hate, and enslavement, are rooted out and rendered harmless. All individuals in those parties who have been responsible for crimes of terrorism and destruction will be turned over to you to be punished through courts of your own choosing. They will be held in the custody of the armies of occupation until you have established your own local governments and courts capable of dealing with them.
- V. No member of the Fascist parties shall be permitted to retain any of the property which has been looted from you or from the citizens of the countries which have been enslaved. So far as possible, that property shall be returned to the individuals from whom the Fascists stole it. Where such individual restitution can not be made, the property will be used for public purposes. The homes, the businesses, and the occupations of the enslaved peoples shall be restored to them.
- VI. As promptly as Fascist elements have been eradicated from your lives, you will be given the opportunity to establish local government organs by democratic processes, for municipalities, towns, villages, and counties.
- VII. You will be permitted to establish whatever form of government you select so long as it is based on the will of the people, provides for free elections, free speech, and religious freedom of worship, and insures

- 2 -

against the creation of new dictatorships.

- VIII. You will be aided to reestablish your production of food and industrial products as promptly as possible after the fighting stops. Relief food will be provided to check actual starvation, but after that your future food supply will depend on your own efforts. We will do all that is necessary to assist you in the rehabilitation of your agriculture and industry as promptly as possible.
- IX. The United Nations will undertake the responsibility of supervising the transportation and public utilities in your area, and will operate them under common United Nations' control until more permanent forms of organizations have been developed. When you have established responsible governments as indicated before, you will be given opportunity to participate as one of the United Nations in the direction of these and other United Nations' organizations.
- X. After you have reestablished the functioning of your industry and agriculture, you will be expected to aid in the rebuilding of portions of the countries which your present rulers have devastated.
- XI. We hereby enter a solemn undertaking, however, that the burdens of reparation which may be laid upon you and the financial arrangements necessary in the handling of those reparations will not be made so heavy that it will not be possible at the same time for you to create a prosperous life for yourselves, and one which, within a limited course of years, can leave you free to establish higher levels of prosperity, and better standards of living for yourselves than you had known before the war.
- XII. We recognize that if the world is to be peaceful in the future, it must also be prosperous, and we undertake to see that the necessary steps are taken after the war so that you, as well as we, will have the opportunity to earn prosperity.
- XIII. To this end we will see -
1. That no nation is barred from due access to the raw materials of the world.
 2. That no nation is barred from access to the markets of the world.

- 3 -

3. That under-developed nations, or those which have hitherto been exploited for the benefits of others, will be afforded the opportunity to industrialize their own economy and develop their resources for their own benefit as well as those of other countries, and will be assisted in establishing a decent social order.
 4. The United Nations are now in the process of developing organs of international collaboration and assistance in the fields of relief, agriculture, labor, monetary stabilization, and long-time finance. In due course, when your nation has qualified as a respected member of the family of nations, you will be able to join these organizations as one of the participating United Nations.
- XIV. As we have already agreed at Moscow, an International Security Organization will be established. Among other points, this security organization will see that the arms industries are not reestablished in any of your countries during such period as there is any danger that they might again threaten the peace or stability of the world. In due course, however, your nation will be permitted to participate as one of the United Nations in developing the broad policies for international security.
- XV. As this International Security Organization demonstrates its ability to maintain peace and security in the world, it is our intention gradually to reduce our armed forces. That reduction of force this time will come after instead of before the world has become protected from future aggressors.
- XVI. It is recognized that the peoples of all nations have a common interest which can not be disregarded without adversely affecting the most favored. Our ultimate goal is to establish a world order consisting of a family of nations, each having due regard for the welfare and rights of the others.

Treasury Department
Division of Monetary Research

D

Date.....19

To: Mr. White

The Secretary wanted you to get this as soon as possible. Note that it is for you "for your guidance". This is to be returned to Mrs. McHugh for their files.

27-5-30

MR. WHITE
Branch 2058 - Room 214-1/2

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE

TO Secretary Morgenthau

April 18, 1944

FROM Joseph J. O'Connell, Jr.

For your information

In Secretary Hull's recent radio address on planning for peace appears a general statement of the State Department's position towards Congressional participation in the formulation of plans in the field of international affairs.

In sum it indicates an intention to solicit "advice and help" from a "representative, bipartisan group" to be designated by the Chairman of the Senate Committee on Foreign Relations, and also to consult with members of the House.

As you may have noticed, this morning's papers carry an announcement to the effect that Secretary Hull plans to begin discussions this week with a bipartisan Senate Committee, composed of three Republicans and three Democrats.

It is almost inevitable that you will be asked on Friday (and will have to decide in any event in the very near future) what Congressional representation, if any, you contemplate having for the coming monetary conference. For purposes of the meetings with the Committees this week, it would seem to me desirable to say that when plans for the conference are finally announced it is expected that Congressional representation will be invited if it can be worked out within the framework of the conference as arranged.

I think it would be difficult to say less, unless you intend keeping the conference entirely within the Executive branch, and I do not see how you could say more at this point unless you are prepared to indicate precisely what Congressional representation you want, which obviously you are in no position to do.

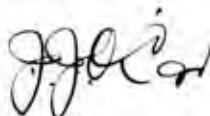
*Dr. White 223 ✓
for the...*

Secretary Morgenthau,

2.

If it is decided to invite Congressional participation, a possible solution to the problem of selection, complicated in this case by actual or asserted jurisdiction by so many Committees in both Houses, occurs to me. Why not consider appointing as delegates the majority and minority leaders of both House and Senate (i. e., one of the minority triumvirate of the Senate).

I am attaching a somewhat longer memorandum, which may serve to recall to your mind the somewhat unhappy experience of the International Food Conference, as well as a few facts with respect to other conferences held in the past. It also points out, as is obvious, that as a purely legal matter Congressional participation in such a conference is a matter of Executive grace and not Congressional right.



Enclosure

International conferences involve Executive functions exclusively and any participation by Members of Congress either as individuals or representative committees of Congress is a matter of grace and not of right. This proposition is too clear to require extended discussion. It is likewise entirely clear that resolutions such as the Andresen resolution, which you will recall provided for establishing a select committee of the House directed to attend any international monetary conference held at the invitation of the United States, would direct the designated members of the committee to take action which the Executive branch might resist as an improper encroachment upon its functions.

However, congressional participation at the invitation of the President in international conferences is not without precedent. At the Bermuda Refugee Conference, held about a year ago, the President named Senator Lucas and Representative Bloom, together with Dr. Dodd of Princeton, as the representatives of the United States to the conference which was held, I believe, under British auspices. On the floor of the House Representatives Dickstein and Mason, the chairman and ranking minority members, respectively, of the Immigration and Naturalization Committee, complained that their committee was not invited to have representatives at the conference. Representative Fish also criticized the failure to include minority representation in the American delegation. In this connection, it is a matter of historical interest that the President appointed, as members of the delegation of the United States to the London Economic Conference in 1933 Senator Pittman and Representative McReynolds, Democrats, and Senator Couzens and Representative Morrison, Republicans. In connection with that conference the only congressional action taken, other than an appropriation providing the necessary funds, was the adoption by the Senate of a resolution expressing the sense of the Senate that the United States delegates should work unceasingly for international agreement to remonetize silver on a fixed and definite ratio 16 to 1.

- 2 -

The International Food Conference which was held at Hot Springs, Virginia, in May of last year, affords, I believe, ample examples of pitfalls to be avoided in arranging such conferences. Preparations for the conference seemingly were made without consultation with the key Members of Congress and no provision for their participation was made. About a month before the conference convened a number of resolutions, similar to the Andresen resolution, were introduced although not adopted. Representatives Bradley of Michigan and Smith of Ohio (both Republicans) walked into the conference without invitation and were admitted. They met Marvin Jones, the conference chairman, who invited them to sit in on all of the sessions of the conference, including the executive sessions, but that invitation was subsequently modified on the advice of the State Department representative, Mr. McDermott, to exclude the executive sessions. As a consequence, Representatives Bradley and Smith returned to make blistering statements both on the floor of the House and to the press. They also introduced a resolution to require congressional approval of any commitments made at the conference, but no action on that resolution has been taken. The relations with the press were also rather awkwardly handled, severe restrictions being first imposed but subsequently relaxed.

Although Executive agreements, as distinguished from treaties, do not require Senate ratification or other form of approval by the Congress, it is frequently necessary that such agreements be implemented by legislation. Legislation recently approved authorizing an appropriation for the United Nations Relief and Rehabilitation Administration is a case in point.

With respect to the State Department's present attitude toward congressional participation in the formulation of plans in the field of international affairs, the following statement in Secretary Hull's recent radio address on planning for peace may be of interest:

- 3 -

"We are at a stage where much of the work of formulating plans for the organization to maintain peace has been accomplished. It is right and necessary that we should have the advice and help of an increasing number of members of the Congress. Accordingly, I have requested the chairman of the Senate Committee on Foreign Relations to designate a representative, bipartisan group for this purpose.

"Following these and similar discussions with members of the House of Representatives, we shall be in a position to go forward again with other nations and, upon learning their views, be able to submit to the democratic processes of discussion a more concrete proposal."



TREASURY DEPARTMENT
PROCUREMENT DIVISION
WASHINGTON 25



April 18, 1944

OFFICE OF THE DIRECTOR
SECRET

MEMORANDUM TO THE SECRETARY:

There is submitted herewith the weekly report of Lend-Lease purchases.

An additional requisition has been received for the purchase of 17,920,000 pounds of Magnesium Alloy Ingot for the production of Incendiary Bombs in the United Kingdom.

We have been advised informally by the Foreign Economic Administration that they are contemplating the allocation of cut, make and trim contracts in Puerto Rico, and at their request we are inquiring into the matter.

Clifford E. Mack
Clifford E. Mack
Director of Procurement

Attachment

SECRET

LEND-LEASE
 TREASURY DEPARTMENT, PROCUREMENT DIVISION
 STATEMENT OF ALLOCATIONS, OBLIGATIONS (PURCHASES) AND
 DELIVERIES TO FOREIGN GOVERNMENTS AT U. S. PORTS
 AS OF APRIL 12, 1944
 (In Millions of Dollars)

SECRET

	<u>Total</u>	<u>U. K.</u>	<u>Russia</u>	<u>China</u>	<u>Administrative Expenses</u>	<u>Miscellaneous & Undistributed</u>
Allocations	\$4724.0 (4719.0)	\$2292.9 (2290.9)	\$1877.3 (1877.3)	\$133.9 (133.9)	\$12.6 (12.6)	\$407.3 (404.3)
Purchase Authoriza- tions (Requisitions)	\$3703.4 (3691.2)	\$1890.2 (1883.1)	\$1463.4 (1460.0)	\$66.4 (66.6)	- -	\$283.4 (281.5)
Requisitions Cleared for Purchase	\$3617.7 (3598.3)	\$1865.8 (1858.5)	\$1433.6 (1425.8)	\$44.7 (44.9)	- -	\$273.6 (269.1)
Obligations- (Purchases)	\$3480.3 (3459.7)	\$1831.6 (1822.3)	\$1398.1 (1389.7)	\$44.4 (44.4)	\$11.1 (11.0)	\$195.1 (192.3)
Deliveries to Foreign Governments at U. S. Ports*	\$1931.6 (1906.1)	\$1235.2 (1219.5)	\$ 639.2 (630.9)	\$22.0 (22.0)	- -	\$35.2 (33.7)

*Deliveries to foreign governments at U. S. Ports do not include the tonnage that is either in storage, "in-transit" storage, or in the port area for which actual receipts have not been received from the foreign governments.

Note: Figures in parentheses are those shown on report of April 5, 1944.

SECRET

EXPLANATION OF DIFFERENCE AND
ADJUSTMENT OF REPORT OF APRIL 5, 1944

The decreases in Purchase Authorizations and Requisitions Cleared for China are a result of adjustments of requisitions to actual contracts.

Miscellaneous and Undistributed costs under "Purchase Authorizations" were 6.7 million in error on the report of April 5, 1944. The necessary adjustment has been made in the present report.

Mr. Klotz

The Society may be
interested in attached
clippings.

[Signature]

4/18/44

See also attached cables
from Amman

MR. LUXFORD

The Journal of Commerce

APR 18 1944

Argentina May Seize British Owned Utility

BUENOS AIRES, April 17 (AP).—The Argentine Government today ordered the expropriation of the British-owned Compañía Primitiva de Gas, which has been supplying this capital city with coal and gas since 1854.

The decree said the company would be offered 3,758,740 pesos (\$1,126,876 at the official exchange rate) for its property, and that if it refused, an order for its seizure would be obtained from a Federal judge. Company officials declined comment but indicated the Government's price was far below what they consider acceptable.

Publication of the decree was the first notice given them, the company officials said, although they had known that the Government subsidiary, Yacimientos Petrolíferos Fiscales (State oilfields) was planning to supply the city with gas beginning January 15, 1945.

The British company is capitalized at 3,000,000 pounds, with 1,000,000 pounds additional debentures. Officials said the company had had profitable years recently despite the coal shortage due to wartime shipping problems.

The decree said the Y. P. F. would utilize the same machinery and employes of the British company.

THE WALL STREET JOURNAL

APR 18 1944

*Argentina to Expropriate
British-Owned Firm*

BUENOS AIRES (AP)—The Argentine Government yesterday ordered the expropriation of the British-owned Compania Primitiva de Gas, which has been supplying this city with coal and gas since 1854. The decree said the company would be offered 3,758,740 pesos (\$1,126,676.90 at the official exchange rate) for its property, and that, if the company refused the offer, an order for its seizure would be obtained from a Federal judge. Company officials indicated the Government's price was far below what they consider acceptable.

The British company is capitalized at £1 million, with £1 million additional debentures. Officials said that, despite a coal shortage, the company had profitable years recently.

T.

GWH - 245

PLAIN
Buenos Aires
Dated April 13, 1944
Rec'd 9:34 p.m.

234

Secretary of State,
Washington.

PRIORITY

966, twelfth.

Associated Press despatch published by evening papers today refers to alleged acute shortage of corn in United States and suggests that this may influence early recognition of Argentine regime. Mention is made of low level of corn reserves and anxiety of manufacturers using corn for production of essential war materials, and it is stated that "In recent days the corn situation in the United States has been the subject of various conferences in which have participated directors of the War Food Administration, the War Production Board, the War Shipping Administration, the Office of Price Controls and the Office of Economic Stabilization". It is asserted that Argentina has expressed willingness to deliver considerable quantities of corn provided in return it receives needed fuels. This situation, article adds, has introduced new factor in diplomatic attitude of United States on question of recognition. After referring to rumors that have circulated on various occasions that White House and State Department have been studying Treasury plans for application of economic sanctions against Argentina, despatch concludes that "any decision intended to obtain grains from Argentina would obviously and the possibility of establishment of economic sanctions and would perhaps signify recognition of the Government of General Farrell".

ARMOUR

NJH

ef:copy
4-17-44

Distributed to: Mr. Bell (Mr. Dietrich); Mr. Paul; Mr. White (Mr. Hess-Orig.);
Mr. Laxford; Mr. Bernstein; Mr. Taylor; Mr. Hess.

From Mrs. E. Fontaine - Room 235

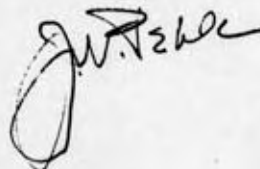
TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE APR 18 1944

TO Secretary Morgenthau
FROM Mr. Pehle

I am sure you will be interested in
the attached cable from Cairo.



Attachment.

P Y

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Cairo
TO: The Secretary of State, Washington
DATE: April 13, 1944
NUMBER: 88

SECRET

With a view to obtaining Tito's active aid in facilitating the escape of Jews from Hungary through Partisan territory to Italy and the Mediterranean region, the Foreign Office at London, at the request of various Jewish bodies, has instructed its Yugoslavian Embassy to approach him (Tito) through McLean. It is added by the Foreign Office that the maintenance and care of such refugees when they arrive in the Middle East and Italy will be presumably the responsibility of MERRA and the Allied Displaced Persons Commission and that arrangements to receive them should be made with these organizations. The Foreign Office concludes that the British Embassy should keep in touch with this Embassy in view of the cooperation between HMS Government and the United States Government concerning refugee questions.

Yesterday a member of the British Embassy, pursuant to this instruction, called at this office and made inquiries regarding the United States' attitude with reference to this project after informing us that an appropriate message is being sent to McLean. In reply he was advised that the President in an Executive Order

- 2 -

dated January 22 which was quoted in a circular airgram from the Department dated 7 p.m., January 26, and which was shown to him, set forth the United States' policy with regard to the maintenance of refugees from Europe although the Embassy is without specific instructions concerning this particular endeavor.

My informant in response to an inquiry said that since the Allied mission to Mihailovitch is being withdrawn, no (repeat no) similar effort to arrange passage through Mihailovitch territory for refugees is possible.

MACVEAGH

DCR:MPL
4/14/44

EMBASSY OF THE
UNITED STATES OF AMERICA

(By Courier)

STRICTLY CONFIDENTIAL

No. 1388

Quito, April 18, 1944

Subject: Unauthorized Passports Issued to Persons Persecuted
by Enemy Authorities.

The Honorable
The Secretary of State,
Washington.

Sir:

With reference to the Department's secret circular airgram of March 31, 1:05 p.m., regarding passports issued in the names of various Latin American countries to persons in enemy-occupied Europe, I have the honor to report that the substance of the Department's airgram was conveyed orally to the Minister for Foreign Affairs yesterday. The Minister then read to me a copy of a note sent to the British Minister here on March 30 which was in reply to a note from the British Minister concerning the unauthorized issuance of Ecuadoran passports in Stockholm and which he said explained the attitude of the Ecuadoran Government in the matter. I enclose a copy of this note, which was later furnished me by the British Minister, as well as a translation of the communication.

It will be noted that the Foreign Office communication indicates that while the Ecuadoran Government is not disposed to confirm the validity of unauthorized passports in

- 2 -

the possession of individuals persecuted by the enemy, it will, nevertheless, not cancel the passports prior to such time as the holders reach a place of safety, and that both the Inter-Governmental Committee in London and Ecuadoran consular officers abroad have been informed in this sense.

Respectfully yours,

/s/ James W. Gantebein

James W. Gantebein
American Charge d'Affaires, a.i.

Enclosure:

1. Copy of note
2. Translation of note

Original to the Department of State
Copy to the Consulate General, Guayaquil

JWG:rab
File No. 811.11

AIR MAIL

Enclosure No. 2 to despatch No. 1388 of April 18, 1944,
from the American Embassy, Quito, Ecuador.

(Translation)

C O P Y

Republic of Ecuador
Ministry of Foreign Affairs

DIPLOMATIC DEPARTMENT

No. 28-DC-13
Quito, March 30, 1944

Mr. Minister:

In reply to Your Excellency's communication No. 17 dated the 22d current, in which you are good enough to inform me of the desire of the Government of His Britannic Majesty to know whether Ecuador will permit the retention of passports which have been granted by the ex-Consul of my country in Stockholm to Israelites who are living in states occupied by the German forces, I have the honor to state to Your Excellency that my Government, notwithstanding the fact that it denies all validity with respect to the aforementioned passports, considering the grave penalties and difficulties to which those individuals would be subjected in case they were deprived of those documents, has decided not to insist on their cancellation while the existing circumstances prevail.

This decision of the Ecuadoran Government was transmitted to the Inter-Governmental Committee of Political Refugees, and Ecuadoran consular agents (officers) have been instructed in the same sense.

I must make clear that the aforementioned decision of my Government does not confer any right on those persons who possess passports with respect to entry into Ecuador without the fulfillment of the formalities established by the Alien Law (now) in force and does not constitute precedents for claiming a presumed acquisition of nationality.

Ecuador will deny all validity concerning those documents as soon as their bearers have left areas controlled by the Nazi armies.

- 2 -

I avail myself of the opportunity to renew to Your Excellency the assurances of my highest and most distinguished consideration.

(Signed) Francisco Guarderas

To His Excellency
Mr. LESLIE CHARLES HUGHES-HALLET,
Envoy Extraordinary and Minister Plenipotentiary
of Great Britain,
CITY.

TR/JWG:rab

TELEGRAM SENT

WMG

PLAIN

April 18, 1944

AMEMBASSY,
LONDON.
3109, Eighteenth
FOR WINANT FROM WAR REFUGEE BOARD

Refer to Department's telegram 634 of January 25 regarding War Refugee Board.

The Board feels that it would be desirable to appoint a Special Representative in London to operate there on its behalf. The Special Representative so appointed will be designated by the Department as Special Attache to the Embassy.

In general the Special Representative would be charged with the responsibility and duty of carrying out the policies and program of the Board in Great Britain. He will be responsible to you and will be instructed to discuss his activities and problems regularly and fully with you. Among other things, he will be expected to develop and assist in the development of programs and implementation of measures for the rescue, maintenance, relief and transportation of refugees and to forward recommendations and frequent reports on progress of work and difficulties encountered.

At the present time no selection has been made for the position of Special Representative. However, the Board would like to send to London Dorothy K. Brown (Mrs. La Rue Brown) as an assistant to the Special Representative who will be designated later. It is understood that Mrs. Brown is known to you. Please advise the Department promptly as to your views with respect to this matter.

HULL
(GLW)

WRB:GLW:KA
4/18/44

KEM-785

PLAIN

London

Dated April 18, 1944

Rec'd 10 a.m.

Secretary of State,

Washington.

US URGENT

3153, Eighteenth.

It would be of great assistance to the Embassy if we could receive today for a postponed subcommittee meeting a telegram indicating Department's attitude regarding Intergovernmental Committee on Refugees draft rules submitted in despatches 14742, March 29 and 14853, April 4, instructions concerning which were requested by April 16.

WINANT

RR

MO - 276

PLAIN

London

Dated April 18, 1944

Rec'd 6:38 p.m.

Secretary of State

Washington

3207, Nineteenth.

FOR WAR REFUGEE BOARD FROM THE AMBASSADOR

Thank you for your message no. 3109 of April 19.

I will be very glad to have a special representative of the War Refugee Board attached to the Embassy. I will also be glad to have Dorothy K. Brown appointed as an assistant to the special representative.

WINANT

RB

PROPOSED CABLE TO HELSINKI

AMERICAN LEGATION HELSINKI

War Refugee Board commends you for your 303 April 3 Legation Stockholm requested accelerate matter Swedish visas refugees and Jewish community Finland. Private sources express grave anxiety over possible German-inspired persecution Jews Finland. Do you believe Finnish cooperation obtainable establish escape-route from German-held Baltic areas to Sweden via Finland? Board would welcome your suggestions comments opinions these matters.

APRIL 18, 1944
4:00 p.m.

MStandish:lcm
4-17-44

AIRGRAM**FROM AMERICAN CONSULATE GENERAL**

Jerusalem

Dated April 18, 1944

Courier departure: April 22, 1944; 6 a.m.

Rec'd April 29, 3pm

Secretary of States

Washington

A-19 April 18, 1944/ 3 p.m.

Yesterday, in a conversation with the Chief Secretary of the Government of Palestine, I referred to the talk which I had had with Dr. Bernard Joseph on April 7th concerning the question of Jewish immigration into Palestine in the immediate future. The Chief Secretary informed me that Dr. Joseph's statements with regard to the Government's policy were without foundation and that the admission of Jewish refugees from German-occupied Europe would continue without interruption until the maximum number (75,000) permitted by the 1939 White Paper had actually arrived in the country. He added that such questions as (a) the admission of additional persons and (b) the honoring of earmarked certificates after their use for the admission of persons other than the original beneficiaries, were matters of major policy which could only be settled by the British Government in London.

PINKERTON

HVO/am

CABLE TO AMERICAN CONSUL GENERAL AT JERUSALEM

The War Refugee Board requests that you deliver the following message to Chief Rabbi Isaac Herzog:

QUOTE. Your radiograms of April 4 and 7 have been received.

The safety of Jewish and other holders of Latin American passports in Vittel and other camps has been a matter of deep concern to this Government. It has made repeated efforts to save all these persons. To this end, it has approached the governments of Spain, Switzerland and Latin American countries involved and is maintaining constant communication with Inter-governmental Committee and International Red Cross.

Special steps have been taken to save the lives of 238 persons deported from Vittel.

The Board hopes that, as a result of these efforts, the danger threatening these persons will be averted. Signed, John W. Pehle, Executive Director, War Refugee Board, UNQUOTE.

April 18, 1944
4:00 p.m.

LSLesser:als 4/17/44

CABLE TO MISSIONS AT COSTA RICA, ECUADOR, EL SALVADOR, HAITI, PERU
NICARAGUA AND VENEZUELA

Referring to the Department's circular airgrams of April 10, 11:00 a.m., and of March 31, 1:05p.m., the following is the substance of a message received from London by Sir Herbert Emerson, Director of the Intergovernmental Committee, who is now in Washington: QUOTE According cables Jewish Agency, Jerusalem, new commander Vittel Camp advised March 20 about 250 to 300 internees holding South American passports that they were not recognized by government concerned. It is alleged these persons already isolated for deportation which caused panic and despair. Agency here has partial list of people affected, mostly Polish Jews previously put on list of veteran Zionists, Rabbis, et cetera, for grant of Palestine certificates. Agency trying to obtain from Colonial Office formal assurance to Swiss protecting power that these persons placed on Palestine exchange list in order to stave off deportation. UNQUOTE.

In view of the imminent danger which faces the persons involved, and in the light of this Government's deep concern for their welfare, you should communicate to appropriate officials of the Government to which you are accredited the urgency with which favorable responses and active measures along the lines described in our circular airgrams of April 10 and March 31 are needed. You may also wish to inform such officials that in addition to the approach to Switzerland referred to in our circular airgram of April 10, we have also requested Ambassador Hayes similarly to approach the Spanish Government. Please keep the Department promptly advised of all developments in this matter.

April 18, 1944
12:55 p.m.

3 001

LSLesserials 4/17/44

CABLE TO THE AMERICAN EMBASSY, ASUNCION, PARAGUAY

Referring to the Department's 118 of April 10, the following is the substance of a message received from London by Sir Herbert Emerson, Director of the Intergovernmental Committee, who is now in Washington: QUOTE According cables Jewish Agency, Jerusalem, new commander Vittel Camp advised March 20 about 250 to 300 internees holding South American passports that they were not recognized by government concerned. It is alleged these persons already isolated for deportation which caused panic and despair. Agency here has partial list of people affected, mostly Polish Jews previously put on list of veteran Zionists, Rabbis, et cetera, for grant of Palestine certificates. Agency trying to obtain from Colonial Office formal assurance to Swiss protecting power that these persons placed on Palestine exchange list in order to stave off deportation. UNQUOTE.

In view of the imminent danger which faces the persons involved, and in the light of this Government's deep concern for their welfare, you should communicate to appropriate officials of the Government to which you are accredited the urgency with which favorable responses and active measures along the lines described in our 118 of April 10 are needed. You may also wish to inform such officials that in addition to the approach to Switzerland referred to in our 118 of April 10, we have also requested Ambassador Hayes similarly to approach the Spanish Government. Please keep the Department promptly advised of all developments in this matter.

April 18, 1944
12:55 p.m.

LSLesser:als 4/17/44

CABLE TO LISBON

Please deliver following message to Minister Norweb, Lisbon, for Dexter, War Refugee Board Representative, from J. W. Pehle.

Reference your 1053, April 10. Glad to hear of designation and acceptance. Arrangements being made here for Legation to supply administrative needs and administrative expenditures through State Department channels. Attempting to make arrangements ~~for~~ for automobile and typewriters and will advise you further. Agreeable to purchase of safe if Legation unable to accommodate. Establishing \$10,000 credit for which you will be responsible to me alone. These funds not subject to usual government disbursing requirements but you should keep careful record and obtain receipts where possible. These funds may be used at your discretion but should not (repeat not) be used for administrative expenses of the sort being handled by the Legation. We are contacting Eleanor Widen re availability. Compensation for loss of time to Unitarian Committee being arranged with Joy.

THIS IS WEB LISBON CABLE NO. 3

April 18, 1944

3:15 p.m.

WStewart;pdk 4/18/44

KEM-809

PLAIN

Lisbon

Dated April 18, 1944

Rec'd 11:48 a.m.

Secretary of State,

Washington.

1145, Eighteenth, 11 a.m.

Joseph Schwartz requests that following message be sent through War Refugee Board to Leavitt Joint Distribution Committee New York.

"For your information Ferramonti camp southern Italy contains 1100 Jewish refugees including 200 women 100 children. Of these 737 have registered for immigration Palestine, 87 USA, 61 England, 66 other countries. They receive food plus fifteen cents adults ten cents children cash daily which camp committee considers insufficient. Food and clothing situation generally very bad. Camp committee consists Herbert Landau, Doctor Max Pereles, Sigmund Guttman who ask that remittances be sent their account Banco de Napoli Cosenza. Wish advise Jewish Agency has sent Ferramonti 1500 pounds clothing 500 pounds supplies also about 7000 pounds cash for distribution to all refugees southern Italy numbering approximately 6000. Have asked you several times previously advise us whether remittances to southern Italy possible. If remittances possible believe for representative Intergovernmental Committee Italy handle distribution our funds until our own representative able function. Advise urgently".

NORWEB

WSB

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Lisbon
TO: The Secretary of State, Washington
DATE: April 18, 1944
NUMBER: 1150

CONFIDENTIAL

For transmission onward to the Governments of Rumania and Hungary the substance of the message from the War Refugee Board which was continued in your number 1013 dated April 12 has been placed in the proper channels.

NORWED

DCR:MPL
4/19/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Lisbon
TO: The Secretary of State, Washington
DATE: April 18, 1944
NUMBER: 1156

CONFIDENTIAL

There follows in substance a paraphrased message for Leavitt, Joint Distribution Committee, New York, and the War Refugee Board from Mr. Joseph Schwartz:

The International Red Cross out of the funds supplied by us has sent to Poland 100,000 Swiss francs worth of food and medicine. During the last four or five weeks over three hundred children from France have arrived in Switzerland and they are being cared for by local groups. During the past two to three weeks sixty-four refugees including two children have come to Spain from France. Most of these recent arrivals who are in Lerida are being maintained by our Barcelona office. Any day we are expecting the arrival of a group of children. I shall keep you informed.

NORWEB

DCR:MPL
4/19/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Lisbon
TO: The Secretary of State, Washington
DATE: April 18, 1944
NUMBER: 1155

CONFIDENTIAL

There follows in substance a paraphrased message for Leavitt, Joint Distribution Committee, New York, and the War Refugee Board from Mr. Joseph Schwartz:

The International Red Cross out of the funds supplied by us has sent to Poland 100,000 Swiss francs worth of food and medicine. During the last four or five weeks over three hundred children from France have arrived in Switzerland and they are being cared for by local groups. During the past two to three weeks sixty-four refugees including two children have come to Spain from France. Most of these recent arrivals who are in Lerida are being maintained by our Barcelona office. Any day we are expecting the arrival of a group of children. I shall keep you informed.

NORWEB

DCR:MPL
4/19/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Legation, Stockholm
TO: The Secretary of State, Washington
DATE: April 18, 1944
NUMBER: 1342

SECRET

An appeal to the Government of Germany to permit refugee children to proceed to Sweden has repeatedly been made by the Government of Sweden during the past year according to Soderblom (War Refugee Board's number 2, number 654 dated April 12 from the Department). It appeared for a while that arrangements would be successful for the evacuation of large numbers of Belgian and French refugee children but the Government of Germany at the last moment on the ground that transport facilities for the evacuation of the children could not be spared, stopped the proceedings. It was added by Soderblom that the Government of Sweden is constantly following the matter and as soon as there seems to be a sporting chance that the Germans might consent the question will again be pressed. Since military requirements are now so overburdening transportation facilities that it is actually almost an impossibility for a civilian to get permission to travel, it is Soderblom's opinion that there is no chance whatever that the Germans would consent to make them (transportation facilities) available. It was Soderblom's desire that the fact be emphasized that the Government of Sweden is not overlooking any opportunity, that it has appealed and will continue to appeal to the Government of Germany to allow travel to Sweden of refugee children.

JOHNSON

DGR:MPL
4/20/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Legation, Stockholm
 TO: Secretary of State, Washington
 DATED: April 18, 1944
 NUMBER: 1345

SECRET

Reference Department's 502, dated March 24.

The March 24 statement of the President regarding refugees and Nazi persecutions lost part of its potential publicity because it was released to Sweden via Reuter on March 25, which was a holiday and important morning papers were not published. Two afternoon papers, however, *AFTONBLADET* and *ALLEHANDA*, carried the statement complete. The statement was carried prominently by *DAGENES NYHETER* and to a lesser extent by *STOCKHOLMS-TIDNINGEN, THE FOLLOWING DAY*. Outside of Stockholm there was little coverage in Sweden.

Since interest of the press in this connection appeared to be centered on Palestine-Hungarian-Jewish question, Swedish editorials only referred to statement indirectly. At a time when the President was urging all free peoples temporarily to open their frontiers to victims of Nazi oppression there was a general unfortunate reaction to the closing of Palestine.

Over short, medium and long wave lengths, excerpts of the President's statement were given in official Swedish news broadcasts in the Swedish language.

The statement has been relayed through underground channels to Norway and Denmark by the Legation's press section and it is believed the statement will come to the attention of occupation forces of Germany. The *DNYTOVER ATLANTEN*, a Danish-Swedish newspaper for refugees in Sweden, also published the statement. In order to get copies of this paper into Denmark they must be smuggled.

Informal requests by the Legation that prominent Government official publicly comment on statement were not productive (see the Legation's cable of April 11, no. 1226).

The appointment of Iver Olsen as representative of the War Refugee Board, press release via Reuter, resulted in interviews which were carried prominently by almost all Swedish papers. The statement Olsen made to the press referred to the President's statement and also activities of the Board.

- 2 -

By airmail we are forwarding a despatch which transmits significant clippings.

JOHNSON

CABLE FROM WAR REFUGEE BOARD TO HARRISON AT BERN FOR McCLELLAND

The American Friends Service Committee reports having information to the effect that Andre Blumel, formerly secretary to former Premier Blum of France is interned by the Germans and is so seriously ill as to be in danger of death unless he is promptly removed to a place where more adequate medical care is available to him. While we are unaware of any previous instance where a civilian internee has been released by the interning power for hospitalization in a neutral country, you are requested to approach appropriate officials of the Swiss government and inquire whether they would be willing to approach Germany in an effort to procure Blumel's release for hospitalization in Switzerland.

It is suggested that a technique similar to that developed by the Swiss in 1916 for prisoners of war, and later embodied in the Geneva Conference of 1929 and the Model Agreement annexed thereto, might be employed, with such suitable guarantees and assurances to the Germans as the circumstances may warrant.

Funds for Blumel's transportation, medical and hospital expenses are available.

Please keep the War Refugee Board advised of any developments in this matter.

THIS IS WRB BERN CABLE NO. 1

In order to avoid confusion in connection with its cables to representatives in the field, the Board, commencing with this cable, intends to number its cables to each representative consecutively. In replying to Board cables kindly refer to the WRB designation. You should also consecutively number all cables to the Board.

April 18, 1944
11:25 a.m.

RISmith
LSLesser:als 4/13/44

CABLE TO MINISTER HARRISON, BERN

Reference your No. 2310 April 13, 1944. The Turkish Government has already acted in support of the ICRC request for safe conduct for the SS. TARI. The Swedish Government has been asked to support such request and has agreed to do so. Accordingly you may care to bring these facts to the attention of Swiss Government in an effort to persuade it to reconsider its decision. Please keep the Department and War Refugee Board advised on this matter.

THIS IS WRB BERN-CABLE NO. 2

April 18, 1944

12:55 p.m.

PARAPHRASE OF TELEGRAM RECEIVED

260

FROM: The American Minister, Bern
TO: The Secretary of State, Washington
DATE: April 18, 1944
NUMBER: 2444 (Section 1)

SECRET

The following message is from Gerhardt Riegner and Richard Lichtheim, Geneva, to the World Jewish Congress, 1834 Broadway, New York, for Dr. Wise.

(For delivery to Dr. Wise at the discretion of the Department, the following message in substance is transmitted by the Legation for the information of the Department).

Our opinion is that a special effort to arrange an exchange of Jews in German-occupied countries against German nationals in Allied countries should be made by the War Refugee Board working with the Government of Britain. In the first instance the Jewish candidates for exchange are those who received Palestine immigration certificates whose names have been notified by the Government of Britain through Switzerland as the protecting power, to the Government of Germany. There are approximately 3500 of these persons. Germany has accepted this principle of exchange for persons holding these certificates but due to the lack of German candidates the exchange has not materialized so far. The holders of these certificates have been kept to date in special camps and are in danger of deportation since Germany is now getting impatient. The whole group might be saved if as a beginning an exchange of a few hundred at least could be made with prospects of further exchanges in the future.

HARRISON

DCR:MPL
4/20/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Bern
TO: The Secretary of State, Washington
DATE: April 18, 1944
NUMBER: 2444 (Section 2)

SECRET

As quickly as possible the War Refugee Board should therefore prepare a full list of all Germans in North and South America and in the British Empire who are eligible for exchange and should also with the British Government send such list through protecting powers to the Government of Germany without delay.

In view of the present situation this procedure is of the utmost urgency. In case some practical result is obtained an effort should also be made to arrange a separate exchange plan for such Jews as many have obtained South American passports or other papers of identity from certain consulates provided recognition of such documents for this purpose can be obtained from respective governments. Bearers of visas for overseas countries would be other Jewish candidates for exchange. This scheme is of particular importance to Jews in Hungary in view of their desperate situation; these Hungarian Jews also could profit from Palestine certificates or other authorized visas or documents. It is our considered opinion that unless action is taken at once to effect a group exchange, neither holders of Palestine certificates nor any other groups can be saved. This view is held by all diplomatic representatives including the Papal Nuncio at Bern who have approached us recently.

HARRISON

DCR:MPL
4/20/44

TELEGRAM SENT

262

This telegram must be
paraphrasdd before being
communicated to anyone
other than a Government
Agency (BR)

April 18, 1944

4 p.m.

RESTRICTED

AMEMBASSY,

ANKARA

344

FOR STEINHARDT FROM WAR REFUGEE BOARD

WRB no. 25.

Hirschmann arrived Saturday. We are gratified to receive his personal report on the difficult situation in Turkey which you and he faced and which you are now facing. We are convinced that his report in person was indispensable to the Board's continued program in Turkey.

Hirschmann is working here with us on the pending situations and you will hear from us concretely as soon as possible.

The Board desires again to express to you its great appreciation for the unremitting and wholehearted support which Hirschmann has reported that you have given to all of the efforts of this Government to save the lives of victims of Nazi oppression.

HULL
(GLW)

WRB:GLW:KG

NE
Cleared over the
telephone with
Mr. Wilson

PROPOSED CABLE TO AMBASSADOR STEINHARDT,
ANKARA, FROM WAR REFUGEE BOARD

Hirschmann has informed us in detail of the enormous difficulties you overcame in personally arranging with the Turkish authorities to allow the refugees from the SS MILKA and the SS WARITZA to land in Istanbul and to be supplied immediately with railroad transportation through Turkey to Palestine.

Hirschmann also informs us that there will in all probability be other boats approaching Istanbul, which are in the same category, and that these also would not be authorized to disembark their passengers in Turkey without your personal intervention.

Highest commendation is due you for the resourceful application of the goodwill you had built up with the Turkish officials in dealing successfully with this work of mercy in these crucial months.

This is War Refugee Board Cable to Ankara No. 27.

April 18, 1944
5:15 p.m.

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD

INTER-OFFICE COMMUNICATION

DATE Apr. 18, 1944

TO Secretary Morgenthau
FROM J. W. Pehle

This cable has been sent to Steinhardt and is, no doubt, in his hands already.

I am quite proud of the achievement which it represents.



CABLE TO AMBASSADOR STEINHARDT, ANKARA, FROM THE WAR REFUGEE BOARD.

The following refers to your No. 657 of April 12 from Ankara to the War Refugee Board.

With respect to the replacement of a passenger vessel of QUOTE an equivalent vessel of similar age, size and general characteristics UNQUOTE for the SS TARI as designated in Article 4 of the proposed charter with the Turkish Government for the aforesaid ship, Hirschmann is in full agreement with the position you have taken in your telegram abovementioned.

Hirschmann and I conferred with Admiral Land of the War Shipping Administration today. The War Shipping Administration and the Foreign Economic Administration have authorized you to commit this Government to the replacement of the SS TARI in the event of loss with a passenger repeat passenger vessel as requested by the Turkish Government.

At this point every recommendation submitted by you and Hirschmann to complete the negotiations for you to sign the charter agreement for the War Refugee Board with the Turkish Government for the SS TARI has been authorized. Please refer to War Refugee Board cable to Ankara No. 20 relating to all the conditions mentioned in your numbers 585 and 594. The single obstacle remaining is the granting of safe conduct by the German Government. We have taken every available measure to expedite this safe conduct in Washington as reported in our War Refugee Board cable No. 20.

Hirschmann informs me that Simond has expressed to him unequivocally, unreserved confidence that von Papen would arrange to obtain this safe conduct without delay. He also informs me that Simond agreed personally to see von Papen within a few days after his first meeting with him in Ankara on this subject. Assuming that the German safe conduct has not been obtained Hirschmann urges that both Simond and the Apostolic Delegate from Istanbul arrange to see von Papen in person in order to again urge granting of safe conduct without delay. Hirschmann reports that Simond expressed the view that he can succeed in securing the safe conduct and he suggests that you personally confer with Simond along the above lines without delay.

THIS IS WRB ANKARA CABLE NO. 26
April 17, 1944
6:10 p.m.

URGENT

This telegram must be
paraphrased covering being
confronted to all be
Government
agent. (BR).

April 18, 1944

3 p.m.

U.S. URGENT

EMBASSY,

APR 20 1944

CHUNGKING.

520

Please substitute for the phrase QUOTE removal of
the member country of restrictions UNQUOTE in paragraph
III-B of the Department's no. 513 of April 17, 3 p.m.
the phrase QUOTE removal by the member country of
restrictions UNQUOTE.

HULL
(EGC)

11A:EGC:ja
4/10/44

RMM

This telegram must be paraphrased before being communicated to anyone other than a Government

April 18, 1944

8 p.m.

K

U. S. URGENT

URGENT,

RIO DE JANEIRO.

1251

FOR THE AMBASSADOR FROM THE SECRETARY OF THETREASURY

1. I would appreciate it if you would call upon the Minister of Finance sometime Thursday, April 20, and hand him the English text and translation of the Joint Statement of the technical experts of the United and Associated Nations recommending the establishment of an international monetary fund. These documents should be given to Dulhoes also.

2. Please inform the Minister of Finance that I am appearing on Friday before the appropriate Congressional committees to bring them up to date with regard to our discussions on international monetary cooperation, and to present to them the Joint Statement. The Joint Statement will be published April 22, 1944 in a number of the capitals of the United Nations including London and Washington. It would be highly desirable if the

- 1251, April 18, 8 P.M., to Rio de Janeiro

statement were released by the Minister for simultaneous publication in Rio de Janeiro. It is of the utmost importance that this document should not be made public before the morning of April 22, when it will be published in Washington.

3. The following changes should be made in the text previously sent to you:

- QUOTE I-5 To assist in the establishment of multilateral payments facilities on current transactions among member countries and the elimination of foreign exchange restrictions which hamper the growth of world trade.
- II-1 Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$8 billion if all the United and Associated Nations subscribe to the Fund (corresponding to about \$10 billion for the world as a whole).
- II-2 The quotas may be revised from time to time, but changes shall require a four-fifths vote and no member's quota may be changed without its assent.

-3- #1251, April 18, 8 p.m., to Rio de Janeiro

-5-

II-3, paragraph 2 The obligatory gold subscription of a member whose home areas have suffered substantial damage from enemy action or occupation shall be only three-fourths of the above.

III-2(e) The Fund's total holdings of the currency offered (after having been restored, if below that figure, to 75 percent of the member's quota) have not been increased by more than 25 percent of the member's quota during the previous twelve months and do not exceed 200 percent of the quota.

III-5 So long as a member country is entitled to buy another member's currency from the Fund in exchange for its own currency, it shall be prepared to buy its own currency from that member with that member's currency or with gold. This shall not apply to currency subject to restrictions in conformity with IX, 3 below, or to holdings of a current account nature effected before the removal

-4- #1251, April 18, 8 p.m., to Rio de Janeiro

-4-

by the member country of restrictions on multilateral clearing maintained or imposed under K, 2 below.

- VII-1 The Fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including the representatives of the five countries with the largest quotas.
- VII-2 The distribution of voting power on the board and the executive committee shall be closely related to the quotas.
- X-3 The Fund may make representations to any member that conditions are favorable to the withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with E, 3 above. Not later than three years after coming into force of the Fund any member still retaining any restrictions inconsistent with E, 3 shall consult with the Fund as to their further retention. UNRUSTE

PHW:WCC:ja
4/10/44

HULL
(EGC)

~~PLAINTEXT~~ MESSAGE SENT

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

April 18, 1944

10 p.m.

X

U. S. URGENT

AMEMBASSY

MEXICO, D.F.

815

FOR THE AMBASSADOR FROM THE SECRETARY OF THE TREASURY.

1. I would appreciate it if you would call upon the Minister of Finance sometime Thursday, April 20, and hand him the English text and the translation of the Joint Statement of the technical experts of the United and Associated Nations recommending the establishment of an international monetary fund. These documents should be given to Monteros and Gomez also.

2. Please inform the Minister of Finance that I am appearing on Friday before the appropriate Congressional committees to bring them up to date with regard to our discussions on international monetary cooperation, and to present to them the Joint Statement. The Joint Statement will be published April 22, 1944 in a number of the capitals of the United Nations including London and Washington. It would be highly desirable if the statement were released by the Minister for simultaneous publication in Mexico.

-2- # 815, April 18, 10 p.m., to Mexico, D.F.

-2-

It is of the utmost importance that this document should not be made public before the morning of April 22, when it will be published in Washington.

3. The following changes should be made in the text previously sent to you:

- QUOTE "1-5 To assist in the establishment of multilateral payments facilities on current transactions among member countries and the elimination of foreign exchange restrictions which hamper the growth of world trade.
- II-1 Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$8 billion if all the United and Associated Nations subscribe to the Fund (corresponding to about \$10 billion for the world as a whole).
- II-2 The quotas may be revised from time to time, but changes shall require a four-fifths vote and no member's quota may be changed without its assent.
- II-3 The obligatory gold subscription of a member whose home areas have suffered substantial damage from enemy action or occupation shall be
- paragraph
2

-3- #815, April 18, 10 p.m., to Mexico, D.F.

-3-

only three-fourths of the above.

III-2(c) The Fund's total holdings of the currency offered (after having been restored, if below that figure, to 75 percent of the member's quota) have not been increased by more than 25 percent of the member's quota during the previous twelve months and do not exceed 200 percent of the quota.

III-5 So long as a member country is entitled to buy another member's currency from the Fund in exchange for its own currency, it shall be prepared to buy its own currency from that member with that member's currency or with gold. This shall not apply to currency subject to restrictions in conformity with IX, 3 below, or to holdings of a current account nature effected before the removal by the member country of restrictions on multilateral clearing maintained or imposed under X, 2 below.

VII-1 The Fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including

-4- #845, April 18, 10 p.m., to Mexico, D.F.

-4-

the representatives of the five countries with the largest quotas.

VII-2 The distribution of voting power on the board and the executive committee shall be closely related to the quotas.

X-3 The Fund may make representations to any member that conditions are favorable to the withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with IX, 3 above. Not later than three years after coming into force of the Fund any member still retaining any restrictions inconsistent with IX, 3 shall consult with the Fund as to their further retention.

UNQUOTE

HULL
(EGC)

FMA:EGC:ecg
4/18/44

TELEGRAM SENT

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

April 18, 1944

8 p.m.

U.S. URGENT

EMBASSY

SAN JOSE (COSTA RICA)

CIRCULAR

Please communicate the following message from the Secretary of the Treasury to the Minister of Finance and Julio Peña.

BEGIN QUOTE. 1. Discussions on proposals for international monetary cooperation have been held by the technical experts of the United States with the technical experts of some thirty countries. From the discussions it seems clear that it is the opinion of the technical experts that the most practical method of assuring international monetary cooperation is through the establishment of an International Monetary Fund.

2. On Friday, April 21, 1944 Secretary Morgenthau will appear before the appropriate Congressional committees to inform them of the progress which has been made with regard to international monetary cooperation. At that time he will present to them a Joint Statement of the views of the technical experts of the United and Associated Nations as to the principles which they believe should be the basis

-2-CIRCULAR, April 18, 3 p.m., to San Jose (Costa Rica)

for a Fund. The Statement will be published in the press on April 22, 1944.

3. This Joint Statement will be a technical document only. Governments would not be asked to give final approval to these principles until they are embodied in the form of definite proposals by the delegates of the United and Associated Nations meeting in a formal conference.

4. It is important that the summary of the statement given below should be treated as confidential and that it not be released for publication prior to April 22, 1944. The full text of the Joint Statement is being sent by air.

A summary of a draft of the Joint Statement follows:
Beginning of Summary.

The experts propose the establishment of an International Monetary Fund as a permanent institution for international monetary cooperation. The purposes would be to promote exchange stability, assure multilateral payment facilities, help lessen international disequilibrium and give confidence to member countries. All of the United and Associated Nations would subscribe approximately \$2 billion to the Fund in the form of gold and local currency in accordance with an agreed formula. The resources of the Fund would be

-3-CIRCULAR, April 18, 8 p.m., to San Jose (Costa Rica)

available under adequate safeguards to help member countries to maintain exchange stability while they correct maladjustments in their balance of payments.

Member countries would be able to buy foreign exchange from the Fund with their own currency to meet payments consistent with the purposes of the Fund until the Fund's total holdings of their currency reach 200 percent of their quota. If a member country makes use of the Fund in a manner contrary to its purposes and policies, the Fund would give appropriate notice that it would sell additional exchange to the member country only in limited amounts. Member countries holding adequate gold and exchange resources would be expected to pay for half of their exchange purchases with gold, and countries whose official holdings of gold are adequate and are increasing would be expected to use half of the increase to repurchase part of the Fund's holdings of their currency.

When the Fund's holdings of a currency become scarce, the Fund would issue a report and make recommendations designed to increase the supply of such currency. In the meantime, after consultation with the Fund, member countries would be authorized temporarily to restrict freedom of exchange operations in the scarce currency.

-4-CIRCULAR, April 18, 8 p.m., to San Jose (Costa Rica)

The Fund's resources could not be used to meet a large outflow of capital, although they could be used for capital transactions of reasonable amount. A member country could also use its own resources of gold or foreign exchange for capital transactions that are in accordance with the purposes of the Fund.

The par value of the currencies of member countries would be expressed in gold and could be changed only at the request of member countries. The Fund would approve a requested change in parity if it were essential to correct fundamental disequilibrium. After consultation, a member country would be permitted to change the parity of its currency by not more than 10 percent. Prompt consideration would be given to requests for adjustments of exchange rates.

The Fund would be governed by a board and an executive committee representing the members. Voting power would be closely related to quotas. A member country could withdraw from the Fund immediately by giving notice in writing. Thereafter, the reciprocal obligations of the Fund and the country would be liquidated within a reasonable time.

Member countries would not allow exchange transactions at rates outside a prescribed range based on the agreed parities.

-5-CIRCULAR, April 18, 8 p.m. to San Jose (Costa Rica)

They would not be permitted to impose restrictions on payments for current international transactions, or to engage in discriminatory currency arrangements or multiple currency practices without the approval of the Fund.

During the period of transition following the war, member countries would be permitted to retain their exchange controls with the expectation that these would be gradually relaxed. Three years after the establishment of the Fund any member still retaining restrictions inconsistent with these principles would consult with the Fund as to their retention. The transition period is recognized as one of change and adjustment and in deciding on requests presented by members the Fund would give them the benefit of any reasonable doubt.

END OF SUMMARY AND QUOTE.

Repeat mutatis-mutandis to Amembassy, Ciudad Trujillo
Amembassy, Panama

Amembassy, Quito
Amembassy, Montevideo

In first paragraph in place of "Minister of Finance and Julio Pena" substitute "Minister of Finance".

-6-CIRCULAR, April 18, 8 p.m., to San Jose (Costa Rica)

To Embassy, Port-au-Prince. In place of "Minister of Finance and Julio Pena" substitute "Minister of Finance and Chauvet".

To Embassy, Santiago. In place of "Minister of Finance and Julio Pena" substitute "Minister of Finance and Illanes".

To Embassy, Asuncion. In place of "Minister of Finance and Julio Pena" substitute "Minister of Finance and Gonzalez".

To Embassy, Caracas. In place of "Minister of Finance and Julio Pena" substitute "Minister of Finance and Corron dona and Guerrero".

HULL
(EGC)

FMA:EGC:eeb
4/18/44

SECRET

OPTEL No. 125

Information received up to 10 A.M., 18th April, 1944

1. NAVAL

On 17th A Canadian Catalina made a promising attack on a U-boat southwest of ICLLAND (C).

2. MILITARY

ITALY. A strong German raiding party was repulsed about 4½ miles north of CASSINO.

BURMA. Our troops have compelled the Japanese to evacuate a position 12 miles northeast of IMPHAL on the IMPHAL-KOHIMA road, but enemy parties still remain southwest of this point. Further localities have been cleared and counter-attacks repelled on the KOHIMA-DIMAPUR road just west of KOHIMA, but Japanese parties reported in strength north and south of this area

3. AIR OPERATIONS

WESTERN FRONT. 17th. Weather restricted operations. Liberators dropped 45 tons on military constructions Northern France. 17th/18th. Aircraft despatched:-

Sea mining	20 (1 missing)
COLOGNE	26
LE MANS Marshalling Yards	2
Leaflets	7
Intruders	2

ROMANIA. On 15th/16th 83 Wellingtons dropped 135 tons H.E. including 13 4,000 pound bombs together with incendiaries on Marshalling Yards at TURNUL SEVERIN. Subsequent reconnaissance shows bombing well concentrated and severe fire damage. Locomotive round house destroyed, railway work shops burnt out, goods sheds demolished and several wagons destroyed. 3 Wellingtons missing, (2 by collision). 1 JU 88 destroyed.

ITALY. 16th. Total 104 medium bombers attacked bridge near ORVILTO and ammunition dumps west of SPOLETO.

April 19, 1944

Clif Mack rode down with me this morning from the house, and I asked him whether there was anything special, and he said, "Yes." He said that he understood Clayton had written us a letter - he said he hadn't actually seen the letter but he had heard about it - saying that there were another eight or nine hundred cars which he would like the Government to have between now and the first of July. He asked me whether that was okay, and I said "Yes." He said that this leaves us with eight or nine hundred cars on hand, and he asked me whether I wanted to go ahead with them in letting non-tax supported organizations or individuals have these cars even though we got less for them, and I told him that that is what I wanted. "But," I said, "these eight or nine hundred cars the RFC has, I want you to take that up with Clayton and see that their cars are pooled with ours so the RFC can't say that they got \$300 a car more than we did. Mack thought that was an excellent idea. Mack told me that the RFC had these cars for a long time, and evidently the matter had been handled very badly.

I told Mack that when he went into this thing he should please have Tickton present so that he can give me a statistical picture on the RFC. I again stressed the fact that when we released our cars the RFC cars should also be released. Mack said he would do it.



TREASURY DEPARTMENT

PROCUREMENT DIVISION

WASHINGTON 25



OFFICE OF THE DIRECTOR

April 19, 1944

MEMORANDUM TO THE SECRETARY:

A conference was held with Mr. George Harrison, hide and leather expert with RFC, who is cooperating with us in the development of outlets for the new lot of shearlings recently declared to us.

A conference was held with Mr. Willett of RFC, and Mr. Tickton, to discuss the coordination of the respective programs of RFC and Treasury Procurement for the disposal of passenger vehicles. RFC's stock of about 900 passenger vehicles, acquired since July 1943, are for the most part higher price cars than ours. Consequently, sales have been slow. As a result of information obtained, it is believed that it may not be necessary to accept a lower price ceiling for sales to dealers than to tax-supported organizations, and a conference is being arranged with OPA for that purpose.

The Chief Coordinator's Office, Treasury Intelligence, has promised to give us three-day service in the character investigation of applicants for positions on our marketing staff.

A meeting of the Federal Space Control Board, consisting of representatives of Treasury Procurement, Reconstruction Finance Corporation, and the Army and Navy, was held for the purpose of discussing plans and procedures in connection with the acquisition, inspection, allocation, operation, and control of such storage space as will be required for the storage of material, and material controlled by, and under the jurisdiction of Government agencies. Discussion was particularly focused on the feasibility of establishing sub-committees to control the use of space by Government agencies in each region.

John L. Back
 John L. Back
 Director of Procurement

April 19, 1944
10:50 a.m.

FIFTH WAR LOAN DRIVE

Present: Mr. Gamble
Mr. Smith
Mrs. Klotz

MR. GAMBLE: That is a tough part of the country, too.

H.M.JR: Talking politics - funny - here was Dean Acheson and all these people here yesterday about my going up on the Hill. I said, "This monetary conference will be good for world stability, will be good for the American businessman, and for the Democratic Party!"

I thought that Dean Acheson would fall out of his chair.

I said, "Is that a new language?"

All he did was snake his head.

I said, "Anybody around here object?" You (Mrs.Klotz) were here.

MRS. KLOTZ: Yes, I know.

H.M.JR: I said, "I couldn't make that remark in Cabinet, though."

Well, it is time somebody talked about the Democratic Party - who is working for Mr. Roosevelt. There is the forgotten man of the Party.

What's his name said, "You want to get some of the romance of the Southwest." --Sure, Coca Cola, Pepsi Cola, Crazy Crystals--

- 2 -

MRS. KLOTZ: What is that, a drink?

MR. SMITH: It makes you thin if you are fat and makes you fat if you are thin.

H.M. JR: It is Vichy water - good for what ails you.

MR. GAMBLE: Doctor Pepper you have also in Texas.

H.M. JR: Sure, the romance of the South!

Well, you have had time to think about it, dear friend (Gamble)--

MRS. KLOTS: Sounds like a song.

H.M. JR: Now, do you boys want me to go to Texarkana?

MR. SMITH: We are agreed you should open in Texarkana Sunday night, June 11.

MR. GAMBLE: Yes, indeed.

H.M. JR: That is up in the northeastern corner of Texas.

MR. SMITH: A line right through the middle of the street and through the middle of the hotel. It is on the State Line.

H.M. JR: It is a very rich part of the State.

MR. SMITH: And very colorful. I am fascinated with it. What do you think about the President? Do you think we can hook him on the end of it in here?

H.M. JR: I think you are going to have to get the radio time without using his name, and then if the President thinks it is a good place for his voice to come from, maybe - it will have to be something that will come at the end. You will have to go ahead and sell it on the strength of what you have.

- 3 -

MR. SMITH: We can set up a good program and if he comes in probably open up at least one more network, anyway.

MR. GAMBLE: I don't like to have any problem on the time, Fred.

H.M.JR: You will have to do it exclusive of the President. When he comes back I will say, "This is what I am going to do, and I would like to have you join me."

MR. GAMBLE: Our biggest job is the Fifth War Loan and I think it should be right.

H.M.JR: I would like to have him on, but you have to get your radio time based on the Fifth war Loan, plus me.

MR. GAMBLE: Yes, well, I think that makes sense. If you get into that argument they will toss it back and forth for three or four weeks.

H.M.JR: You have to just tell it on its merits, minus the President. If he comes in it is an added attraction.

MR. GAMBLE: I think we ought to take the Red Network to give us the best spot on the air.

H.M.JR: What is the red?

MR. GAMBLE: NBC, it is the best.

H.M.JR: Well, that again I don't know. Of course, I like Columbia.

MR. GAMBLE: I think you like it, probably, because of your experience on Columbia - "We the People." Our idea here is to replace some top commercial program - Chase and Sanborn, or something.

- 4 -

H.M.JR: We haven't used this person, but I gather through Pehle, and so forth, that he is friendly to what I am doing down here, and that is Herbert Bayard Swope, who is one of the principal stockholders in Columbia, and is a Publicity Adviser to the War Department. I am throwing this out as a suggestion. He is a man who gets around and bobs up in all kinds of places. Think it over. It wouldn't do any harm, maybe, to make him an Adviser on the Fifth War Loan. I mean, he is a man who throws off a million ideas. We have nobody like that around. I am just throwing it out. He is eccentric like all publicity and public relations people.

MR. GAMBLE: Good morning, Mr. Smith!

MR. SMITH: Oh, I am just getting a thick skin. I am getting accustomed to being insulted in this office. It doesn't matter to me any more.

MRS. KLOTZ: I will repeat that to you sometime, Mr. Smith. I will use it.

H.M.JR: Anyway, we will go along on Texarkana.

This is the way I would like to do. I know you boys don't like this. I know it isn't the way you work, but it is the way I like to work, and I cuss about it afterwards, and cuss Smith out, and all that sort of thing. I would like to do it the way I have done the other. You book me for this, then I would like to see how the thing develops, see?

MR. GAMBLE: We have several good suggestions. I think maybe one you want to act on--

MR. SMITH: No, the times and places are subject to change without notice. We thought on the 14th, shortly after your opening - that would be on Wednesday night - our good radio night - that you would do a straight military program. Go on the air with someone like Eisenhower and people like that.

MR. GAMBLE: Stick to top military - top Navy.

- 5 -

MR. SMITH: Share the time with them and really make it a military operation, and if possible on that day make it a military day and get all our people out in the field to get out bands, and so forth.

H.M.JR: Do you want it as quick as that?

MR. GAMBLE: The reason is that we get the maximum good if we have it in the early part of the drive. I think this is a good sales program.

H.M.JR: All right. (To Mrs. Klotz) Do you want to make notes as we go along?

Somebody was talking to General Greenbaum and he said he first used this on his wife when something confidential came up - he said, "Now remember, please don't let it go in one ear and out of your mouth."

MRS. KLOTZ: That is very cute. What am I supposed not to let out of my mouth?

H.M.JR: He will come to me on the first of June - "Don't you know you are going to Texarkana?"

MRS. KLOTZ: He is supposed to send us a memorandum when these things are decided.

H.M.JR: I know, Mrs. Klotz, but you are my Assistant.

MR. SMITH: Ya, ya, ya!

MRS. KLOTZ: Then the rulings have changed as of this minute!

H.M.JR: What applied to Fitz would apply to Smith. The other day when Sullivan started to go after Fitzgerald Gaston said, "You are taking something on. he will get the last bite" - if you get what I mean.

Anyway, you boys want me to go on June 14th?

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MR. GAMBLE: We can do it from Washington.

H.M.JR: If I am down there, I would rather do it somewhere out in the Middle West. I would rather stay out there.

MR. GAMBLE: We want to bring Eisenhower in.

H.M.JR: To Washington?

MR. GAMBLE: We want to bring him by short wave.

H.M.JR: If I am down in that part of the world I would rather keep right on going. I don't want to come back to Washington. You can have it!

MRS. KLOTZ: Oh, I love that remark.

MR. SMITH: We could move up to Detroit and do your industry-labor spot next. It is a long way from Texarkana. I don't know whether he considers that keeping going or not.

MRS. KLOTZ: Mr. Gamble, get him to California and keep him there.

MR. GAMBLE: I have been trying to get him to California since the beginning of this program. In the Third War Loan I was thrown out the back door of his home.

H.M.JR: I am in Texarkana and I have from Sunday to Wednesday.

MR. SMITH: You can go to California.

H.M.JR: I will go to California. Do you want to do a military number from San Diego?

MR. GAMBLE: San Diego or Los Angeles, either one. San Diego would be an excellent place; everybody recognizes it as a Naval Base.

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H.M.JR: The only trouble is, everybody's mind at that time will be on Europe. I mean, I wonder, with everybody's eyes on Europe, do I want to talk from San Diego?

MR. GAMBLE: I think it is all right as long as your setting is all right. We will have Eisenhower on the program; no matter what spot in the country it originates from, it is going to have the appeal that you want it to have.

MR. SMITH: I don't think that matters.

MR. GAMBLE: People in San Diego will be just as much interested in what is going on in the Atlantic.

H.M.JR: All the airplanes are in Los Angeles. It could be either Los Angeles or San Diego.

MR. GAMBLE: San Diego may be too much naval atmosphere - but you have Lockheed and all of them.

H.M.JR: You can do it in the Rose Bowl.

MR. GAMBLE: The Hollywood Bowl - the Rose Bowl is too big. It is out in Pasadena.

MRS. KLOTZ: Did you mean the Hollywood Bowl?

H.M.JR: Yes, where they have these concerts and things.

MR. GAMBLE: The Rose Bowl seats a hundred and four thousand people.

H.M.JR: I was mixed up. No, if I am out there - if we went to San Diego it would be too much Navy. After all, the eyes of the world are going to be on Europe.

MR. GAMBLE: They have some big military establishments in California. We have Camp Roberts, one of the biggest in the country.

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H.M.JR: I don't want to go to a camp. After all, the planes that they are going to be fighting with, and so forth and so on, will be Douglas and Lockheed and Vultee and North American.

After all, the greatest fighting ship of all is the P-51; the North American P-51 is the most successful fighter, which is made in the Los Angeles area.

MR. GAMBLE: It is the perfect time of the year to go to Los Angeles. The weather is good. No danger of rain or bad weather at that time. It will be a perfect time for an outdoor show.

H.M.JR: I could go from Sunday to Monday.

MR. GAMBLE: In three days it would be leisurely. It is only twelve hours from Texarkana to Los Angeles.

MR. SMITH: You could even go by way of Portland.

H.M.JR: Did you know this plane that came through - Mr. Frye came to see me a couple of years ago and I helped him to get the release on the engines. He came to see me. I helped him get the engines. I think that that will be all right.

MR. GAMBLE: Swell. There isn't any place in the country that we can do better.

H.M.JR: That will be a military number. Then what?

MR. GAMBLE: The next idea you are not going to like at all.

MRS. KLOTZ: May I have the dates on these?

MR. SMITH: June the 14th, Wednesday. June 11 is Texarkana.

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H.M.JR: This is minus Glenn Miller's band. Incidentally, you know I am devoted to Paul, but after all, when Broadway knows I am going out on tour with Glenn Miller's band, before I know it, it is not so good.

Go ahead.

MR. GAMBLE: This is unimportant, where we can do it. Probably the best place will be Detroit. You probably won't be too crazy about the suggestions involving some personalities. We would like to take Henry Ford and Henry Kaiser, K.E. Keller, William Green and Philip Murray, and do what would really be a good "round table." I know this "round table" idea is not popular, but I think this would be popular because of the combination of characters. Henry Ford is still a good name in this country; Kaiser is a fabulous character. Do the best job we have ever done about why everybody ought to be in this Fifth War Loan Drive, and have the top labor and management people - pick management people like I have suggested for their color. Pick management people that are going to help build an audience for that kind of a show.

H.M.JR: I don't object to that. I would rather fix it and let you work on it. I would rather bill that from the next Sunday night.

MR. GAMBLE: That is on June 21.

H.M.JR: What will you do with me once you get me in Los Angeles?

MR. GAMBLE: This is a week later.

H.M.JR: Do you want to shoot me up the coast and let me do San Francisco and Seattle?

MR. GAMBLE: I don't want to try to commit you to so many things that you can't do them. I would rather start with not over four.

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H.M.JR: You have got me in Texarkana, Los Angeles, that is the 14th, and then on the 21st in Detroit.

MR. SMITH: Would you object to moving that up so he can catch it on the way back?

MR. GAMBLE: No, Fred; we could do that.

H.M.JR: I would rather do it on the way back.

MR. GAMBLE: We could move it up to, say, Monday night. You wouldn't want to move it up to Friday, would you?

H.M.JR: Why not Sunday night?

MR. SMITH: Sunday is an awfully hard night on the air. If you haven't got control of the air, there are so many good shows you just don't get listened to. Saturday night is a good night on the radio.

H.M.JR: It is not?

MR. SMITH: It is a good night for us, because it isn't a good night for anybody else.

MR. GAMBLE: We can do it Saturday night on the way back. That gives you three days.

MRS. KLOTZ: What date?

MR. SMITH: Wednesday the 14th, Thursday the 15th, and Saturday the 17th.

MRS. KLOTZ: The 17th, where?

MR. SMITH: Detroit.

H.M.JR: In other words, you want me in the first week to get the thing started.

MR. GAMBLE: I would rather do the things in those days that are going to be the best for our sales. And this is the sort of thing that would help us more.

Now, we have one more good idea, and I think you will like this one, before the finale, which is on July 4. This is tentative and has to remain tentative until we get the Navy's green light. But we are trying to make a big Navy tie-up of about fifty cities on the 4th of July, where the Navy will virtually turn over to us everything they have in this country in the way of troops and equipment and bands and go into Soldier's Field, and Yankee Stadium, and the principal cities of the country and do a job on the 4th of July. If we are successful in that, we ought to pick the best show and take the Secretary of the Navy and possibly Admiral King and yourself, and do a show from one of those public celebrations on the 4th of July.

H.M.JR: You are having the Army ones and then the Navy.

MR. GAMBLE: The reason we picked the Navy for this is because the Navy has a semi-annual Bond Drive themselves in the month of July. They have a December and a July Bond Drive. If you put the two of them together you don't get anything from either one. If you take one of them and make it an important affair as far as they are concerned, you will get something. Here in the District we are going to have an Air Force show during the campaign - numerous Army activities going on all during the show. But the 4th of July we pick as Navy Day so we will get all-out support.

Whether it is Soldier's Field in Chicago, or Yankee Stadium - wherever we have the most colorful affair, I would like to use that as a backdrop for talking about the whole activities all over the country.

H.M.JR: Put it down.

Mrs. Klotz, we should write a memorandum to Harry White and say if their monetary conference comes off he knows this is booked up for the Fifth War Loan, so he doesn't say we are going to have the monetary conference just at that time.

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MR. GAMBLE: We don't want to commit you for anything more now.

H.M.JR: Are you through now?

MR. GAMBLE: I have the slogan.

MR. SMITH: We have lots of slogans here. One is, "Buy the bonds you can't afford today."

"Buy double the extra bonds you bought last time."

"Buy more than before in the Fifth War Loan."

"Buy more--double what you did before."

"The job is big, you have got to dig."

"Let's put the V in invasion."

"We must do more to win the war."

"Insure invasion."

"Invest--buy more than before."

"Fight by his side and join the fight."

H.M.JR: I don't like any of them.

MR. GAMBLE: One we can dress up-- "Buy more than before." There are two schools of thought.

MR. SMITH: I think that is a practical one.

H.M.JR: Well, now, listen, the big thing in buying also has to be "Back the attack." Now, you are not going to be able to budge me on that. I argued with you last time, and what was it?

MR. GAMBLE: "Let's all back the attack."

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H.M.JR: It went over, didn't it?

MR. GAMBLE: Yes.

H.M.JR: What is this thing?

MR. GAMBLE: "Buy more than before."

MR. SMITH: But if you wanted to say "Back the attack," you could say, "Back the attack; do more than before."

MR. GAMBLE: "Back the attack; buy more than before."

H.M.JR: I would like you to do this: Get some artists and some fellow who knows words like this man that is still here who was the chief copy writer for your former organization. Is he still in town?

MR. SMITH: No, he is in New York running it now.

H.M.JR: There are two things. It is aural and visual. I would like to see the things aurally and visually. I would like to see them take the two things visually.

MR. SMITH: You could take some of the ads you have and put this slogan on the bottom of the ads.

MR. GAMBLE: We will have them back this afternoon, if you will tell us.

H.M.JR: You contact Mrs. Klotz. I can't tell you, because this afternoon I have to go to school on this other thing, but I can take a minute off.

MR. GAMBLE: We are boiled down to "Buy more than before," because people in the field say, "Let's have a slogan that tells people to buy bonds."

H.M.JR: Do you like that, Mrs. Klotz?

MRS. KLOTZ: It is the best of those you have on the list, but it wouldn't move me.

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MR. GAMBLE: I agree with that, Mrs. Klotz. It is not as good as "Back the attack," or "Fight by his side," or any of a dozen others. But it does suggest one important thing about the Fifth War Loan, that everybody is expected to buy more than they have bought before. After all, a slogan, if it can serve one good purpose, is worth promoting.

MRS. KLOTZ: Did you just start "Fight by his side"?

H.M.JR: I don't want it. You are not fighting by his side when you are buying a twenty-five dollar bond. That is hokey.

MR. GAMBLE: We have argued that out all across the room and back, and all the top advertising men in the country as well as folks in our own shop, don't dislike "Fight by his side."

MRS. KLOTZ: I think it conveys a lot, yes; it is true you don't fight by his side by buying a bond, but it is the feeling that you want to give, or do, in order to fight by his side.

H.M.JR: You can't get it over to me.

MR. GAMBLE: We are not going to use it as a slogan. We are using it in some of our copy.

H.M.JR: That is all right. You can't get it as a slogan any more than you can get across as a theme, "Dear Friend."

Now, can I have my two bits?

MR. SMITH: It is all right with me.

MR. GAMBLE: It is all right with me.

H.M.JR: Did you get my letter about the russians?

MR. GAMBLE: Yes, sir.

H.M.JR: Anti-Nazi--

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MR. GAMBLE: Yes, sir.

H.M.JR: Will you try it somewhere?

MR. GAMBLE: If you insist.

H.M.JR: Yes.

MR. GAMBLE: But I don't like the idea.

H.M.JR: Now, listen, nobody yet has come up with a new idea.

Mrs. Klotz, did you read the memorandum?

MRS. KLOTZ: Which memorandum?

H.M.JR: Let Mrs. Klotz read the memorandum.
(Mr. Gamble hands Mrs. Klotz memorandum from the Secretary on use of anti-Nazi war prisoners)

H.M.JR: Smith told me--I mean, when I heard these people talk the other night over in the Chamber of Commerce--they are still talking stuff we gave them two years ago. Now, the only way to tell whether I am right or wrong is to do what Old Gold has done, test it. Nobody is going to know about it, but I want to take a real anti-Nazi war prisoner and let him be tried out. Give him an audition, and let them see how the people react. You just don't know; he may go over. I want a fellow--I would like to talk to him myself, you see. I want an anti-Nazi soldier to say, "This is what the Nazis have done to me. I want you to know what they have done to me," and tell what they have done to this fellow. See?

But that story hasn't been told. The trouble is, Ted, let me just take a minute. I have been in New York at the Hotel Pennsylvania last night. The thing I hope isn't going to happen, with all that is in me, is this country is going to get an awful shock when this invasion comes, and we are not ready for it. Nobody has prepared us, see.

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MR. GAMBLE: I agree.

H.M.JR: Nobody knows how this country is going to react to it. I don't know who it was, but somebody said to me that they just couldn't understand Time and Hamilton Fish. It was shown that he helped Viereck, but the Congress of the United States didn't get up and try Hamilton Fish. Do you see? Nobody in the whole Congress of the United States, as far as I know, attacked Hamilton Fish for what he did to help this fellow Viereck.

MR. GAMBLE: No, they didn't.

H.M.JR: Now, along comes the American Legion, and the people are getting excited about it. But I mean, there is a complacency in this country.

MR. GAMBLE: I am completely in your corner on that.

H.M.JR: I may be a hundred percent wrong, but at least I am going to insist. I don't care whether you took this Englishman's song, "Don't be Unkind to the Germans"--well, I am not going to force it.

MR. GAMBLE: We did take it and distribute it; we made an excellent program. It was played, not universally, but--

H.M.JR: Did you get any unfavorable criticism?

MR. GAMBLE: No, we didn't.

H.M.JR: Did you get a single letter?

MR. GAMBLE: No.

MR. SMITH: You may sit in a corner.

H.M.JR: I don't say it would set the world on fire, but at least I asked you to do it. Is it downstairs?

MR. GAMBLE: Yes.

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MR. SMITH: By the way, the Hitler gang is downstairs, too.

H.M.JR: Now, you were afraid of that, and I happened to be right. I don't know whether I am right or wrong, but I want you to try it. And the fellow who can get it for you, a man like this, because it goes through his office, is General Greenbaum. He may protest terribly, but I want to take one of these people, and I want them to go to two or three different kinds of audiences, and I want to talk to the fellow before he makes his speech. I want to try this fellow out.

Now, as I say, the Russians have done it, and they have capitalized on it.

MR. GAMBLE: I think they have, Mr. Secretary. My only fear, so you will get my thought on it--and this is the reason I don't like it--is that I think it has been necessary to sell the people in this country to some extent the idea that all the German people are in this war and you are going to have to do a pretty good job of defeating the total people so far as the military establishment is concerned, and that you may have to do a job of regimenting the affairs of that country for a number of years. This sort of subscription to the idea there are a lot of good Germans--

H.M.JR: No, no, you don't get the point.

MR. GAMBLE: I apparently don't.

H.M.JR: I don't think there is one person in ten in this country that really understands Naziism and what they do to the people. See? Or that this is something you have got to take these losses in, in order to crush them.

Now, as General Arnold said to me--. I said something about the Russian Army, and for some reason which I don't understand, the American Air Corps is very much on the defensive just now. I don't know why they feel that way. I can understand a little bit, because they have talked too damned much; and now saying they can't lick the thing from the air. But up to very recently, they thought

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they could. But the point that General Arnold said was, "Don't forget, Mr. Morgenthau, that the Russians threw twenty-five million men into this fight." Now, he didn't pursue it, but the idea was that we have trouble getting an eight-million-man Army, see?

Now I say to you that the American public is not yet prepared to take the casualties which we are going to have to take, and they don't know or understand, still, what Naziism is.

I would like to try out a fellow who has been through this thing, what it has done to him, and his feeling - to have him get up and say, "This is what Naziism is. I want to tell you what it has done to me as a human being," and let's see the reaction on the audience.

Now, every time I have talked - and I haven't talked to many labor groups - but every time I have talked to the labor groups and have gotten tough about the Germans - it is the only time I got applause.

MR. GAMBLE: I agree with that.

H.M.JR: Now, I may be all wrong, or I may be all right - either this is a gold mine for you, or it is a complete bust. But take it from me, when it gets down to the American public, and when these casualties begin to come in - and tell them that they have got to crush this thing - begin with the soldiers themselves. Nobody knows why we have to do it. Have you read anything in what's his name's propaganda to the soldiers telling them why they have to crush Naziism? Have you seen my booklets on it?

MR. SMITH: No, their orientation things touch on it, but very lightly.

H.M.JR: Have you seen anything?

MR. SMITH: Yes, there is something in there.

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H.M.JR: No, I mean really.

Mr. SMITH: Nothing concrete.

H.M.JR: That will make the mother and father say, "This is so terrible that I am willing to have my kinsfolks die for this thing."

Mr. SMITH: I will say they are starting on this. They want our Chamber of Horrors to use as a record. They have gone to work as of last month.

H.M.JR: Still, there is nothing there that makes you willing to have your kinsfolk die for this thing. Now, that thing does not exist in this country.

Now, maybe this isn't it, but I tell you, Ted, I want to try it.

MR. GAMBLE: I agree with you, but I wonder whether a Nazi soldier is the fellow to do it.

H.M.JR: I am not saying a Nazi soldier, but I am saying a German soldier who is anti-Nazi. And don't forget that the American public is a melting pot. My father and mother were born in Germany. This is a melting pot. But this is something that you have got to learn so that you are willing to crush it, and buy bonds to do it. But I don't want them to talk about buying bonds; this is psychological salesmanship.

MRS. KLOTZ: Mr. Morgenthau, look what that Marine did the other day. He did something to everybody in that audience.

H.M.JR: He was the best thing out.

MRS. KLOTZ: He came back after he was there, and you felt you were there with him.

H.M.JR: The rest was such tripe it just was terrible, but that Marine was good.

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MRS. KLOTZ: I will never forget him; that is the effect it had on me.

H.M.JR: But those are the boys who should talk, but please don't block me on this thing. I want to try it if I have to go up to the President of the United States.

MR. GAMBLE: Well, I just wanted to give you my views on and we will do it.

H.M.JR: Do you understand a little bit more now?

MR. GAMBLE: Yes.

H.M.JR: I don't want them to say a word about buying bonds, but what I am hoping for is the thing that Howard Dietz once told me. He said never have a picture so that you explain the last thing to the audience. Leave it to the audience to work the thing out - so that he can follow the thing and he, himself, or she, works it out. Then you get the audience's reaction. Certainly he is a past master at that. He is good, isn't he?

MR. GAMBLE: Yes.

H.M.JR: And you have got to give the people the credit. Now, as they sit there, if you can really get them mad so they say, "By God, I am going to do this and that," then you have accomplished something - and he is going to buy some bonds. I don't want them to say a word about buying bonds. But I want them to try it. Try it with the people who have the most money, and that is the munitions workers. That is what I want to try.

MR. GAMBLE: I will go to work on the good General this afternoon.

H.M.JR: I don't know that Greenbaum is the right fellow. How is your contact?

MR. GAMBLE: Greenbaum is the man. Gow is very good.

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H.M.JR: Who is Gow?

MR. GAMBLE: He is a Colonel under Greenbaum. He is in the Incentive Division.

H.M.JR: He is from Boston?

MR. GAMBLE: An attorney.

H.M.JR: When we wanted these tanks--

MR. GAMBLE: ...he is the fellow who got them.

H.M.JR: Let's try. You can go to Baltimore, Norfolk - you don't have to go very far. You can go up to Hagerstown - wherever this factory is. I want to be in the audience myself - I want to be there. I want to talk to the fellow beforehand and I want to be in that audience myself. I want to talk to the laboring people. I want to try it on a Negro audience, and believe me, something has to be done with the Negroes to interest them in this war and make them feel it is their war. I would like him to talk to the Negroes. You go to work with this thing. It is either an idea that is worth a billion dollars, or it is worth nothing. Are you interested?

MR. SMITH: I am interested. I am not objecting to a test at all, understand. I have just one thing that worries me a little bit, and that is that the American people don't like people who poach, who don't play on their own teams. A Nazi soldier comes from Germany. If he comes up and says that the people in Germany, whether Nazi or whatever they are, are horrible people, you have a conflict there. It is the same trouble we have with the underground. The American people will not be interested in the underground because those people cheat.

On the other hand, it might be if we talk to this man first, I believe you could set up something that would take it out of the category of a confession. Maybe you could have three or four people and work out some kind of a little show - some sort of a thing so there could be

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a good big explanation of what goes on, and make something. I think you would get around that feeling.

H.M.JR: A fellow that I would like to have work on this thing - I would like Pete Odegard to sit in on this. I don't want to drag him in formally, but on this particular thing. It would be - I would like very much to get his reaction. But I want to try it.

Now, you can all sit around and argue with me, but I want to try it.

MR. GAMBLE: I don't think you will know until you try it.

H.M.JR: One try may not be enough. But don't forget there are twelve million Negroes in this country who are not interested in this war and they are earning a hell of a lot of money. And they are not interested because they don't feel it is their war because they are not permitted to go in the Army.

MR. SMITH: They get kicked around pretty viciously, too, as far as that is concerned.

H.M.JR: Sure. There is something wrong, and you said to me the other day, "Boss, we have to get something new." All right, here is my first contribution. I just want him to talk about - "Here I was, a little grocer," and so forth, "and I had my wife and my child, and this is what happened to me. This is what this monster did to me."

"Now, you people have got to fight to keep this thing from happening to you." And he will be a Christian that says this thing, because there won't be any Jewish soldiers. He will be a Christian. And I want him to talk about his church - I hope it is a Catholic. I want him to say what has happened to him - can he go and listen to his church and to his press - I want him to talk about what happened to religion - about this anti-Christ. It has got to be an intelligent person.

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MRS. KLOTZ: A very high type.

H.M.JR: It has to be a university person. What has happened to his home, his church, his religion, his freedom of thought?

MRS. KLOTZ: In the flesh and blood.

MR. GAMBLE: It will need some careful picking.

H. .JR: You try it for me, the sooner the better.

MR. GAMBLE: We won't give this to you, likely, for about ten days, because we are leaving for these meetings Thursday night.

H.M.JR: Don't wait too long.

MR. GAMBLE: I can have Fred do it in the meantime.

H.M.JR: Do you want to take it on, Fred?

MR. SMITH: Sure, if you want me to.

H.M.JR: Sure. My God, if this isn't public relations, there is nothing in the world that is public relations. And I don't want to have the whole thing, win or lose, on one person.

MR. GAMBLE: No, I think if you get a good person, Mr. Secretary, I think there are two things that you have to find out. I think you have to find out what reaction you will get in the plant, and what reaction you get outside the plant. I think that is important.

H.M.JR: That is right. I don't want to throw the whole thing on one person. I would like to get three persons.

MR. GAMBLE: I think you will need to get three in order to get one.

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H.M.JR: Most likely have to get a half dozen, but Peter will be very helpful on this thing.

MR. GAMBLE: We will start it this afternoon, and I will sit in with Fred.

H.M.JR: I really want to see this thing through.

MR. GAMBLE: I will get these slogans back to you.

Ted Gamble
Fred Smith

April 19, 1944.

Secretary Morgenthau

I think we will all admit that the Russians are past masters at propaganda and if you'll note, during the last six months they organized a group of Germans, Anti-Nazi Germans, with a General in charge, whom I think came from Stalingrad, and they have been using them for propaganda purposes. The thought that I had was, I know there are a lot of real Anti-Nazi prisoners in America and that we take one of them as a try-out and put him in a factory and let him address the men on pay-roll deduction and if it works well, then we can enlarge it. I wish you two men would think about it and then talk to me. We need something new and I'd like very much to see what a real Anti-Nazi could do in addressing the workmen and tell them how he was trained; how he was forced into the Army and all the things that he knows and how he hates the Nazis; let him give them a real Anti-Nazi talk. The Army knows who are the Anti-Nazis and they have tested them. Please think this thing over and talk to me promptly.

See meeting 4/19 -

See Smith's memo 4/26/44 -

April 19, 1944
3:35 p.m.

Re: CHARLES SCHOENEMAN

Present: Mr. D.W. Bell
Mr. C.S. Bell
Mrs. Klotz

H.M.JR: Explain this thing on Charles Schoeneman, will you?

MR. D.W. BELL: Heretofore, the Administrative Assistant has been the Budget Officer, and Mr. Schoeneman has been the man who has really done the leg work, held all the committee meetings, sat over before the Budget while they have had the hearings of all the departments. He has sat up before the Appropriation Committees, before the hearings of all of the Bureaus. Now, this would make him the Budget Officer. He would do the same work, but it wouldn't pass through Charlie so much.

Charlie thinks that is burdensome. He hasn't been in on it so much. He will keep in touch with it, but he wouldn't do the detail work Norman did on it.

MR. C.S. BELL: Norman never did so much on that. Norman had the title of Budget Officer.

H.M.JR: I don't know what the office politics are, but is this all right?

MR. D.W. BELL: I think that is a good arrangement.

MR. C.S. BELL: Everybody is happy.

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H.M.JR: That is the point.

Don't give me a big speech, but does this make Schoeneman happy?

MR. BELL: Yes, it makes the whole group happy.

(The Secretary approves appointment letter of Charles Schoeneman)

April 19, 1944
3:40 p.m.

APPEARANCE BEFORE CONGRESSIONAL COMMITTEES

Present: Mr. Bell
Mr. White
Mr. O'Connell
Mr. Smith
Mr. Luxford
Mr. Bernstein

H.M.JR: Well, this just happened to be handed me (reads communication SBI258P-4/19): "Assistant U.S. Attorney General Tom Clark held out the promise of a 'Moratorium' on restrictions of alcohol for beverage purposes to the liquor industry but warned that a return to prohibition is probable unless abuses in the industry are corrected. Speaking at the Convention of the National Alcoholic Beverage Control Association, Clark referred to the fact that 'just as there are cycles in business, so there are prohibition cycles.' Clark sharply criticized the liquor industry for 'widespread violation' of price ceiling regulations, for false labeling, and for black market operations."

Who is looking after liquor, officially?

MR. O'CONNELL: It is Sullivan's baby. I brought the same thing in with me.

H.M.JR: Now, the purpose of this thing was to ask Mr. O'Connell - Joseph from Ireland--

MR. O'CONNELL: Not right from Ireland, but a little ways back.

H.M.JR: Anyway, I was thinking of the McConnells from Scotland.

MR. O'CONNELL: That is right.

H.M.JR: Wherever we were, what do you want about Thursday and Friday? I hear you have put on spats and you want to know who goes into Committee first, and so forth.

- 2 -

MR. O'CONNELL: As a Committee of Arrangements, there are a couple of minor matters we should get clear on. Dean Acheson wanted to know. The schedule calls for a meeting in the Speaker's office at two tomorrow afternoon, attended by the Chairmen of the House Committees, Speaker Rayburn and probably McCormack, the Majority Leader. The question as to that meeting is who, other than you and Dean Acheson, are to go to that meeting? Dean asked.

I told him offhand I thought, for that meeting and the meeting at ten in the morning with the Chairmen of the Senate Committees, that it would be on a non-technical basis and probably only you and Dean Acheson would go, but I told him I would ask. The two o'clock meeting in Rayburn's office.

H.M.JR: At two o'clock I would like Mr. Acheson, Mr. White, Mr. Smith, and Mr. O'Connell.

MR. O'CONNELL: Do you want to permit Acheson to bring anyone with him? He mentioned Collado and Pasvolisky. I don't think that is necessary.

H.M.JR: I don't think it is necessary, either. I am not going to bother you with this, Dan, unless you want to go.

MR. BELL: I don't think so.

H.M.JR: Then, I think, if it is White and Smith and O'Connell - and I think just Acheson--

MR. O'CONNELL: Very well. Then I also told him that I thought if he would come by here a few minutes before two, you and he would go down together.

H.M.JR: Is that agreeable to you, Mr. White?

MR. WHITE: I think we can arrange for that.

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MR. O'CONNELL: That answers almost all the other questions, then, because the next meeting is ten o'clock in the morning with Senators Barkley, Connally, and Wagner, in Senator Barkley's office. And the same group will be present then.

At ten-thirty in the Senate Banking Committee room, before the three Senate Committees, the same group, I assume. But Acheson will probably be justified in having Collado and Pasvoisky with him at that meeting.

H.M.JR: Yes, and I think I can justify Bernstein and Luxford.

MR. WHITE: Right. If they go, certainly we could.

H.M.JR: It may be difficult, but certainly we could do that.

All right, Luxford?

MR. LUXFORD: All right, sir. You will hear me if I don't agree.

MR. O'CONNELL: That is really all, because the two o'clock meeting in the House in the afternoon will be the same group, of course.

MR. WHITE: Where do we have lunch? (Laughter)

You know, when we travel around, this is all arranged ahead of time, Mr. Smith.

MR. SMITH: We have a press conference that we will set up at four-thirty back here. You want to bring Acheson back with you to that, don't you?

H.M.JR: Right. Not only do we arrange for lunch--

MR. WHITE: On the Hill, because no sense coming down here.

- 4 -

H.M.JR: Sure, and the liquor has to be looked after, and a place for me to lie down, and the rye crisp.

MR. SMITH: That is O'Connell. He has charge of everything on the Hill, including eats.

H.M.JR: After all, he can't get dignified until he is confirmed.

MR. O'CONNELL: That is right. And then I will have trouble.

H.M.JR: You can get me my rye crisp up to the time you are confirmed. Then you can tell me what to do with it, after that.

MR. BELL: That ought to be simple, as long as he doesn't leave off the crisp.

H.M.JR: Does that satisfy you?

MR. O'CONNELL: Yes, the press conference at four-thirty. I take it in releasing a statement to the people in the Executive Session in the morning and afternoon, you will try to make it very clear to them that they are not to release it or make any comment with respect to it if they can avoid doing so, until you have released it through the newspapers. And in that connection I think I would stress the importance of coordinating it with the British, really.

MR. WHITE: Yes, because the British are making a statement before the House of Parliament that they cannot give them the documents until the following morning in deference to the wishes of the American Congress.

It would be most unfortunate, in the light of that, if they let it leak ahead of time.

H.M.JR: That would be Smith's fault, after all.

- 5 -

MR. WHITE: It is Smith's responsibility. (Laughter)

H.M.JR: Well, then that is that? Who is going to let Mr. Acheson know?

MR. O'CONNELL: I am.

H.M.JR: Now, what I was planning to do, and I would like very frank replies - if Mr. White and Mr. Bernstein would be free around six o'clock - have you any other engagements tonight?

MR. WHITE: I haven't. I don't think it will be necessary, but if you like I will be glad to be there.

H.M.JR: I think you will be happier. I think you better be there, unless you had some date.

MR. WHITE: No, I have no date.

H.M.JR: I will feed you.

MR. WHITE: I have no date!

H.M.JR: Both of you.

MR. BERNSTEIN: Thank you, sir.

H.M.JR: I will "wine" you.

MR. WHITE: I have no date!

H.M.JR: And I will work with you until I fall asleep. Having got to bed at three a.m. this morning--

MR. SMITH: Tell your wife you will be home at seven! (Laughter)

MR. WHITE: If you are through with that, I have a couple of rather important questions.

MR. O'CONNELL: There is one thing that I might mention.

- 6 -

H.M.JR: The quicker I go home, the quicker I will wake up.

MR. O'CONNELL: You see, I didn't talk with Rayburn as recently as you did. He called you back yesterday and I understood from my talk with him and from yours, that he was arranging with the Chairman of the Committees both to meet with you tomorrow and to call the Executive Session.

H.M.JR: Yes, but you better call up his secretary. I don't know who he has.

MR. O'CONNELL: I did call his secretary and got a confirmation to the effect that the meeting was in his office at two, and at two the following day with the Committees, and until this morning I had assumed that Rayburn was handling it as Barkley did in the Senate. But I talked to Congressman Bloom this morning and was a little embarrassed to find he hadn't heard until I talked with him about either meeting, nor has his Committee been informed.

H.M.JR: He has got somebody who is sort of a super secretary up there. I don't know who.

MR. O'CONNELL: Who, Rayburn?

H.M.JR: Listen, fellow, it is up to you to get those fellows there. By God, get them there if you have to go around and see everyone. Now, if you have any doubts, you better go up to Rayburn's office and sit there while they call them. I have done it at the White House.

MR. O'CONNELL: Well, I think it is all right, but--

H.M.JR: Oh, oh. You had better go up there and find out, or have your secretary call up every one of these people and find out whether they have heard.

MR. O'CONNELL: I would prefer to do that. I have already informed Bloom.

- 7 -

H.M.JR: You bring a message to Garcia! Have you read "A Message to Garcia"?

MR. WHITE: Put it in the mailbox.

H.M.JR: This is your assignment. I am counting on you to see that the fellows are there. What Harry White will do to you if they are not there is nobody's business!

MR. WHITE: And he isn't confirmed, see? I will have a pull with one vote, I think!

H.M.JR: You had better do it with Barkley's office, too.

MR. O'CONNELL: I am all clear in the Senate. Everything is fine.

H.M.JR: Will you go back as soon as you leave here and make sure?

MR. O'CONNELL: Sure.

H.M.JR: Even last time, some did hear and some didn't. It was all a mix-up. They didn't hear until the last minute. Rayburn evidently is not a good executive.

MR. O'CONNELL: My uncertainty came because I didn't talk with Rayburn. You talked with him last.

H.M.JR: All he called me up about was my coming to Texarkana and making a speech for Sam Rayburn. Do we understand each other? I am not sharing the responsibility with you.

MR. O'CONNELL: I understand you.

H.M.JR: There was no Garcia, Jr.

What else is there?

- 8 -

Joe, do you mind getting started on yours? You don't mind my kidding you.

MR. O'CONNELL: No, indeed.

H.M.JR: Joe, I am counting on you. I am not worried because you always deliver.

MR. WHITE: Before he goes - wouldn't he be the appropriate one to handle the press release you want to get from Bloom?

H.M.JR: I am not worrying about that. It is Joe's responsibility. Let him decide.

(Mr. O'Connell leaves the conference)

MR. WHITE: Two questions - one is we haven't heard from the Russians. Is it possible to telephone Moscow? Is there anything we can do? Has there never been a telephone to Moscow?

H.M.JR: Not that I know of, no.

MR. WHITE: Then that is out.

H.M.JR: I don't know how to telephone Moscow.

MR. BELL: I don't either. Shouldn't think you could unless it went through German-occupied country.

MR. SMITH: The Ambassador must be able to get to Moscow in a hurry if he has to.

H.M.JR: I will ask him.

MR. WHITE: More important - I have just had a discussion with Opie - is a question of calling the conference. He stated that his Government--

H.M.JR: Why don't we do this at six o'clock?

- 9 -

MR. WHITE: Tonight? Yes, we could. I thought we might get something started. If you can answer this one question--

H.M. JR: Go ahead.

MR. WHITE: Do you need word from the President in order to send any kind of a formal communication at this date to the British Government telling them of the conference, that the President would call it, and that you--

H.M. JR: I can't.

MR. WHITE: You couldn't do that without the President.

H.M. JR: No.

MR. WHITE: Then the task is--

H.M. JR: Especially in view of last night's telegram to the President.

MR. WHITE: Yes. Then what we do is to prepare another telegram from you to the President. When will he be back?

H.M. JR: I don't know. Harry, if you had something like this, you should have let me know. I have to leave here. I got to bed at three o'clock this morning. I want to go home and get a little rest.

H.M. JR: All right. We will take it up tonight. We may have a telegram drafted for your consideration.

H.M. JR: All right.

(Mr. White, Mr. O'Connell, Mr. Smith, Mr. Luxford, and Mr. Bernstein leave the conference)

- 10 -

MR. BELL: The Federal Advisory Council, advising the Federal Reserve System, put up a long memorandum to the Board asking--

H.M.JR: I am all right, but Harry has so many balls up in the air and the poor fellow can't tie them together. He has this thing and he just--

MR. BELL: They want the board to put up, along with the Comptroller of Currency and the FDIC - all the bank-examination authorities - to the Hershey Board, a request to put the banking industry in an essential classification, not a deferment of their employees, but an essential, so they can compete on the same level with the railroads and everybody else.

Ned Brown just called me and they said the Accounting Department over here in the Railroad Accounting Department is taking our employees.

H.M.JR: You have sold me.

MR. BELL: I just want you to say yes. I recommend that we go along with them; I think it is a good thing.

H.M.JR: All right.

Whatever happened to this one man they raised such hell about, the First National of Boston?

MR. BELL: Lost him; turned down all the way along the line. Just got a letter from Pope - or you did - saying he had an idea that was going to be the result of all of their appeals. He just wanted to let you know that the Government security dealers were going to be less effective as time went along.

H.M.JR: Well, we did everything we could.

MR. BELL: Yes. I heard nothing on the Debt hearings. Should I make inquiry the first of the week after you get through with this thing? Do you plan to go up?

- 11 -

H.M.JR: I don't know. Ask me tomorrow. The point is this: I am leaving here sometime Friday night and won't be back until Thursday morning. If I don't, they will have a funeral around here.

MR. BELL: All right. Friday night you are leaving?

H.M.JR: Yes.

MR. BELL: Well, I could go ahead, I suppose, and make arrangements.

H.M.JR: I wish you would carry it for me. If you want me to go up, let me know.

MR. BELL: I would suggest if we could get out of it, get out of it.

H.M.JR: All right. That is me.

MR. BELL: I think maybe if I go it might be simple; I think if you go they might try to write the Republican handbook for the Republican Campaign by asking you a lot of questions.

H.M.JR: (Referring to call to Moscow) You can speak from nine until eleven in the morning.

MR. BELL: Wonder why the restricted hours? From nine to eleven - there is about seven hours' difference - that is about four to six, isn't it, over there?

H.M.JR: Are you all right?

MR. BELL: That is all I want, yes.

THE WHITE HOUSE
WASHINGTON

19 April 1944

MEMORANDUM FOR:

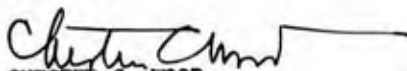
The Secretary of the Treasury

The following message has just been received in the White House Map Room for delivery to the Secretary of the Treasury:

"FROM THE PRESIDENT FOR SECRETARY MORGENTHAU.

"Referring to your telegram of April 18, 1944, I heartily approve. ROOSEVELT".

Respectfully,



CHESTER C. WOOD,
Captain, U. S. Navy,
Assistant Naval Aide to the President.

Recd. 4/18 P.M.

APR 19 1944

TELEGRAM FOR THE PRESIDENT FROM THE
SECRETARY OF THE TREASURY

I have made arrangements to appear before the appropriate Congressional committees on Friday, April 21, to discuss the joint statement of technical experts of the United Nations on the establishment of an International Monetary Fund. The Treasury has planned the release of the joint statement to the press at 8:00 p.m., April 21, Washington time for Saturday morning papers, and it is anticipated that the statement will be released in London as well as possibly Moscow, Chungking, and some of the American republics and British Dominions.

Although no final discussion can take place with the British regarding the convening of an international conference on the monetary fund and bank proposals this spring pending discussion of the matter early next week in the British Parliament, I propose to tell the Congressional committees frankly of our desire to call such a conference if circumstances permit. In this connection the members of Congress are certain to ask questions regarding the composition of the United States delegation and particularly the participation of the Congress in the conference. Secretary Hull and I would recommend that I be authorized to state that you would probably appoint a delegation to be headed by the Secretary of the Treasury and including, among others, representatives of both houses of Congress. We believe it very important that a statement be made of your intention thus to invite direct Congressional participation in the work of the United States delegation to the conference if it is convened.

We both believe that such a statement to the Congressional committees will be of the greatest importance in getting the proposed conference off to a good start with

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the Congress and request accordingly that, if you approve, you authorize me to make the suggested statement to the members of Congress.

Secretary Hull approves this telegram.

HDW:gsa
4/18/44

April 19, 1944
4:25 p.m.

HMJr: Hello.

Operator: Secretary Hull has someone with him. I have Mr. Brown.

HMJr: Hello. Hello. Mr. Brown.

J. E. Brown: Yes, Mr. Secretary.

HMJr: Are you familiar with the telegram I sent to the President yesterday about how I should proceed before the Congressional Committees?

B: No. No, I am not, Mr. Secretary.

HMJr: Oh.

B: I -- I don't know who

HMJr: Well, Mr. Acheson worked on it.

B: Yes.

HMJr: And it -- I got -- it went last night with Mr. Hull's approval. Anyway....

B: Uh huh.

HMJr: I just got a message back from the President in which he says he approves heartily.

B: I see.

HMJr: Would you give that both to Mr. Hull and to Mr. Acheson?

B: Yes, indeed, I'll be very glad to do that, Mr. Secretary.

HMJr: And if I might suggest, you might get a copy of the telegram -- it's quite important -- that went to the President.

B: Yes.

HMJr: And then just give it to Mr. Hull with this little note on it that the President approved heartily.

- 2 -

B: Approved heartily?
HMJr: Yes.
B: I'll do that, sir.
HMJr: Right.
B: Thank you very much.

April 19, 1944
4:53 p.m.

HMJr: Hello.

Operator: Dean Acheson.

HMJr: Dean.

Dean Acheson: Yes, Henry.

HMJr: Can you stand a little good news?

A: Well, I thought that was fine. I just heard it from Harry.

HMJr: Oh - Oh. Did Harry call you?

A: He's just -- I just hung up the receiver.

HMJr: Oh, I wanted the pleasure of telling you myself.

A: (Laughs) Well, I am delighted to hear about it. I think it's very fine news.

HMJr: Yeah.

A: I'll tell the Secretary right away. The Boss said he concurred?

HMJr: He said, "Approve heartily."

A: Oh, well, that's very fine.

HMJr: I've turned the words around but....

A: Yeah.

HMJr:that's -- "Referring to your telegram...." and so forth -- a little paraphrasing -- "approve heartily."

A: Yes. Well, that's

HMJr: Those are the actual words that he uses -- "approve heartily."

A: Well, that's very good.

HMJr: And that ought to make everybody's job easier.

- 2 -

A: I should think it would make it a lot easier.

HMJr: And my policy of "nothing ventured, nothing gained" bore a little fruit, but I think that that ought to help on the whole thing between Mr. Roosevelt and Congress.

A: Yes, I think it will help a great deal.

HMJr: Well, thanks so much for your collaboration.

A: Well, I always give it when I can, Henry.

HMJr: Thank you very much. Good bye.

A: All right.

April 19, 1944

MEMORANDUM FOR THE SECRETARY

Subject: Ways and Means Committee meeting
(For your information - No action
required).

The Ways and Means Committee met Tuesday, April 18, at 10:00 A. M.

1. Congressman Dewey brought up the action whether under a recent tax court decision expenses of Congressmen are deductible. Mr. Stam was asked to look into the implications of the decision. (In my opinion it would be easier to secure income tax legislation if Washington expenses of Congressmen were allowed as deductions, but this is not the present rule).

2. Mr. Stam showed the Committee the new Form 990 for tax-exempt organizations. The Committee took no formal action but there was no objection to going ahead with the form. Mr. Stam had previously made a few minor suggestions.

3. The reading of the tax simplification bill was begun. Mr. Knutson raised the question whether the instructions of the Committee had been followed with respect to tax rates in the higher brackets. After a long and largely fruitless discussion, it was decided to have the Joint Committee Staff and Treasury staff see if a closer "fit" to present law can be achieved in the rate structure of the simplification bill. This was done yesterday afternoon with not too satisfactory results.

The Ways and Means Committee is scheduled to meet again Wednesday morning, April 19, at 10:00 A. M.

Roy Blough

MEMORANDUM

April 19, 1944.

FOR YOUR INFORMATION

TO: The Secretary
 FROM: Mr. Sullivan

JHS

General Browning called today and said he thought the best prospects for the top job in the disposal of war surplus by Treasury Procurement were, in the following order:

Ernest L. Olrich
 - Walter G. Baumhoger
 R. S. Stevens
 Fred A. Bantz
 Standish W. Donogh

I am attaching hereto his notes on these five men.

He also stated that other persons who might be considered for the top job are Captain William Best and Captain Neuber, both of Bureau of Supplies and Accounts of the regular Navy. He described Best as an excellent administrator and organizer and a person who handled people remarkably well. He stated that Captain Neuber also had these qualifications.

He referred to C. D. Ryan, President of Montgomery Ward and their General Merchandising Manager for four years as a person who knew the manufacturing end very well and a good man to consider except for the present position of the company on the labor front.

I am also attaching a copy of the list you gave General Browning.

He describes Colonel Doyle as an individualist who finds it difficult to work with others. He states that Folsom referred to him as an "ordinary second rate". He said that Colonel LaDue was too antagonistic. He stated that Private Bramson was the Basement Manager of the May Company in Los Angeles and too inexperienced for the top job. He said that Major Kribben was primarily an accountant and was probably unavailable. He thought that Mr. Riley was "over the hill". His personal habits are responsible for his probable imminent dismissal from his present position.

14 April 1944

ERNEST L. OLRICH

AGE: 54

CIVILIAN EXPERIENCE:

<u>Munsingwear, Inc., Minneapolis, Minnesota</u> <u>President - Manufacture and distribution of</u> <u>knit goods products</u>	6 years
<u>Marshal Field & Co., Chicago, Illinois</u> <u>Controller</u>	5 years
<u>Fred Harvey, Inc., Kansas City</u> <u>Controller. Operated and managed chain</u> <u>of restaurants.</u>	7 years
<u>Textile Business, New York City</u>	Several Years

17 April 1944

WALTER G. BAUMHOGGER

AGE: 48

CIVILIAN EXPERIENCE:

<u>United Cigar - Whelan Store, New York City</u> <u>President and General Manager</u>	4 years
<u>Certain Teed Products Co., New York City</u> <u>President</u>	1 year
<u>Montgomery Ward & Co., Chicago, Illinois</u> <u>Vice President - Manager of all operations</u> in the Eastern Region. Previously General Merchandise Manager	20 years

OTHER EXPERIENCE:

During the past three years has worked for the War Department in connection with Army Exchange Service and Quartermaster activities.

17 April 1944

R. S. STEVENS

AGE: 43

CIVILIAN EXPERIENCE:

Montgomery Ward and Company, Chicago, Illinois 18 - 20 years
since November 1943 Vice President and General
Merchandise Manager of the Company. Previously
Divisional Merchandise Manager of all hard
lines. Prior to that, Buyer and Merchandiser
of hardware, plumbing, building materials, farm
equipment, tires, automobile equipment and
accessories and paints.

OTHER EXPERIENCE:

At various times in the past three years has
worked for WPB, War Department and Navy Depart-
ment on loan from Montgomery Ward.

14 April 1944

FRED A. BANTZ

AGE: About 45

CIVILIAN EXPERIENCE:

J. C. Penney, New York City
Divisional Merchandise Manager of work 20 years
clothing, sweaters, shirts, underwear,
hosiery, gloves, leather jackets and
kindred lines

14 April 1944

STANDISH W. DONOGH
Commander
Supplies and Accounts

AGE: 40

CIVILIAN EXPERIENCE:

Interstate Department Stores, New York City 2 years
Divisional Merchandise Manager - Men's and
boys' clothing and furnishings.

Montgomery Ward & Co., New York City 4 years
Divisional Manager of men's furnishings

Olds, Wortman & King, Portland, Oregon 8 years
General Manager of the entire store.
Previously Merchandise Manager and Buyer

MILITARY EXPERIENCE:

Navy Department, Washington, D. C. 1942 to date
In charge of procurement of officers'
uniforms.

Colonel Robert A. Doyle. Formerly president of Orange Crush Company; formerly president of McCreary Stores; formerly with Lord and Taylor. Recently in the office of the Chief of Staff and a close personal friend of General Marshall. He is about 50. According to Lindsay Bradford, President of the Armers Loan and Trust Company, he is very able, very successful, a high grade executive. He is the kind of man that Bradford would like to make his executive vice-president. He was released from active service on March 11. His address is 318 West Superior Street, Chicago. His earning power is \$75,000 a year. He is attracted by the challenge of a tough job. He could be recalled to duty and reassigned.

Colonel John La Due. Stationed at Governor's Island. Formerly president of John David Stores. Salary about \$50,000.

Private Edward Bramson. 38 years old. Salary, \$40,000. Formerly manager of May Company of Los Angeles. One of the exceptionally able young men in merchandising. Probably now peeling potatoes in Army camp in California.

Major Earl Kribben. 40-42 yrs. Formerly treasurer of Marshall Field. Now in Renegotiation Section of the War Department.

In civil life:

Walter Baumhoger. President of United Whelan; formerly Vice president of Montgomery Ward; about 45 yrs.; \$75,000. Outstanding organizer; driver. He can be challenged by a tough job.

Phil Riley. Director of Retail Research Association. About 58 yrs. Retiring in July. Good organizer. Salary, \$50,000. He was a colonel in the Personnel Division during the last war. He is a top merchandising man, well acquainted with markets.

Why no date?

337✓

4/19/44

For your information

MEMORANDUM FOR THE SECRETARY

Re: Argentina

On April 1 the Central Bank of Argentina advised the Federal Reserve Bank of New York that it desired to ship approximately \$7,000,000 of Argentine owned gold to Switzerland via Portugal, in order to make payment of Swiss francs 30,000,000 of Treasury bills issued in Switzerland by the Argentine Government. On April 3 the Federal Reserve Bank of New York advised the Central Bank of Argentina, at our request, and after the matter had been cleared with State, that the proposed gold shipment would require a freezing control license and that the issuance of such a license would be contrary to the policy of this Government.

On April 10 the attention of Foreign Funds Control was drawn to Armour's cable No. 921 of April 5 reporting that he understood the Central Bank planned to ship from Argentina six tons of gold by air if possible, or otherwise by boat to Switzerland via Lisbon due to the inability to effect the shipment from New York. This proposal was discussed by Messrs. White, Bernstein, Luxford and Fox and it was agreed we should take informal steps with the object of having State inform the British not only of our interest in the matter but also urging that the navicert not be granted, at least until the matter had been discussed with this Government by the British Government.

Accordingly, Luxford discussed the matter with Collado. Collado at first questioned this policy, pointing out that the British ship gold to Portugal for Swiss account. Luxford reminded him that there was some degree of difference between one of our Allies shipping gold in furtherance of our mutual war effort and allowing Fascist Argentina to ship it to "neutral" Switzerland. Collado accepted this distinction. He then indicated that he would endeavor to arrange to have State advise the British of this Government's concern about the proposed gold shipment and request that no navicert be granted in connection therewith, at least pending further

- 2 -

discussion of the matter with this Government. Fox followed up the matter along the same lines with Swihart at 2:00 p.m. April 11. Swihart indicated that he was in sympathy with the Treasury proposal, that he would endeavor to clear the matter in State, and that he would keep the Treasury promptly advised of developments in connection with the representations to the British.

On April 12 Collado called Luxford and advised him that after discussing the matter with Acheson, Swihart had been instructed to inform the British of our interest and to request that no navicert be granted without further discussion with the Government. Collado also assured Luxford that Treasury would be consulted if there are any further developments.

Joseph J. O'Connell

Treasury Department 338-A
Division of Monetary Research

O Date.....19

To: Miss Chauncey

Returned, as per our conversation.

L. Shanahan

MR. WHITE
Branch 2058 - Room 214-1/2

338-B

○ Dr. White:

The Secretary asks if there is anything he should do about this.

nmc

DEPARTMENT OF STATE

*Memorandum of Conversation*DATE:
April 19, 1944.

SUBJECT: BRITISH OVERSEAS FINANCIAL POSITION

PARTICIPANTS: Sir John Anderson, Chancellor of the Exchequer
Mr. Edward R. Stettinius, Jr., Under Secretary of StateCOPIES TO: The Secretary of State
The Secretary of the Treasury
The Foreign Economic Administrator

OFF 1-1403

1) Sir John Anderson stated that in spite of the enormous volume of Lend-Lease assistance, the British overseas financial position has continued to deteriorate throughout the war. He gave me the following annual figures on the loss of British-overseas assets and increase of overseas liabilities:

1940	\$3,024,000,000
1941	3,188,000,000
1942	2,540,000,000
1943	2,620,000,000

He stated that the estimate for 1944 is \$2,800,000,000.

Sir John Anderson stated that from 1939 to the end of 1944 the aggregate British loss of overseas assets and increase in overseas liabilities will exceed 15 billion dollars. Part of this, of course, has been met by the outright sale of assets. It is probable, however, that the external liabilities of the United Kingdom at the end of 1944 will be in the neighborhood of 12 billion dollars. (The British have parted outright with more than 3 billion dollars since the beginning of the war, Anderson explained, but they entered the war with certain external liabilities against which their reserves at that time were held.)

-2-

2) From the middle of 1941, when British gold and dollar balances were almost exhausted, they had built up balances in the amount of 1.3 billion dollars by the end of 1943. Sir John Anderson estimates that by the end of 1944 these balances will have risen to 1.6 billion dollars, or about one-seventh of the probable British liabilities at that date.

Sir John Anderson emphasized that these gold and dollar balances represent the United Kingdom's only quick assets against their external liabilities and that they are in fact the central reserves of the whole sterling area. He pointed out that the British are under certain obligations to furnish dollars from these balances when they are needed by the other members of the sterling area.

3) Sir John Anderson stated that the improvement in Britain's dollar balance during 1944 would be almost entirely due to the large expenditures of United States troops within the Empire. In 1944, the British expect to receive \$585,000,000 from this source in the United Kingdom and \$475,000,000 in the rest of the sterling area, making a total of over a billion dollars. As a result of the recent reductions in Lend-Lease and the increases in Reverse Lend-Lease, however, it is estimated that the net increase in the British gold and dollar balances will be only \$300,000,000.

4) The element in this situation which is most disturbing, Sir John Anderson stated, is the fact that the receipts from United States troops, particularly those in the British Isles, constitute only a temporary source of income. The British fear that after the end of hostilities in Europe their balances will fall throughout the period of the Pacific war, even if Lend-Lease is maintained at its present level. A further diminution in the volume of Lend-Lease after the end of the war in Europe, Anderson stated, would mean that British balances would fall rapidly during the Japanese war while their external liabilities continue to grow.

5) Sir John Anderson estimates that by the end of 1945 or shortly thereafter, British gold and dollar reserves will be down to about one billion dollars and their overseas liabilities will have risen to about 15 billion, which will mean that the ratio of quick assets to external liabilities will have fallen from one-seventh at the end of 1944 to one-fifteenth at the end of 1945.

6) Sir John Anderson asked me about American opinion on this problem. I explained that when the "farmer from Kansas" learns that the British had 3 billion dollars in 1939, that they have received 10 billion or more of goods under Lend-Lease, and that they

-3-

are beginning to accumulate gold and dollars again, he is going to think that the British must now be very rich. Anderson pointed out that, of course, assets without reference to liabilities are meaningless. "As I have told you," he stated, "we will probably come out of this war with debts of fifteen billion dollars and assets of only one billion."

TO: Secretary Morgenthau
FROM: J. W. Pehle.

April 19, 1944
339

Following our conversation on the press conference yesterday, you will be interested in the attached memorandum prepared by Mrs. Mannon. Her statements are accurate.



TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE
April 19, 1944TO Mr. Pehle
FROM Virginia Mannon

This is the way I remember the part of your press conference yesterday during which the question of bringing refugees into this country came up.

Al Gregory of UP asked if any consideration had been given to bringing more people into this country. You replied that it was being talked about and cited as an example Samuel Grafton's two recent columns in which he had initiated the idea of "free ports" for refugees. Someone else then asked if the Board were considering that idea. You replied that all sorts of things were under consideration, but you could not talk about them at this time. You did not say that the Board was considering "free ports."

At 1 a.m. today the United Press called me. The man on the night desk said the New York papers were carrying a story on the press conference in which you had come out for "free ports" for refugees. He wanted to know if it were correct. I told him the above and added that their Mr. Gregory had covered the conference and said that if he had omitted mention of "free ports", he was keeping the subject in the perspective in which it had appeared in the conference.

This morning Mr. Gregory came in to see me and said his office had called him twice about the matter after 2 a.m. He told them that he had not taken that line because you had not said the Board was considering "free ports." He asked if he could see you to corroborate his stand to clear himself with his New York office.

Later this morning Muriel Levin of the Jewish Telegraphic Agency telephoned and asked what we thought of the way the New York papers had handled the subject. She said she was in a box because she had not mentioned "free ports" in her story and her New York office was demanding a follow-up. She wanted a statement from you. I told her I was sure you had nothing more to say and that it would be better to leave well enough alone. She agreed to telephone her New York office and urge it to drop the subject.

Both Mr. Gregory and Miss Levin talked about how difficult it was to be right when you were outnumbered by those who were wrong.

EXECUTIVE OFFICE OF THE PRESIDENT
WAR REFUGEE BOARD
WASHINGTON 25, D. C.



OFFICE OF THE
EXECUTIVE DIRECTOR

M E M O R A N D U M

April 19, 1944

TO: Secretary Morgenthau

FROM: Mr. Fehle

Before your discussion with Secretary Hull regarding the Vittel camp cable and before the April 8 "blast of the State Department", the Board was experiencing great difficulty in getting its cables cleared and transmitted by the State Department. In fact, you recall that the Vittel camp cable was sent to the State Department on February 21, 1944, a draft in substitution for such cable was delivered on March 16, and the latter was transmitted only on April 7. Many of our cables have required three weeks to clear and even some cables merely informative of action taken by the Board were delayed for more than two weeks. If an important cable cleared within a week, it was record time. However, after your discussion with Mr. Hull and the "blast", the situation changed materially. All Board cables since that time have been transmitted within two or three days and several important cables have been transmitted the same day on which they were delivered to the State Department. In fact, Monday evening around six o'clock we delivered an important cable to the State Department and asked that it be transmitted immediately. To our surprise State promptly complied with our request even though it meant that the Department had to depart from its regular routine on this matter and keep some employees after hours in order to despatch the communication in question. There is no question but that the situation has greatly changed for the better. Of course, we can't say how long this happy state of affairs will continue.

envelope taken to:
Mr. Latta's office
(To be sent by Pouch)
by E. E. Agent 4/20/44

April 19, 1944

My dear Mr. President:

I don't know whether you get the daily New York papers. I am, therefore, sending you herewith a very interesting clipping from the front page of today's New York Tribune.

I had lunch with Mr. Hirschmann today, and he really accomplished wonders while in Turkey.

Sincerely yours,

(Signed) Henry Morgenthau, Jr.

The President,

The White House.

NEW YORK
Herald Tribune
 APR 19 1944

Free U. S. Ports To Aid Refugees Are Considered

War Refugee Board Studies Setting Up Places Where They Could Await Rescue

From the Herald Tribune Bureau

WASHINGTON, April 18.—The War Refugee Board is considering, among other proposals, a plan to establish free ports of temporary residence in the United States for refugees from Nazi Europe, it was disclosed today by John W. Pehle, executive director of the board.

Mr. Pehle was asked about the free port plan at a joint press conference with Ira Hirschmann, of New York, vice-president of Bloomingdale Bros., Inc., and special representative of the W. R. B. in Europe. Mr. Hirschmann returned to Washington yesterday from Turkey, where he had been since Feb. 14.

The purpose of refugee free ports would be to provide a place in the United States where refugees who had no other place to go could wait in safety until it became possible for them either to return to their homes or to settle elsewhere. While in a free port the refugees would not be permitted to travel to other parts of the United States unless they were legally admitted through the regular immigration procedure.

Mr. Pehle said he could not say how far consideration of the free-port plan had gone and that no decision had been made or action taken so far. It is the duty of the War Refugee Board to study

all possible ways of finding temporary havens for refugees, he explained.

Mr. Hirschmann, whose account of his experiences in Turkey occupied most of the press conference, said that President Roosevelt is regarded as "a god" in occupied Europe because of his efforts on behalf of oppressed peoples.

"There may be some people in this country who don't like him," said Mr. Hirschmann, "but that is not true in Europe. He is a god there. They can't believe there is any opposition to him. He is in their eyes a savior."

Mr. Hirschmann said Mr. Roosevelt's declaration of March 24, in which he called on the free peoples of Europe and Asia "temporarily to open their frontiers to all victims of oppression," had had an "electrifying effect" in the Balkans. It was broadcast over and over again, and it gave people hope because it made them feel some one was coming to help them, he said.

Mr. Pehle added that Mr. Roosevelt's declaration had an important effect in overcoming the discouragement of some refugees who had given up trying to get out of the Nazi grip and decided that since their case was hopeless they might just as well die where they were. With the Roosevelt encouragement these people made a new effort, he said, adding that it is essential that they keep trying to help themselves.

Mr. Hirschmann said the War Refugee Board had been instrumental in moving refugees from a camp in Transdnestria, the Romanian borderland now held by the Russians, into the interior of Romania, whence they may hope to get out through Turkey.

There were 48,000 people, mostly Jewish, crowded into the Transdnestria camp, Mr. Hirschmann

said, under conditions which were deplorable and heartrending to describe.

"The whole principle of taking human beings and putting them in one place not fit for human life, and having that accepted as routine without protest, without an attempt by civilized people to rescue them, is one that has to be challenged, apart from the misery of the people themselves," he said.

Just as arrangements had been completed to move the 48,000 into the interior, the Russians moved into the Transdnestria, and transportation lines were choked as a result. The movement of the refugees was "not expedited, to say the least," Mr. Hirschmann said, but it did get under way, with assistance of the Romanian government.

Mr. Hirschmann said the Russians were also very co-operative, and he paid high praise to Laurence Steinhardt, American Ambassador to Turkey. Mr. Steinhardt "not only backed me up, he plunged into the work," said Mr. Hirschmann. "I think this board and the President and the people of this country who are interested in human beings wherever they are should be very grateful for having Mr. Steinhardt in Turkey at this time."

The War Refugee Board has been negotiating with the Turkish government to charter the S. S. Tari to carry 1,500 refugees to Haifa. Everything has been arranged, except a safe conduct from the Germans, and it is hoped that the ship will sail any day, he said. In the last few weeks three small Bulgarian boats brought 250 refugees each to Istanbul from Constanza, in Romania. The usual route from Istanbul to Palestine is overland.

EMERGENCY COMMITTEE TO SAVE THE JEWISH PEOPLE OF EUROPE
INITIATED BY THE EMERGENCY CONFERENCE HELD IN NEW YORK-
JULY 20-26, 1943

2317 - 15th STREET, N. W., WASHINGTON 9, D. C.

ADams 0840

April 19, 1944

Dear Mr. DuBois,

I am sending you a short memorandum on a group of five hundred evacuees from Slovakia who are now stuck in southern Italy, and also a copy of a letter from their spokesman to myself.

Their problem is to get immigration certificates to Palestine. I do not know whether this is a case for the War Refugee Board. It is my impression that at best it would be a marginal case. However, I thought that it was just the kind of a problem that the Intergovernmental Committee on Refugees could tackle.

Do you think you could do anything in the matter, either yourself or by recommending it to the attention of the Intergovernmental Committee?

By the way, I notice in Mr. Czitrom's letter that there are now only four hundred. I know that some of the original five hundred have died. What happened to the others who are missing I don't know.

Thanking you, I am

Sincerely yours,

/s/ Eri Jabotinsky

Eri Jabotinsky

Enclosures

Mr. Josiah E. DuBois,
War Refugee Board,
Treasury Building,
Washington, D. C.

MEMORANDUM ON THE 500 CASTAWAYS AT FERRAMONTI

Allied troops occupying southern Italy took over a camp located at Ferramonti-Tersia in the Province of Sosenza. In that camp they found over a thousand internees of which 500 were Jews who had been ship-wrecked near Rhodes in the summer of 1940 on their way to Palestine.

These 500 originally came from Slovakia. They got organized in 1939 and were preparing to make their way to Palestine. A French ship was to take them from a Yugoslavian port and land them on the Palestine beach. At the outbreak of the war, however, the French Government ordered all its ships confined to their ports, and the 500, who were ready to start on their voyage and who had already paid the ship owners for the charter of the ship, remained stranded in German-dominated Slovakia, already at war with France and Great Britain.

Early in 1940 a small ship was provided for them in Rumania. It was a Danubian paddle boat of Italian registry which was overhauled and made seaworthy according to the standards of the Rumanian Maritime Commission. It was given Bulgarian registry and renamed the S.S. PENCHO. In the spring of 1940 the boat went up to Bratislava, took on board the 500, and paddled with them down the Danube, through the Black Sea and the Straits into the Aegan and the Mediterranean.

An unfortunate boiler explosion occurred off Rhodes and it is understood that one of the paddle wheels came off. Italy was already at war with Great Britain and the 500 were naturally very worried as to their fate. Four of them left in a row boat and made in the general direction of Crete where they hoped to make contact with the British. They were sighted by a plane after several days of rowing and were later picked up by a destroyer which was part of a large formation of British warships. They witnessed a naval battle and were brought by the destroyer to Alexandria, and owing to their indeterminate status they were detained there and later transferred as "sick" to the local Jewish hospital where they may still be residing.

Those who remained on the PENCHO were picked up by the Italians and interned on Rhodes and later transferred to Ferramonti.

For three years, until the Allied occupation, they lived under very bad conditions. It is understood that about twenty of them died.

Until the entry of America into the war the Joint Distribution Committee was able to provide them with some measure of comfort, of which they were later deprived.

When taken over by the Allies they were found to be in fairly good moral condition. Their camp was clean and well organized, they had schools and social functions. They had also organized the part of the camp to which the Italians assigned several hundred other Jewish refugees brought in from various places.

Their problem today is to reach Palestine.
Washington, April 17, 1944.

C O P Y

Ferramonti, 24th February 1944.

Emergency Committee to Save Jewish People
of Europe,
c/o Eri Jabotinsky
2317 - 15th Street, N. W.
Washington, D. C.

Dear Eri,

With greatest pleasure I got your message through the American Red Cross and I hurry to answer your questions. More than 400 persons of the Pentcho group are still here. Our aim remains the same: reach Palestine as soon as possible. We appealed to all competent institutions to assure certificates and transport possibilities. Our situation asks for quick departure.

There are more than 6 months that the Allies delivered our camp. Nevertheless nothing positive was done until now in the interest of the Palestine Immigrants. We beg you to intervene at all institutions in question, so that we might get the certificates promised by the Jewish Agency and the transport possibility from here to Palestine.

Until now we did not succeed in finding the direct connection with the Joint. We need this connection firstly because the ex-internees get 15 Lit; daily and cannot live upon it and secondly because after 4 years of suffering and internment our underwear and clothes are worn out and we could not afford other ones. The majority of the internees are without any means. We beg here to remark that in spite of several promises by the different institutions we did not get any financial help. After the arrival of our group in Palestine a considerable help will be necessary.

I cannot lay enough stress upon the fact that our stay in this malaria territory is unbearable. Our deliverance came and we want to re-enter normal life. Therefore I beg you to undertake whatever you can to bring a solution into our affair.

Please inform us of your interventions. With our heartiest thanks in advance and best Zionist greetings,

Yours,

(Signed) A. Csitrom

(Above letter sent by Alexander Csitrom, ex-Internment Camp.
Ferramonti, Prov. Cosenza, Italy, through the American Red Cross.

- 2 -

The American Red Cross adds:

"You may be interested to know that in the accompanying letter from our special representative in Italy it is stated that the 'camp in which Mr. Czitrom was located has been moved to a better area and much more assistance given to all the people interned there. We are sure that the conditions under which they are now living are better than those that existed at the end of February."

CABLE TO LONDON

Reference your No. 2696 of April 3, 1944, concerning relief of refugees in Rome.

War Refugee Board has been advised by representatives of American Jewish Joint Distribution Committee in Portugal that 1,400,000 lire have already been borrowed in Rome against the \$20,000 credit established in London.

War Refugee Board is discussing with Apostolic Delegate in Washington possibility of making future remittance for this program direct from United States through Vatican channels. American Jewish Joint Distribution Committee is prepared to make further sums available for this relief work but will wait outcome of aforementioned discussions.

April 19, 1944
4:30 p.m.

Attachment

FH:lab 4/14/44

DSH
Department

PLAIN

PLAIN

April 19, 1944

AMEMBASSY,

LONDON.
3131 Nineteenth
FOR KULLMANN FROM EMERSON.

Please cable text of British Foreign Office or American
Embassy letter asking Intergovernmental Committee to take
responsibility for ultimate disposition of occupants of
North African camp.

HULL
(GLW)

WRB:GLW:KG
4/19/44

BC

TELEGRAM SENT

PLAIN

April 19, 1944

AMEMBASSY,
LONDON.
3132, nineteenth
FOR THE AMBASSADOR

Refer your 3153 April 18 and your despatches 14742 March 29 and 14853 April 4. Rules of procedure and regulations relating to receipts and expenditures of Intergovernmental Committee are approved with the following exceptions to the rules.

1. For the last sentence of Article VII subarticle one of the rules substitute the following QUOTE When a vacancy occurs the Executive Committee may make an appointment which shall be subject to the confirmation of the Plenary Committee, but pending such confirmation the person appointed may assume the duties and powers prescribed for the office of Director under these rules UNQUOTE.

2. In the view of this Government subarticle 2 of Article VII should be omitted. A term of office fixed at three years may encourage some member governments to seek a change in the office of the Chief Executive Officer at the end of each period. On the other hand there should be a contract between the Executive Committee and the Director which will provide inter alia that notice of termination of six months can be given by either party.

3. For the first five lines of Article VII subarticle 6 substitute the following QUOTE Within the budget provisions the Executive Committee shall appoint the Vice Director, or Vice Directors, the Secretary and also a Treasurer if, and when required; the Director shall appoint such other officers and staff as he shall find necessary, and shall prescribe the conditions of pay and service, providing that the Executive Committee may require that it be consulted in regard to appointments to, removals from, and conditions of pay and service of particular offices UNQUOTE.

These suggestions have been approved by Myron Taylor and Emerson.

HULL
(GLW)

WEB:GLW:KG

BC

EUR

Mr. Pell
for
Mr. Taylor

RMN-424

PLAIN
London
Dated April 19, 1944
Rec'd 11:59 p.m.

Secretary of State
Washington.

3224, nineteenth.

Following letter dated April 15 has been received from Foreign Office referring to letter communicated in Embassy's 2696, third: "With reference to my letter of the 30th March about assistance for Jews in Rome we received a cheque for 4,968 pounds eighteen shillings tenpence on the 8th March, and I note that in your letter of the twenty-seventh March you state that the American Joint Distribution Committee is arranging for twenty thousand dollars to be held with bank in London in its name.

We have since heard from our Minister in the Vatican City that the money should be deposited to the account of Delasem (Delegazione Assistenza Emigranti) Rome branch and that this the organization that administers assistance to Jews in several of the Chief towns of Italy. Delasem asks that the credit which we are holding should be credited in their name in the United States in dollars, together with further credit asked for and I hope that you will be able to arrange for their wishes to be carried out. In that event we will return to you the amount of 4,968 pounds eighteen shillings and tenpence which we hold". Please inform War Refugee Board.

WINANT

HTM

TELEGRAM SENT

GMY

PLAIN

April 19, 1944.

AMLEGATION,

LISBON

1086

Following for Dexter from J.W.Pehle, War Refugee Board.

WEB no. 3.

Reference your 1053, April 10. Glad to hear of designation and acceptance. Arrangements being made here for Legation to supply administrative needs and administrative expenditures through State Department channels. Attempting to make arrangements for automobile and typewriters and will advise you further. Agreeable to purchase of safe if Legation unable to accommodate. Establishing \$10,000 credit for which you will be responsible to me alone. These funds not subject to usual government disbursing requirements but you should keep careful record and obtain receipts where possible. These funds may be used at your discretion but should not (repeat not) be used for administrative expenses of the sort being handled by the Legation. We are contacting Eleanor Widen re availability. Compensation for loss of time to Unitarian Committee being arranged with Joy.

HULL

(GLW)

WEB:GLW:KG
4/19/44

WE

FA

A-S/3

CM - 278

This telegram must be paraphrased before being communicated to anyone other than a Government agency. (SC00)

Lisbon

Dated April 19, 1944

Rec'd 6:18 p.m.

Secretary of State,

Washington.

1168, April 19, 11 p.m., (SECTION ONE)

WRB number one.

Special instructions regarding granting of visas to refugee children noted. Instructions have been sent to consular offices under this Legation. In view of difficulties in getting children out it is doubtful if any large number will be available before July 1, 1944. Department's 1017 April 12.

Legation has advised Portuguese Government of arrangements made and has requested it to grant necessary transit visas and hospitality; also that arrangements for financing children in Portugal will be undertaken by War Refugee Board. Will advise later reactions.

We are in contact with Isaac Weissman regarding plans for reception centers. See Department's telegram 1048, April 15. Extensive plans not necessary now but may be later. Will keep you advised of developments. Think reception will not present great difficulties.

Isaac Weissman, representative of World Jewish Congress, is attempting to bring 6000 hidden children clandestinely out of France through Spain to Portugal, and 3000 others who are registered in France; the later, if possible, through legal channels. He must have War Refugee Board's cooperation, both financial and practical, otherwise promising plans may fail. Advise giving him all cooperation possible.

NORWEB

WSB

MFC - 434

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency (SC00)

Lisbon

355

Dated April 19, 1944

Rec'd 1:20 a.m. 20th

Secretary of State,

Washington.

1168, April 19, 5p.m. (SECTION TWO)

Weissman has an organization but lacks sufficient funds to finance project. He estimates cost per child to be \$335 each, delivered in Portugal. On basis of 300 children per month this would involve a monthly appropriation of \$100,000. Is War Refugee Board prepared to guarantee this? If all were gotten out this would involve \$3,000,000; however we doubt any such number. Considerable funds must be available immediately as first small group are expected through within few days. Request immediate authorization to expend up to 100,000 on this project. Cable reply soonest.

It is intention of World Jewish Congress to send majority to Palestine. For that country visas are immediately available here with preference to children. This presents a problem as there will be a conflict between Zionist and non-Zionist Jewish organizations regarding ultimate destination of children. From here it seems easier and less expensive to send children to Palestine than to United States. Would suggest original plans be carried through unless strong objection your part. We need clear directive from Department and WFB on this point. Cable advice.

Any publicity regarding clandestine evacuation from France would endanger success. Publicity any project must be carefully scrutinized and Legation should be consulted in advance. Although reasons for publicity a minimum thereof will ensure most effective work.

END MESSAGE.

NORWEB

BB

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: American Embassy, Madrid
DATED: April 19, 1944
NUMBER: 1090

CONFIDENTIAL

Department's cable of April 10, no. 992, is referred to herewith, especially with regard to the question involving the return to Vittel of the 238 internees who were evacuated to some other point. While an answer to the whole of the cable is urgently desired, we would appreciate knowing at once the action taken in respect of the request made in our cable and the action which the Spanish Government took.

HULL

CABLE TO HARRISON, BERN, FROM THE WAR REFUGEE BOARD

The War Refugee Board requests that you deliver the following message to Islambek Khan, Afghan Legation, Bern: QUOTE Proceeding abroad on business expect to arrive Palace Hotel, Lisbon, May 3. Please comm and see me in Bern as soon as possible. Signed David Paul Joffo. UNQUOTE

* * * * *

Attached hereto is a cable to Minister Harrison, Bern, which I would appreciate having transmitted promptly. The files of the State Department will show that Mr. Joffo is an American citizen and that a passport has been issued to him. They will also show that Mrs. Shipley requested the Portuguese Legation to expedite the issuance of a visa to him. While Mr. Joffo is going abroad for private reasons, we have accepted his kind offer to be of assistance. Mr. Joffo tells us that Mr. Islambek Khan is an old personal friend of his and the attached message is in connection with Mr. Joffo's program of assistance in the refugee problem

April 19, 1944
11:35 A.M.

LSLessertals 4/18/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Bern
TO: The Secretary of State, Washington
DATE: April 19, 1944
NUMBER: 2464

CONFIDENTIAL

The following message is sent for the Agudas Israel world organization (see number 1153 dated April 5, 1944, from the Department) by Sternbuch.

Formerly such papers were issued by the following Consulates: Chile, Costa Rica, Ecuador, Haiti, Honduras, Paraguay, Peru, Venezuela, Bolivia, Nicaragua and Uruguay. Only from the San Salvador Consulate are these documents now available. In order to save people in Hungary it is of first importance that Consulates in Switzerland be authorized to confidentially issue to us passports or citizenship documents to be distributed to refugees free of charge. Traffic in false passports would be ended by this measure. The responsibility would be assumed by the Committee that passports would be used only for temporary protection and when the emergency is past they would be returned to the issuing states. Sternbuch signed the foregoing.

The following is for the Department:

According to his knowledge it is stated by Sternbuch that only the Consulates of Haiti, Honduras, Nicaragua, Paraguay, Peru and San Salvador have issued false passports in Switzerland although they have been issued elsewhere in Europe by Consulates of other countries named above.

HARRISON

DCR:MPL
4/20/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Minister, Bern
TO: The Secretary of State, Washington
DATE: April 19, 1944
NUMBER: 2467

SECRET

According to Sternbuch the following telegram from Szmulewicz in Shanghai has been received in substance:

(Number 2117 dated April 5 from the Legation)

The support of Rosenheim is advisable in the weekly amount of five thousand Swiss francs. We are wondering why no reply has been received. It is a matter of time with reference to the fifty ~~rabbis~~ rabbis. Olef Podlazzuk married Telsisochor and Kletzker.

It is requested by Sternbuch that this information be sent to Rosenheim and also to the Union of Orthodox Rabbis.

HARRISON

DCR:MPL
4/21/44

BE-329

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

Stockholm

Dated April 19, 1944

Rec'd 8:32 p.m.

Secretary of State

Washington

1355, April 19, 6.p.m.

Authorization is urgently requested to employ following aliens to assist Iver Olsen in connection with his work as Stockholm representative of War Refugee Board.

(1) Miss Toue Filseth, Norwegian, as assistant and consultant on refugee problems, at \$3,000 per annum. For several years she has been executive secretary of Nansen-Aid activities for the stateless and has had wide organizational experience in this field in Oslo, Geneva, Vienna, Praha and Warsaw. More recently has been engaged as consultant by Swedish Social Styrelsen and Danish Legation on refugee problems. Exceptionally capable highly regarded in Sweden and excellent contacts.

(2) Miss Ulla Afwirsen, Swedish, as alien clerk at \$1440 per annum. Excellent linguist and has had secretarial experience. Will assist in preliminary interviewing, maintenance of card index and filing system, and will work directly with Miss Filseth.

These appointments are essential in order to permit Olsen to devote sufficient time to his other duties as Financial Attache. Telegraphic reply requested.

JOHNSON

RR

TELEGRAM SENT

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

April 19, 1944

8 p.m.

AMEMBASSY

ANKARA
350
FOR THE AMBASSADOR FROM WAR REFUGEE BOARD

WRB no. 24

Representative of Joint Distribution Committee in Spain has advised Board danger of deportation approximately 800 Jews in France who claim Turkish nationality. Lists of these people have been forwarded to Ankara by Turkish Consuls who await decision concerning their status. Your opinion is requested as to whether Board should raise question with Turkish Ambassador here in view of negotiations reported in Embassy cable 299 of February 19.

HULL
(GLW)

WRB:GLW:KG
4/19/44

WE

NE

TELEGRAM SENT

is Telegram must be paraphrased before being communicated to anyone other than a Government Agency. (BR)

April 19, 1944

9 p.m.

AMEMBASSY,

ANKARA.

351

FOR THE AMBASSADOR FROM WAR REFUGEE BOARD.

WRB No. 27.

Hirschmann has informed us in detail of the enormous difficulties you over came in personally arranging with the Turkish authorities to allow the refugees from the SS MILKA and the SS MARITZA to land in Istanbul and to be supplied immediately with railroad transportation through Turkey to Palestine.

Hirschmann also informs us that there will in all probability be other boats approaching Istanbul, which are in the same category, and that these also would not be authorized to disembark their passengers in Turkey without your personal intervention.

Highest commendation is due you for the resourceful application of the goodwill you had built up with the Turkish officials in dealing successfully with this work of mercy in these crucial months.

HULL
(GLW)

NE

WRB:GLW:KG
4/19/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Ankara
 TO: The Secretary of State, Washington
 DATE: April 19, 1944
 NUMBER: 711 (Section 1)

CONFIDENTIAL

The following message is number 38 from Ankara is from the Ambassador for the War Refugee Board. It refers to number 324 dated April 13 from the Department.

1. Inasmuch as I was advised yesterday by the Minister for Foreign Affairs that the request of the Turkish Ambassador had been referred by the Foreign Office to the Director General of the Turk State Steamship Lines for decision, the understanding of the Turkish Ambassador that this Government is no longer insisting that a guarantee be given that a passenger vessel replace the TARI but will be willing to accept the guarantee of a cargo ship as a replacement is somewhat premature to say the least. It was also stated by the Foreign Minister that there was nothing further he could do regarding the matter since he was not in a position to compel the Director General to accept a guarantee of which he did not approve. Today when I inquired of the Director General he advised me that as yet he had not reached a decision but that as soon as possible he could let me know his decision regarding this matter. In their efforts to secure a passenger ship guarantee from the War Shipping Administration the Ministry of Foreign Affairs' position in this matter seems to be analogous to that of the War Refugee Board and the Department of State. Every effort is, of course, being exerted by me to induce the Director General to accept a guarantee of a cargo ship but I can not give any assurances of success at this time. With reference to the foregoing, as the Board seems to expect the same, if the Turkish Ambassador should receive information from his Government that it is prepared to accept the guarantee of a cargo ship I should appreciate being informed at once.

2. The transfer of \$160,000 to Kelley has been effected and the money is at his disposal according to a notice which was received from the Central Bank this morning. There will be a careful observation regarding the accounting for these funds in accordance with the instructions of the Board.

3. In the first instance my request of the Representative of the Intercessors in Ankara and subsequently of the Minister for Foreign Affairs, was for a German safe-conduct from Istanbul to Constanta, from Constanta to Haifa and from Haifa to Istanbul for the TARI. Regarding the details of the request for German

safe-conduct.....

-2- #711 from Ankara (Section 1)

safe-conduct which other sources made I am, of course, not familiar.

STEINHARDT

DCR:MPL
4/22/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Ankara
TO: The Secretary of State, Washington
DATE: April 19, 1944
NUMBER: 711 (Section 2)

CONFIDENTIAL

4. Up to the present time I have been successful in postponing the signing of the charter for the TARI. Nevertheless during the past week the ship has been ready to sail and in my most recent conversation with the Minister for Foreign Affairs it was clearly indicated by him that further delay in the signing of the charter would not be countenanced on the grounds that the ship is being held at our disposal at a loss to State Steamship Lines which loss is a considerable amount daily. Regarding the further postponement of the signing of the charter I am embarrassed by the fact that the delay now results from an attempt on my part to have the guarantee of a cargo ship accepted in lieu of a guarantee for a passenger ship which was the original condition. In view of the circumstances I shall in all probability find it necessary to sign the charter within the next few days regardless of whether the German safe conduct is or is not received, in order not to prejudice the entire refugee program of the Board in the eyes of the Government of Turkey and also in order to keep from irritating the authorities of Turkey who already are sufficiently vexed at the last minute request that they accept the guarantee of a cargo boat. The confidence of the Board in my judgment is very much appreciated by me in this connection. If I should find it necessary or even desirable to sign the charter prior to the receipt of the German safe conduct, the Board may rest assured that I shall do so only in the firm conviction that the importance of keeping faith with the Government of Turkey in order not to prejudice the overall program of the Board for the rescue of refugees in this part of the world would more than justify the payment of even the entire penalty by the Board for the nonuse of the TARI.

STEINHARDT

DCR:MPL
4/22/44

GEM-648 .
This telegram must be
paraphrased before being
communicated to anyone
other than a Governmental
agency. (BR)

Ankara

Dated April 19, 1944

Rec'd 7:45 p.m., 20th.

Secretary of State,
Washington.

712, April 19, 9 p.m.

FOR THE WAR REFUGEE BOARD FROM THE AMBASSADOR

ANKARA.

No. 39, Department's 333, April 15,

The Swedish Minister informed me yesterday that
he had received word from Stockholm that it is not
possible for the Swedish Government to make the
SS BARDALAND available for the movement of refugees
from the Balkans to Palestine as the vessel is
returning to Sweden.

STEINHARDT

WMB

PARAPHRASE OF TELEGRAM RECEIVED

367

FROM: The American Ambassador, Ankara
TO: The Secretary of State, Washington
DATE: April 19, 1944
NUMBER: 713 (Section 1)

SECRET

As Ankara's number 40 the following message is from the Ambassador for the War Refugee Board and it refers to number 537 dated April 15 from the Department.

Between the voyages of the SS MARITZA and the SS MILKA on the one hand and that of the SS BELLACITA on the other, there is a fundamental difference. The MARITZA and the MILKA sailed without either the proper papers or the authority to enter a port of Turkey and practically all of the refugees on board were without Palestine entry certificates and were also without Turkish entrance or transit visas. Illegal is the word used here in referring to voyages of this character. The BELLACITA on the other hand has the proper papers, permission to enter the port of Istanbul and it is said that all of the refugees on board have Palestine entry certificates as well as Turkish transit visas. Legal is the word used here in referring to voyages of this character.

STEINHARDT

DGE:MFL
4/21/44

PARAPHRASE OF TELEGRAM RECEIVED

FROM: The American Ambassador, Ankara
TO: The Secretary of State, Washington
DATE: April 19, 1944
NUMBER: 713 (Section 2)

SECRET

Up to the present time the BELLACITA has not arrived but no difficulty in transiting the refugees on board to Palestine is expected by me. With reference to further illegal voyages by the MARITZA and the MILKA I feel reasonably well satisfied that if the number does not go beyond five hundred a month, I can persuade the Minister for Foreign Affairs to allow the entry and transit of refugees carried on such illegal voyages as each occasion may present itself. Doubtless the carrying capacity of the railroad to the Syrian frontier from Istanbul will in each instance affect his decision. With reference to the substantial increase in the transit to Palestine from Istanbul arriving here legally which has taken place during the past two or three months and being thoroughly familiar with the additional load which the transportation system will support, my best judgment is that approximately an additional five hundred refugees arriving each month illegally would be the maximum for whom rail transportation could be provided by the Foreign Minister.

STEINHARDT

DGR:MPL
4/21/44

FMH-475

PLAIN

Moscow

Dated April 19, 1944

Rec'd 10:15 a.m., 20th

Secretary of State,

Washington.

1367, nineteenth

PRAVDA for April 17 and RED STAR for April 18
publish a Tass despatch from Cairo stating that
during Lehman's visit there an appeal from the
National Committee of Liberation of Yugoslavia to
the Council of UNRRA for immediate aid for
Yugoslavia and the admission of the National
Committee to membership in UNRRA was submitted to
him.

The item continues that Lehman promised to
place these questions before the next meeting of
the UNRRA council in June.

HARRIMAN

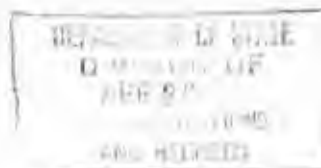
WSB

TELEGRAM SENT

FMH

PLAIN

April 19, 1944

U. S. URGENT

AMEMBASSY

OTTAWA

31, nineteenth
FOR THE AMBASSADOR FROM THE SECRETARY OF THE TREASURY.

1. Arrangements are being made for the simultaneous publication in Washington, London, and a number of the capitals of the United Nations of the joint statement by technical experts of the United and Associated Nations on the establishment of an International Monetary Fund. Copy of this joint statement ~~has~~ been given to Plumptre and we have telegraphed copy to you. We are discussing the issuing of a joint statement on the Bank for Reconstruction and Development, a copy of which has also been telegraphed to you.

2. I am to appear before the appropriate Congressional committees on Friday, April 21, to bring them up to date on our discussions regarding international financial cooperation and to present to them the joint statement. This joint statement on the Monetary Fund will be released on Friday, April 21, 8:00 p.m. Washington time for Saturday morning

-2-

#31, nineteenth to Ottawa
press. It is imperative that the statement should not
(repeat not) be released elsewhere before it is released
in Washington. It has not yet been decided when the
joint statement on the Bank will be released. We will
keep you informed.

HULL
(EGC)

Approved by phone
Mr. Parsons - BC 4/18/44

FMA:EGC:eco
4/18/44

For security reasons the
text of this message must
be closely guarded.

KEM-206

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

Chungking via N.R.

Dated April 19, 1944

Rec'd 3:00 p.m.

Secretary of State,
Washington.

685, April 19, 5 p.m.

TO SECRETARY OF TREASURY FROM ~~RAILER~~.

Re your TR 06 March 6, and 107, January 20.

Have finally received formal reply from Ministry
of Finance to my request for its attitude to appropriate
procedure for remittances to occupied areas. It takes
note of Treasury's acceptance of Dr. Kung's proposal
and states that the Central Bank, the Bank of China,
and the Ministry of Foreign Affairs have been duly
notified.

GAUSS

HTM



373

Treasury Department
Division of Monetary Research

Date May 4 19 44

To: Secretary Morgenthau

From: Mr. White

Sir Jeremy Raisman, head of the Finance Department of the India Government will visit the United States. He may attend the international conference on currency stabilization.

AIRGRAM

~~MM~~ 374

From: American Mission
New Delhi
Date: April 19, 1944, 5 p.m.
Rec'd: May 2, 4 p.m.

Secretary of State,

Washington.

A-41, April 19, 1944, 5 p.m.

Sir Jeremy Raisman, Finance Member of the Viceroy's Executive Council, intends to visit the United States in the near future. He told an officer of the Mission today that he is leaving for England by air on May 4; and after a few days there will fly to the United States and spend about two weeks in Washington. It will be his first visit to the United States.

His position in India corresponds to that of a Minister of Finance, or to that of the Secretary of the Treasury of the United States. He has been in the Indian Civil Service for 28 years.

Sir Jeremy originally planned to make his visit to the United States coincide with the proposed international conference on currency stabilization.

MERRELL

851.5
STM/leg

ef: copy
5-4-44

PARAPHRASE OF TELEGRAM SENT

FROM: Secretary of State, Washington
TO: AMEMBASSY, MOSCOW
DATED: April 19, 1944, 7 p.m.
NO.: 161

SECRET

From Secretary of Treasury for Harriman:

It is not possible to wait beyond Thursday for reply to our cable no. 938 regarding publication of joint statement. Thursday morning between nine and eleven, Washington time, we shall telephone to you if by that time we have not had a definite reply. We shall expect an answer in the terms of yes or no, for security reasons, should we telephone.

HULL

ef: copy
4-27-44

NOT TO BE RE-TRANSMITTEDCOPY NO. 11SECRETOPTEL No. 126

Information received up to 10 a.m., 19th April, 1944.

1. MILITARY

BURMA. On the 16th Gurkha troops captured a village 24 miles southwest of IMPHAL but Japanese counter-attack against them was successful; our troops resumed the attack the following day. A battalion of Scottish troops 24 miles northeast of IMPHAL was attacked by 2 Japanese companies; at least 22 enemy killed.

On the 15th our troops repulsed an attack on the DIMAPUR KOHIMA road about 5 miles northwest of KOHIMA. Japanese are reported to have penetrated our forward positions west of KOHIMA on 15th/16th but no further details available.

2. AIR OPERATIONS

WESTERN FRONT. 18th. Total 732 U.S. heavy bombers supported by 691 fighters attacked the REBLIN/BRANDENBURG area, dropping 649 tons on 2 aircraft factories, 208 tons on 2 airfields, 190 tons on BRANDENBURG, and 375 tons on other objectives with results generally good. 12 more heavy bombers dropped 38 tons on a military construction PAS DE CALAIS area. Enemy casualties reported by fighters - 15 destroyed, 12 damaged on the ground and 4 destroyed in the air. Ours - 19 bombers, 5 fighters 254 medium, 50 light and 126 fighter bombers operated over Northern FRANCE and BELGIUM, dropping 238 tons on Coastal gun positions, 214 tons on CHARLEROI Marshalling Yard and 42 tons on military constructions. 3 enemy aircraft destroyed, 3 medium bombers missing,

18th/19th. 1130 aircraft despatched:

Goods yards at ROUEN	287 (3 destroyed by enemy Intruders)
TERGNIER	171 (6 missing)
PARIS (JUVISY and NOISY LE SEC)	371 (6 missing)
LE MANS	2
BERLIN	24
OSNAB' UCK	2
Sea-mining	168 (3 missing)
Leaflets	40
Intruders	65

Preliminary reports indicate clear weather for attacks on railways. 50 German aircraft operated over East Anglia and the London area and 8 others over East Coast. Fighters destroyed 10 and probably destroyed 3, anti-aircraft claim 3. 39 fatal casualties so far reported London, mainly in Northeast and South-east. North Middlesex Hospital Edmonton received direct hit. One large fire LOMFORD. 1 fatal casualty and about 50 injured ROCHESTER.

YUGOSLAVIA. 16th. 144 U.S. heavy bombers dropped 350 tons on an airfield at BELGRADE. 3 bombers missing. Many hits on installations and grounded aircraft.

ROMANIA. 16th. 151 Liberators dropped 334 tons on the airfield and railway centre at TURNU SEVERIN and 148 other Liberators dropped 282 tons on similar objectives BRASOV. Enemy casualties 10, 3, 2. 5 Liberators missing. Both places bombed from high altitude. Numerous bursts seen on objectives.

SECRET
04 5101

Regraded Unclassified