

PSF - Gen. Correspondence "C" Subject File Box 122

122



PSK.C.

C-56

May 14, 1939.

Dear Mrs. President-

This is the first
note I have written, excepting
to Homer who is in
Pinehurst so you won't
mind if it is wobbly. I've
certainly been a sick
chicken - so sick I almost
became a dead one, but
that happily is past and

him go off for a few
days at Pinchurst & golf.
I still have a day &
night nurse, but they haven't
much to do now. Thank
Godness.

Well, this is a doleful
note, but it's meant to
be a joyful one as I
am now out of danger ^{and}
pain.

You & Mrs. Rowanell
have been so very kind

I am on the road to
recovery. The doctor was
saying the other day he
had been here every day
for 40 days - sometimes
1 & 3 times. The doctor
called in consultation didn't
give me a Chinaman's
chance (he doesn't know
the Irish) - but Dr. Dickens
never gave up hope &
told Horner he would
pull me through. Poor
Horner lost 12 lbs.
and I was happy to see

to send so often the
lovely flowers. Everyone
has been wonderful so
that it gladdened our
hearts.

I hope you are
well and your usual
wonderful self and that
it won't be long before
I see you.

affectionately
C. C.

file Personal
THE WHITE HOUSE
WASHINGTON

Gen Coner "C"
PSF 3-43

October 20, 1943.

MEMORANDUM FOR THE PRESIDENT:

I talked with Sumner Pike about Franklin Calder. He had not seen much of the Calder boys in recent years, but his brother Moses lives up in Lubec and he telephoned him to get a line on Franklin Calder. This is his brother's report:

Franklin Roosevelt Calder is smart, shrewd, cunning, touchy, close, mean, petty, and does not get along in teamwork with other people. He has a touch of craziness which runs through his mother's side of the family.

He hasn't any real smuggling record. Mr. Pike said in the old days everybody smuggled in things -- including his own mother, who smuggled in a fur coat for which his father gave him hell -- and he doesn't think Mr. Calder was any worse than anyone else in that party of the country.

He thinks Calder would make a pretty good caretaker or a watchman if he were checked on every now and then.

GGT

PSF Rem Correo 'C'
3-43

THE WHITE HOUSE
WASHINGTON

Pratt

Miss. Mary Campbell
106 East 91st Street
New York, City

File Personal *PSF* *Mem - 2*
FEDERAL HOME LOAN BANK BOARD
WASHINGTON

OFFICE OF
FRED W. CATLETT
MEMBER OF THE BOARD

Basin Harbor Bk
Aug 8th 1935.

Dear Frank:

Now that the Western
Washington judicial vacancy has
been filled, I am impelled to write
to thank you for your friendly
attitude toward my own judicial
aspirations. Altho I did not
receive the information directly
I did hear reports when I was
in Seattle in June - thru one
of the other aspirants - of that
continued friendliness.

FEDERAL HOME LOAN BANK BOARD
WASHINGTON

OFFICE OF
FRED W. CATLETT
MEMBER OF THE BOARD

I am naturally disappointed, but I want you to know that I have some appreciation of the present political situation and recognize some of the political difficulties which lay in the way, and which were in this instance apparently too great to be overcome.

The past eight months must have been a strenuous and trying time for you, and I trust that you will now get some relief and

FEDERAL HOME LOAN BANK BOARD
WASHINGTON

OFFICE OF
FRED W. CATLETT
MEMBER OF THE BOARD

recreation, which you must need,
and so fully deserve.

With my best regards.

Catlett

[Signature]

from Edith Chauncey, she
has her passport & is sailing
on the Conte di Savoia on
the 25th! - We are all so
grateful for your kind
intervention, & doubly
appreciate it at this time
of intense strain for Edith.
With warm good wishes

Most Sincerely
Ince Howland Chauncey
November 16th 1939

PS: Y and Missy -
To send her a
little love just to
thank her for her
letter Nov. 10
563 PARK AVENUE
NEW YORK
Dear Mr. President,
Or preferably: Dear
Concinn Frank! - I hope you
will recall my plea before, &
try to endorse Mr. Edith L.
Chauncey's request for a
passport to join her clerical
husband, in Italy, & for most
kind answer to my letter of
October 30th. I have just
had a most happy letter

PSF
"C"

Collier's
THE NATIONAL WEEKLY
THE CROWELL PUBLISHING COMPANY
250 PARK AVENUE
New York

THE WHITE HOUSE
JUN 9 8 59 AM '39
RECEIVED

June 8th, 1939

OFFICE OF THE EDITOR

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

My dear Mr. President:-

Of course we are still greatly
interested in the book you are writing concerning your
two trips abroad and we would very much like to make a
bid on it when you have completed it. I hope very
much that you will keep Collier's in mind and let me
know when it is available.

Respectfully yours,

Handwritten notes:
Hear A
John
file

PSK
"C"

\$25-

#1

(2)

July 7, 1937.

Dear Antoinette:-

I am so glad to hear of your approaching marriage and I want to send you every good wish in the world and to tell you that I hope we shall have the chance to see you and your husband very soon.

I have no idea what you need or want in the way of a wedding present! So will you use the enclosed to get something as a reminder of

Your affectionate cousin,

Mrs. Roosevelt Clark,



Radio
City

September 10th
In Bed! [1937]

to a Short rest cure!
it is diff. enuf to
be with only a "pad"
Support the paper! -

as Miss Ke Hand -
am ashamed of
self; but pen, paper,
K, and I - do not
be able to

PSF "C" Alvin Clayburgh
for 10 fifties, - and Eng
apo. in Paris I did
dictate a letter to you!

But - alas! - when the
Effusion came face
to face with me - it was
So poorly done - I Hag
to destroy it -!

Poor - as this me is -
..... it goes to you!
You are generous and
understanding, and
know that there are

periods - when me is none -
nt, and nothing impossible -
Voila! —

Thank you - for having
had Mr. T. B. Cullen "Notice"
us - and I hope when we
return to Paris - we may -
really see something of him.
He had a little "quarter of an
hour" - at his desk -
and Alva Jr - thought him
"fascinating"! — So did I!
We are off to Claude Bowers
this week - and hope to get to
Paris in time to have a "good
hand" to Mrs. T. Roosevelt. —
She has been magnificent
— and the French people
adore her — and really —
love the President. —
They have great respect



National Radio
Relay Project

for him —
And love his
ol. cum —
t night — at the
our box — T Busseto —
y were all enthusiastic
ut him —
d hoped that France
d America —
ld understand
ch other —
d to (These days!)

I pity our President
these days! —
Never has there been
Such unrest! —

.....
again thank you —
for the little word —
and when we are
in Washington —
or you in New York —
do give us the pleasure
of seeing you! —
I hear — you are

very "Lovely" —

Auf Wiedersehen —

With love —

Alma Clay Murr —

Morgan & Co —

Paris — is my "always" address.

On the Hotel Crillon. A.C.

THE WHITE HOUSE
WASHINGTON

PSF "C" ^{cone}

March 22, 1935

"file
personal"

file ^{cone}
(5)

MISS LE HAND:

S. T. E.

Charges made that in instances of the American Pioneer Line, operated by the Roosevelt Ss. Co. , and of Lykes Bros. Ripley Ss. Co. , both of which opened operations under lump sum agreements subject to readjustment, Admiral Cone took no action to reduce excessive compensation being paid operators.

It is charged that in 1931, without legal authority, Admiral Cone authorized the Ship. Bd. to take back certain vessels, after their having been sold, ~~and~~ thereby relieving purchaser of obligation, and permitted certain other negotiations, the practical effect of which was to prevent American ship competition with foreign flag lines .

Claims that without due consideration Admiral Cone permitted laying up of the Leviathan, involving difficulties in connection with wharfing charges and dredging at Hoboken pier.

Claims certain sales to Lyken Bros. Ripley SS. Co. , advocated by Mr. Cone were made without appraisement of vessels, due advertisement etc., contrary to Sec. 6 and 7 of Merchant Marine Act., 1920.

Charges that in 1933 Admiral Cone gave written permission to a professional lecturer (a salaried employee of the Am. Steamship Owners Assn.) to deliver lecture before D A R.

Claims that special consideration to which it was not entitled were given Mississippi Shipping Company.

Complaints of tactics in dealing with Black Diamond Line, Inc. in connection with loan for reconditioning vessels purchased from the

Board, involving lack of competition in awarding contracts for work.

Complains of lack of investigation of ^{application} ~~of~~ by C. H. Sprague
and Son, Inc. to charter foreign ships, as substitute, cargo carriers.

Protests payment of certain insurance money in cash to U. S.
Lines Co. (Nevada).

psf
C

new york

Will you give
President a
digest of this.
He thinks it does
not amount to a
hill of beans!
ML

TWENTY-THREE CHARGES AGAINST ADMIRAL HUTCH I. CONE

STATEMENT OF FACTS COVERING TWENTY-THREE CHARGES
BASED UPON OFFICIAL RECORDS AGAINST HUTCH I. CONE,
FORMERLY AN OFFICIAL OF THE UNITED STATES SHIPPING
BOARD AND NOW AN OFFICIAL OF THE UNITED STATES
SHIPPING BOARD BUREAU OF THE DEPARTMENT OF COMMERCE,
AS PRESENTED BY E. Y. MITCHELL, ASSISTANT SECRETARY
OF COMMERCE, TO THE PERSONNEL COMMITTEE OF THE
DEPARTMENT OF COMMERCE ON FEBRUARY 4, 1935.

STATEMENT OF FACTS

I

American Pioneer Line, operated by Hooeverolt Steamship Company, commenced operation under a lump sum Agreement dated July 7, 1930. Under this Agreement the operator was to receive a lump-sum compensation of \$3,000 per voyage, but the Agreement provided in paragraph 21 thereof the compensation should be subject to re-adjustment in the event the compensation should prove insufficient to cover losses and allow a fair profit to the operator.

On November 21, 1930, at a meeting of the Shipping Board which you attended as a Commissioner thereof, the President of the Fleet Corporation submitted a memorandum recommending that this operator's compensation be increased from \$3,000 to \$6,000 per voyage for the Australia, India and Far East services. At the time this recommendation was considered the operator had not completed a single voyage and the President's memorandum showed that his recommendation was based upon data submitted by the operator, which had been checked by the Record-Adjustment Division and "found substantially correct with the exception of the Far East voyages". However, no audit of the operator's books or accounts had been made.

The operator's statement, submitted with the recommendation, reported a total freight revenue of \$1,044,830.32, of which amount \$314,000, or 49.7 per cent, was based upon estimates.

Without any further investigation, you voted for approval of the recommendation for the increase and the recommendation was approved by the Board.

After the voyages in question had been completed and upon audit by the General Comptroller's auditors, it appears that the operator's total loss was \$2,575.50 or an average loss of \$321.94 per voyage, instead of \$6,747.20 as reported by the operator and accepted by the President of the Fleet Corporation.

II

At a Shipping Board meeting held on June 10, 1931, a memorandum from the President of the Fleet Corporation was considered in which he stated that Roosevelt Steamship Company had filed an application seeking relief from losses sustained under the Lump-Sum Agreement for operation of the American Pioneer Line. The President's memorandum contained a comparison between the results estimated by the operator and the results estimated by the Adjustment and Record Division, no audit having been made, as follows:

	<u>Operator's Estimate of Net Loss.</u>	<u>Fleet Corp. Es- timate of Net Loss.</u>
India Service	\$30,786.91	\$ 28,639.05
Australia Service	35,230.11	46,047.72
Far East Service	<u>54,949.22</u>	<u>42,348.92</u>
Total	\$120,966.24	\$117,035.69

The President recommended that the lump-sum compensation be increased from \$8,000 to \$20,000 per voyage for the India Service and from \$8,000 to \$35,000 per voyage for the Australia Service.

During the discussion that followed, you made a motion that the Fleet Corporation's recommendation be approved. This motion received no second. After further discussion, you moved that the Fleet Corporation recommendation be approved, provided, that the increased compensation in the India Service apply to the June to October sailings, and that the Committee on Trade Routes and Ship Operation be directed to make a survey of the service and an early report to the Board. This motion was seconded and adopted.

After the voyages had been completed and a proper audit made by the General Comptroller, the actual operating results are disclosed as follows:

		<u>Lump-Sum</u>	<u>Average Loss per Voyage</u>	<u>Total Loss</u>
India Service - 9 voyages	--	\$ 8,000.00	\$ 100.12	\$ 901.10
Far East Service - 11 voyages	--	8,000.00	3,643.63	40,080.01
Australia Service - 5½ voyages	--	8,000.00	3,997.82	<u>21,969.14</u>
			Total -----	<u>\$62,950.25</u>

The actual total loss for all three services was \$62,950.25 as compared with \$117,035.69 "estimated" by the President of the Fleet Corporation. Nevertheless, through the Board's action, based upon insufficient data, the operator's compensation was increased \$12,000 per voyage on the India Service and increased \$27,000 per voyage on the Australia Service.

III

On September 16, 1931, the President of the Fleet Corporation recommended to the Shipping Board that Roosevelt Steamship Company's compensation as operator of American Pioneer Line on Far East Service be increased from \$8,000 to \$38,000 per voyage. This recommendation was based on the operator's representation that its actual and anticipated losses on that service would amount to \$142,368.52, of which amount only \$13,581.25 was the loss on completed voyages and \$128,787.07 would be the loss on uncompleted voyages. The President's memorandum stated that a careful analysis of the operator's statement had been made and the same was found to be substantially correct.

Upon your motion, the recommendation was referred to the Committee on Trade Routes and Ship Operation for report. Upon favorable report by that Committee the Board approved the recommendation and you voted for such approval.

The audit of the General Comptroller made after the voyages were completed shows that the 11 voyages in question in the Far East Service, the average operating loss per voyage was \$11,643.33. In view of the increase in lump-sum compensation to \$38,000 per voyage, the operator made an average net profit of \$26,356.67 per voyage, or a total net profit of \$289,923.37 on the 11 voyages.

IV

The Roosevelt Steamship Company, from the inception of the Lump-Sum Agreement for operation of American Pioneer Line, until December 31, 1933, made a net profit from said Agreement of \$371,987.96, after payment of administrative expenses and taxes, on a cash capital investment of \$10,120.00.

During your tenure of office as Commissioner, as Chairman of the Shipping Board, you failed to take any action to reduce the excessive lump-sum compensation paid to this operator or to initiate any action looking to that result, although the representations made by that operator on which increases in compensation had been allowed were based upon the operator's own estimates and such representations were wholly unsupported by the results of completed voyages.

V

Under date of December 9, 1931, the steamers "America" and "George Washington" were re-delivered to and accepted by the Shipping Board, pursuant to Article 6 of the Agreement dated October 30, 1931, between the United States Lines Company (Nevada) and the Shipping Board, wherein the Board had agreed to cancel the notes amounting to \$2,800,000 held by the Government evidencing the balance of unpaid purchase of said vessels.

The return of these vessels and the cancellation of the notes had been suggested by you in your negotiations with P. A. S. Franklin and his associates in the International Mercantile Marine and Roosevelt Steamship Company (Appendix, Hearings before Committee, Merchant Marine and Fisheries, p. 161) although when the vessels were sold to U. S. Lines, Inc. the sales contract approved by the Board, of which you were a member, contained the following recital:

"Whereas, the seller regards the operation of the aforesaid vessels as hereinafter provided for a term of ten years, as of great importance in promoting and maintaining an adequate Merchant Marine."

There is no provision of law in the Merchant Marine Act, as amended, authorizing the Shipping Board to take back a vessel after it has been sold and to relieve the purchaser thereof of his definite written promise to pay the purchase price thereof to the United States. Nevertheless, despite the lack of express

authority of law to relieve the purchaser of his obligation, you took no action and recommended no action to obtain an opinion from the Attorney General as to the legality of the action you proposed, but on the contrary you recommended to the Shipping Board and voted approval of the transaction.

Thereafter, the Comptroller General took exception to the return of these vessels and the cancellation of the indebtedness, but neither as Commissioner nor as Chairman of the Board, nor as Chairman of said Advisory Committee, did you take any action or recommend any action to rescind such illegal transaction. (Senate Hearings, Pt. 9, p. 4065).

VI

In the said agreement of October 30, 1931, with United States Lines Company (Nevada), and which resulted from private negotiations carried on by you and by Chairman O'Connor, and which you voted as a Commissioner should be approved, it was provided that the Board (representing the United States) would deliver to the United States Lines Company for cancellation "all of the notes executed and delivered by the said United States Lines, (Inc.) to the Board, evidencing the balance of the purchase price of the vessels Leviathan, American Farmer, American Shipper, President Harding, American Banker, President Roosevelt, American Merchant, American Trader, Cambrai and Somme", aggregating after allowance of certain credits thereon, the sum of \$8,457,000.00 and to accept therefor the sum of \$5,170,900.00 in

notes, on which no payment of principal or interest was to be made to the Government for three years thereafter.

There is no provision of law, authorizing the Shipping Board to sell secured promissory notes payable to the United States for less than their face value or to relieve the maker of such notes, or the assignee of such maker of liability thereon. Nevertheless, despite the lack of express authority of law to make such sale, you took no action and recommended no action to obtain an opinion from the Attorney General of the United States as to the legality of the action you proposed, but on the contrary you recommended to the Shipping Board and voted approval of the transaction.

Thereafter, the Comptroller General took exception to the transaction as being unlawful, but neither as Commissioner, nor as Chairman of the Board, nor as Chairman of said Advisory Committee, did you take any action or recommend any action to rescind such illegal transaction.

VII

In Article 13 of the Agreement of October 30, 1931, which you personally negotiated, recommended and approved, the Shipping Board acting for the United States, became obligated, (so long as minimum service is maintained by United States Lines as provided in the agreement) to refuse aid to any American interest through the sale of any combination passenger and cargo vessel under the Board's jurisdiction, or to charter such ships at less than current market rates, if such interest would employ those ships in

a service between New York and any port or ports of the United Kingdom, Ireland, Germany or France. The Board also obligated itself not to operate any such ships itself, or through operators, on these routes and with the countries with which we carry on the greater part of our foreign trade.

It appears from your private diary of the negotiations you and Chairman O'Connor conducted in New York that the creation of a monopoly in favor of the organization that was to take over the Chapman interests in the United States Lines was not discussed and it does not appear from the proposals submitted to the Shipping Board during August, September and October that the creation of such a monopoly in the North Atlantic received Board consideration; yet, although you knew that the International Mercantile Marine was then substantially interested in the operation of foreign ships in the same trade, you voted to approve the agreement which placed under the control of the I. M. M. the only American flag competitor of such foreign ships and created a monopoly in said trade which was prejudicial to the American Merchant Marine and prejudicial to the best interests of the United States.

The practical effect of Article XIII was to prevent American ship competition with the foreign flag lines in which the I. M. M. was interested, operating between New York and other ports in the United Kingdom, Ireland, Germany or France which were not served by the ships of the United States Lines, and, further to prevent American competition with any foreign flag lines whatever operating between New York and those countries.

with the Government bound by contract to refuse aid, the only alternative for Americans desiring to start a line or lines between New York and any of those countries to compete with foreign flag ships would be either to build new ships, or, if suitable ships were to be had, to charter at the then current rates.

It is a matter of common knowledge that a new American line cannot compete with foreign lines successfully by building new ships even if the larger part of the required capital can be had from the Government Construction Loan Fund at comparatively low rates. Only by obtaining its first ships, with which to build up traffic, at low costs, can an American line enter the foreign trade in competition with foreign flag ships.

By reason of the Board's agreement the only Governmental assistance that could be had would be a loan for the construction of new ships, or through the sale by the Board of its obsolete freighters. It withholds such assistance as it might render by the sale or operation of any combination passenger and cargo ships it now has or which may come into its possession, the only practical assistance in starting a new line.

Not only does this agreement effectively prevent American ship competition with all the lines between New York and United Kingdom, Ireland, France and Germany owned or managed by the International Mercantile Marine, but it also has the same effect in withholding aid from those who would compete with the North German Lloyd between New York and Bremen, though none of the I. M. M. ships touch the latter port. In addition, it

tends to prevent American ship competition with the Cunard Line between New York and Glasgow and the North of Ireland; and with the Cunard ships going to Liverpool; and with the various foreign flag lines, French, British and German, touching for passengers at Cherbourg or Havre.

Since two of the United States Lines ships stop outside of Queenstown with passengers only, all combined freight and passenger traffic between New York and all of Ireland is barred by this agreement to American ship competition. This works to the advantage of those British ships that now handle practically all of the Irish-American traffic via Liverpool, far more so than to the advantage of the two United States Lines ships that handle but comparatively few passengers through Queenstown.

The agreement is prejudicial to the Government's own interests in that if any of the ships of American lines built under Government Construction Loan Fund should have to be taken over by the Board, the Board could not operate them or sell them for operation on the routes offering the greatest volume of traffic, both as to passengers and freight. It must, therefore, continue to operate these ships on routes where they had proved unprofitable, or seek other routes than those promising the greatest traffic, or tie them up indefinitely.

This agreement likewise protects the Belgian Flag Red Star Line ships owned by I. M. M. against competition by American ships of similar type.

VIII

Prior to the acquisition of the "Leviathan" by United States Lines Company (Nevada) that vessel had been operated from New York to Cherbourg, Southampton and return, in competition with the British vessel "Majestic". As soon as U. S. L. obtained control of the Leviathan, the operation of that vessel was changed to Plymouth, Cherbourg, Bremerhaven, outbound, and return via Bremerhaven, Cherbourg, Southampton. (Hearings, Pt. 9, p. 4133).

Although the Board had spent large sums of money in advertising and establishing good-will for the Leviathan on the Southampton run from New York, and although the withdrawal of the Leviathan from that service had never been suggested, you made no effort and took no steps to frame the October 30, 1931, agreement so that this withdrawal of the Leviathan from the Southampton run could not be made without the Board's consent and you made no protest and made no effort to prevent the withdrawal of the Leviathan from that run.

IX

By a supplemental contract made on September 16, 1932, between the Shipping Board and United States Lines Company (Nevada) it was agreed, among other things, that the Company would make not less than eight voyages with the Leviathan from New York to ports in the United Kingdom or France or Germany during the period commencing September 16, 1932, and ending April 30, 1933. These eight voyages were to be in addition to the seven voyages per annum the Company was obligated to make by the agreement of October 30, 1931.

The supplemental contract provided that in consideration of the Company making the additional voyages, the Board agreed to reimburse the Company for 75 per cent of the cost of all insurance premiums, except P. & I. Insurance, carried on the Leviathan during the calendar year ending September 15, 1933, up to the total amount then carried.

The making of this contract was approved by the three Commissioners of the Shipping Board, composed of yourself, Chairman O'Connor and Mr. Sandberg, and you voted for its approval.

Pursuant to the said agreement the United States Lines Company (Nevada) received from the Government the sum of \$68,340.52 as reimbursement for 75 per cent of the insurance premiums carried on the Leviathan during the calendar year ending September 15, 1933. This reimbursement of a private steamship owner for the cost of insurance on its own vessel, which cost is an ordinary incident to the operation of any vessel, was wholly unauthorized by any express provision of law and amounted to a subsidy to encourage the operation of a privately owned vessel. The only subsidy authorized by Congress is that contained in the Merchant Marine Act, 1928, providing for mail contracts.

The Comptroller General took exception to this transaction as being unlawful, but although you had been an active participant in accomplishing such illegal transaction, you took no action and made no recommendation, either as Commissioner of the Shipping Board, or Chairman of the Advisory Committee of the Shipping Board Bureau, to recover from United States Lines Company (Nevada) the sum it had so unlawfully received from the Government. (Hearings, Pt. 9, p. 4134).

X

In said supplemental contract of September 16, 1932, between the Shipping Board and United States Lines Company (Nevada), as a further consideration for the operation of the Leviathan on eight outward voyages between September 16, 1932 and April 30, 1933, the Shipping Board agreed to turn over to the Company the sum of \$218,041.89, which constituted a part of the prepaid, or advancements received by the Shipping Board prior to April 8, 1929, on passenger tickets sold by the United States Lines prior to that date.

Pursuant to further adjustments in the accounts, the amount actually turned over to the United States Lines Company (Nevada) was \$216,639.96.

The United States Lines Company (Nevada) agreed to carry out the bookings and commitments represented by such prepaid ticket money or to return to any person the amount prepaid to the Board.

This prepaid ticket account represented a liability on the part of the Government which had been voluntarily imposed because the contracts on which such moneys had been received carried a limitation of time within which performance might be claimed and all of the limitations had expired.

There is no provision of law authorizing any Government official to make a contract by which obligations resting on the United States in the form of claims by others not parties to the contract may be shifted so as to relieve the Government of its obligation to pay such claims. The ticket funds in question were Government funds which it

might or might not disburse to claimants having only a moral claim there-
to and there was no authority in law to pay over such Government funds to
a private concern in consideration of its assuming a voluntarily imposed
Government liability.

It further appears that since receiving this fund the United
States Lines Company (Nevada) has furnished transportation and/or has
made refund amounting to only \$18,731.15 up to December 31, 1933, and
counsel for United States Lines Company (Nevada) admitted at a hearing
held before the Director of the Shipping Board Bureau that the United
States Lines Company (Nevada) were not keeping such moneys separate
from their own moneys as a trust fund, but had put said moneys into
the Company's own current fund.

The Comptroller General took exception to this transaction
as being unlawful but although you, as a Commissioner of the Shipping
Board, had voted for the approval of this transaction, you subsequently
took no action and recommended no action to obtain reimbursement from
United States Lines Company (Nevada) of the unexpended balance of said
fund. (Hearings, Pt. 9, p. 4159).

XI

On March 22, 1933, Mr. P. A. S. Franklin, Chairman of the Board
of the United States Lines Company (Nevada) wrote to you proposing that
the Leviathan be permanently withdrawn from service and laid up. On May
6, 1933, the Shipping Board, which was then composed of yourself, as
Chairman, and two new members, approved a draft of agreement consenting

that the United States Lines Company (Nevada) omit the seven voyages required of the Leviathan during the year ending December 31, 1933, although the making of seven voyages during that year was required by the agreement of October 30, 1931.

This permission to withdraw the Leviathan from the North Atlantic run was a complete reversal of the policy you had advocated only a few months previously when you had been willing to have the Government pay United States Lines Company for making additional voyages with the Leviathan because of the importance of that vessel's position in the North Atlantic trade.

Mr. Franklin's letter stated as a reason for withdrawing the Leviathan as follows:

"Considering that the Leviathan is nearly twenty years old and has reached the age where her continued operation necessitates heavy and extensive repairs, we see no possible chance of her being operated again at a profit. Her continued operation simply means increased losses, a condition which is steadily growing worse."

Although it appears from the hearings before the House Committee on Merchant Marine and Fisheries that you and Chairman O'Connor on the one hand, and the I. M. M.-Roosevelt Steamship Company interests on the other hand, recognized that the operation of the Leviathan during the five-year period of guaranteed operation would be at a loss to the operator and this consideration excused the writing-down of the Government's mortgage interest in the United States Lines at the time the agreement of October 30, 1931, was consummated; and although it appears also from said hearings that Mr. P. A. S. Franklin himself had assured you that he regarded the continued

operation of the Leviathan as of great importance; yet without any fresh consideration given to the United States for relieving United States Lines Company (Nevada) of its obligation to continue the operation of this vessel, you and your new associates on the Shipping Board permitted the laying up of the Leviathan and thus removed from competition with British and other foreign interests this premier luxury liner.

XII

In the agreement between the Shipping Board and United States Lines Company (Nevada) dated May 5, 1933, covering the lay up of the Leviathan for the remainder of the calendar year, 1933, appears the following provision:

"The Board agrees to cooperate with the Company and to provide, if possible, a suitable place where said vessel Leviathan may lay up free from wharfage, berthing or dockage expense."

On June 7, 1933, the Shipping Board, of which you were then Chairman, authorized the Merchant Fleet Corporation to advise the United States Lines they could tie up the Leviathan at Hoboken until December 31, 1933, without wharfage charge but that any necessary dredging would be at the expense of United States Lines. It further appears that Mr. John Franklin was notified of this action of the Board on June 7, 1933.

It also further appears that negotiations were then in progress to lease the Hoboken pier and that the Shipping Board authorized the dredging of the slips around the pier and the cost thereof was \$115,500; further, that in doing this dredging extra work was occasioned

to make the depth sufficient to take care of the Leviathan.

It further appears that on August 30, 1933, an agreement was executed for the laying up of the Leviathan at the Hoboken pier and although you signed this agreement upon behalf of the Fleet Corporation, as Vice President, the question of United States Lines Company paying any part of the dredging was not taken care of in said agreement.

The question of billing United States Lines Company (Nevada) the sum of \$16,395.88 for their proportion of the cost of dredging to accommodate the Leviathan came before the Advisory Committee of the Shipping Board Bureau, of which you were then a member, on May 15, 1934, and you voted for the billing of this charge against that Company.

It appears, however, that after United States Lines Company had refused to pay the bill you were interviewed by Assistant Counsel Skinner concerning your recollection of the transaction and the following is a quotation from Mr. Skinner's memorandum of January 7, 1935, addressed to the Solicitor of the Department:

"The Admiral stated that he recalled a number of telephone conversations concerning the berthing of the Leviathan at Hoboken but he did not recall the telephone conversation referred to by John Franklin. He stated, however, that as he recalled the transaction, it was the Board's intention to require the U. S. Lines to pay for any necessary dredging in the event the Board incurred any cost for dredging in order to make the berth available for the Leviathan, but it was never his understanding that it was the intention to require the Lines to pay for the berthing after the Board had decided to dredge the entire terminal as part of the arrangement for leasing the terminal."

In view of your recent explanation the Director of the Bureau concluded that this claim against United States Lines Company should be written off.

XIII

On August 4, 1930, a Lump-Sum Operating Agreement was executed between the Shipping Board and Lykes Brothers-Ripley Steamship Company whereby it was agreed that the operator should retain all revenue derived from the operation of the Government's vessels and in addition thereto was to receive a lump-sum compensation of \$7,750 per vessel per voyage. The agreement provided that the operator would absorb all expenses of the voyages, including repair expenditures up to \$2,500 per voyage, based on a series of four consecutive voyages. Any repair expenditures in excess of \$10,000 incurred over a period of four consecutive voyages were to be absorbed by the Government and were in addition to and separate from the \$7,750 to be paid for each vessel per voyage.

Under that arrangement actually the operator did not pay for any of the repairs because in fixing the amount of lump-sum compensation, \$2,500 had been included in the lump-sum to cover estimated repair costs.

Upon recommendation of the President of the Fleet Corporation, dated May 29, 1931, lump-sum compensation to this operator was reduced from \$7,750 per voyage to \$7,000 per voyage, commencing with vessels beginning their voyages on and after June 1, 1931. This reduction was made because of the excess profits the operator had made on the voyages already completed, this profit having amounted to \$235,000 after taking into consideration all of the operator's overhead and administrative expenses.

In a letter dated September 8, 1931, from Lykes Brothers-Ripley Steamship Company to Mr. U.S.J. Gendren, Assistant to the President, the operator referred to conversations at various times with Mr. Gendren regarding the general operations of the line and particularly to recent conversations regarding a change in the lump-sum contract whereby the operator would assume the expense and full control of all repairs and a further change which would re-adjust the lump-sum compensation commencing with the second year of operation of the line, which would be voyages beginning August 15 and subsequent thereto. The operator's letter stated that an analysis of the operation of the first year's sailings showed there would be no profit to the operator and there probably would be an actual loss; that from the operator's past year's experiences it estimated the voyage expenses would amount to \$45,867, whereas traffic estimates agreed upon with the Fleet Corporation's Traffic Department amounted to \$30,000 per voyage. The operator's letter stated further considerations as to why the lump-sum should be increased.

By memorandum dated September 23, 1931, President of the Fleet Corporation submitted the operator's application to the Shipping Board and recommended that because of the reasons set forth in the operator's letter the lump-sum compensation be increased from \$7,000 to \$14,500, and the repair franchise eliminated.

The Shipping Board approved the recommendation for increase of the operator's lump-sum compensation to \$14,500 at a meeting held on October 6, 1931. However, it does not appear that you were present at that meeting.

It does appear, however, that the operator's gross operating profit per voyage for 116 voyages, before the lump-sum compensation was increased, was \$3,896.31, and that the operator's gross operating profit per voyage for 94 voyages after the lump-sum compensation was increased was \$9,492.41 per voyage. It also appears that based upon freight revenue the operator's compensation for the 116 voyages was 10.5 per cent of the total freight revenue per voyage, whereas after the operator's compensation was increased the operator's compensation on the total freight revenue was at the rate of 29.5 per cent.

It does not appear that during the period you were Commissioner of the Shipping Board, you took any action or recommended any action to reduce the excessive compensation being paid to this lump-sum operator, although the first 210 voyages made by this operator over a period of 20 months realized a profit to the operator of \$714,259.33.

XIV

In a letter dated April 18, 1932, from the President of the Fleet Corporation to the Shipping Board, he advised that an agreement had been reached with Lykes-Brothers-Ripley Steamship Company to take over the operation of four of the Gulf lines and recommended that this plan be approved. In justification of this recommendation he pointed out that Lykes Brothers-Ripley Steamship Company was owned by various

interests throughout the Gulf and that company had an interest in all the lines under consideration for consolidation, with the exception of the Dixie-UK Line. This statement was untrue because Lykes Brothers-Ripley Steamship Company was owned by the following interests: 72½ per cent by Lykes Brothers Steamship Company; 20 per cent by Tampa InterOcean Steamship Company, which was 96 per cent owned by Lykes Brothers Steamship Company and its officers; and 7½ per cent by Mississippi Shipping Company, New Orleans. The Mississippi Shipping Company had been compelled to liquidate the Mississippi Valley European Line and turn over the vessels in that line to Lykes Brothers-Ripley Steamship Company for lump-sum operation in 1930.

At a meeting of the Shipping Board held on April 19, 1932, you moved to approve the consolidation of the four Gulf Lines under the management of Lykes Brothers-Ripley Steamship Company and the Board voted in favor of your motion. As a result of this consolidation, Lykes Brothers-Ripley Steamship Company became the only Shipping Board operator from the West Gulf to United Kingdom and European ports and thereby acquired a preferential position as a bidder for the purchase of all the ships in those lines and occupied a preferential position as a bidder for mail contracts for all of said lines, because of the policy of the Board at that time to give preference in the sale of ships to Government operator to whom the line had been allocated.

At the same meeting of the Shipping Board it was agreed to sell the consolidated lines to Lykes Brothers-Ripley Steamship Company for \$5.00 per deadweight ton, subject to the award of a mail contract. This motion to sell the lines was made by you and the Board voted to approve the motion.

This sale, which you advocated, was made without appraisalment of the vessels, without due advertisement and without any competition whatsoever, contrary to the express provisions of sections 5 and 7 of the Merchant Marine Act, 1920.

The following day, April 20, 1932, the Chairman of the Board, in a letter to the Postmaster General, advised of the Board's action and stated that the sale of the vessels for \$5.00 per deadweight ton and the award of a mail contract would result in an annual saving to the Government of \$1,859,523. This statement was untrue, in fact, and was predicated upon an erroneous mathematical calculation prepared by employees in the Chairman's office, upon misleading and incorrect figures which had never been submitted to the auditors in the General Comptroller's Department for verification and analysis. It is assumed that you had knowledge of the representations so made to the Postmaster General but the record does not disclose that you took any exception to this misleading and erroneous statement. (Hearings, Pt. 3, p. 1306).

The Shipping Board's action, and presumably your action, in advocating the consolidation was predicated upon the theory that the consolidated lines could not be operated for less than a lump-sum compensation then being paid to Lykes Brothers-Ripley Steamship Company whereas it appears on sworn statement submitted by that line to the Senate Committee that the net profit made by Lykes Brothers-Ripley Steamship Company and its subsidiaries through such operation resulted in net earnings of \$1,702,070.01.

If the Shipping Board and the Commissioners thereof, including yourself, in the performance of your functions as Government rep-

representatives had required the operator to submit a sworn statement of the net profits of the lump-sum compensation agreement and had properly adjusted the operator's compensation as provided for in said agreement, the cost of further operation of the vessels would have been materially reduced and would have been more economical to the Government than under the sale of the vessels to the operating line with an accompanying mail contract.

XV

At the time of the consolidation of the Gulf lines, Lykes Brothers-Ripley Steamship Company had no interest whatever in the Dixie-Mediterranean Line, which was one of the Shipping Board's operators. The Tampa Inter-ocean Steamship Company (affiliated company of Lykes Brothers-Ripley Steamship Company) had acquired, however, a most unusual interest in the Dixie-Mediterranean Line. This interest consisted of a participation by Tampa Inter-ocean Steamship Company in 50 per cent of the profit made by the Dixie-Mediterranean Line, although the Tampa Inter-ocean Steamship Company did not own any stock in the line and had no investment therein. Tampa Inter-ocean Steamship Company had nothing to do with the operation of Dixie-Mediterranean Line, it had never booked any cargo for that line, had never solicited any passengers for that line, had no representation on the Board of Directors of that line, did not have any officers assisting in the operation of the line, and was never consulted as to the operation of the line.

The Tampa Intercoast Steamship Company operated vessels to China, Japan, Spain and Portugal. The Dixie-Mediterranean Line operated vessels to Italy, Greece, Egypt and the Black Sea. The two lines were not competing lines; they did not, and could not, according to their respective agreements with the Government, carry cargo to the same ports or even to the same country. The Dixie-Mediterranean Line was entirely foreign to the Tampa Intercoast Steamship Company, except for the fact that it participated in 50 per cent of the profit made by the former.

It appears from the hearings before the Senate Committee that the Dixie Steamship Company, operator of the Dixie-Mediterranean Line, was compelled to accept this unusual arrangement because its officers were informed by representatives of the Fleet Corporation that unless they agreed to such arrangement, the Shipping Board would withdraw the vessels from their line and turn the vessels over to Lykes Brothers-Ripley Steamship Company. Dixie Steamship Company was forced to consent to this arrangement and the President of the Fleet Corporation recommended the arrangement to the Shipping Board. It was discussed at a meeting of the Board held October 8, 1930. The Board's minutes show that you moved the President's recommendation be approved, which motion was duly seconded and carried. (Hearings, Pt. 3, 1279-1282, 1370-1374).

As a result of this arrangement, Lykes Brothers-Ripley Steamship Company, through its affiliate, Tampa Intercoast Steamship Company, received the sum of \$71,355.73 from the Dixie-Mediterranean Line as half of the net profits of that line as Shipping Board operator.

XVI

It appears from part 3, page 1261 of the Senate Hearings, that a letter was produced before the Committee, dated Washington, D. C., November 4, 1932, addressed to Mr. J. T. Lykes, 17 Battery Place, New York City, and signed by Hardin B. Arledge, reading as follows:

"Dear Joe: Gendron told me to day Castonguay has asked the Comptroller for the confidential reports of Lykes, Dixie and Waterman. He does not know for what purpose they are desired but said Captain Crowley wanted me to have the information.
Sincerely yours, "

The letter bore the following pencil notations:

"J. T. L. Who is (Castonguay)". This query was signed "J. M. L."

The letter also contained the following pencil notation:

"J. M. L. Formerly ass't to Com. Denton. Now under Cone.
The bird who tries to be an insurance and finance expert
and generally makes it hard for all J. T. L."

A copy of this letter was obtained by you from the Senate Committee, whereupon you called General Saltzman and Mr. Woodward, who were then associated with you on the Advisory Committee, to your office and exhibited the copy of said letter to them. As a result of this conference directions were given the next day to take Mr. Gendron's files while he was away from the office and place them in the custody of the General Comptroller. Mr. Gendron's files were confiscated while he was being questioned by the Advisory Committee on other matters.

In your discussions with the other members of the Advisory Committee you indicated your desire to take drastic action in having Mr. Gendron separated from the service, but it was decided to postpone the matter pending further investigation.

It was later developed through testimony before the Slack Committee (pp. 1519, 1520; 1297, 1298, Pt. 5) that both Mr. J. T. Lykes and Mr. Arledge called upon you in Mr. Gendron's behalf.

On November 14, 1933, the question of Mr. Gendron's separation came before the Advisory Committee. Messrs. Saltzman and Woodward voted in favor of his separation. You voted "no".

From the admissions made by Mr. Arledge before the Senate Committee (Hearings, Pt. 5, p. 1290) it appears that he has been an active lobbyist in Washington for a number of shipping interests over a long period, representing, among others the Lykes Brothers-Ripley Steamship Company, South Atlantic Company, The Seatrain Lines, Texas Oceanic Steamship Company. He even represented Dixie Steamship Company as well as Lykes, at the time the former was obliged to give up half its profits to the latter concern.

It was this same Mr. Arledge who prepared the letter to the Chairman of the Shipping Board which was handed to Mr. White, of the Postoffice Department and signed without change by Postmaster General Brown, which suggested the elimination of Article 12 from the Shipping Board's sale contract with Lykes Brothers-Ripley Steamship Company p. 1292). Mr. Arledge tried to get Mr. White appointed Second Assistant Postmaster General, in Charge of Foreign Mails, (p. 1502) and at the same time opposed the selection of Mr. Otto Prueger for that post, because, as Mr. Arledge wrote, "he is said to be ruthless on cutting costs and possibly not very much in favor of our mail aids" (p. 1502).

It was also the same Mr. Arledge who endeavored to obtain a "part-time" job with Lykes Brothers for Mr. A. L. Crieher, who was then an official of the Department of Commerce and who was serving as Secretary of the sub-committee of the Interdepartmental Mail Committee (p. 1295).

Mr. Arledge had campaigned to have Mr. Jenkins made President of the Fleet Corporation, Mr. Jenkins then being a member of the Interdepartmental Mail Committee (p. 1295).

XVI

When the present administration was about to take office, the same Mr. Arledge who was active in Mr. Gendron's behalf, was also active in your behalf, to see that you were retained in a responsible position in the administration of the Merchant Marine Act. Mr. J. T. Lykes, who was a member of the Advisory Committee on Shipping recommended and favored your retention. He also put in a good word with you for Mr. Gendron (p. 1316-1320).

At that same time, Mr. P. A. S. Franklin, Mr. John Franklin and Mr. Kermit Roosevelt were also active in your behalf (Hearings, Pt. 9, pp. 5772, 5775).

While the I. M. M. and other interests were using their influence to keep you in office, you were planning with them to forego the principal consideration moving to the Government in the October 30, 1931, agreement whereby I. M. M. had secured the United States Lines and a monopoly in the North Atlantic.

The Senate Committee produced from the J. M. M. files and

Mr. P. A. S. Franklin identified as his own (Hearings, Pt. 9, pp 4142, 4143), a memorandum dated "N. Y. C., April 12, 1935," reading as follows: (Hearings, Pt. 9, p. 4173)

*
Steamship 'Leviathan'

On March 10, Kermit Roosevelt went down to Washington. At that time there was no Shipping Board in existence, for the reason that the Shipping Board of the previous administration had not been confirmed. Roosevelt saw Admiral Cose and told him that as soon as a board was confirmed the United States Lines would apply to have the Leviathan taken off in order that the losses which we were suffering could be set aside and put into a new ship to run with the Manhattan and Washington. Admiral Cose stated that he was entirely in accord with this and that if he were on the new board he would be prepared to deal with it immediately.

"Kermit Roosevelt and John Franklin called on Admiral Cose, Captain Todd, and Captain Lincoln on Monday morning, March 20, and stated that since the present United States Lines had taken over the steamship Leviathan she has lost \$60,809.50; that the ship was out of date, being 20 years of age, and that in the opinion of the management of the United States Lines she could never again be operated to show a profit but would continue to lose large sums of money annually. They, therefore, requested that the United States Shipping Board modify the terms and conditions of the sales agreement of the United States Lines with the result that the United States Government would take over the Leviathan and tie her up, keeping the hull and machinery in such condition that the vessel could go to sea as a transport in the event of a national emergency. They further stated that in their belief the continued operation of the Leviathan would tend to cripple the financial position of the United States Lines and make it more difficult to build up a fund for new construction which is essential to the American flag on the North Atlantic.

"Admiral Cose stated that he was substantially in accord and looked with favor upon the retiring of the Leviathan and recommended that the proper officers of the United States Lines write a formal letter to the United States Shipping Board on the subject. A copy of this letter is herewith attached.

"The following week Roosevelt and Franklin were instructed to get in touch with the Fleet Corporation officials (Capt. Elmer E. Crowley, Mr. John O. Von Herbulis, Judge Parker and Mr. Skinner of the legal department of the Fleet Corporation and Com. Walter

Barnett, manager of the Bureau of Construction and Loan) to work out the details. An agreement was accordingly drawn with which both the officials of the Merchant Fleet Corporation and of the United States Lines were substantially in accord. In brief this agreement provided for-

"(a) The taking back of the Leviathan by the United States Shipping Board to be laid up and used in the event of a national emergency.

"(b) The notes of the United States Lines representing the purchase price of the Leviathan, held by the United States Shipping Board, in the amount of \$1,890,000 to be held by the United States Shipping Board.

"(c) It was further agreed that the United States Lines should put aside definitely \$150,000 per annum, and up to \$400,000 out of the first earnings of the United States Lines, as a building fund.

"(d) At the end of 5½ years the amount in the fund to be used in building a new ship or ships. If for any reason a new ship or ships are not constructed, the amount in the fund is to be applied against the Leviathan notes.

"The spirit of the agreement which both the representatives of the United States Government and the United States Lines agreed is constructive was that the Leviathan should be taken back and laid up, but that the obligation to pay for her, assumed by the United States Lines, should not be canceled until a new efficient vessel which would strengthen the United States Merchant Marine and be a valuable unit of the Navy in war time was constructed by the United States Lines.

"In other words, the losses that it was estimated the Leviathan would make if continued in operation for the remainder of 5½-year period which the United States Lines agreed to operate her should be saved and these funds applied to the construction of a modern vessel. Although there were one or two conditions which were not ironed out, but were to be left to the United States Shipping Board for their decision, both parties were substantially in accord, and it was believed when Roosevelt and Franklin left Washington, on April 5, that the arrangement would be consummated.

"Admiral Cane stated on April 5 that it would be necessary for him to discuss a matter of this importance with other officials of the United States Government. He suggested to Roosevelt that he should see Secretary Roper, Mr. Louis Douglas, and Mr. Marvin McIntyre. Roosevelt called upon both Mr. Douglas and Mr. McIntyre and explained the situation to them. Roosevelt was under the impression that they felt the proposition a sound one.

"On the afternoon of April 5 the representatives of the Fleet Corporation put before the Shipping Board conclusions at which they had arrived as outlined on the previous page. Admiral Cane thereupon sent

for Roosevelt and Franklin and told them that he was in concurrence with the proposition as drawn up by the Fleet Corporation except for a minor point about which he had not completely made up his mind, but which he felt could be easily reconciled, and told them it would be several days before he was prepared to take final action, and asked them to return on April 10 unless he should find himself in position to close the matter before that date, in which case he would send for them.

"On April 6, Commander Barnett, of the Shipping Board telephoned to Franklin in New York and stated that it looked as though it would be necessary for the Leviathan to continue to operate and, therefore, not to go any further toward reducing the crew on the ship.

"Roosevelt thereupon went to Washington and saw Admiral Cone on the 7th. The Admiral stated that he did not know whether he would be able to arrange to have the Leviathan withdrawn, and told Roosevelt that he would like to see Franklin and him on the 10th, but for Roosevelt to call him on the 8th. Roosevelt did so, and Admiral Cone told him that he did not believe he could arrange for the withdrawal of the Leviathan. On the 10th and 11th further conversations with Admiral Cone resulted in a definite statement on his part that it would not be possible at this time to arrange for the withdrawal. Roosevelt and Franklin are unaware of what developed subsequent to April 5 to cause this complete right-about.

"In the meantime considerable publicity had been given to the fact that the Leviathan would be retired from service. These press reports originated from the Shipping Board as Admiral Cone told Roosevelt that he had given instructions that no news in connection with this matter was to be given out to any one save himself, he added that he directed this publicity personally and felt that it had gone over well. The reaction to the publicity was favorable for it pointed out that the vessel was 20 years of age and that the new Washington was coming into service on May 10 to take its place.

"Quite naturally, however, reports in the newspapers effectively prevented any prospective passengers from booking passage on the Leviathan so that very severe harm has been done her earning potentialities now that the company has been instructed to continue her in operation."

You have never publicly denied or contradicted any of the statements of fact contained in Mr. Franklin's memorandum nor have you sought an opportunity to appear before Senator Black's Committee to deny the existence of this collusive agreement to forego the Government's contractual rights.

XVII

On April 30, 1933, Miss Clara W. McQuown, a professional lecturer, delivered an address before the Daughters of the American Revolution on the topic: "What the American Merchant Marine means to America." At the time the lecture was delivered, Miss McQuown was receiving a salary of \$300 per month, for propaganda work, from a fund raised by members of the American Steamship Owners Association who had mail contracts, disbursed by J. Caldwell Jenkins, a former Fleet Corporation official, for an "educational" program or campaign (Hearings, p. 145) to combat criticism against the mail contract subsidies. The Middle West Foreign Trade Association, of which organization Mr. Arledge was the Washington representative, cooperated in this propaganda. Mr. R. J. Baker, Secretary - Treasurer of the American Steamship Owners Association, was one of the prime movers in the attempt to influence public sentiment. Edwin E. Duff, the Washington representative of the Association (Hearings, p. 142) and also a paid representative of I. M. M., and Mr. Thomas R. Shipp, and other paid publicity agents, were active in attempting to influence members of the new Administration and Senators against the inquiry into Shipping Board and Post Office administration of the 1928 Act.

When Miss McQuown was called before the Senate Committee, she was asked to explain why the printed program announcing her address before the Daughters of the American Revolution stated that her lecture was "under the auspices of the United States Shipping Board." She stated:

"I went to Admiral Clegg. Admiral Clegg gave me that permission. He gave that permission to me and wrote it to Mr. Nath Bryan Owen, who was Chairman of the Committee" (Hearings, p. 111).

She also stated that you knew she was an employee of the Association when you gave her permission to speak for the Shipping Board.

Miss McGowan then admitted that she did not announce to those who heard her lecture that she was a salaried employee of the American Steamship Owners Association.

XVIII

In a letter dated July 27, 1932, from the American West African Line to the Shipping Board, the line requested that it be permitted to re-deliver the Steamships West Camper, West Charles and West Kedron, purchased from the Board in 1928, and that the line be given a credit of \$430,000 to be applied against its outstanding indebtedness to the Board. The letter stated that due to changes in traffic conditions, the vessels were not required by the line.

The amount of credit requested represented approximately 25 percent of the purchase price of the three vessels which had been paid in by the line up to June 30, 1932, plus interest on unpaid balance amounting to approximately \$66,000.

The General Counsel of the Shipping Board ruled that acquisition of any additional vessels, either by purchase or construction, was prohibited by law except in the event of default by the purchaser, in which case it would be necessary for the Government to re-possess the vessel in order to protect its equity.

Notwithstanding this ruling, and upon your motion which was seconded and duly carried, the Shipping Board at a meeting on December 21, 1932, approved the acceptance of the said three vessels as payment for notes due and agreed to credit American West African's account with \$426,000 less \$11,966 estimated to be required for repairs in order to place the vessels in equally as good condition as at the time of sale.

The operator's account was credited with \$414,034, which represented the appraised value for unrestricted operation as agreed upon between the Fleet Corporation officials and the operator's officials. This made an average appraisal of \$16.16 per deadweight ton. The vessels were re-delivered to the Board March 6, 1933, and had only completed approximately 50 per cent of No. 3 Special Survey at the time of delivery. It must be noted that the sum of \$11,966 had been deducted from the appraised value in order to complete this special survey.

The allowance of \$3,988.67 per vessel for completing 50 per cent of No. 3 Special Survey was insufficient. The Shipping Board records show that no vessel has ever completed No. 3 Special Survey for such a low cost. As a matter of fact, these three vessels were due for dry-docking and a special boiler survey. The cost of drydocking and incidentally drydock repairs in addition to the special boiler survey alone would exceed the allowed amount, leaving no funds for the remaining portion of the No. 3 Special Survey including such important items as tank cleaning and repairs, removal and renewal of ceiling, drilling and possible renewal of shell, deck and house plating, opening and possible renewals and repairs to machinery.

Apparently you gave no consideration to the fact that all of the three vessels were overdue for No. 3 Special Survey and that heavy repair expenditures would have to be absorbed by the Board after redelivery.

In view of the fact that other vessels which had completed No. 3 Survey and which would have been in far better condition than the ones accepted back from American West African Line were sold to Lykes Brothers-Ripley Steamship Line for only \$5.00 per deadweight ton at about the same time the Shipping Board took back the three vessels in question for \$16.16 per deadweight ton, required explanation even aside from the fact that the acceptance of the vessels was contrary to an express ruling by the Legal Department.

At the time this transaction received your approval, it is true that the American West African Line and its affiliated companies were showing an operating loss of \$59,203.11 for the year 1932; but it also appears that during that particular year five of the officers of the Line were paid \$154,447.50 in salaries and bonuses and that during that same year \$20,086.50 was expended by the Line for traveling and entertainment expenses.

It further appears that at the time of re-delivery, American West African Line had paid to the Board the sum of \$383,982.48 on the three vessels and their account was credited with \$414,034, when the vessels were returned to apply on their unpaid account. The Line had received \$273,650 in mail compensation for these same three vessels under mail contracts Nos. 17 and 47.

The three vessels accepted by the Shipping Board have been laid up since delivery and the entire transaction does not appear to have been

the kind of a transaction that a prudent, solvent business man would approve in his own business.

XIX

Immediately after the Shipping Board had approved the transaction set forth in the preceding paragraph, Mississippi Shipping Company filed an application for re-delivery of the Steamships West Corum, West Herie and West Segovia, which the shipping company stated were not required to maintain the service because of reconditioning of four other vessels and because of change in traffic conditions, and for the further reason it would enable the shipping company to meet its construction loan notes when they came due. The latter requested that the credit for these vessels be applied against the Lines' outstanding indebtedness to the Board. It does not appear that there was any justification for honoring the request of Mississippi Shipping Company except for the precedent established in the case of the American West African Line. The mail contract awarded Mississippi Shipping Company expressly provided for reconditioning the four vessels and that company was necessarily aware of the fact it would be confronted with defraying the cost of such reconditioning.

Seventy-five per cent of the re-conditioning cost was borrowed from the Government and after re-conditioning had been completed the Post-office Department was obligated to pay \$4.00 per mile instead of \$2.50 on account of increase of speed from 10 to 15 knots. This was an increase

of 60 per cent in the subsidy for the four vessels, but nevertheless the cost of re-conditioning was used as an argument to induce the Government to accept the return of the three other vessels. No attempt was made to audit the Mississippi Shipping Company's books to determine the necessity for honoring this request. An audit later made by the Senate Committee disclosed that Mississippi Shipping Company paid \$9,359 dividends on October 1, 1932, and another dividend of \$9358 on January 16, 1933, which would indicate that the company was not entitled to any special favor or consideration from the Government at that time. //

However, on your motion at a Shipping Board meeting held on January 6, 1933, the Board approved accepting re-delivery of the three vessels and crediting the operator's account with \$426,000, less \$13,985.45 for estimated repairs necessary to place the vessels in equally as good condition as at the time of sale. //

The three vessels were re-delivered to the Board May 10, 1933. The Mississippi Shipping Company had paid on the vessels up to that time

\$585,451 but was credited with \$426,000, less \$13,985.48 estimated for repairs. During the time the Mississippi Shipping Company operated the vessels it had received \$297,197.50 in mail compensation for the three vessels in question.

XX

At a Shipping Board meeting on January 26, 1932, and upon your recommendation and action, the Board approved a loan to Black Diamond Line, Inc. from the construction loan fund for approximately \$725,000 for re-conditioning vessels previously purchased from the Board. //

On January 29, 1932, you advised the Board that numerous protests against above loan had been received because of lack of competition in awarding the contracts for work of re-conditioning. Again on February 3, 1932, you reported the complaints to the Board.

After discussion the approval of the loan was re-affirmed and the Construction Loan Committee, of which you were Chairman, was authorized to advise the protestants that the Board had no intention of changing its policy of requiring competitive bids for contracts involving work for which loans were made from the construction loan fund.

Although it was brought to your attention that the American Diamond Line had let the contract without competition, and although this was contrary to the Board's policy, the only action you took was to advise the parties registering the complaints that the Board adhered to its policy of requiring competitive contracts. You took no action to require American Diamond Line to adhere to the Board's policy. //

XXI

C. H. Sprague & Son, Inc., lump-sum operators of the American Republic Line to South America, made application to the Board to charter an additional foreign ship to carry cargo for the American flag vessel, Commuck, then due for repairs. In its application the company stated it had combed the American market and that no American vessel was available.

This statement was untrue. At that time the Shipping Board possessed a number of vessels having a "spot status" that could have been made readily available to take care of this cargo. Nevertheless the Shipping Board, at a meeting July 26, 1933, and without objection from you, approved the charter of a foreign flag vessel to operate on a trade route subsidized by a mail contract to another line, namely, Munson Line, which Line was then in default on construction loan notes. At the time this application to charter a foreign vessel was submitted the Shipping Board had recently accepted the three vessels from the American West African Line and the three vessels from the Mississippi Shipping Company. The three latter vessels could have been ready for service on 24 hours notice. The cost of steaming any one of these vessels from New Orleans to New York would have been much less than charter hire paid to foreign line vessel, thus enabling the Shipping Board to collect charter hire for one of its "spot" vessels.

XXII

South African Despatch Line was incorporated as a subsidiary of J. J. More, Inc., and operated Shipping Board vessels under a bare boat charter at a rate of 25¢ per deadweight ton, which amounted to approximately \$2,000 per month. From the date of delivery by the Shipping Board to this line of three motor ships, up to March 1932, the charter hire received by the Board amounted to \$92,000, whereas the insurance on the vessels customarily paid by the charterer but in this instance paid by the Board and other expenses carried by the Board during the same period, amounted to \$165,000.

At a meeting of the Shipping Board on May 4, 1932, and upon your motion, the Board approved reduction of the charter hire to // \$1,000 per month, or approximately 12 $\frac{1}{2}$ ¢ per deadweight ton. It is suggested that charter hire on this basis for this type of vessel established a new charter hire record which probably will never be approached in the freight market of the world.

XXIII

The agreement of October 30, 1931, with United States Lines Company (Nevada) provided that the new company would assume the obligations of the United States Lines, Inc. to the Shipping Board outside of the sales notes. On December 3, 1931, it was determined from United States Lines, Inc. miscellaneous accounts, items amounting to \$206,693.15 due the Board. At that time the Board held insurance money collected from various underwriters amounting to \$69,255.33 which it proposed to credit against the above receivable items due from United States Lines, Inc.

United States Lines (Nevada) contended it should be paid this insurance money in cash and that the Shipping Board should accept its notes for the \$206,695.15 it owed the Board. Upon the advice of its General Counsel the Board declined this proposition and decided to credit the insurance money against the indebtedness.

On January 26, 1932, the matter was again brought before the Shipping Board by Mr. Keating, attorney for United States Lines Company (Nevada) who protested the decision to credit the insurance. No action, however, was taken by the Board at that time.

On February 3, 1932, the question again came before the Board and was considered, and it was again considered on February 10, 1932, on which date, upon your motion, the Fleet Corporation was authorized to pay the insurance money in cash to the United States Lines Company (Nevada).

PSF

Ken Cones "C"

File
Personal

February 3, 1944.

Dear Connie:

I have your letter and I am indeed sorry that you feel the way you do. Please forget about the whole thing.

As you probably know, Anna and the children have been with us since just before Christmas. They plan to leave for home sometime this week. I wish you could have seen them while they were here.

I saw Elliott in North Africa and he accompanied me to Cairo and Teheran. I also saw Franklin while he was there and he is home now awaiting a new ship, as the Mayrant is under repair.

Johnny has just gone to a new ship, and Jimmy is back on the Pacific Coast after a few days visit here.

Ever so many thanks for your check for the National Foundation for Infantile Paralysis. You were good to forward it to me and I am sending it along to the Foundation.

I hope all goes well with you and that we shall have a chance to see you one of these days soon.

With kindest regards,

Very sincerely yours,

Miss Elspeth Connochie,
447 East 65th Street,
New York City, N. Y.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
WASHINGTON

January 24, 1944.

MEMO FOR GRACE:

Tell Connie in a letter that she must never feel the way she feels now; that I do hope she can see Anna and the boys sometime soon. I saw Elliott in North Africa and he went with me to Cairo & Teheran and was a great help. I saw Franklin over there. Johnny has just gone to a new ship and Jimmy has been back on the Pacific Coast for several weeks and will be in Washington shortly. Anna and her children are here now waiting for John Boettiger to come back from Italy.

F.D.R.

THE WHITE HOUSE
WASHINGTON

MEMO FOR THE PRESIDENT:

I wrote Connie and told her we would never think her disloyal, etc. She has had something on her mind for a long time and I have never been able to find out what it is.

However, I think she would be very much hurt if you did not accept the \$5.00

E.R.

**THE WHITE HOUSE
WASHINGTON**

January 17, 1944.

MEMORANDUM FOR

MRS. ROOSEVELT:

How would you reply to this?
Would you give me an idea -- and return
the check!

F.D.R.

247 East 60th Street.
New York City.

January 9th 1844

Mrs. Roosevelt.

The President of the United States.

Dear Mrs. President:

I am asking a few moments
of your precious time & hope
you will kindly give it to read
this letter when you can: I have
wanted to write it - for years.

When you remarked recently
"I have no grudge towards anyone -
'or something to that effect - I
took heart."

I am so utterly ashamed that it
is beyond me to go into detail -
sufficient - is it - to say I ask
pardon for my misdoings and

injury to a family - for which
I have a great devotion - strange
as that may seem to you.

If I learned any lesson from
the family - it was loyalty - each
one had that attribute to a
marked degree so please
forgive my convictions.

Not only are you a great
American but an Internation-
alist - giving courage, fortitude
endurance and hopefulness to
a troubled and chaotic world.

Mr Roosevelt writes as sweetly
as ever and possesses the biggest
mind I have ever known.
I know too what Anna is thinking;

and rightly so.

I couldn't look any one of
you in the face.

The boys are doing valiantly.
I am proud of them; - but -
ashamed to think of how I have
let them down.

Please accept five dollars
towards the Infants' Paralysis
Fund - which I am enclosing.

and may I wish you a
Happy Birthday Mr. President.

Sincerely

E. Connochie.

New Corres "C" 3-44

247 East 65th Street.

New York City

February 6, 1904

Dear Mr. Roosevelt:

To my very great surprise and deep appreciation has come a letter from Mr. President himself in answer to mine of a week or two ago.

It is not simply a letter of recognition - although I never for a moment expected that - but a real personal letter telling me of all the children and their doings: they make a fine array of Good Soldiers and Sailors of whom I too am proud.

That; all things and conditions
of a world wide nature were
put aside to write me - is
beyond my imagination - and
quite on a par with a
Lincoln story.

Only a great and understand-
ing mind can accomplish
anything such as this: depend
upon it; I shall always carry
it in my mind and be
thankful.

Instead of taking up his
precious and valuable moments
with me - may I take the
liberty of asking Jon - Wm Rosset
again to hand him this paper

at your convenience.

With my best wishes for
continued success - in all
you are doing to win the war
and the peace - and I
mean all the family, -
from that President to that
Officer Johnny - bless his heart!
it seems no time since
he was in short-pants.

affectionately
Cousin.

Connelly

Send check to IP
fund & then give file
to Miss Turner —

2JB

File Personal

*PSF
"C"*

*Gen Cowles
3-41*

C
O
P
Y

OLDGATE

FARMINGTON

October 23, 1941

Dear Franklin:

Shef and I have felt a very deep sympathy with you this past month. Cousin Sally always meant so much in Mother-in-law's life and we all admired her in a way that was rare, but then she was such a rare character.

I had wanted to go to Hyde Park to the funeral but on calling up Belle, she told me that Eleanor had told her not to come and as Belle is so much closer to you, I was afraid I would be a bother.

I am so glad cousin Sally was here last year on her way to Theodore Riddle's -- it was a joy to have her in this house again.

This takes you very real sympathy and a share in your pride of a wonderful life that has ended.

Affectionately yours,

/s/ Bobbie Cowles

Please do not bother to acknowledge this.

N.

Oct 23rd 41

OLDGATE

FARMINGTON, Conn.

Dear Franklin -

I hope I have been
a very deep
sympathy with you
this past month.
Cousin Sally always
meant so much in
Mother-in-Law's life
& we all admired
her in a way that
was rare, but then
she was such a
rare character.
I had wanted to

to the Hyde Park
to the funeral but
on calling up Bill
He told me that
Eleanor had told her
not to come & as
Bill is so much
close & you I was
afraid I would
be a bother.

I am so glad
Cousin Sally was
here last year on
the way & Theodore
Piddler; it was a joy
I saw her in this
house again.

This takes you my
real ^{OLDGATE} sympathy
 & a share in your
guide of a wonderful
life that has ended.

affly yours

Robert Cowles.

Please do not bother
to acknowledge this.

F.D.R. For your information.
E.R.

file
personal

2
C
art

PSF
Tenn. Div.
C

7 May 1938

PSF Charles F.
Tamm Cor

*Mrs. Roosevelt: this is the story of Tupelo, Miss.
Miss Lucy Randolph Mason spoke of -*

Jimmie Cox MAY 7 - 1938
Birmingham, Ala.,
May 5th, 1938.

Senate Civil Liberties Committee,
Washington, D. C.

Gentlemen:

Last week in Washington, in the absence of Mr. Whalforth, I was to have seen Mr. William Stix regarding violations of Civil Liberties in Tupelo, Mississippi. I present herewith a form of report of the various incidents there.

About three years ago three AFofL organizers came to Tupelo to talk to the textile and garment workers. At that time there were four plants of this type in the town operating.

Tupelo Garment Company, R. F. Reed pres., app. 550 employees, mens work shirts, av. \$8.00 per week.

Tupelo Cotton Mills, Inc., B. A. Rogers pres., 404 employees, work clothes cloth, av. \$11.59.

Reed Bros, Inc., R. F. Reed pres., app. 350 employees, ladies' dresses, childrens' wear, and dress shirts, av. \$7.60 per week.

Milan Manufacturing Co., app. 150 employees, childrens' wear, average \$10.50 per week.

The principal purchases and sales of these companies, with the exception of the Tupelo Cotton Mills are in New York and other Eastern markets. Raw materials of Tupelo Cotton Mills were purchased through local cotton brokers, dyes and machinery from the Carolinas. Sales through Heslein & Co., 77 Worth St., New York City. This company closed after a spontaneous strike April 7th, 1937, and has never reopened.

The courthouse was granted the three organizers for their talk to the workers when they first came. Notices were posted in the Reed Brothers plant, by the forelady in charge, stating that any employee who attended the meeting would be discharged. Many attended from the others. I was one of the several from the Tupelo Cotton Mills, and was called to the office and given a severe reprimand and warned never to attend another or my job would be gone.

Some two or three weeks later the same men came back to Tupelo for another talk. This time they could not get the courthouse or any other suitable building, and were generally discouraged from further organizational activity. In the meantime 'loyalty pledge' petitions were drawn up by the city officials, C of C leaders and plant owners. A man from the Chamber of Commerce was sent with a petition to each of the four plants. It was on pay day, and pay was withheld until the petitions - stating that "we, the undersigned do not believe this is the time to join any union or labor organization" - were signed.

The following day the local papers, controlled by the plant owners and banks, carried a story that the employees in all the local plants were 100% against unions. Those few who had the temerity not to sigh had to go through a second grilling in company offices.

In this manner workers were discouraged from any organizational attempts of any effective nature until the Spring of 1937.

In the latter part of March the weavers in the Tupelo Cotton Mills petitioned the company superintendent to do something to balance their wages more equally. Nothing was done and at succeeding efforts the reply given them grew quite vitriolic. On April 7th a spontaneous strike was started in the plant. Efforts were made to bargain with the company, but the latter refused flatly.

A delegation of employees went to the Fifteenth Regional Office of the NLRB in New Orleans asking that they investigate the case, and also asking for an election of the employees. The following day the company sent their attorney and also an executive on the Board of Directors to the same office for the same purpose.

It was agreed that an election would be held, and that the company would negotiate with the winner of the election. This election, supervised by the NLRB was held May 16th. In efforts to arbitrate the matter we could never get the Board of Directors together.

A financial statement of the company, given in petition for Receivership in Liquidation showed that the company had not paid dividends in several years, and that they were not insolvent, but were in serious financial difficulties. Quite a sum of money had been borrowed from the same Haslein & Co. a few years before, and was secured by a five percent sales commission. The young man who actually agitated the strike, was laid off for two or three weeks for so doing - but was allowed the free run of the plant. He would spend several hours inside every day going from one employee to another urging a strike.

Strangely, after the strike occurred he stayed with the strikers a few days, then went to another mill at Prattville, Ala, which was owned by Haslein. There he was immediately employed. The other workers who took an active part in the strike were black-balled and many have been unable to get a job to this day. For that reason and several others we have been lead to believe that the strike was a provocateur.

Receivership was granted and liquidation was supposed to begin. Raw materials on hand, dyestuffs, finished goods, and those in process were sold and the debt to Haslein paid. This, of course, invalidated the contract with the sales brokers, and put the mill in position to make about thirty five thousand a year that had been going to others.

Efforts were begun to get rid of the committee the employees had elected for bargaining purposes so that the mill could reopen under the old system. One of these were the attacks made by John B. Rankin MC on the NLRB, charging that they had closed one Tupelo plant and were threatening the security of the others. All these efforts, including eviction from company houses of

Senate Civil Liberties Committee 3

about sixty families of mill workers.

The status of this company remains about the same. About the first of the year the Chamber of Commerce tried to get an election of a new bargaining committee, but failed to do so.

In the meantime things were happening at the other plants. The girls in the Tupelo Garment Company plant had begun organizing and felt that their number was sufficient to set up a union shop. They stopped the machinery in the plants and announced that the shop was on strike and that they planned to open negotiation with the owners for union conditions. Mr. Reed, the president, and W. B. Fields, general manager were hastily summoned by a forslady and they came into the plant. Through a process of threats and invocation of the old fear of bosses they quelled the striks. The leaders were discharged at once. This incident was the 18th of April, 1937.

June 15th, 1937 Miss Ida Sledge of Memphis, Tenn. came to the city as a representative of the International Ladies' Garment Workers' Union. She went to see the mayor of Tupelo, Mr. Reed, and others, and also began contacting the workers. She had only been in the city one day, when a petition, telling her to leave that the workers were satisfied with their wages, hours and conditions of work, appeared in the Reed Bros. plant. It was passed around in this plant and employees forced to sign it. The next day the mayor of the city gave the petition to Miss Sledge. She gave the papers a statement that she knew the origin of the instrument and that she would remain in Tupelo because some of the girls had asked her to.

On the morning of June 18th, shortly after the beginning of the work day, a mob of the workers from the Reed plant rushed up the street to the Jeff Davis hotel, where Miss Sledge and her assistant, a Mrs. Lillian Messer were staying. They went into the hotel; got the key to the room from the clerk, and went upstairs and got the two organizers. They were pulled down the stairs and out into a car and rushed out of town about 6 miles. There they were released and ordered never to come back to Tupelo again. Two of the city policemen were standing at the foot of the stairs as the procession went by. They did nothing and said nothing to stop the act.

July 6th, the National Labor Relations Board opened a hearing involving the discharge of the girls in the Tupelo Garment Co. incident. Ida Sledge came back to attend, and as a possible witness for the government. The hearing lasted two days. On the third day the last of the government men left the town at about nine in the morning.

Miss Sledge and another assistant, Miss Josephine Smith, of Forrest City, Arkansas, were in their room in the Hotel Tupelo, working on a mailing list. A group of about twenty or so men came to the door of the room, and told them they had thirty minutes to pack their things; that they had been carried from the town once; ordered never to come back and that they were tired of them. Their things packed, they were escorted down

Senate Civil Liberties Committee 4

to a waiting line of taxicabs. Then they were driven at terrific speed twenty miles to Pontotoc, county seat of a neighboring county. The present head of the Cofo was leader and spokesman for the group. When the girls were deposited at the railroad station, they were told that that was the second warning they had from Tupelo people and the last they would get of a gentle nature.

Benton Stong, reporter for the Memphis Press-Scimitar was in Tupelo at the time, having covered the NLRB hearing for his paper. He drove to ~~East~~ Pontotoc, got Misses Sledge and Smith and carried them back to Tupelo. Miss Sledge came to me in her car. We drove all over the town, while she pointed out those who had taken part in the eviction. Nothing was done by the city officials or anyone else.

The next day the Tupelo Daily News, official organ of the industrialists in the city ran an editorial urging the citizens to rise up to arms necessary to stamp out the menace of the CIO. That afternoon a vigilante mob was recruited at the city hall with policemen and all to take active parts. They sent one of the city force to my house to see how well we were equipped to withstand them. We decided that discretion was the better part of valor in this case at least. There was a hearing in process at Kosciusko, Miss., so we deemed it wise to go there.

We kept in touch with Tupelo and the associated press all the next day, learning that the vigilantes were still looking for us should we come back to Tupelo. We informed Mr. Bob Marks, of the Commercial Appeal that we intended to come back with federal subpoenas. He told us that it was common talk in the town that we already had them.

On the 18th we went back to Tupelo with an attorney for the NLRB. There we learned that it was comparatively safe, for the Chamber of Commerce had gone into the plants; stopped the machinery, and set up company unions 100% strong that day. It was compulsory that the employees join, and was readily admitted to them that it was for the sole purpose of keeping the CIO out.

After that it was rather difficult to do anything, but we were given almost a free run of the town. Things dragged along until some time in October. Circulars were printed every few days by the Citizens' Committee, self-appointed group from the Cofo. These were distributed, sometimes on the machines of the workers and always on the company's property. We began the first of October printing circulars of our own. At first it was all right to stand just off the company property and hand these out. A few days later the city Board of Aldermen passed three ordinances:

1. Providing that if one was soliciting the membership of any person in any trade organization, guild or association, and the same told him he did not want to join, the second attempt would be a violation.
2. The second provided that all literature soliciting same must bear the signature of the authority for it and the date.
3. Provided no distribution of this type literature in the city from the hour before work time until an hour after.

Senate Civil Liberties Committee 5

Penalty for violation of any of these was fixed at a hundred dollar fine and thirty days in jail.

The day before the one was passed restricting the hours for handing out circulars. Miss Sledge and I and several others were across the railroad from the Tupelo Garment Plant ready to hand some out. It was about ten minutes before time for the employees to be released. Suddenly all the men who worked in the plant marched out about six abreast and blocked off the area in which we would hand out the material. They were joined immediately by the men from the Reed Brothers plant. All made up around forty men. Nothing was done until the girls were out a few minutes later. Then the men ordered the women to take the literature away from our group. They did this, two or three to the person. It was burned there in little piles on the railroad property. I was forced to either stay in the car or fight the whole crowd. Present was a deputy sheriff, who only made them get off the car, and did nothing to enforce the right to peaceful distribution of the literature.

After that everything was rather peaceful, inasmuch as we could not circularize the plants anyway. Continual threats were made against Miss Sledge and me, with occasional traps being set.

In November 1937 Miss Sledge was transferred to Baltimore, where she has since served as educational director for her Union. A local girl, the daughter of a physician was appointed to take her place. That month blood poisoning developed in my hand and arm, forcing me to go to the hospital. Dr. W. R. Hunt, father of the organizer, got me admitted after much argument as to whether or not I could go in. He told them that the situation was very dangerous and it was necessary to operate at once. Finally, they took me in. The next day the superintendent of nurses came to my room, and asked me if I was a member of the CIO. I did not feel that it was relevant to my being a charity patient in the hospital. I told her that the CIO did not pay me anything, either as salary commission or compensation. She insisted on the membership question. I then told her that I did not consider it material and that it was my own private business. Since that time Dr. Hunt has not been allowed to operate in the hospital. It is one of those erected through the Commonwealth Fund. On the Board of Directors: R. F. Reed, J. P. Nanney, Mayor of Tupelo, J. H. Ledyard, Sec'y-Treas. of the closed Tupelo Cotton Mills, V. S. Whitesides, Receiver of same, and plenty others connected with the local garment and textiles.

I am top on the list of eligibles for the position of clerk or carrier in the Tupelo postoffice by virtue of examination. In busy seasons and when someone is out ill, I work. During the Christmas rush I was told that I was not to say anything to anyone while on duty, or I would be disqualified. Preference was given a man about sixth on the list, and he got more work than I, despite the fact that he wasn't more competent; that I was unemployed, and that his father is a regular employee in the postoffice. E. R. Rankin, brother of John E., MC, whom the Labor Board knows so well is postmaster.

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The latest incident was April 15th. I was walking down the West side of Spring Street into town, about three blocks from the heart of the business district. Hollis Nichols, friend and fellow worker at the closed mill was with me. It was about 11:20 in the morning.

Suddenly two cars full of men pulled in to the curb on the wrong side of the street. They all rushed out and grabbed me, saying that they wanted to talk to me. They did not give me time to talk, but pulled me into the car, and down on the floor boards in the back. I shouted to Hollis to call the sheriff.

They sped around the corner, where they were joined by a third car. The driver of the car I was in told the ones who were holding me down to let me look at the tops of the buildings, that it would be the last time I would ever see them. In this fashion, and telling me all the way they were going to kill me, they dashed out past Sherman, a little village some ten miles away. They drove on up into a wild hilly section of Union County and stopped. Someone jerked me out of the car and swung his elbow into my ribs. Another put a rope around my neck, and began jerking me around. All of them were very solemn, and gave me no reason to believe that they wouldn't kill me. The cars had been spaced just right to take cars of me and the rope behind the one I had ridden in. They called each other by names; the license number of two cars was easily visible to me, but I had no reason to think I should try to remember anything. The one with rope said, "Jimmie, you've just about played hell with us with your OIO organizing. Mr. Reed and Mr. Fields say that if we were completely rid of you there wouldn't be any more trouble or hearings". I told them that I was not an organizer, and they told me that they knew too well that I was. They said that they had given me two years to get out of town but now they were going to have to do it for me.

Two men in the crowd looked rather standoffish, so I began talking to them about guilty conscience, murder, their mothers and fathers and things like that. The fellow with the rope walked to the back of the car and began wrapping the rope. One of the others told him to wait. I kept talking in the same vein. Finally, one of them said, "Let's beat hell out of him and let him go. He'll leave the country anyway".

They argued among themselves a while - then took me to a stump near the road, and overlooking a deep, densely wooded gorge. They took my trousers off, and three held me while the others beat me with their belts. Two of them used the buckle ends. They left me there and went back to the car about twenty feet away, where they began talking to one another. I started off down into the gorge. There was a cleared place in the bottom where I was afraid I would get shot should they change their minds. I stepped behind a large hickory tree to wait for them to leave. I could hear them talking, but not everything they said was audible. One remark made was, "If he comes back to Tupelo it'll mean our jobs". Another replied, "Damn Reed, that would be murder".

I walked to Pontotoc, about nineteen miles away. There I called Mrs. Sarah Potter, representative of the ILGWU Union. She came for me and took me to the same Commonwealth hospital mentioned above. The doctor went over my side with a stethoscope, and said he could not seem to find anything broken. He strapped up that side with adhesive tape and told me to be careful not to

Senate Civil Liberties Committee 7

take cold. He seemed very abstract, and did not offer to do anything about the bruises or buckle marks. A negro attendant remarked about a badly bruised arm.

Mrs. Potter then took me, lying down in the back of the car, to the house of a friend where I was put to bed.

The next day the County Attorney Claude F. Clayton and Chief Deputy Sheriff O. T. Trapp came to see me. They looked at the bruises and asked me the names of the men. I told him that I knew their faces, that they were workers in the Reed Bros. and Tupelo Garment Company plants, but that I did not know their names.

Mr. Trapp then told me that he knew that my life was in danger in Tupelo, that I would certainly be killed there the next chance they had. He said that they could not protect me. The County Attorney agreed with him. I asked why. They stated that the sheriff did not have any funds to do it with.

That is the reason that I'm not in Tupelo. My name is taken from the eligible register while I'm not there available to work. Workers in the plants told me they would kill me when I come back. The law enforcement officers have readily admitted they can't or won't protect me. For the same reason I don't see how I can appear as a witness in coming hearings by the labor board about the discharge of 24 girls. Certainly there can be no real work done in organizational activities, when the owners of the plants not only dominate the lives of the workers, but also the carry-out of the law. I have lived and worked in Tupelo for almost eight years, and have never given police or other authorities the least trouble.

When the National Labor Relations Board goes into Tupelo to enforce the right of workers to organize and select bargaining representatives of their own choice, John E. Rankin MC howls to the President and the NLRB that they are destroying the town. When incidents like these happen MR. Rankin doesn't do or say anything.

Is there any recourse or redress when ^{one} he knows and is shown that any protection given by the duly constituted authorities will be to the aggressor? Does this give us the right to federal investigation and protection? Those are the questions uppermost in my mind.

Very truly yours,

Charles F. Cox
(Jimmy)

505 High School Ave.,
Columbia, Miss.
(Until the war is over or
reinforcements come)

JOHN EDGAR HOOVER
DIRECTOR

**Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.**

April 16, 1938.

Wash. - J. Edgar Hoover

Mrs. Malvina Thompson Scheider,
The White House,
Washington, D. C.

Dear Mrs. Scheider:

I wish to advise that in connection with the disappearance and alleged kidnaping of Charles S. Cox at Tupelo, Mississippi, a Special Agent of the Federal Bureau of Investigation yesterday determined the general facts to be as follows.

Mr. Cox was learned to be a local union organizer who had incurred the disfavor of a number of the local workers at Tupelo. According to the information received, he was taken by these individuals a short distance from Tupelo, but within the State of Mississippi, and was assaulted with physical violence. He is presently being protected by local authorities from further physical harm.

The facts of this case were reported to the local United States Attorney's office by a friend of Mr. Cox, who was advised by the United States Attorney that there had been no violation of a Federal statute, inasmuch as the victim had not been transported in interstate commerce. In view of this opinion on the part of the local United States Attorney, no further investigation is being conducted by the Federal Bureau of Investigation at the present time, but I am advised that the authorities at Tupelo are going forward with the matter.

Sincerely yours,

J. Edgar Hoover

al-Committee for People's Rights

~~200 Union Building~~
BIRMINGHAM, ALA.

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ls, miss



Mrs. Franklin D. Roosevelt
Washington, D. C.

Genl. Comm. C.
d-2

PS F: Gen. Comm.
"C"

PERSONAL AND CONFIDENTIAL

June 24, 1932.

Dear Gene:-

Thank you for your letter of June twentieth. I, too, have been disturbed about Commissioner Payne, for, like Arthur E. Morgan, he has been making a great many serious charges without being willing or able to offer any proof of their truth. Are the minutes of the hearing before the Rules Committee available? If they are it would be a great help to me if I could see them. Would you mind looking into this for me?

Very sincerely yours,

Honorable E. E. Cox,
House of Representatives,
Washington, D. C.

E. E. COX
2d DIST. GEORGIA

Congress of the United States
House of Representatives

Washington, D. C.

June 20, 1938.

THE WHITE HOUSE
JUN 20 8 56 AM '38
RECEIVED

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

My dear Mr. President:

The hearing before the Rules Committee on application to make in order H. R. 62, a resolution authorizing the appointment of a committee of members of the House to investigate the Federal Communications Commission, developed one fact that I feel should be brought to your attention, and that is that Commissioner Payne is not worthy of public trust and is wholly unfit for a place on the Commission.

With highest personal regards, I am,

Yours devotedly,


E. E. Cox, M.C.

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

June 28, 1938.

Dear Mac,

When I saw the President last Sunday morning, he told me about having received a letter from Congressman Eugene Cox about Mr. Payne, and I told the President about Congressman Cox's having had printed in the record an extension of his remarks in which he castigated Mr. Payne severely.

The President indicated that he would like to see Congressman Cox's statement, and I am enclosing a copy for him.

Sincerely yours,

Frank M.ovich

Colonel Marvin H. McIntyre,
Secretary to the President,
Hyde Park, New York.

He was that rare combination, a man of intense convictions and a hard fighter, yet ever tolerant of the opinion and the rights of others. He was a lifelong Democrat, but never a demagogue. He was a liberal in his social and political philosophy, but never a radical. He was a conspicuous champion of the rights and needs of the unfortunate and the underprivileged, but never one to stir class hatreds.

He was an American to the core, of the kind that we should be ever so proud to honor. His taking away at the prime of life is universally deplored. His place will be hard to fill. His loss will be ever felt and his good deeds and brave spirit ever remembered.

Federal Communications Commission

EXTENSION OF REMARKS

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1933

Mr. COX. Mr. Speaker, when the rule to make in order consideration of H. R. 62, a resolution to investigate the Federal Communications Commission, was before the House the time allotted for debate was too brief to permit of any extended discussion, for which reason the subject was not fully developed. There were observations that I desired to make about members of the Commission, particularly Chairman McNinch and Commissioner Payne, which I feel should be brought to the attention of the public.

When this resolution to authorize the setting up of special investigating committee was before the Rules Committee for hearing both Chairman McNinch and Commissioner Payne appeared before the committee and both testified. The members of the committee who heard Chairman McNinch, I am sure, were virtually unanimous in their opinion that his statement before the committee was candid, open, and most informative, and that he is an honest, fearless, and able man. There can be no doubt whatever that under his leadership the Commission would carry out its functions as Congress intended.

Commissioner Payne, on the other hand, made a far different impression on the members of the committee. On his first appearance before the committee he read a statement in which he virtually charged that members of the Communications Commission were responsive to improper influences exercised by what he termed "lobbyists." Under cross-examination he unequivocally charged that members of the Commission had been overreached by the lobbyists. He declined to name the members of the Commission who, he said, had been subject to this improper influence, but in response to demands by members of the committee that he name them, he reluctantly agreed to give the committee such names in executive session.

After hearing these accusations and after Commissioner Payne had concluded his testimony, Chairman McNinch rose to his feet and, facing Commissioner Payne, demanded to know if he charged him with being dishonest or guilty of any improper conduct. Commissioner Payne replied that he did not, but left the clear impression to the committee that he did not consider other members free from guilt. I understand that Commissioner Payne gave to the press copies of the statement which he read before the committee, in which he attempted to impugn the integrity of his colleagues on the Communications Commission, but did not include therein the testimony which he had given under cross-examination.

At a later session of the committee Commissioner Payne again refused to name any member or members of the Commission, or charge any member or members of the Commission specifically and by name with improper conduct. He denied having on his first appearance testified that members of the Commission had been overreached by the lobbyists, and denied that he had promised to give the committee the names of such Commissioners which, of course, he had done. He did not, however, so far as I know or have been able to ascertain from reading the newspapers, make any attempt to

publicly retract the charges which he admitted to the committee were without foundation. He was, however, quoted in the public press as charging members of the Rules Committee with a "breach of congressional faith and common honesty," apparently because some members of the committee, in response to questions, had advised through the press that no specific charges of corruption had been made against any member of the Communications Commission by Commissioner Payne. In other words, the Commissioner seemingly wanted it to appear that his charges of wrongdoing against members of the Commission still stood and did not want it to appear that he had retracted statements made to the committee, and did not want it to appear that he had made loose and false statements which he did not even attempt to support, but which he actually denied having made.

The testimony before the Rules Committee disclosed that on numerous occasions Commissioner Payne had made public speeches and issued press statements calculated to discredit the administration of the Communications Act of 1934 by the Communications Commission and members of the Commission personally. The testimony also disclosed that never has Commissioner Payne brought to the attention of the Commission for action any of the hundreds of complaints which he stated he had received against radio programs nor any attempt to influence him or any other Commissioner by any lobbyists. Among other things, he made a public charge that a member of the staff of the Communications Commission had been demoted because in discharging his duty he had reported certain alleged violations of the statute by licensed broadcasting stations. Testimony before the committee showed that the member of the staff referred to by Commissioner Payne was never demoted.

It is inconceivable that a member of the Commission, with ready access to all the records of the Commission, could in good faith make a statement of this character, which was at variance with the facts. Commissioner Payne clearly demonstrated in his appearance before the Rules Committee that he has little, if any, conception of his duties, obligations, and oath of office as a member of the Federal Communications Commission. He gave the impression of being a troublemaker, and nothing but a troublemaker, and as having no concern in protecting the reputation of the Commission or in the proper discharge of its functions.

It is my opinion—and I am sure, shared in by other members of the Rules Committee—that the restoration of confidence in the Communications Commission and the proper discharge of its statutory functions would be aided if Commissioner Payne were separated from the Commission and the Chairman of the Commission, Mr. Frank R. McNinch, and the Commission be given as free a hand as possible in the performance of their labors. With the Chairman given associates who will cooperate with him, there can be no question but that the Commission will quickly overcome the injury done the Commission in the public mind by Mr. Payne, who has convicted himself as being entirely irresponsible and wholly unfit for a place on the Commission.

Call Upon Your Congressman

EXTENSION OF REMARKS

HON. ALFRED N. PHILLIPS, JR.

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16 (legislative day of Tuesday, June 14)

VERSES COMPOSED AND RECITED BY HON. ALFRED N. PHILLIPS, JR., IN THE HOUSE OF REPRESENTATIVES DURING THE CLOSING MOMENTS OF THE SEVENTY-FIFTH CONGRESS, THURSDAY, JUNE 16, 1938.

Mr. PHILLIPS. Mr. Speaker, under leave to extend my remarks in the Appendix of the Record I append an effusion

CONFIDENTIAL

July 5, 1938.

Dear Gene:-

I am in a bit of a quandary about Payne. There is no question in my mind that he ought to be removed from his position -- removed on charges. His case is very similar to that of Arthur Morgan, though, in the latter case, the old gentleman was entirely sincere, in my opinion, and really believed that anybody who disagreed with him was a crook and a scoundrel.

My difficulty is that if I ask Payne to substantiate charges he had made, I have to have the charges, and as they were made to a Committee of the House, would it not look like interference on my part with prerogatives of the House? I am afraid he would say that I was interfering with perfectly legitimate testimony before the Legislative Branch of the Government.

I wish you would give me your slant on this because I do not want to be charged with any interference with the Legislative Branch of the Government!

I may not get your answer before I leave for the West Coast but I would not nothing anyway until my return, about August tenth, and if you will send me a confidential letter it will be forwarded to me somewhere enroute and I can be thinking it over.

Very sincerely yours,

E. E. COX

2d Dist. Georgia

ROBERT CULPEPPER, JR.
SECRETARY

Congress of the United States
House of Representatives
Washington, D. C.

Camilla, Georgia

June 29, 1938

THE WHITE HOUSE
JUL 1 9 14 AM '38
RECEIVED

My Dear Mr. President:

Your letter of June twenty first in response to letter from me of the 20th, previous, concerning Commissioner Payne of the Communications Commission, was delayed reaching me due to the fact that I left Washington on the 22nd, before delivery of letter.

The testimony of witnesses appearing before the Rules Committee of the House are never reported and there is no record of what Commissioner Payne said, but that he falsified there can be no doubt and I am certain that every member of the Committee would support this statement. His conduct was, if possible, worse than that of Dr. Morgan of T. V. A. who behaved so shabbily when you patiently sought to have him furnish you with the basis of his charges against his associates. Mr. Payne not only made charges of corruption against members of the Commission but promised to give names and facts substantiating his charges, if permitted to testify in the absence of his fellow Commissioners. At a later session of the committee and when given this opportunity he denied having made charges or having promised to give names or facts but contented himself by trying to smear the Commission by innuendo.

I do not believe a single member of the Committee believed a single word that Mr. Payne uttered. While the resolution was reported this was not done upon the testimony of Mr. Payne but due to other influences which I need not name, but would name if wanted.

Commissioner Payne very clearly manifested a feeling of bitter hostility towards other members of the Commission and a desire that they be discredited. In view of what he said I hardly see how it would be possible for them to have that confidence and trust in him so necessary to the proper functioning of the Commission.

E. E. COX

2d Dist. Georgia

ROBERT CULPEPPER, Jr.
SECRETARY

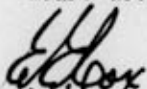
Congress of the United States
House of Representatives
Washington, D. C.

-2-

My extension of remarks in the Record of June 22nd, on this subject will be supported by Adolph Sabath, Arthur Greenwood, Bill Driver, Howard Smith, Bayard Clark, Martin Dies, Byron Harlan, and Lawrence Lewis.

If you would like that I secure supporting statements from these gentlemen I will gladly do so.

Yours devotedly,


E. E. Cox

Hon. Franklin D. Roosevelt
President of the United States
The White House

— PSF: Gen. Correspond. "C"

THE PRESIDENT SAYS TO FILE UNDER

"EUGENE COX"

PRIVATE AND CONFIDENTIAL

Engineer Cox — Pay from Manufac. Cos.
to Hill Wages & Hours. \$150 a month
from 1 company above.

E. E. COX
2d DIST. GEORGIA

PSF
Gen. Carr.
"C"

HP

PSF: E. E. Cox
ROBERT CULPEPPER, JR.
SECRETARY

Congress of the United States
House of Representatives

Washington, D. C.

July 20, 1938

file
JUL 22 1938
RECEIVED
CONFIDENTIAL
THE WHITE HOUSE
AM '38

Hon. Franklin D. Roosevelt
White House

My dear Mr. President:

In further reference to Commissioner Payne, please permit me to say that, in the open hearing before the Rules Committee of the House, the Commissioner made charges of bad conduct and ugly insinuations against his fellow members of the Communications Commission, and taking note of these, could in no wise be regarded as interference with the Legislative Branch of the Government.

To me, the question seems to be: Does Mr. Payne being on the Commission interfere with the proper functioning of that agency of the Government? Does his questioning the personal honor and integrity of his colleagues cast a shadow upon the Commission and tend to bring it into disrepute? It would be too much to expect other members of the Commission to have that confidence in him necessary for proper cooperation, and it would seem that they are entitled to have the charges proved or refuted.

The fact that Mr. Payne's statement was made to a Legislative Committee of the Congress would not entitle him to immunity. If false, it was as much so made under such circumstances as if it had been made in the public press. He is in no position to deny that interested parties have the right to demand proof.

Now, Mr. President, I am not urging Mr. Paynes' dismissal, but I think I know that he does not measure up to the high standard which you have set for all who work for the Government. In spite of differences of opinion on questions of policy and procedure, those whom you have put into the public service are honest and dependable and able to subordinate self for the general good.

E. E. COX
2d DIST. GEORGIA

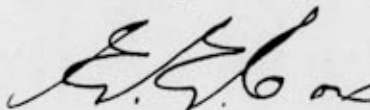
ROBERT CULPEPPER, JR.
SECRETARY

Congress of the United States
House of Representatives
Washington, D. C.

(2)

Frankly, I do not believe Mr. Payne is the kind of man that can be depended upon, neither do I believe him of that cooperative spirit necessary to make him a suitable person for public service. Certainly he is not, in my opinion, the kind of man you would choose for public service in first instance.

Devotedly Yours,

A handwritten signature in dark ink, appearing to be "E. E. Cox", written in a cursive style.

• PSF: "C"

THE WHITE HOUSE
WASHINGTON

W.H.
2/13/44
Subject File

May 13, 1944.

MEMORANDUM FOR

S. I. R.

Will you see Ed Stettinius
and asks him what he thinks?

F. D. R.

PSF: ~~see case~~ "C"
3-44

~~W H Filer~~

Miss Grace Tully:

Here's another one you
may want to give the President
if it won't burden him too
much

Oscar Got

May 8, 1944

~~SECRET~~

May 8, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Bulgaria

The time is possibly ripe for opening up with all barrels in the political warfare and the war of nerves against the Nazis.

The Satellites offer a good opportunity.

Even if the strategy to split the Satellites off doesn't work, the Nazis will have to use some manpower and energy to try to counter our political warfare. If it should possibly work in the case of one Satellite, the blow would doubtless have its effect on the Nazis and the other Satellites.

Attached in the very rough is an appeal to the People of Bulgaria. You can, I am sure, greatly improve on the idea, if it has any merit. Consideration might be given to the issuance of a statement along these lines by you and the Prime Minister or by both of you and Marshal Stalin.

Attached is also a supporting memorandum on the subject.

Oscar Cox

SECRET

PEOPLE OF BULGARIA:

The decisive battles of Europe are just ahead. Nazi Germany will be hit from all directions by the overwhelming strength of the United Nations.

Victory over Nazi Germany is inevitable and certain.

You must act—and act promptly—if you would remove the heel of the brutal dictators from your necks and bring honor and glory to Bulgaria.

You have only one clear and intelligent choice for the good of your country: You must withdraw from the side of the Nazis, join in the fight against them and give objective proof that you have set up a genuinely anti-Axis government which is truly representative of the people of Bulgaria.

If you take this action within a reasonable time, you and your country will be treated with the respect which this action warrants:

1. Bulgaria's territorial frontiers of 1939 will be assured.
2. Due regard will be given to Bulgaria's rights to Southern Dobruja.
3. Appropriate consideration will be given to Bulgaria's need for an economic outlet to the Aegean.
4. Russian, British and United States armed forces will join your fighting men in throwing the Nazis out of Bulgaria

and in supplying such other military aid as may be necessary.

5. Reasonable economic arrangements to aid Bulgaria will be furnished by the United Nations.

6. Bulgaria will be given membership on an equal basis in such international organizations as may be established.

People of Bulgaria: Now is the time to act.

But you must act swiftly to preserve your honor and rights as a respected member of the civilized family of nations. Now is the time to give battle to the Nazi tyrants who will most certainly leave you on their sinking ship when they abandon it. Now is the time to throw out the Nazis and Fascists in your midst and to pick leaders who will put your interests ahead of their own and the Nazis.

Now is the time for the people of Bulgaria to show their traditional courage and independence for the honor and glory of their homeland.

SECRET

SOME IDEAS ON POLITICAL AND PSYCHOLOGICAL
WARFARE DIRECTED AGAINST BULGARIA

SUMMARY

A psychological warfare policy which assures Bulgaria that it will retain its political independence after the war and which offers that country the hope of acquiring Southern Dobruja from Rumania at the final settlement would probably be best suited to winning Bulgarian public opinion away from its present pro-Axis attitude. The suggested policy would also offer assurances of a satisfactory readjustment of Bulgaria's foreign trade and of its eventual participation in such international organizations for political security and economic welfare as may be established at the end of the war.

A more generous policy would doubtless endanger American interests by antagonizing other members of the United Nations and by endorsing territorial changes which might become a permanent source of instability in Southeastern Europe. A more restricted psychological warfare policy, on the other hand, would probably have too little to offer to Bulgarian public opinion to effect any significant change in its present outlook.

I. INTRODUCTION

A. Purpose

The purpose of this memorandum is to suggest the psychological warfare policy which the United States might pursue with a view to securing the secession of Bulgaria from the Axis, with due regard for its public commitments and for its long-range interests in Southeastern Europe.

B. Assumptions Regarding American Policy

It is assumed that the United States recognizes the particular interest of the Soviet Union in Bulgaria. It is probable that the Soviet Union does not propose to support Bulgaria's claims to its present territorial acquisitions. In case the Soviet Union should be dissatisfied with the final settlement with regard to the Straits, however, it is possible that it may attempt to gain greater influence in Bulgaria by promoting its acquisition of Greek Western Thrace.

It may also be taken for granted that the United States will remain faithful to its present commitments to recognize no territorial changes made during the course of the war. As it applies to Bulgaria, this means that that country must — pending the final settlement — withdraw from the territory which it has acquired from Rumania (Southern Dobruja), Yugoslavia (Macedonia and Morava) and Greece (Eastern Macedonia and Western Thrace).

It may further be assumed that no psychological warfare policy will be adopted which would be in conflict with the long-range interests of the United States in Southeastern Europe. These interests include the maintenance of political and economic stability in that region with a minimum of intervention on the part of the United States. Thus any concession to Bulgaria which might be regarded as a permanent injury by one of its neighbors or by a great power, would in all likelihood produce harmful results which would more than counterbalance the benefits which might accrue from Bulgaria's break with the Axis.

C. Bases of Bulgarian Policy

The aims of Bulgarian policy during the present war have been to (1) avoid military participation in the war, and (2) acquire adjacent territories regarded as Bulgarian by virtue of ethnic composition (Southern Dobruja, Yugoslav and Greek Macedonia) or of previous possession and strategic importance (Yugoslav Morava and Greek Western Thrace).

The conclusion of the Nazi-Soviet Pact in 1939 made a rapprochement with the Axis a natural policy for Bulgaria, and the German campaign in the Balkans and the subsequent attack on Russia gave the Bulgarian Government the apparent assurance that it had made the right choice. Now that the defeat of Germany appears to

be imminent, however, the Bulgarian Government and responsible public opinion have become interested in finding the easiest escape from their predicament. The announced policy of "unconditional surrender" on the part of the United States and Great Britain as well as the recent air raids have left the Bulgarian Government with the impression that surrender might bring the occupation and possible partition of the country by its neighbors. It has therefore turned to the Soviet Union in the expectation that that power might have better terms to offer.

Responsible Bulgarian public opinion appears to be reconciled to the loss of the territories acquired from Yugoslavia and Greece, although it still hopes to retain the region ceded voluntarily by Rumania. Most of the Bulgarians are doubtless interested primarily in maintaining the independence and security of the state within its pre-war frontiers. So long as a sizable German military force remains in the country, however, it will serve as a serious check to any Bulgarian attempt to abandon the Axis. This fact will have to be kept in mind in planning any psychological warfare for Bulgaria.

II. PSYCHOLOGICAL WARFARE POLICIES WHICH THE UNITED STATES MIGHT ADOPT

A. Minimum Policy

1. Recognition of the Bulgarian frontiers of 1939.
2. Guarantee of Bulgarian independence after the final settlement.
3. Assurance of Bulgarian membership, after a probationary period, in such international organizations as may be established.

Such a policy would probably satisfy the extreme anti-Axis groups in the country, but it would not win over the bulk of the population. It fails to deal with the question of the occupation of Bulgaria during the armistice period—a question perhaps uppermost in the minds of many—or with the problem of reparations. It also offers no hope for the reacquisition of Southern Dobruja, a territory which Rumania has already ceded voluntarily. While this is the policy which Greece and Yugoslavia might well like to see adopted, it is not unlikely that the Soviet Union would favor more generous treatment. In case United Nations armed forces were within effective striking distance of Bulgaria and appeared to be prepared to undertake the forcible occupation of that country, even a minimum policy would undoubtedly be effective.

B. Maximum Policy

1. Full recognition of Bulgaria's territorial gains during the present war.
2. Promise of a status of cobelligerency for any government willing to surrender.
3. Guarantee that no foreign troops will occupy Bulgarian soil and that the Bulgarian army will remain intact.
4. Offer of economic arrangements to take the place of the barter agreements with Germany, on which Bulgaria has come to depend almost entirely.
5. Promise of membership on an equal basis in such international organizations as may be established.

This policy would offer to Bulgaria everything the most ardent nationalist could desire. It would in fact give Bulgaria all the advantages which it has obtained from its adherence to the Axis. The price of this policy would, however, be too high. It would cost the United States the friendship and confidence of Yugoslavia and Greece. It would involve the breach of solemn commitments made by the United States during the course of the present war; and it would tend to subvert such hopes as may exist for the establishment of a stable international order in Europe after the war. Moreover, despite the generosity of this policy, it would probably not lead to the winning over of the Bulgarian regime unless sufficient United Nations forces were available to subdue the German forces stationed in Bulgaria.

C. Recommended Policy

1. Assurance of Bulgaria's territorial frontiers of 1939, and recognition that Southern Dobruja should go to Bulgaria in the final settlement. The idea might also be encouraged that Bulgaria should have an economic outlet to the Aegean.
2. Offer of status of cobelligerency in case the Bulgarians fight the Axis and a genuinely anti-Axis government should replace the present regime.
3. Assurance that Bulgaria will not be subjected to unrestrained occupation by Greek and Yugoslav troops during the armistice period.
4. Offer of economic arrangements to take the place of the barter agreements with Germany, on which Bulgaria has come to depend almost entirely.
5. Promise of membership on an equal basis in such international organizations as may be established.

A policy framed in this fashion would probably offer the best terms possible without seriously antagonizing Bulgaria's neighbors. The hope of keeping Southern Dobruja, which is probably a justifiable Bulgarian ethnic claim, would serve to win over a substantial segment of Bulgarian opinion without alienating any members of the United Nations. In dealing with the Macedonian question, American psychological warfare should point out the weaknesses in the Bulgarian

case from an ethnic point of view and should stress the harmful influence in Bulgaria of the Macedonian nationalists. As regards the Bulgarian claim for a territorial outlet to the Aegean, a very sound case can be made for the retention of the Thracian littoral by Greece. In both of these cases the United States should point out that such ethnic claims as Bulgaria is able to advance, which at best are not particularly convincing, have been greatly weakened by the methods employed by Bulgaria in 1941 in acquiring the territories in question. While the possibility of having an economic, as opposed to a territorial, outlet to the Aegean will not satisfy most Bulgarians, it is as generous a solution as the problem deserves.

If the status of cobelligerency were made contingent upon fighting the Axis and a fundamental change in the government, it would serve as an encouragement to anti-Axis groups to rally against the present regime. While the announced Anglo-American terms of "unconditional surrender" have been widely criticized as presenting insuperable obstacles to psychological warfare, these terms have been interpreted as assuming the continuation of an enemy country's independence after the war and should therefore not come into conflict with the policy recommended here.

A guarantee that Greek and Yugoslav troops would not be permitted to overrun the country would serve to assure the population that surrender would not be followed by general disorder. At the

same time, it should be pointed out to the Bulgars that they are being protected from the very treatment which they have been meting out to the Greeks and Yugoslavs since 1941 under German auspices.

In case it were possible to assure Bulgaria that Russia, Britain and the United States would make no more than a token occupation, it would further help to win over public opinion. The hope of satisfactory economic arrangements after the war and of participation in post war international institutions would likewise help to strengthen the anti-Axis groups. Fear of Russia is not a major factor in the Bulgarian situation, and Soviet participation in carrying out the policy outlined above would in all likelihood present no obstacles so long as that country did not attempt to dominate Bulgaria's internal affairs.

Washington, D. C.

May 7, 1944

(2973)

hms

PSF: Gen. Lomas "C"
Subject File 3-44

THE WHITE HOUSE

WASHINGTON

May 22, 1944.

MEMORANDUM FOR

THE SECRETARY OF STATE

TO READ AND PLEASE RETURN
FOR MY FILES.

F. D. R.

Transmitting copy of secret memorandum which
the President received under date of 5/13/44,
a carbon of which is attached.

~~SECRET~~

May 13, 1944

MEMORANDUM FOR THE PRESIDENT:

Consideration might be given to mapping out the strategy on the additional steps which should be taken during the war to:

(1) Develop the machinery to secure the peace and; (2) Formulate our post war military, economic and political policy for collective and national security purposes.

During the course of a war most people feel consciously or unconsciously that everything possible should be done to prevent another war from breaking out in the future. Virtually everybody in the country has a son, brother or other close relative who has either been killed, wounded or is likely to be. With these emotional factors in the picture public opinion is likely to support strongly any reasonable measures that go to the heart of the problem of keeping the peace. Under these circumstances, the opposition is not likely to be nearly as effective as it may be after the shooting is over. And since this is a political year, the opposition may be somewhat disinclined to attack steps which you may take in this direction.

One of the toughest problems that might be given consideration is what should be done on the proposed amendment to the Constitution providing for the modification of the two-thirds rule for the ratification of treaties.

With an appropriate educational program, my hunch is that the public would be very much for such an amendment. Even if public opinion should not be strong enough to get the Senate to go along, it would tend to put the Senate on its mettle even under the two-thirds rule.

To my mind, the Administration might want to stay out of the matter directly on the central basis that the treaty is likely to make so much sense that it can receive the two-thirds ratification and that any change in the Constitution on this subject is up to the Congress itself.

However, some thought might be given to a series of steps in which the Administration does not directly participate such as

- (1) Active education by leading members of the House urging the amendment, and by such members of the Senate as wish to do so;
- (2) The setting up of a private committee consisting of distinguished citizens who have a public standing in the field of constitutional law and international relations. Some person like Granville Clark, if his health permits, might head up a private committee and do a job such as was done on the Selective Service Act; and (3) Full discussion in the press, on the radio, etc.

I think steps of this character can be taken without the Administration appearing in the picture.

In the process of such a program some public education on the peace making is likely to take place. This should be useful.

- 3 -

In the last war, as you recall, there was very little public discussion before the armistice on what policies and what machinery should be adopted to win the peace. The absence of an informed public opinion on this subject was probably not without its effects in the failure to get adequate Congressional and public support for the League. Even though the League approach may not be used this time -- and whatever machinery is contemplated -- a strong and informed public opinion will be necessary to get the appropriate Congressional support.

There are, of course, other concrete steps which might be taken during the course of the war to develop the machinery to secure the peace. I will try to work up some of these for whatever small use they may be to you.

Secret

~~Don't~~ send this ^{memo to me}
to the Secretary

Miss Grace Tully:

This is primarily for
the President's information. If
he wishes I can probably
get some of the steps executed
very unofficially.

Oscar Cox

May 13, 1944

For Grace Kelly

And another one.

May 26, 1944 . OJC

File
Confidential

Oscar Cox

9-1070

PSF: ~~Ben Combs~~ "C"

3-44

Subject File

~~SECRET~~

May 26, 1944

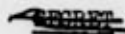
MEMORANDUM FOR THE PRESIDENT

The idea of rewards and punishments might be used effectively with the people in the occupied countries to aid our military operations.

At the right time, it might be wise for General Eisenhower to issue a short statement along the lines of the attached.

Oscar Cox

Attachment



May 26, 1944

TO THE INHABITANTS OF ALL COUNTRIES UNDER NAZI DOMINATION:

The forces of the United Nations are on the march in Europe. The day of your liberation is at hand.

You are solemnly warned, however, that your treatment during and after the period of fighting will depend directly upon your conduct and the degree to which you cooperate with the United Nations forces.

Those of you whose efforts contribute to shortening the fight will be suitably rewarded.

Those of you who wilfully hinder the efforts of our troops or fail to cooperate or assist in establishing and maintaining the conditions laid down by our commanders will be treated accordingly. Any refusal to render assistance when called upon to do so by commanders in your area will be dealt with rigorously.

~~SECRET~~

May 26, 1944

MEMORANDUM FOR THE PRESIDENT

The idea of rewards and punishments might be used effectively with the people in the occupied countries to aid our military operations.

At the right time, it might be wise for General Eisenhower to issue a short statement along the lines of the attached.

Attachment

PSF: *Gen. Langer 4-11*
3-44

THE WHITE HOUSE
WASHINGTON

May 26, 1944.

MEMORANDUM FOR

OSCAR COX:

Thank you ever so much for
your suggestions about the satellite
nations and also your suggestion about
additional machinery. I have talked
with the Secretary of State about it.

F.D.R.

THE WHITE HOUSE
WASHINGTON

May 26, 1944.

~~SECRET~~

MEMORANDUM FOR

THE SECRETARY OF STATE:

FOR YOUR INFORMATION.

F.D.R.

DECLASSIFIED
By Deputy Archivist of the U.S.
By W. J. Stewart Date MAY 30 1972

May 13, 1944

Grace Tully:

Here's some more material
on the satellites which you may want
to show to the President.

Oscar Cox

Scott

MEMORANDUM FOR THE PRESIDENT:

Subject: Satellites

Subject: Satellites

You may want to think about some steps which might be used to follow up the joint declaration issued yesterday to Finland, Bulgaria, Hungary, and Rumania.

Subject to proper timing and the laying of an adequate foundation, consideration might be given to our breaking relationships with Finland.

As a foundation, the three Governments might follow up with a further and concentrated appeal to the Finnish people along the central line that the Finnish Government has not adequately and accurately informed and is not now informing its people. Then, at the appropriate time a break with Finland would not only show effective combined action with our Allies but would also, I should think, be a blow between the eyes to Finland, the other Satellites and to Germany. If it were deemed wise to have such a break, it should of course be driven home to the people of Finland that the people of the United States have taken this action.

At the same time the Soviets might want to consider a similar line of approach with Bulgaria, on the basis that the Bulgarian Government is not representative of, and is not informing, its people. This would not be inconsistent with the traditional friendship between the Soviet and Bulgarian people. Here again, the question of timing would doubtless be of first importance.

7
DEPARTMENT OF STATE

THE SECRETARY

May 26, 1944

MEMORANDUM FOR THE PRESIDENT

The memorandum of May 13 concerning additional steps that should be taken during the war in relation to security, which you sent with your brief memorandum of May 22, has been read and is returned for your files in accordance with your request.

C +

R May 23 Am

THE WHITE HOUSE
WASHINGTON

May 22, 1944.

MEMORANDUM FOR

THE SECRETARY OF STATE

TO READ AND PLEASE RETURN
FOR MY FILES.

F. D. R.

PSF: *from cover "C"* 3-VV

*from
Gus Cox
Subject File 570*

May 13, 1944

MEMORANDUM FOR THE PRESIDENT:

Consideration might be given to mapping out the strategy on the additional steps which should be taken during the war to:

(1) Develop the machinery to secure the peace and; (2) Formulate our post war military, economic and political policy for collective and national security purposes.

During the course of a war most people feel consciously or unconsciously that everything possible should be done to prevent another war from breaking out in the future. Virtually everybody in the country has a son, brother or other close relative who has either been killed, wounded or is likely to be. With these emotional factors in the picture public opinion is likely to support strongly any reasonable measures that go to the heart of the problem of keeping the peace. Under these circumstances, the opposition is not likely to be nearly as effective as it may be after the shooting is over. And since this is a political year, the opposition may be somewhat disinclined to attack steps which you may take in this direction.

One of the toughest problems that might be given consideration is what should be done on the proposed amendment to the Constitution providing for the modification of the two-thirds rule for the ratification of treaties.

With an appropriate educational program, my hunch is that the public would be very much for such an amendment. Even if public opinion should not be strong enough to get the Senate to go along, it would tend to put the Senate on its mettle even under the two-thirds rule.

To my mind, the Administration might want to stay out of the matter directly on the central basis that the treaty is likely to make so much sense that it can receive the two-thirds ratification and that any change in the Constitution on this subject is up to the Congress itself.

However, some thought might be given to a series of steps in which the Administration does not directly participate such as

- (1) Active education by leading members of the House urging the amendment, and by such members of the Senate as wish to do so;
- (2) The setting up of a private committee consisting of distinguished citizens who have a public standing in the field of constitutional law and international relations. Some person like Granville Clark, if his health permits, might head up a private committee and do a job such as was done on the Selective Service Act; and (3) Full discussion in the press, on the radio, etc.

I think steps of this character can be taken without the Administration appearing in the picture.

In the process of such a program some public education on the peace making is likely to take place. This should be useful.

- 3 -

In the last war, as you recall, there was very little public discussion before the armistice on what policies and what machinery should be adopted to win the peace. The absence of an informed public opinion on this subject was probably not without its effects in the failure to get adequate Congressional and public support for the League. Even though the League approach may not be used this time -- and whatever machinery is contemplated -- a strong and informed public opinion will be necessary to get the appropriate Congressional support.

There are, of course, other concrete steps which might be taken during the course of the war to develop the machinery to secure the peace. I will try to work up some of these for whatever small use they may be to you.

T-286

PSF: *Gen Cones "C"*

3-44

Subject File

THE WHITE HOUSE
WASHINGTON

May 31, 1944.

MEMORANDUM FOR

GENERAL H. H. ARNOLD:

To read and return for my
files.

F.D.R.

Miss Grace Tully:

Another idea which you
may want to pass on to the
President

Oscar Cox

May 24, 1944

~~SECRET~~

May 24, 1944

MEMORANDUM FOR THE PRESIDENT

1. Here is a thought which you might want to think about and possibly discuss with General Henry Arnold.

2. With proper timing and groundwork it might be worth while trying the long shot of inducing part of the German Air Force to head for Allied fields and give up. Although the problem is different from that of the Italian navy, an adapted and similar technique might be used.

3. A statement by Arnold, Harris, Spaatz, Portal and Eaker through the shortwave radio, leaflets, the underground, etc., at the proper time, might be made to the German Air Force somewhat along the following lines:

"Hitler, Himmler and the other Nazi leaders are using the German Air Force as their cat's-paw. These Nazi leaders think nothing of salting away money in the neutral countries so that they can run out on the Germans to save their skins when the going gets too tough—as it certainly will. They have treated the men of the German Air Force as mere expendables, and will leave them in the lurch before the war is over. The men of the German Air Force have courage and should not allow themselves to be misused by

the gangster leaders of Nazi Germany. The men of the German Air Force have a way out. The German flyers are a selected group, and leadership is expected from them in saving Germany from the Nazis. They can easily fly their planes to Allied airfields. They will get better treatment there than they have had in Germany. They can also then begin to show that the men of the German Air Force have enough courage and leadership to help redeem the honor of Germany which has been so besmirched by Hitler, Himmler and the other Nazi bandits. At the appropriate time, the men of the German Air Force will be given the signals and instructions for landing at Allied air bases, so that the requisite protection can be afforded to them."

4. In point of time, it would seem best to wait with such a possible plan until the German Air Force is more split up by attacks from all points of the compass. At the present time, the Nazis probably still have enough planes in Western Europe so that the men in their Air Force feel they have reasonably good hunting. But when the forces are split more than they are now, and the Air Force has seen not only more of their comrades killed, but feel more strongly that Germany can't win and that the Allies are bound to win, there may be a chance to get some of them to fly from the French, Norwegian and Dutch airfields to the British Isles for the purposes of giving up themselves and their planes.

- 3 -

5. If such a plan works only to the extent that it worries the Germans to the point of forcing them to take additional safeguards to prevent their flyers from running out on them, it will have served a useful purpose. Since most of the airmen, even including the Germans, have a certain individuality and noblesse oblige, nothing is likely to make them sorer than having some Himmler man with a pistol standing over them while they are engaged in combat operations.

Oscar Cox

PSF: ~~San Carlos~~ "C"
Subject File 2-VY

June 3, 1944 77/19/44

Confidential

MEMORANDUM FOR MR. STEPHEN EARLY

I am sending to you herewith a copy of a memorandum of today to Judge Rosenman.

I think there is an overdone tendency in the Government for Department heads to use the really good stories themselves instead of passing them on for use by the President. In many instances the particular person who releases the story is only responsible for one part of it, many other people having contributed to the end result. In the main, the President has been the primary and important force in getting the really significant thing done. Thus, for example, the WPB release on aircraft production stems back primarily to the President's 50,000-plane program in the spring of 1940, long before WPB was created. The War Department story on the number of men overseas is the result of a whole complexity of factors: The Selective Service Act, the efficiency of the conveying, the adequacy of the ship-building program, etc.

I should think that one of the principal ways in which to get some of this stuff siphoned off to the White House would be to take the initiative in asking the Departments and agencies for specific information along the lines of the attached memorandum.

If you don't mind I will burden you from time to time with further suggestions along these lines.

Oscar Cox

PSF; Sa-ex-111 "C"
3-44

Confidential

June 3, 1944 .

MEMORANDUM FOR JUDGE ROSENMAN

Along the lines of our discussion last evening I think the President might want to ask for some more detail about the American-built bases in Russia. As you are well aware, this is a significant story not only from the military standpoint but also from the angle of American public reaction. There is still a lingering doubt in the minds of many people in this country that Russia will not cooperate with us. This is a concrete instance of effective cooperation.

When the President has the additional facts he can, of course, as a matter of timing, decide when and how it is best to use the material at a press conference or otherwise.

/s/ Oscar Cox

Miss Grace Tully ^{file}

Here are some
ideas on the very tough
Polish problem which
the President might
want to glance at before
some of the talks with
the Polish Prime Minister.

June 6, 1944 OSE

PSF; ~~Attorney~~ "C"

Subject File

~~SECRET~~

June 6, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: The Polish Problem

1. As you are well aware, the Polish problem is one of the toughest of the war.
2. The Soviet needs a solution, if only for war operations. Poland needs a solution. Europe needs a solution. We need a solution, too.
3. With the presence of the Polish Prime Minister here, it may be that you will want to consider some of the following ideas as a possible solution for the problem:
 - (a). Fundamentally, there are two foundations upon which Poland probably ought to proceed: (1) Friendship with Russia is essential for the future independence and security of Poland, and (2) Direct dealings between Poland and Russia are highly desirable if they can be worked out.
 - (b). From the standpoint of the Russians, they are doubtless interested in (1) not having any interference

with their military operations in Poland as a result of any hostility from the Polish people, and (2) security arrangements to ring Germany until the broader collective security arrangements are worked out in a way that spells success.

3. In the light of these assumptions, consideration might be given to the idea of this Government's suggesting to both the Soviet and Polish Governments that they deal directly, after the appropriate preliminary soundings have been had, with the idea in mind that they will enter into a bi-lateral treaty along the lines of the Soviet-Czech Treaty.

By direct dealing they should also try to work out the boundary questions. In all probability, the boundary questions will take on less significance in the framework of a joint security arrangement along the lines of the Czech Treaty. If the Russians give to any extent on the boundary questions, as they very well might do on the basis of a security treaty, Polish public opinion would probably support the arrangement.

STANDARD FORM NO. 14A
APPROVED BY THE PRESIDENT
MARCH 10, 1926

PSR
C
TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

MRS SIDNEY CULVER
WESTHAMPTON
LONG ISLAND NEW YORK

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

UNCLE FRANKLIN

FROM

Ken Cones
The White House
Washington

HYDE PARK NEW YORK
OCTOBER 20 1941

3-41

PSF: ~~Joseph Curran~~

Gen. Curran
"C" 3-41

THE WHITE HOUSE

WASHINGTON

Nov 11-18-41

MEMORANDUM FOR: DOROTHY BRADY

I held this correspondence for a couple of weeks and ~~had~~ heard nothing from Philip Murray about it. It is ready for file now, and I imagine you will want to keep it in your confidential papers.

R.B.

Cable Address: "ENEMU," N. Y.



National Maritime Union of America

Affiliated with the Congress of Industrial Organizations

NATIONAL HEADQUARTERS
346 WEST 17th STREET
New York, N. Y.

Philip Murray
Commonwealth

October 27th
19 41

General Edward M. Watson
Secretary to the President
of the United States
White House
Washington, D.C.

(*held*)

Dear Sir:

I am writing you at this time to request a meeting with the President for the purpose of discussing several matters of great importance to the maritime industry. There are certain problems confronting the industry which merit the personal attention of the President of the United States. We believe that a discussion of these matters will go far in promoting greater efficiency and smoother operation in the industry.

I have discussed these problems with Mr. Philip Murray, President of the Congress of Industrial Organizations and he is of the opinion that it will be of assistance to the President to grant us such an interview.

Among the points we wish to discuss are the following:

- 1 - The present position of the National Maritime Union fully supporting the President's foreign policy, and the sincere desire of the membership to cooperate in every way possible to promote the national defense effort of the United States;
- 2 - To insure that there shall be ample maritime personnel to man the American Merchant Marine and to insure that all the necessary goods are delivered to the countries fighting Fascism;
- 3 - The passage of the bill providing for Unemployment Insurance for Seamen.

I hope it will be possible for you to arrange such a meeting in the near future.

Sincerely yours,

Joseph Curran
Joseph Curran
President

JC:ds
uopw#16

THE WHITE HOUSE
WASHINGTON

October 27, 1941

Memorandum For General Watson.

National Maritime Union

My memorandum to the President and his reply to me are self-explanatory.

I have heard nothing about the matter until Curran called today. I told Curran appointments are under your jurisdiction and suggested that he write you a letter which he will do today. Hillman advises the President not to see Curran, if only for the reason that he is so tremendously busy, and if he sees Curran concerning the Merchant Marine, he must then see Ryan and also Lundberg, the West Coast leader. Also whenever any President of a union would want to see him, a precedent would be set.

Hillman suggests that the President through you might tell Curran to talk to Hillman about his problems. Curran and Hillman are enemies and I am not too sure this would be wise.

Perhaps the best thing to do would be to wait until Phil Murray shows some interest in the matter. The fact that Hillman is advising on the matter should be kept strictly confidential.

Just wait

J R
James Rowe, Jr.

Curran, J.

THE WHITE HOUSE
WASHINGTON *Tickler*

September 30, 1941

MEMORANDUM FOR JIM ROWE:

Ask the advice of Hillman and
Miss Perkins on this.

↑
10/27 - She is out of town F.D.R.
for 10 days.
JHR

(10/1 - Hold until Curran calls.)
JHR

7

CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

September 29, 1941

Memorandum For The President

Joe Curran

Lee Pressman, deus ex machina of John Lewis, telephoned me today: According to Pressman the last time you saw Phil Murray you discussed with him certain problems dealing with Joe Curran's maritime union, and indicated to Murray you might want to have a conference with Curran. Curran saw Murray this weekend and wants to have the conference at your convenience. I told Pressman I knew nothing about the matter but would pass on the message.

As you well know, Curran is one of the left-wing "party line" leaders, taking his orders directly from the Communist party. He and his union supported Willkie in the last election. Previous to the campaign, the Administration made many efforts to satisfy the legitimate grievances of this union. Many informed persons on labor matters became convinced Curran did not want these grievances settled.

I know nothing about the matter, but if you think there is any reason for holding such a conference, it might be well to check back through our CIO friends, such as Carey, and get such a request from Phil Murray.

Incidentally, my right-wing friends in the CIO tell me there has been a definite split between Lewis and the Communist union leaders. Curran, Bridges and Quill all wanted to compromise with Lewis, that is to support Lewis on domestic matters. However, the Communist party refused to let them do this and demanded a complete split on all subjects with Lewis. I think this is accurate, although the deviations and convolutions of the "party line" keep me in a state of perpetual confusion.

JHR

James Rowe, Jr.

11-18-41

MEMORANDUM FOR: DOROTHY BRADY

I held this correspondence for a couple of weeks and I heard nothing from Philip Murray about it. It is ready for file now, and I imagine you will want to keep it in your confidential papers.

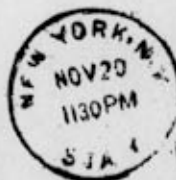
PSP
C
P.F.
Jen
Dawson 2-37

Katherine Curtis, who claims she is organizing women to fight the New Deal and who claims she is connected with the General Federation and other organizations, and who runs a business called Women Investors Inc.

See Chicago newspaper clippings on hotel bills unpaid and other troubles there.

Consult Joe E. Nueger, publisher of Agency, a trade journal for advertising agencies. Mr. Nueger formerly handled publicity for Mrs. Curtis. He has information on her business methods

Foster & Davies Inc. placed \$5,000 worth of advertising for her which she never paid for. She had been recommended by the Republican National Committee. Asked for her books when she said that she was broke, she complained that this would put her at the mercy of the Black Committee.



Mrs. Franklin D. Roosevelt,
WHITE HOUSE,
Washington, D. C.

(Private and Confidential)

591 PARK AVENUE
NEW YORK CITY

(Dr. Edwin Spencer Cowles)

691 WHITNEY AVENUE
NEW HAVEN, CONNECTICUT

Dear Franklin. Stealing two
of your grandchildren gave
us the most lovely Christmas.
It made all the difference
to me. And thank so much
for the lovely poem.

• Box of raisins - Now we
(Betty & I.) are quite relaxed
& comfortable & wish you were
here with us - It comes
to my ears that you need
that kind of thing. Happy
thought. Spend next Christ
mas here with us!

Love as ever Talitha

PSF
C. H. C. 3

January 8, 1940

Dear Kate:

Thank you for that very sweet note. We all missed Betsy and the children at Christmas time but I know how much pleasure they must have given you.

As you may have gathered, during the Holiday week I had no time to be either relaxed or comatose -- it sounds too good to be true anyway. After my Jackson Day speech tonight, I intend to hibernate for forty-eight hours -- if it proves to be impossible, at least the intention is giving me great pleasure.

I do hope that I shall see you some time very soon. And Christmas at New Haven sounds like heaven.

My affectionate greetings to you and the family.

As ever,

Mrs. Harvey Cushing,
691 Whitney Avenue,
New Haven,
Connecticut.

*file
personal*

*PSF
"C"*

Document - 36

JOHN CUTTER
48 FRANKLIN STREET
BOSTON, MASS.

February 5th, 1936.

Slm

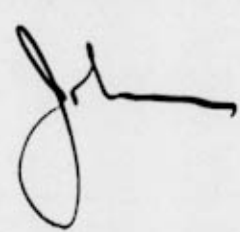
Miss Margaret LeHand,
The White House,
Washington, D. C.

Dear "Missy":-

I am enclosing a note to the President, thanking him for the picture which came in yesterday. Margaret and I are both most appreciative of your thoughtfulness in seeing that the President sent it, as well as being appreciative of his message which he wrote on it.

Don't forget the next time I am invited to a State Dinner, I insist on sitting beside you. I cannot possibly go through another evening as I did last Tuesday, and remain the same person. Also, please bear in mind that when you come up here, Margaret and I would love to see you in Dedham.

Sincerely yours,



JC:DD
encs.

JOHN CUTTER
48 FRANKLIN STREET
BOSTON, MASS.

Dear "Skipper":-

Feb. 5th, 1936.

The photograph arrived yesterday morning, and Margaret and I are most appreciative. I wanted to put it in my office, but Margaret will not let me so it will occupy a prominent place in our own sitting room at home. It is the likeness which I have always preferred.

I find our business very quiet. The reasons seem to be three. First, a fear of the imposition of a retroactive tax to take the place of the process tax. If this tax were imposed, it would mean that the money which the mills have definitely contracted to return to their customers, with the invalidity of the process tax, would have to be paid twice, - back to the Government as well as to the customer.

Second, comes the fear of a substitute tax to take the place of the process tax. The mills, in order to guard against increased costs consequent upon such a tax, have included protection in their contracts. As a general rule, the buyers balk at signing.

Third is the lack of knowledge of the disposition of loan cotton.

I think this situation could be cured over night by an announcement that no retroactive tax will be sought; by a further announcement that money for farm aid will be taken from general revenue, for example - from an industry wide manufacturers' sales tax - and not from a direct tax on any one class of manufacturer.

This covers the first two drawbacks. I gave you my idea of the answer to the third problem.

JOHN CUTTER
48 FRANKLIN STREET
BOSTON, MASS.

-2-

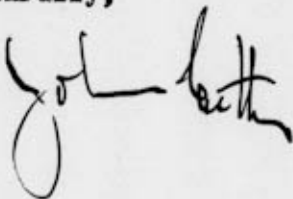
I might say, incidentally, that the funds which the mills have agreed to return to the trade will go principally to those distributors whose profits last year made history - the big chains and mail order houses.

I am writing you these thoughts in all humility due to my ignorance of your necessities. But, I am deeply concerned not only for our welfare, but for your own success in handling these vexing questions. I trust I have not presumed.

A lighter note. Saw Ben. M. last night, who frothed at the mouth at the possibility of being confronted with the name of Hoover or Borah on his ballot next year. In such case, you get his vote.

It was good to be with you last week. I feel better. Please take care of yourself.

Yours Faithfully,

A handwritten signature in cursive script, appearing to read "John Cutter". The signature is written in dark ink and is positioned below the typed name "Yours Faithfully,".

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