PSF Treasury Department: Henry Morgenthau, Jr. Jan.- April, 1940

File personal and confidential
under Morgenthau Jr.

PSF
HM Jr

The actual cost of work relief and similar expenditures goes down after jobs are found by the workers on these rolls. A violent contraction, before the natural expansion of private industry is ready to take up the slack, would mean, not only human misery, but a disruptive withdrawal from American industry of a volume of purchasing power which business needs at this time. The necessity of increasing Federal expenditures a year ago to check a recession is a well-known fact. Any decision to decrease those expenditures now that recovery has just started would constitute a new policy which ought not to be adopted without full understanding of what may be the result.

May I say emphatically that I am not suggesting an ordinary budget which is always balanced and an extraordinary budget which is always unbalanced. The ordinary expenses of government should continue to be met out of current revenues. But I also hope that those revenues in times of prosperity will provide a surplus which can be applied against the public debt that the Government must incur in lean years because of extraordinary demands upon it.

I believe I am expressing the thought of the most far-sighted students of our economic system in saying that it would be unwise either to curtail expenditures sharply or to impose drastic new taxes at this stage of recovery. But in view of the addition to our public expenditures involved in the proposed enlarged national defense program and the program for agricultural parity payments, for which no revenue provision has yet been made, I think we might safely consider moderate tax increases which would approximately meet the increased expenditures on these accounts. It should be added, however, that it is my firm conviction that such new taxes as may be imposed should be most carefully selected from the standpoint of avoiding repressive effects upon purchasing power.

Sound progress toward a budget that is formally balanced is not to be made by heavily slashing expenditures or drastically increasing taxes. On the contrary, it is to be sought by employing every effective device we may have at our command for promoting a steady recovery, which means steady progress toward the goal of full utilization of our resources. We can contribute very materially toward that end by a wise tax program.

I am recommending the reenactment of the excise taxes which will expire in June and July of this year, not because I regard them as ideal components of our tax structure, but because their collection has been perfected, our economy is adjusted to them, and we cannot afford at this time to sacrifice the revenue they represent. If the Congress should at this session adopt new taxes more scientifically planned to care for the defense and agricultural programs, it is quite possible that the existence of these new taxes will enable us in a later year to give consideration to abolishing some of the present excise levies.

The revised estimate of receipts for the fiscal year 1939 as contained in this Budget is $5,520,070,000, and of expenditures, $9,492,329,000, leaving a deficit of $3,972,259,000.

The estimated receipts for the fiscal year 1940 amount to $5,669,320,000, and the expenditures for that year are estimated at $8,995,663,000, resulting in a deficit of $3,326,343,000.

Recommendations

Temporary miscellaneous internal-revenue taxes.—I recommend that the Congress take steps by suitable legislation to extend the miscellaneous internal-revenue taxes which under existing law will expire next June and July, and also to maintain the current rates of those taxes which would otherwise be reduced next June. I consider that the revenue from such taxes or its equivalent is necessary for the financing of the Budget for 1940.

Postal receipts.—The estimates of appropriations for the Postal Service included in the 1940 Budget are predicated upon the enactment of legislation to provide for the continuance during that fiscal year of the 3-cent postage rate for first-class mail other than for local delivery. While the Government collects more than it spends on first-class mail, the Postal Service is not self-supporting because it carries other classes of mail at less than cost, as shown in the tabular footnote on page xxv.

Civilian Conservation Corps.—The Civilian Conservation Corps has demonstrated its usefulness and has met with general public approval. It should be continued beyond June 30, 1940, and I recommend that Congress enact during its present session the necessary legislation to establish the Corps as a permanent agency of the Government.

Review of the Fiscal Years 1938 and 1939, and the Fiscal Program for 1940

This review concerns the cash actually received and paid out by the Treasury in the fiscal year 1938, the estimates of receipts and expenditures for the fiscal year 1939, and the fiscal program for 1940.

FISCAL YEAR 1938

Receipts.—Total general fund receipts for the fiscal year 1938 amounted to $6,241,661,227 which was a gain over 1937 of $947,-821,000. The receipts from income taxes were $477,091,000 in

File personal and confidential under Morgenthau Jr.

[1940?]

The Committee on Ways and Means of the House of Representatives invites you to appear before the Committee on May ______.

The Committee will be pleased to have an expression of your views on the following:

a. Renewal of existing taxes which expire this calendar year.

b. Reduction or elimination of increases in Social Security taxes now called for by law.

c. Taxation of interest on future issues of Government securities of all kinds.

In addition to the above it has been suggested by many persons that many changes be made in the wide field of corporate and personal income taxes. I feel that I can properly say that in the consideration of both these fields it is essential -- indeed a fundamental prerequisite -- that the present revenues from these sources be maintained.

In other words, revenue based on the present amount of personal and corporate income. Thus, the revenue under the present tax laws or any substitute therefor, would necessarily mount in proportion to any future increase in personal or corporate income.

It is possible that members of the Committee may wish to question you in regard to the net effects of various kinds of changes. I realize that many of such questions will require study on your part to present the pros and cons of any suggested changes; and I am not at all certain that it may not be advisable to have a further study of such proposed changes made by the Treasury and the Committees of the two Houses of the Congress.

###

My dear Mr. Secretary:

The Committee on Ways and Means of the House of Representatives invites you to appear before the Committee on May , at which time the Committee will be pleased to have an expression of your views as to any changes in our Internal Revenue Tax Laws that you consider might be helpful to business as well as equitable to taxpayers. Also, the Committee would be pleased to have you give it the benefit of any information you have as to the desirability of various tax changes which have been suggested. Among the suggestions which have been most frequently made and which I, myself, have thought might be worthy of consideration are the following:

Repeal the capital stock and excess profits taxes.

Allow business net losses in one year to be carried forward and offset against income in subsequent years.

250 Permit corporations to deduct net capital losses from ordinary taxable income.

1

Liberalize the deductions allowed for net capital losses sustained by individuals.

Reduce the individual surtax rates in the upper brackets.

It would be helpful to the Committee if you would present the arguments for and against as many of these suggestions as the Treasury has studied.

Obviously most of these changes, if adopted, would result in a decrease in revenues. Inasmuch as a fundamental prerequisite of any tax revision at this time is maintenance of the present revenue, the Committee would appreciate it if you would also discuss possible ways of offsetting any revenue losses which might occur in any changes made. The Committee would, of course, be glad to hear your views on any other pertinent matters which you may wish to discuss.

Sincerely yours,

The Honorable Henry Morgenthau, Jr.
The Secretary of the Treasury
Washington, D. C.

file Hm Jr' [1940?] PSF: Morgenthau

(INSERTION IN THE ADDRESS)

As an example of a tax irritant, I would mention the undistributed profits tax. In its present form, it is quite unimportant and does not accomplish the objectives which the original proposal was intended to accomplish. The tax produces little revenue and has little effect on business. It has acquired prominence as a psychological irritant, largely because of the widespread and emotional criticism which has been directed against it. The end which which law sought to attain was to prevent the accumulation of excessive corporate surpluses. This is still an important, and to my mind, a sound objective. The law in its present form does not attain it. Since the income tax on corporations, of which the undistributed profits tax is a minor segment, expires by its own terms at the end of this year, the solution of this problem is immediate ~~is a necessary part of the task of your Committee.~~ The Treasury stands ready to work with you on it.

claimed by some

MAJOR DETERRENTS ~~TO~~ BUSINESSmen

1. Absence of provision for carrying over net business losses, personal and corporate, to be deducted from business profits of future years.

2. The surtax rates in the top brackets.

3. Tax-exempt securities.

4. The complicated tax structure, State and Federal; the increasing cost of computing taxes.

TAX IRRITANTS.

1. For example: the undistributed profits tax.

UNFAIR TAX PROVISIONS

for study

For example:

1. Limitation on deductions of corporate capital losses.

2. The double taxation of corporate dividends paid to individuals (corporate normal tax payable by corporations on their earnings, and individual normal tax payable by individuals from dividends received.

3. Consolidated returns of affiliated corporations.

4. Other detailed suggestions to be made by Treasury Legislative Counsel.

/

PSF

Morgenthau

THE SECRETARY OF THE TREASURY
WASHINGTON

January 2, 1940

~~STRICTLY CONFIDENTIAL~~

Dear Mr. President:

file

On Saturday morning, December 30, Messrs. Purvis, Plèven and Collins, whom you had been good enough to permit me to present at the White House on Friday, came to the Treasury and we studied further the question of essential war materials.

Mr. Purvis provided me with memoranda upon this question, and a copy of a cablegram received by him on December 23 from Mr. Monnet, from which I quote:

> "Telegrams 894, 895 and 902 from His Majesty's Ambassador at Washington regarding molybdenum etc., have been referred by British and French Governments to Anglo-French Coordinating Committee on behalf of whom I have been requested to send you following reply.
>
> "British and French Governments very much welcome approach which Mr. Morgenthau has made to you and warmly appreciate spirit in which President is considering question. It would be of greatest service to Democratic Powers if United States Government would establish control over export or re-export of essential alloys and we hope that this might lead to similar war materials such as oil, copper and carbon black. Policy which Secretary for the Treasury has adumbrated, with the Allied co-operation it would certainly receive, might well shorten war considerably without in any way adding to sufferings of German people. We therefore attach utmost importance to any steps which United States Administration can take to prevent these alloys reaching dangerous destinations".

Mr. Monnet also indicated his readiness to send experts to this country to assist in technical discussions. In this connection, the following paragraph is quoted from Ambassador Bullitt's cablegram No. 3047 of December 28, 1939:

> "Monnet tells me that in view of the great complication in the whole question of economic warfare that on his suggestion Daladier has approved sending Rist to the United States in the near future in order to explain the objectives of the Allies in economic warfare and the mechanism which it is proposed to use in attaining them. Rist would also be able to get the French a clearer picture of our position. Monnet has also been authorized by Daladier to take up with Chamberlain next week the matter of having a qualified British subject sent with a similar mission".

Captain Collins and other members of my staff are continuing their survey of the problems involved, particularly in the light of the memoranda received from Mr. Purvis, in order that the possibilities for effective action on our part may be weighed carefully prior to the contemplated arrival of the Allied experts.

Yours sincerely,

Henry Morgenthau Jr

The President,

The White House.

file
personal and confidential
PSF: Morgenthau

THE SECRETARY OF THE TREASURY
WASHINGTON

January 5, 1940

~~STRICTLY CONFIDENTIAL~~

Dear Mr. President:

I was considerably disturbed on receiving the enclosed message from Ambassador Bullitt. In order to forestall an embarrassing situation possibly arising, I took the steps described in the attached memorandum to me from Cochran.

At your convenience I would like to have the opportunity of discussing with you the advisability of having Professor Rist and Mr. Gwatkin come to the United States at this time.

Sincerely yours,

HMorgenthau Jr

The President,

The White House.

Enclosures:
Paraphrase of telegram No. 7 from Paris;
Memorandum.

DECLASSIFIED

~~STRICTLY CONFIDENTIAL~~

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE January 5, 1940

TO Secretary Morgenthau

FROM Mr. Cochran

At 9 o'clock last night I reached Mr. Arthur B. Purvis at the Hampshire House in New York by telephone from my hotel. I told him that I had just seen the Secretary of the Treasury at his residence for five minutes as he was leaving for the White House. I had been instructed to telephone Mr. Purvis and to request the latter to telephone Monnet, in turn, as early as possible on Friday morning, to the effect that the Secretary desired that the contemplated early departure of Professor Rist and Mr. Gwatkin be postponed.

When Purvis asked who Gwatkin was, I identified him as the economic expert in the British Foreign Office who had been associated with studies of Czechoslovakia, etc. Mr. Purvis then asked if the postponement meant that Gwatkin was persona non grata or that there had been any blunder in this choice. I assured him that this was not the case, adding that the Secretary had not been aware of Gwatkin's identity, and took no exception to him when I explained who he was. My only information was that the Secretary had learned last evening that the early departure of Rist and at least one British expert was contemplated, and that the Secretary desired that such visit be postponed, irrespective of the identity of the visitors.

Mr. Purvis said he would get this message through to Monnet the first thing this morning and assumed that he would be hearing further from the Secretary in the premises, since he knew his people would be anxious for more word. I assured him that we would keep in touch.

H. M. C.

DECLASSIFIED

PSF: Morgenthau

~~CONFIDENTIAL~~

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Paris, France

DATE: January 3, 1940, 7 p.m.

NO.: 7

The following is personal and ~~strictly confidential.~~

For the Secretary of State and the Secretary of the Treasury.

Reference is made to telegram No. 3059 of December 30 from the Embassy.

(Matthews?) Had lunch privately today with the Minister of Blockade, Pernot, his Chef de Cabinet Dayras, and Rist. He was shown the one-page telegram of December 31 from Purvis to Monnet; in this Purvis reported his interviews with Secretary Morgenthau on December 27 and December 30, and his reception by the President on December 29. The atmosphere was described by Purvis as having been very cordial, and said that in the matter of ferro-alloys he found a desire to extend all possible cooperation; he also found a willingness to consider an extension of our list of "war reserves" or the list of arms and materials of war for which export licenses are required. However, he did not omit to emphasize the delicate nature of the problem. Purvis said that he found enthusiasm for the idea of sending over several allied experts, provided this were done quite unofficially and privately. He had been told, he said, that Rist would be decidedly persona grata; Pernot said that in a few days Rist would be sent via clipper along with the British rep-

DECLASSIFIED

resentative, Ashton Gwatkin. On Friday Rist will leave for London, and a telegram to that effect has been sent to Butterworth by Matthews.

Only one brief reference to nickel was made by Purvis; he mentioned that Canada should be consulted, and that we were agreeable to seeing a representative from Canada for the purpose of discussing the matter. NOTE: Do you see the telegrams from Purvis before they are transmitted - if you do, we shall of course refrain from cabling the substance of these cables to you.

The suggestion was made by Matthews that probably you would be much interested in an outline of the policy of the Allies regarding economic warfare as concerns the neutrals of Europe and of negotiations with them in this regard. An attempt was made by him to explain the importance from the American point of view of having a complete picture of the situation. Then the Minister of Blockade turned to Rist and said that since they had last talked he had changed his mind; that he thought a full resumé of their position towards the neutrals should be given by Mr. Rist to the President, Secretary Hull and Secretary Morgenthau, and said he could get such a resumé from the confidential exposé he (Pernot) had made before the Foreign Affairs Committee of the Chamber a few days ago. The Minister went on to say that the Allies were fully prepared to give to the neutrals everything they needed for their own use provided sufficient guarantees against reexportation were provided. These guarantees in some cases took the form of governmental assurance, and that of important industrial syndicates in others. The Allies, he said, have their "little system of surveillance" within the neutral countries, with "a somewhat larger system" in the case of Italy. For the most part he said that the neutrals were reluctant to sign agreements for fear there would be reaction from Germany, or in the face of threats from Germany.

He declared, likewise, that when, for example, in the case of Switzerland, the individual negotiators did not always take "the broader point of view" - that is, a realization of the allies' insurance of the continued independent existence of the country concerned - it is necessary to go over the head of the negotiators. According to Dayras, the only difficulty they were having with any neutral was with the Netherlands, though he said there was a general tendency for the neutrals to think only with longing of the boom prosperity of the days before the blockade during the last war - which he said had really continued until the United States entered. Hope was expressed by the Blockade Minister that agreements similar to the Franco-Belgian one signed several weeks ago would be entered into by other neutrals, but he feared that Germany was a powerful deterrent. As for the Scandinavian countries, the French are leaving the negotiating to the British.

Reference was also made by Pernot to the differences regarding questions of blockade within the French Government itself. Included in the Blockade Committee are representatives of the Ministry of Blockade, of the Navy, Foreign Affairs, Colonies, et cetera; within the Committee it is usually possible to reach agreement, but subsequently the separate ministries frequently make attempts to overrule the decision, and the "final authority" has not been determined as yet. The Minister said that of course the Navy wants to seize everything, saying that they didn't realize you couldn't upset a whole diplomatic game for a few bags of coffee.

The Minister confirmed the freedom with which coal exports are being made to Italy from Germany by sea - partly because of the lack of allied or neutral transport facilities - but he expressed the hope that such freedom would not last long. In a report they received from Rome this morning, from Ambassador Francois-Poncet, the Ambassador had indicated that particular efforts were being made by Germany to get fats and oils in Italy; he also said that recently there were resumed shipments of soya beans from Manchukuo for Germany via Italy.

There were expressions of general annoyance at the attitude of the French press (center of information) in in playing up alleged shortages and dissensions in Germany and in publishing fantastic figures in the newspapers. The Minister said it was "nonsense" to believe what was written in an article in the Paris SOIR today, by its Zurich correspondent, to the effect that Germany has sufficient petroleum to last only three months; he said he was quite opposed to giving the public such continually misleading ideas with regard to the weakness of the Germans.

A talk was had by Matthews with Rist with regard to the desirability that his visit to the United States be handled with the utmost discretion and the minimum of publicity; Rist seemed to be in full accord with this idea. Before he leaves for Lisbon he will call at the Embassy.

A reply had been received by Dayras to his cable to the French authorities in Indo-China, indicating that there are actually in French Indo-China now 4500 tons of tungsten and 4200 tons of antimony. Dayras said that he cabled again asking for a list of the consignees on these materials. However, it seemed he felt more confident that as regards shipments to the United States there would be no difficulty. He indicated that for the most part the fears that one or more brokers in New York would reexport to Siberia came from the British, and they would leave it to the British to clear up the matter.

END OF MESSAGE.

BULLITT.

(Copy)

EA:LWW

PSF Morgenthau

THE SECRETARY OF THE TREASURY
WASHINGTON

File Personal & Confidential

January 9, 1940.

My dear Mr. President:

I thought the enclosed memorandum from Basil Harris, on the shipping situation, would be of interest to you.

Sincerely yours,

H Morgenthau Jr.

The President,
The White House.

MEMORANDUM FOR THE SECRETARY:

JANUARY 8, 1940.

Subject: Shipping situation.

A quick check warrants the statement that awaiting shipment to England, Ireland and France alone there are not less than 150,000 weight tons of general cargo.

At the Port of New York, in shore elevators, canal barges and railroad cars, there are 8,000,000 bushels, approximately 200,000 tons of Grain. The greater portion of this, it is believed, will be moved to the United Kingdom.

The demand for ship's space to move freight to both England and France is so acute that both the British and French governments are availing themselves of the non-Conference Isbrandtsen-Moller service, on the vessels of which the freight rates are materially higher than the Conference rates which are the maximum assessed by the French Line and the regular British lines.

Aside from the airplanes to go to both England and France there are in the Staten Island Free Port awaiting shipment, 2400 large motor trucks for France. A few other of the more important commodites stored at the Free Port awaiting shipment to England or France are, 9000 tons Sisal and large quantities of canned beef imported from the Argentine; Swift alone having approximately 750,000 cases there.

Two commodities that are running in extraordinary volume and which, it is reported, will shortly be given preferred priority by the British Ministry of Shipping, are Starch and Glucose. Corn Products Refining Company alone have 20,000 tons of starch and

3500 tons of Glucose, a portion of which is already at seaboard and the rest available at their plants for immediate movement when ship's space is obtained.

A. E. Staley Manufacturing Company, Penick & Ford, National Starch Company, all are pleading for space. The Vice President of A. E. Staley Manufacturing Company states that the orders available to them would require their entire plant capacity to the exclusion of domestic business.

The demand for refrigerator space in which to ship bacon and hams is many times the capacity of the ships available. One large packer alone has indicated his intention to ship 500 tons weekly on one line if the space can be made available to him. The lines operating from Canadian ports are not able to cope with the demand for refrigerator space and the Canadian hams and bacon offering for shipment from New York exceeds by far the available refrigerator space.

Both the British and French purchasing commissions are reported to have bought large quantities of American copper recently. In addition, 6000 tons of copper monthly will be brought from Chile to New York for re-shipment to England and France.

Machinery of all kinds to both England and France, and especially to France, is available in very large quantities. The same is true of tractors, road scrapers, road graders and trench diggers.

Food stuffs, such as canned milk, canned fruits and vegetables and flour are available in practically unlimited quantities.

* * * * * * Basil Harris.

~~CONFIDENTIAL~~

THE SECRETARY OF THE TREASURY
WASHINGTON

PSF
File Morg

January 10, 1940

My dear Mr. President:

Carrying out your suggestion of Monday, I saw Chairman Doughton, of the Ways and Means Committee, and Chairman Taylor, of the Appropriations Committee, today. Mr. Bell accompanied me.

I informed these two gentlemen that you would like them to select some Democrat to introduce a bill in connection with Finland; what this bill should do, you left entirely to the decision of the Congress.

They both pressed me very hard to indicate to them how much money you would like to see loaned by Congress and I said that you had no program. They wanted to know, if they did pass a bill for Finland, whether that would meet with your approval and I said it would be pleasing to you to have them do something.

Chairman Doughton and Chairman Taylor said they would immediately get in touch with the House leadership and try to formulate a program. Chairman Doughton indicated that he might want to consult with you before he introduced a bill.

Faithfully yours,

HMorgenthau Jr

The President,

The White House.

File
personal

PSF
Morgenthau
1

THE SECRETARY OF THE TREASURY
WASHINGTON

January 18, 1940

My dear Mr. President:

I am sending you a clipping from the New York Times of January 9, 1936, announcing the appointment of William R. White as Superintendent of Banks for the State of New York.

Yours sincerely,

H Morgenthau Jr

The President,

The White House.

Times Wide World Photo.
STATE BANKING HEAD.
William R. White.

W. R. WHITE NAMED STATE BANK HEAD

Former Deputy and Counsel of Department to Succeed the Late G. W. Egbert.

NEW SUPERINTENDENT IS 32

Elevation Is Part of Governor's Program of Promotion in Recognition of Merit.

Special to THE NEW YORK TIMES.

ALBANY, Jan. 8.—William R. White of New York City was named today State Superintendent of Banks by Governor Lehman, who transmitted the nomination to the Senate.

Mr. White, who has been serving as deputy Superintendent of Banks and counsel to the department, fills the place left vacant by the death of the late George W. Egbert.

The new superintendent was born in Coudersport, Pa., on June 24, 1903, and is one of the youngest banking superintendents in the history of the State. He was graduated from Bucknell in 1926 and from the Columbia Law School in 1929.

Made Associate Counsel.

For a year and a half after receiving his law degree he was associated with Chadbourne, Stanchfield & Levy in New York City and in August, 1930, he was named associate counsel of the State Banking Department.

In 1934 he became deputy superintendent and counsel. He has served as secretary of the banking board since its organization in 1932. His work as counsel and deputy superintendent gave him a thorough knowledge of the details of the department work and his elevation represents another step in Governor Lehman's program of making promotions on merit whenever feasible.

No Change in Policy.

Mr. White said yesterday at his office here in the State Office Building, 80 Center Street, that he contemplated no change in the policies of the department. He declined to amplify this statement, saying the subject of bank policy was a delicate one at the present time.

"Naturally," he added, "I shall administer the department to the best of my judgment and ability."

The new Superintendent of Banks is almost six feet tall, heavily built, blond and with a frank, engaging manner and a ready laugh. He lives at 105 East Fifty-fourth Street with his wife, the former Elizabeth C. Spear, and a daughter, Deborah Ann, 8 months old.

1-17-43

PSF: Morgenthau
Treas

MEMORANDUM FOR THE PRESIDENT

The correspondence transmitted with your memorandum of February 12th is returned herewith.

The statements contained in the memorandum from the Chief of the Bureau of Aeronautics, Navy Department, confirm studies that have been made by the Treasury.

In connection with the matter of engines, it appears from investigations that I have personally made of the Pratt and Whitney and Wright plants that their production for the year of 1940 is fully obligated. If any engines are to be had for any program such as that being presently studied for Norway they will have to be taken from some of the orders at present on the books of these companies.

HEC:GE

Secretary of the Treasury.

Re: The above memo and other correspondence attached pertaining to it with Capt. Callaghan and Admiral Towers.
See: Navy folder-Drawer 1-1940 (Feb 8, 1940 memo)

~~CONFIDENTIAL~~

January 19, 1940

Honorable Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D. C.

Dear Mr. Morgenthau:

In compliance with your recent request for information as to the possibility of having the 450 h.p. class engine manufactured by other than the three large engine industries, such as Allison, Wright, and Pratt & Whitney, there is furnished herewith a table which indicates the additional engine companies, the type of equipment they are manufacturing, and what their production would be if converted into a 450 h.p. class engine. Of course in certain primary training planes, the lower type engine is used, that is the 220 and even the 180 h.p. engine. Therefore all of this production would not have to be changed over to the 450 h.p. class.

ENGINES MANUFACTURED
(Under 500 HP)

Manufacturer	(Per Month) Maximum Production, Present Facilities & present types	(Per Month Maximum Production 450 HP Type
Jacobs Aircraft Engine Co.	55 (1)	35 (7)
Ranger Engineering Corp.	100 (2)	51 (7)
Continental Motors Corp.	508 (3)	379 (7)
Menasco Manufacturing Co.	40 (4)	9 (7)
Lycoming Division (Aviation Mfg. Corp.)	150 (5)	69 (7)
Warner Aircraft Corp.	100 (6)	52 (7)
TOTAL PER MONTH	953	595
TOTAL PER YEAR	11,436	7,140

[redacted]

~~CONFIDENTIAL~~

(1) R-775, 255 HP.
(2) Inverted air-cooled 6-440, 180 HP.
(3) R-670, 220 HP (this motor also used by Ordnance Department for tanks).
(4) 125 HP motor (Ryan Trainer).
(5) R-680, 220 HP.
(6) Warner Super Scarab, 165 HP.
(7) Figured on the basis of 1000 man-hours (P & W require 849).

Source: Production Data Estimates.

The above is purely a rough estimate. A detailed study is being made to determine accurate information. This study will take some little time, and will be furnished to you as soon as completed.

Very truly yours,

For and in the absence of
The Chief of the Air Corps.

Ira C. Eaker,
Lieut. Colonel, Air Corps,
Executive.

~~CONFIDENTIAL~~

January 19, 1940.

[redacted]

MEMORANDUM FOR SECRETARY MORGENTHAU:

The President says you can have this, but you are held responsible that you get it back for his confidential files, as these are the only copies made and he wants to retain them.

Sincerely,

EDWIN M. WATSON
Secretary to the President.

EMW/d

Enclosures. -1.Confidential memo 1-16-40 Material Plan. Sec. Subject: Undelivere Airplanes, Engines, Propellers as of Dec. 31, 1949 (Army, Navy, Commercial and Foreign. 2. Navy - 1-16-40 - Deliveries by Months - Calendar Year 1940, (3 pages). 3. Memo 1-16-40 RESTRICTED, Subj: Number and Types of Navy Airplanes scheduled to be delivered during calendar year 1940, signed S. M. Kraus, Capt. USN (4 pages). 4. Army - Memo CONFIDENTIAL - Airplanes 1940 (2 pages) and Engines 1940 (2 pages).

To Gen Wats

THE WHITE HOUSE
WASHINGTON

1/19

Sec. Morgenthau 'phoned. He asks

1. ~~That Dan Bell attend in his place at Cabinet. He is out of town and cannot get back in time.~~

2. ~~"At this meeting we had with the President the other day, Gen. Brett promised to give me certain materials. I haven't received them and I wish Gen. Watson would give Gen. Brett a buzz and tell him to try to give it to me, if possible, by tonight."~~

3. "Gen. Watson, a day or two ago, got two memos for the President, one from Army and one from Navy, showing deliveries by months of Airplanes and Engines for 1940. He got it at my suggestion for the President.
   "I would like to borrow those memos and if he would get them over to Mrs. Klotz, she would get them to me tonight."

K

Spence to Miss Lehand or Grace as

PSF Morgenthau

file personal!

THE SECRETARY OF THE TREASURY
WASHINGTON

January 23, 1940

My dear Mr. President:

I am sending you herewith a copy of a telegram from our Paris office, reporting a conversation with Mr. Wayne Taylor, as I thought this would be of interest to you.

Sincerely yours,

H. Morgenthau Jr.

The President,

The White House.

C O P Y

PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Paris, France,

DATE: January 22, 1940, 5 p.m.

NO.: 103

The following is personal and confidential for Secretary Morgenthau from Matthews:

References: Your letter of October 4 asking that certain messages be transmitted to Mr. Wayne Taylor. Telegram No. 94 of January 19 from the Embassy.

I had lunch today with Mr. Taylor. He said that he had several important impressions about the situation in Finland which he would like me to transmit to you by cable. Finland in the first place, he said, is in desperate need of every sort of munitions and arms. As for the munitions, fortunately Finnish guns are of a similar caliber to those of the Russians, and captured supplies have enabled them to keep going to a large extent. Notwithstanding this, when Mr. Taylor left on Christmas eve the Finnish military were even then compelled to husband the munitions they still had. In this regard the most help has come from Sweden, but even so the game will be up unless large quantities of munitions, guns and airplanes are received by Finland by spring.

He emphasized a second point, and that was that these supplies and supplies of the Red Cross are needed immediately.

Mr.

Mr. Taylor said he is not familiar with the shipping situation, and he was not inclined to put forth any reasons or blame for the lack of transportation facilities; however, he felt that the fact that important quantities of Red Cross supplies and other materials which are very much needed are being held at New York because ships are lacking for their transport - whether neutral, Allied or American ships - (omission) the Finnish cause serious harm. Mr. Taylor said that January 19 was the first date on which a Red Cross ship cleared, and he expressed the hope that it might be possible for you to bring some pressure to bear to influence this particular aspect of present circumstances. He mentioned that food is the one thing that the Finns are not in need of, and that it would be a loss to the cause of Finland if any cargo space were wasted on shipments of food.

The Finns have found very useful the money and funds which have been received through the Hoover Relief Committee. However, Mr. Taylor said that the volume has been disappointing, and he expressed the hope that somehow there will be forthcoming a larger volume of voluntary contributions. Mr. Taylor felt it would be of only limited aid to Finland if the United States Government made any loan with restrictions preventing its utilization for

arms

arms purchases - and he said he is well aware of the factors influencing such restrictions.

He said that one of the principal reasons for the defeat of Finland would be the lack of man power, unless substantial quantities are furnished by the Allies in the near future, through an expeditionary force, a move which is very much favored by Mr. Taylor. The 15,000 volunteers from Sweden he said are excellent, but that sheer exhaustion is taking its toll of the forces made up of Finns.

END SECTIONS ONE TWO AND THREE.

BARNES.

EA:LWW

PARAPHRASE OF SECTION FOUR OF TELEGRAM NO. 103 of January 22 from the American Embassy, Paris.

Mr. Taylor said that the situation in Finland could not be better from the point of view of morale and organization. However, he said that the leaders do not have any illusions that once spring is here they will be able to hold out in the absence of much more assistance by way of men, money and munitions than has so far appeared on the horizon; he added that the Finns are spending a pearl at a time, but that it would all be over by summer unless they received assistance in a big way from the Allies or from the neutrals.

END OF MESSAGE.

BARNES.

COPY

File
Personal
Confidential

BSF

January 26, 1940

To: Dr. Feis

From: Mr. Cochran

Will you kindly send to the American Consul in Mexico in whose district Manzanillo is situated a cablegram along the following lines:

"Please telegraph at Treasury expense such information as you may be able to procure concerning freight shipments made from or by way of Manzanillo to Vladivostok. Five ships have recently sailed from New York carrying cargo destined for Russia via Vladivostok and a sixth is now landing.

It is reported that the Russian cargo of four of these vessels will be transshipped at Manzanillo.

The following are the ships, with indication as to sailing dates and destinations:

M. S. Gausdal (Norwegian) left N. Y. Dec. 23 for Vladivostok via Los Angeles (for bunkers only);

S. S. Guayaquil (American) left N. Y. Dec. 28 for Manzanillo for transshipment;

S. S. American Robin (American) left N. Y. Jan. 3 for Vladivostok;

S. S. Buenaventura (American) left N. Y. Jan. 4 for Manzanillo for transshipment;

S. S. Harpoon (American) left N. Y. Jan. 20 for Manzanillo for transshipment;

S. S. Pietro Orseolo (Italian) now loading for Manzanillo for transshipment"

(Initialed) H. M. C.

THE SECRETARY OF THE TREASURY
WASHINGTON

January 27, 1940

My dear Mr. President:

I thought you would be interested in the inclosed item.

Yours sincerely,

H Morgenthau Jr

The President,
The White House.

PSF: Morgenthau 1

COPY

FEBRUARY 6, 1940.

My dear Mr. President:

I am sending you herewith a copy of a message which the British Ambassador delivered in person this afternoon and which I think you will find very interesting.

Yours sincerely,

H. Morgenthau Jr.

The President
The White House

Message----RE-British Dollar Question

See:Great Britain folder-Brawer 4-1940

Copy

PSF (Morgenthau) 1

February 8, 1940

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

Please read and return.

Can nothing be done to cut down on this?

F.D.R.

Enclosed -Letter from Vincent Astor
Re:Amtorg weekly drawings on their main Chase Bank account.

For the above correspondence-See:Vincent Astor folder-Drawer 3-1940

TREASURY DEPARTMENT

PUBLIC DEBT SERVICE

Mr. Forster

I will appreciate it if you can get this letter approved by the President today. This is the matter I called you about.

[signature]

MR. KILBY

THE WHITE HOUSE

[redacted] WASHINGTON

February 9, 1940.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

Before acting on this I should like to have you quietly investigate who originated this plan and talk with me about it on my return.

F. D. R.

February 8, 1940

[redacted]

Dear Mr. President:

Banking institutions in the United States, its insular and territorial possessions, and in foreign countries, qualified as depositaries and financial agents, are required to perform much essential banking service in connection with the collection of the revenues of the Government and its various agencies and disbursements through designated disbursing officers. The established method of offsetting costs incurred by depositaries and financial agents in the performance of this essential Government business is through the medium of balances of public moneys maintained therewith. These balances, under existing law and Treasury regulations, are required to be collaterally secured by direct or indirect obligations of the United States or obligations of the territorial and insular possessions of the United States. Hence, the only revenue the banks may derive from these Treasury balances, generally speaking, is through the yield from the securities purchased in the market for this purpose.

The increasing requirements of the Government for banking service, combined with the current yields on eligible collateral, will, if the situation is not adjusted, necessitate an undesirable increase in the amount of the balances necessary for the Treasury to maintain with banks. In the circumstances, in order that efficient service may be procured and an equitable relation maintained between the Treasury and its designated depositaries and financial agents, it is considered very desirable to provide a special type of obligation for this purpose which will have a fixed rate of yield, will not be subject to market fluctuation, and may be redeemed upon due notice at face value plus accrued interest.

I therefore propose, subject to your approval, and under the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, to issue a special series of bonds of the United States which may be subscribed for by qualified depositaries and financial agents meeting all requirements of the Treasury in an amount not exceeding in any case the amount for which the depositary or financial agent is qualified, subject to increase or decrease as the qualification is adjusted upward or downward in direct proportion to the amount and character of the essential service rendered by the bank.

The bonds will be dated February 9, 1940, will bear interest at the rate of 2 percent per annum, and will mature February 1, 1950. They will be issued only to secure the qualification of depositaries and financial agents and will not be eligible for any other purpose. The bonds will be redeemable on any interest payment date at the option of the United States or the banks, on short notice. While there will be periodic issues and redemptions as circumstances necessitate, the amount outstanding at any one time chargeable against the limitation imposed by the Second Liberty Bond Act should not exceed $75,000,000. It is currently estimated that ownership will be restricted to approximately 500 qualified banking institutions.

The authorizing act provides that bonds may be issued only with the approval of the President. Accordingly, in view of the direct benefit to the Treasury which will result from this arrangement, I trust that the proposed issue will meet with your approval.

Faithfully yours,

(Signed) H. Morgenthau, Jr,

Secretary of the Treasury.

The President,

The White House.

APPROVED:

PSF

February 29, 1940

To: The Secretary

From: Mr. Bell

At our conference on Tuesday with Messrs. Smith and Currie regarding the recapture of some $700M from governmental corporations and credit agencies during the fiscal year 1941 as contemplated in the 1941 Budget, you asked me to prepare a statement showing the estimated financial position of the Government for the twelve-months period ending December 31, 1940. Such a statement is attached.

You will note that according to these estimates the Treasury will go into the next fiscal year (July 1, 1940) with a working balance of $1,100M; that the gross public debt will be $43,426M; and that the balance of the borrowing authorization under the Second Liberty Bond Act will be reduced to $1,314M. These estimates include for the next six months, new money in the form of the Treasury offering of $500M on June 15th and $150M for account of the Reconstruction Finance Corporation in May.

For the following six months ending December 31st, you will note that the Treasury will end this period with a working balance of only $506M, with a gross public debt of $44,359M and a balance of borrowing authorization of only $242M. The only new money raised during this period will be $150M in July for account of the Commodity Credit Corporation and $200M in September for account of the U. S. Housing Authority.

These estimates do not include any part of the $700M which the Budget contemplates recapturing from the governmental corporations and credit agencies; nor any part of the $142M balance of gold increment which was included in the working balance as estimated in the Budget document; nor any estimate of additional taxes contemplated by the Budget; nor any reduction in expenditures which may result if Congress continues to reduce the appropriation estimates. Even if Congress should reduce the appropriations by as much as, or more than, the amount of new taxes requested, the reduction in expenditures caused thereby would come for the most part after January 1, 1941.

It is important that some action be taken before Congress leaves to commit the governmental corporations and credit agencies to return the $700M to the Treasury before December 31st. Otherwise, I do not believe we can go through January with a balance of $242M borrowing authority. This would not even take care of the U. S. Savings Bonds that we would normally sell during that month. Furthermore, the working balance of $506M does not afford much leeway in an expenditure program such as we are now carrying on.

DWB

file personal

January 27, 1940

Table 1

ESTIMATED TREASURY CASH REQUIREMENTS, JAN. 1940-JUNE 1941
(Based upon Treasury estimates: in millions of dollars)

Treasury cash requirements 1/

Treasury cash balance, December 31, 1939		1,710
Add for January-June 1940:		
Sales of U. S. Savings bonds	560	
Social Security funds, net receipts	450	+1,010
Total funds available		2,720
Deduct for January-June 1940:		
Cash deficit	1,870	
Retirement of Treasury bills	150	
Retirement of matured debt, etc.	140	2,160
Treasury cash balance, June 30, 1940		560
Add for July-December 1940:		
Sales of U. S. Savings bonds	380	
Social Security funds, net receipts	490	
Return of surplus funds from Gov't corporations	700	+1,570
Total funds available		2,130
Deduct for July-December 1940:		
Cash deficit	1,480	
Retirement of matured debt, etc.	50	1,530
Treasury cash balance, December 31, 1940		600 ✓ 700.
Add for January-June 1941:		
Sales of U. S. Savings bonds	620	
Social Security funds, net receipts	430	
Proposed additional taxes	460	1,510
Total available funds		2,110
Deduct for January-June 1941:		
Cash deficit	1,130	
Retirement of matured debt, etc.	40	1,170
Treasury cash balance, June 30, 1941		940

1/ Excludes net expenditures of Government corporations.

January 27, 1940

Table 2

ESTIMATED DIRECT PUBLIC DEBT SUBJECT TO STATUTORY LIMITATION
(Based upon Treasury estimates: in millions of dollars)

Outstanding debt, December 31, 1939		41,980
Add for January-June 1940:		
U. S. Savings bonds (maturity value)	750	
Special issues to Social Security accounts, etc.	530	+1,280
Deduct for January-June 1940:		
Retirement of Treasury bills	150	
Retirement of matured debt, etc.	140	-290
Outstanding debt, June 30, 1940		42,970 — 43,130
Add for July-December 1940:		
U. S. Savings bonds (maturity value)	510	
Special issues to Social Security accounts, etc.	570	+1,080
Deduct for July-December 1940:		
Retirement of matured debt, etc.	50	-50
Outstanding debt, December 31, 1940		44,000 44,200
Add for January-June 1941:		
U. S. Savings bonds (maturity value)	830	
Special issues to Social Security accounts, etc.	530	+1,360
Deduct for January-June 1941:		
Retirement of matured debt, etc.	40	-40
Outstanding debt, June 30, 1941		45,320

Note: Although the Budget Message shows that the debt limit will not quite be reached by the end of the fiscal year 1941, it appears that if Savings bond sales continue at the present rate the debt would automatically exceed the statutory limitation. This is because the maturity value of Savings bonds is used in calculating debt subject to statutory limitation, while the Budget Message shows gross public debt in which Savings bonds are included at their current redemption value. From January 1940 to June 1941, assuming cash sales of Savings bonds of $1,560,000,000, the maturity value would be one-third higher, or $2,080,000,000. After taking account of retirement of $150,000,000 Treasury bills this month and other adjustments, this means that net retirements of other open-market debt of about $320,000,000 would be necessary to stay within the statutory limitation as is shown in the table.

January 27, 1940

Table 3
ESTIMATED TREASURY CASH REQUIREMENTS AND PUBLIC DEBT, JAN-DEC. 1940
(Based upon independent estimates: in millions of dollars)

Treasury cash requirements 1/

Treasury cash balance, December 1939		1,710
Add for January-June 1940:		
Sales of U. S. Savings bonds	560	
Social Security funds, net receipts	530	1,090
Total available funds		2,800
Deduct for January-June 1940:		
Cash deficit	1,520	
Retirement of Treasury bills	150	
Retirement of matured debt, etc.	140	1,810
Treasury cash balance, June 30, 1940		990
Add for July-December 1940:		
Sales of U. S. Savings bonds	380	
Social Security funds, net receipts	530	
Return of surplus funds of Government corporations	700	1,610
Total available funds		2,600
Deduct for July-December 1940:		
Cash deficit	1,340	
Retirement of matured debt, etc.	50	1,390
Treasury cash balance, December 31, 1940		1,210

Direct public debt subject to statutory limitation

Outstanding debt, December 31, 1939		41,983
Add for January-June 1940:		
U. S. Savings bonds (maturity value)	747	
Special issues to Social Security accounts, etc.	612	+1,359
Deduct for January-June 1940:		
Retirement of Treasury bills	150	
Retirement of matured debt, etc.	140	-290
Outstanding debt, June 30, 1940		43,052
Add for July-December 1940:		
U. S. Savings bonds (maturity value)	507	
Special issues to Social Security accounts, etc.	611	+1,118
Deduct for July-December 1940:		
Retirement of matured debt, etc.		-50
Outstanding debt, December 31, 1940		44,120

1/ Excludes net expenditures of Government corporations.

STATEMENT SHOWING ESTIMATES FOR THE PERIOD JANUARY TO DECEMBER 1940 ON
(1) NET CASH REQUIREMENTS, (2) NET CASH AVAILABLE, (3) WORKING BALANCE AT THE END OF EACH MONTH,
AND (4) GROSS PUBLIC DEBT AND BALANCE OF BORROWING AUTHORIZATION AT THE END OF EACH MONTH.

(In millions of dollars)

	NET CASH REQUIREMENTS			NET CASH AVAILABLE				WORKING BALANCE AT END OF MONTH	PUBLIC DEBT AND BORROWING AUTHORITY AT END OF MONTH	
	BUDGET DEFICIT	AGENCY, TRUST FUND, ETC. TRANSACTIONS	TOTAL NET CASH REQUIREMENTS	WORKING BALANCE AT BEGINNING OF MONTH	SAVINGS BONDS AND OTHER DEBT RECEIPTS	AGENCY FINANCING	TOTAL NET CASH AVAILABLE		GROSS PUBLIC DEBT (obligated)	BALANCE OF BORROWING AUTHORIZATION
1940 January	407	60	467	1,709	324	--	2,033	1,566	42,110	2,770
February	364	71	435	1,566	345	--	1,911	1,476	42,405	2,435
March	68	88	156	1,476	86	--	1,562	1,406	42,401	2,411
April	510	80	590	1,406	115	--	1,521	931	42,491	2,297
May	388	201	589	931	300	150RFC	1,381	792	42,776	1,989
June	140	131	271	792	579 1/	--	1,371	1,100	43,426 2/	1,314
Total-Jan.-June	1,877	631	2,508	1,709	1,749	150	3,608			
July	332	83	415	1,100	135	150CCC	1,385	970	43,634 3/	1,076
August	211	54	265	970	303	--	1,273	1,008	43,922	763
September	81	54	135	1,008	52	200USHA	1,260	1,125	43,959	708
October	389	53	442	1,125	97	--	1,222	780	44,041	608
November	329	66	395	780	285	--	1,065	670	44,311	318
December	152	90	242	670	78	--	748	506	44,359	242
Total-July-Dec.	1,494	400	1,894	1,100	950	350	2,400			

1/ Includes $500 M of new cash.

2/ Includes $111 M non-cash items which increase debt.

3/ Includes $93 M non-cash items which increase debt.

Note- Does not take into consideration the return to the Treasury during the fiscal year 1941 of $700 M of capital funds by Governmental Credit Agencies, nor the additional taxes of $460 M, nor the $142 M gold increment balance, as contemplated by the President's Budget Message.

OF THE UNDER SECRETARY
28, 1940.

Estimate of Cash Position

January, 1940 to June, 1941

(In Millions of Dollars)

	1940 January	February	March	April	May	June	July	August	September	October	November	December	1941 January	February	March	April	May	June	Total
Balance at beginning of period	1,709	1,566	1,476	1,406	931	792	1,100	970	1,008	1,125	780	670	506	331	294	475	167	-28	1,709
Receipts:																			
General revenue	268	311	808	252	267	680	301	393	650	295	289	641	287	331	952	287	310	812	6,154
Trust Accounts, etc.	14	6	12	12	7	6	7	7	10	10	7	7	7	7	10	10	7	7	153
Old-Age Reserve Account	33	111	1	32	113	-1	30	105	-4	27	101	-8	23	100	-13	18	91	-18	741
Unemployment Trust Fund	18	109	-	18	122	5	15	123	1	15	124	1	17	129	1	16	125	1	640
U. S. Savings Bonds	273	125	85	65	65	75	90	75	55	55	60	85	175	75	75	65	65	75	1,638
Treasury bills (additional)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury bonds and notes	-	-	-	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	500
Government Corporation Financing	-	-	-	-	150 RFC	-	150 CCC	-	200 USHA	-	-	-	-	-	-	-	-	-	500
Reconstruction Finance Corp.etc.(general)	124	114	120	75	82	66	106	76	72	73	78	76	113	77	77	64	75	75	1,543
Silver certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total available	2,459	2,342	2,502	1,860	1,737	2,123	1,799	1,719	1,992	1,600	1,439	1,472	1,128	1,050	1,396	935	840	924	15,778
Expenditures:																			
General (including recovery and relief)	677	655	706	692	645	623	613	504	556	614	608	608	634	626	601	587	534	523	11,0[illegible]
Interest	18	20	170	70	10	197	20	20	175	70	10	185	20	20	175	70	10	199	1,459
Government Corp.transactions (general)	62	87	100	118	123	137	152	100	98	98	113	119	101	73	73	69	96	90	1,809
Government Corporation Financing	-	35	10	5	133	5	5	3	3	3	3	3	2	2	2	2	193	2	411
Debt redemptions	18	15	85	20	15	40	20	15	15	15	15	30	20	15	50	20	15	35	455
Treasury bills	105	35	5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150
Trust Accounts, etc.	16	19	20	19	19	21	19	19	20	20	20	21	20	20	20	20	20	21	354
Total expenditures	893	866	1,096	929	945	1,023	829	741	867	820	760	966	797	756	921	768	868	870	15,724
Balance at end of period	1,566	1,476	1,406	931	792	1,100	970	1,008	1,125	780	670	506	331	294	475	167	-28	54	54
Refunding operations:																			
Treasury bills	500	400	400	400	500	400	500	400	400	500	400	400	500	400	400	500	400	400	7,800
Treasury notes	-	-	-	-	-	738	-	-	-	-	-	737	-	-	677	-	-	504	2,656
Treasury bonds	-	-	-	-	-	1/353	-	-	-	-	-	-	-	-	2/545	-	-	-	898
Home Owners' Loan Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Farm Mortgage Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commodity Credit Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Home Loan Banks	-	-	-	-	-	-	-	-	-	-	-	25	-	-	-	-	-	-	25
	500	400	400	400	500	1,491	500	400	400	500	400	1,162	500	400	1,622	500	400	904	11,379

Note - No effect is given in this statement to the return to Treasury during fiscal year 1941 of $700,000,000 of capital funds by governmental agencies, as included in President's Budget Message of January, 1940.

1/ Treasury 3-3/8% bonds of 1940-43 due June 15, 1943, callable on and after June 15, 1940, on four months' notice.

2/ Treasury 3-3/8% bonds of 1941-43 due March 15, 1943, callable on and after March 15, 1941, on four months' notice.

Office of Under Secretary
February 7, 1940.

~~CONFIDENTIAL~~

File

The Secretary of the Treasury.

BF
Morg

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,165,197.50	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,311,406.27	3,804,059.02
5	4,500,000	5,406,856.23	4,621,300.26
6	5,500,000	5,799,637.19	5,546,855.62
7	6,800,000	7,804,746.18	6,857,212.09
8	8,000,000	8,266,071.55	5,940,946.54
9	9,000,000		7,898,604.50
10 Sunday			
11	11,000,000		9,334,533.73
12	12,000,000		11,271,512.64
13	18,000,000		16,589,128.94
14	26,000,000		21,227,357.58
1 to 14	113,000,000		98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to8	$ 37,000,000	40,835,421.91	$ 32,013,190.32

*Adjusted daily to include mail reports from General Depositaries.

LWB

~~IDENTIAL~~

The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940 ~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,165,197.50	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,406,856.23	4,621,300.26
6	5,500,000	5,905,515.68	5,546,855.62
7	6,800,000	8,314,557.57	6,857,212.09
8	8,000,000	8,410,792.97	5,940,946.54
9	9,000,000	9,097,473.26	7,898,604.50
10 Sunday			
11	11,000,000		9,334,533.73
12	12,000,000		11,271,512.64
13	18,000,000		16,589,128.94
14	26,000,000		21,227,357.58
1 to 14	113,000,000		98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 9	$ 46,000,000	50,706,430.48	$ 39,911,794.82

*Adjusted daily to include mail reports from General Depositaries.

dwB

~~[CONFID]ENTIAL~~

The Secretary of the Treasury.

File personal confidential

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940 ~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,165,197.50	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,441,676.32	4,621,300.26
6	5,500,000	5,965,734.17	5,546,855.62
7	6,800,000	8,655,031.54	6,857,212.09
8	8,000,000	9,232,604.60	5,940,946.54
9	9,000,000	10,460,372.82	7,898,604.50
10 Sunday			
11	11,000,000	10,483,073.80	9,334,533.73
12	12,000,000		11,271,512.64
13	18,000,000		16,589,128.94
14	26,000,000		21,227,357.58
1 to 14	113,000,000		98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 11	$ 57,000,000	63,809,728.02	$ 49,246,328.55

*Adjusted daily to include mail reports from General Depositaries.

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FIDENTIAL

The Secretary of the Treasury.

File personal confidential

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,165,197.50	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,441,676.32	4,621,300.26
6	5,500,000	5,965,734.17	5,546,855.62
7	6,800,000	8,723,045.05	6,857,212.09
8	8,000,000	9,281,368.69	5,940,946.54
9	9,000,000	10,701,509.74	7,898,604.50
10 Sunday			
11	11,000,000	10,843,407.34	9,334,533.73
12	12,000,000	12,673,834.67	11,271,512.64
13	18,000,000		16,589,128.94
14	26,000,000		21,227,357.58
1 to 14	113,000,000		98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 12	$ 69,000,000	77,201,810.75	$ 60,517,841.19

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

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ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940 ~~CONFIDENTIAL~~

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Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,146,355.10	$ 2,405,624.33
2	4,200,000	4,042,520.30	2,837,192.46
3 Sunday			
4	4,000,000	4,434,332.79	3,804,059.02
5	4,500,000	4,727,130.34	4,621,300.26
6	5,500,000		5,546,855.62
7	6,800,000		6,857,212.09
8	8,000,000		5,940,946.54
9	9,000,000		7,898,604.50
10 Sunday			
11	11,000,000		9,334,533.73
12	12,000,000		11,271,512.64
13	18,000,000		16,589,128.94
14	26,000,000		21,227,357.58
1 to 14	113,000,000		98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 5	$ 16,700,000	17,350,338.53	$ 13,668,176.07

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

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INCOME TAX DEPOSITS

MARCH 1940

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,165,197.50	$ 2,405,624.33
2	4,200,000	4,071,121.14	2,837,192.46
3 Sunday			
4	4,000,000	5,131,140.10	3,804,059.02
5	4,500,000	4,898,480.13	4,621,300.26
6	5,500,000	5,094,249.53	5,546,855.62
7	6,800,000		6,857,212.09
8	8,000,000		5,940,946.54
9	9,000,000		7,898,604.50
10 Sunday			
11	11,000,000		9,334,533.73
12	12,000,000		11,271,512.64
13	18,000,000		16,589,128.94
14	26,000,000		21,227,357.58
1 to 14	113,000,000		98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 6	$ 22,200,000	23,360,188.40	$ 19,215,031.69

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940 ~~CONFIDENTIAL~~

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Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,165,197.50	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,441,676.32	4,621,300.26
6	5,500,000	5,965,734.17	5,546,855.62
7	6,800,000	8,723,045.05	6,857,212.09
8	8,000,000	9,298,523.01	5,940,946.54
9	9,000,000	10,971,620.93	7,898,604.50
10 Sunday			
11	11,000,000	11,550,213.27	9,334,533.73
12	12,000,000	13,425,227.91	11,271,512.64
13	18,000,000	14,427,207.53	16,589,128.94
14	26,000,000		21,227,357.58
1 to 14	113,000,000		98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 13	$ 87,000,000	93,374,482.96	$ 77,106,970.13

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

CONFIDENTIAL

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,441,676.32	4,621,300.26
6	5,500,000	5,965,734.17	5,546,855.62
7	6,800,000	8,723,045.05	6,857,212.09
8	8,000,000	9,298,523.01	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,565,396.07	9,334,533.73
12	12,000,000	14,762,385.16	11,271,512.64
13	18,000,000	15,062,468.43	16,589,128.94
14	26,000,000	25,468,372.73	21,227,357.58
1 to 14	113,000,000	121,859,729.39	98,334,327.71
15	47,000,000		42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 14	$113,000,000	121,859,729.39	$ 98,334,327.71

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

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ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,441,676.32	4,621,300.26
6	5,500,000	5,965,734.17	5,546,855.62
7	6,800,000	8,723,045.05	6,857,212.09
8	8,000,000	9,298,523.01	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,609,434.29	9,334,533.73
12	12,000,000	14,945,080.94	11,271,512.64
13	18,000,000	16,337,125.28	16,589,128.94
14	26,000,000	27,102,669.88	21,227,357.58
1 to 14	113,000,000	124,995,417.39	98,334,327.71
15	47,000,000	42,123,375.64	42,211,309.93
16	135,000,000		126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 15	$160,000,000	167,118,793.03	$140,545,637.64

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940 ~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,441,676.32	4,621,300.26
6	5,500,000	5,965,734.17	5,546,855.62
7	6,800,000	8,723,045.05	6,857,212.09
8	8,000,000	9,298,523.01	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,625,494.22	9,334,533.73
12	12,000,000	14,945,080.94	11,271,512.64
13	18,000,000	16,740,237.96	16,589,128.94
14	26,000,000	30,666,684.15	21,227,357.58
1 to 14	113,000,000	128,978,604.27	98,334,327.71
15	47,000,000	44,730,350.61	42,211,309.93
16	135,000,000	139,188,793.11	126,139,312.47
17 Sunday			
18	70,000,000		61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 16	$295,000,000	312,897,747.99	$266,684,950.11

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

E S T I M A T E

INCOME TAX DEPOSITS

MARCH 1940

~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.15	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,298,523.01	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,625,494.22	9,334,533.73
12	12,000,000	15,160,567.90	11,271,512.64
13	18,000,000	17,086,126.80	16,589,128.94
14	26,000,000	32,538,586.98	21,227,357.58
1 to 14	113,000,000	131,497,976.02	98,334,327.71
15	47,000,000	51,120,551.15	42,211,309.93
16	135,000,000	148,103,326.82	126,139,312.47
17 Sunday			
18	70,000,000	77,703,271.98	61,190,907.62
19	68,000,000	98,407,648.65	56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 19	$433,000,000	506,832,774.62	$384,865,329.89

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

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ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,081,506.99	2,837,192.46
3 Sunday			
4	4,000,000	5,324,530.28	3,804,059.02
5	4,500,000	5,441,676.32	4,621,300.26
6	5,500,000	5,965,734.17	5,546,855.62
7	6,800,000	8,723,045.05	6,857,212.09
8	8,000,000	9,298,523.01	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,625,494.22	9,334,533.73
12	12,000,000	15,160,567.90	11,271,512.64
13	18,000,000	17,086,126.80	16,589,128.94
14	26,000,000	32,388,642.02	21,227,357.58
1 to 14	113,000,000	131,261,937.94	98,334,327.71
15	47,000,000	50,026,890.86	42,211,309.93
16	135,000,000	146,014,618.07	126,139,312.47
17 Sunday			
18	70,000,000	76,250,829.84	61,190,907.62
19	68,000,000		56,989,472.16
20	44,000,000		38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 18	$365,000,000	403,554,276.71	$327,875,857.73

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury

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ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

CONFIDENTIAL

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,298,523.01	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,625,494.22	9,334,533.73
12	12,000,000	15,160,567.90	11,271,512.64
13	18,000,000	17,086,125.80	16,589,128.94
14	26,000,000	32,538,585.88	21,227,357.58
1 to 14	113,000,000	131,497,976.02	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,500,789.05	126,139,312.47
17 Sunday			
18	70,000,000	80,024,130.23	61,190,907.62
19	68,000,000	98,874,399.38	56,989,472.16
20	44,000,000	41,974,131.80	38,890,729.64
21	34,000,000		31,241,586.79
1 to 21	511,000,000		454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 20	$477,000,000	552,305,872.25	$423,756,059.53

*Adjusted daily to include mail reports from General Depositaries.

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File

The Secretary of the Treasury.

E S T I M A T E

INCOME TAX DEPOSITS

MARCH 1940

~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,625,494.22	9,334,533.73
12	12,000,000	15,160,567.90	11,271,512.64
13	18,000,000	17,086,126.80	16,589,128.94
14	26,000,000	32,538,586.88	21,227,357.58
1 to 14	113,000,000	131,514,534.34	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	81,852,933.68	61,190,907.62
19	68,000,000	99,145,749.23	56,989,472.16
20	44,000,000	42,644,567.33	38,890,729.64
21	34,000,000	37,681,598.46	31,241,586.79
1 to 21	511,000,000	592,845,187.25	454,997,646.32
22	16,000,000		14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 21	$511,000,000	592,845,187.25	$454,997,646.32

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

CONFIDENTIAL

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	10,989,756.39	7,898,604.50
10 Sunday			
11	11,000,000	12,625,494.22	9,334,533.73
12	12,000,000	15,160,567.90	11,271,512.64
13	18,000,000	17,086,126.80	16,589,128.94
14	26,000,000	32,538,586.88	21,227,357.58
1 to 14	113,000,000	131,514,534.34	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	81,937,318.77	61,190,907.62
19	68,000,000	99,907,432.95	56,989,472.16
20	44,000,000	43,132,125.00	38,890,729.64
21	34,000,000	37,834,442.32	31,241,586.79
1 to 21	511,000,000	594,321,657.59	454,997,646.32
22	16,000,000	18,757,810.40	14,339,540.89
23	11,500,000		10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 22	$527,000,000	613,079,467.99	$469,337,187.21

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

CONFIDENTIAL

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	11,029,320.18	7,898,604.50
10 Sunday			
11	11,000,000	12,671,948.52	9,334,533.73
12	12,000,000	15,160,567.90	11,271,512.64
13	18,000,000	17,086,126.80	16,589,128.94
14	26,000,000	32,538,586.88	21,227,357.58
1 to 14	113,000,000	131,600,552.43	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	82,236,486.87	61,190,907.62
19	68,000,000	99,957,028.96	56,989,472.16
20	44,000,000	43,729,353.64	38,890,729.64
21	34,000,000	37,850,826.56	31,241,586.79
1 to 21	511,000,000	595,370,052.67	454,997,646.32
22	16,000,000	18,807,491.12	14,339,540.89
23	11,500,000	17,136,013.56	10,641,220.81
24 Sunday			
25	6,500,000		5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to23	$538,500,000	631,313,557.35	$479,978,408.02

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	11,029,320.18	7,898,604.50
10 Sunday			
11	11,000,000	12,671,948.52	9,334,533.73
12	12,000,000	15,160,567.90	11,271,512.64
13	18,000,000	17,213,831.52	16,589,128.94
14	26,000,000	32,538,586.88	21,227,357.58
1 to 14	113,000,000	131,728,257.15	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	82,396,811.07	61,190,907.62
19	68,000,000	100,235,774.35	56,989,472.16
20	44,000,000	43,803,758.70	38,890,729.64
21	34,000,000	37,916,300.40	31,241,586.79
1 to 21	511,000,000	596,076,705.88	454,997,646.32
22	16,000,000	18,981,432.91	14,339,540.89
23	11,500,000	17,222,417.41	10,641,220.81
24 Sunday			
25	6,500,000	10,617,136.34	5,457,484.08
26	5,000,000		4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 25	$545,000,000	642,897,692.54	$485,435,892.10

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

File

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940 ~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	11,029,320.18	7,898,604.50
10 Sunday			
11	11,000,000	12,671,948.52	9,334,533.73
12	12,000,000	15,191,657.71	11,271,512.64
13	18,000,000	17,213,831.52	16,589,128.94
14	26,000,000	32,679,701.70	21,227,357.58
1 to 14	113,000,000	131,900,461.78	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	82,396,811.07	61,190,907.62
19	68,000,000	100,235,774.35	56,989,472.16
20	44,000,000	43,803,758.70	38,890,729.64
21	34,000,000	37,934,658.09	31,241,586.79
1 to 21	511,000,000	596,267,268.20	454,997,646.32
22	16,000,000	18,981,432.91	14,339,540.89
23	11,500,000	17,257,016.37	10,641,220.81
24 Sunday			
25	6,500,000	10,617,662.97	5,457,484.08
26	5,000,000	4,801,953.86	4,666,056.51
27	4,000,000		4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 26	$550,000,000	647,925,334.31	$490,101,948.61

*Adjusted daily to include mail reports from General Depositaries.

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The Secretary of the Treasury.

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940 ~~CONFIDENTIAL~~

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	11,029,320.18	7,898,604.50
10 Sunday			
11	11,000,000	12,671,948.52	9,334,533.73
12	12,000,000	15,191,657.71	11,271,512.64
13	18,000,000	17,213,831.52	16,589,128.94
14	26,000,000	32,679,701.70	21,227,357.58
1 to 14	113,000,000	131,900,461.78	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	82,396,811.07	61,190,907.62
19	68,000,000	100,235,774.35	56,989,472.16
20	44,000,000	43,803,758.70	38,890,729.64
21	34,000,000	37,934,658.09	31,241,586.79
1 to 21	511,000,000	596,267,268.20	454,997,646.32
22	16,000,000	18,993,037.75	14,339,540.89
23	11,500,000	17,258,415.57	10,641,220.81
24 Sunday			
25	6,500,000	10,689,418.45	5,457,484.08
26	5,000,000	4,882,047.73	4,666,056.51
27	4,000,000	3,063,917.09	4,467,309.24
28	2,500,000		2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 27	$554,000,000	651,154,104.79	$494,569,257.85

*Adjusted daily to include mail reports from General Depositaries.

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~~IDENTIAL~~

The Secretary of the Treasury.

File

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	11,029,320.18	7,898,604.50
10 Sunday			
11	11,000,000	12,671,948.52	9,334,533.73
12	12,000,000	15,191,657.71	11,271,512.64
13	18,000,000	17,213,831.52	16,589,128.94
14	26,000,000	32,679,701.70	21,227,357.58
1 to 14	113,000,000	131,900,461.78	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	82,396,811.07	61,190,907.62
19	68,000,000	100,235,774.35	56,989,472.16
20	44,000,000	43,803,758.70	38,890,729.64
21	34,000,000	37,934,658.09	31,241,586.79
1 to 21	511,000,000	596,267,268.20	454,997,646.32
22	16,000,000	18,993,037.75	14,339,540.89
23	11,500,000	17,265,447.07	10,641,220.81
24 Sunday			
25	6,500,000	10,711,776.17	5,457,484.08
26	5,000,000	4,967,557.70	4,666,056.51
27	4,000,000	3,208,370.25	4,467,309.24
28	2,500,000	2,174,282.24	2,078,437.74
29	2,000,000	2,383,594.00	2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 29	$558,500,000	655,971,333.38	$498,713,399.17

*Adjusted daily to include mail reports from General Depositaries.

DWB

The Secretary of the Treasury.

IDENTIAL

E S T I M A T E

INCOME TAX DEPOSITS

MARCH 1940

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	11,029,320.18	7,898,604.50
10 Sunday			
11	11,000,000	12,671,948.52	9,334,533.73
12	12,000,000	15,191,657.71	11,271,512.64
13	18,000,000	17,213,831.52	16,589,128.94
14	26,000,000	32,679,701.70	21,227,357.58
1 to 14	113,000,000	131,900,461.78	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	82,396,811.07	61,190,907.62
19	68,000,000	100,235,774.35	56,989,472.16
20	44,000,000	43,803,758.70	38,890,729.64
21	34,000,000	37,934,658.09	31,241,586.79
1 to 21	511,000,000	596,267,268.20	454,997,646.32
22	16,000,000	18,993,037.75	14,339,540.89
23	11,500,000	17,265,447.07	10,641,220.81
24 Sunday			
25	6,500,000	10,703,659.60	5,457,484.08
26	5,000,000	4,943,783.50	4,666,056.51
27	4,000,000	3,157,967.86	4,467,309.24
28	2,500,000	2,155,687.88	2,078,437.74
29	2,000,000		2,065,703.58
30	1,500,000		1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000		$501,184,844.51
Total 1 to 28	$556,500,000	653,486,851.86	$496,647,695.59

*Adjusted daily to include mail reports from General Depositaries.

DWB

The Secretary of the Treasury.

[redacted]

File
Confidential

ESTIMATE

INCOME TAX DEPOSITS

MARCH 1940

Date March 1940	Estimate	Actual Deposits March 1940	Actual Deposits Corresponding Day March 1939
1	$ 4,000,000	*$ 4,176,334.79	$ 2,405,624.33
2	4,200,000	4,092,588.28	2,837,192.46
3 Sunday			
4	4,000,000	5,337,925.10	3,804,059.02
5	4,500,000	5,453,269.16	4,621,300.26
6	5,500,000	5,996,795.32	5,546,855.62
7	6,800,000	8,742,008.17	6,857,212.09
8	8,000,000	9,315,081.33	5,940,946.54
9	9,000,000	11,029,320.18	7,898,604.50
10 Sunday			
11	11,000,000	12,671,948.52	9,334,533.73
12	12,000,000	15,191,657.71	11,271,512.64
13	18,000,000	17,213,831.52	16,589,128.94
14	26,000,000	32,679,701.70	21,227,357.58
1 to 14	113,000,000	131,900,461.78	98,334,327.71
15	47,000,000	51,434,445.77	42,211,309.93
16	135,000,000	148,561,358.44	126,139,312.47
17 Sunday			
18	70,000,000	82,396,811.07	61,190,907.62
19	68,000,000	100,235,774.35	56,989,472.16
20	44,000,000	43,803,758.70	38,890,729.64
21	34,000,000	37,934,658.09	31,241,586.79
1 to 21	511,000,000	596,267,268.20	454,997,646.32
22	16,000,000	18,993,037.75	14,339,540.89
23	11,500,000	17,265,447.07	10,641,220.81
24 Sunday			
25	6,500,000	10,712,610.90	5,457,484.08
26	5,000,000	4,970,912.03	4,666,056.51
27	4,000,000	3,254,043.43	4,467,309.24
28	2,500,000	2,206,827.20	2,078,437.74
29	2,000,000	2,385,400.61	2,065,703.58
30	1,500,000	2,780,727.06	1,471,200.05
31 Sunday			1,000,245.29
	$560,000,000	658,836,274.25	$501,184,844.51
Total 1 to 30	$560,000,000	$658,836,274.25	$501,184,844.51

*Adjusted daily to include mail reports from General Depositaries.

DWB

PSF

Morgenthau

File Personal

THE WHITE HOUSE
WASHINGTON

March 7, 1940.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

Will you speak to me about this?

F. D. R.

Translation of message from "Mannerheim", Helsinki, 3/1/40 as follows: "General Lundkvist proposed February 22 to the U.S.A. Naval Attache Commander Pihl orally, that U.S.A. would assist Finland in sending 150 pursuit planes and 36 fast bombers with two motors, all with voluntary crews and equipments. The matter very urgent. In emergency to be bought. Asking urgent reply". Attached is handwritten statement dated 3/3/40 regarding Finland. President's notation on message "H. M. Jr - Also the payment already made".

file
personal

Lunch Monday

THE WHITE HOUSE
WASHINGTON

March 7, 1940.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

Will you speak to me about this?

F. D. R.

(Translation)

H.M.Jr

Also the payment already made.

Code No 1313 sent from Helsinki March 1,1940, 21.35 o'clock,

arrived in Washington March 1,1940, 4.15 o'clock.

General Lundkvist proposed February 22 to the U.S.A. Naval Attache Commander Pihl orally, that U.S.A. would assist Finland in sending 150 pursuit planes and 36 fast bombers with two motors, all with voluntary crews and equipments. The matter very urgent. In emergency to be bought. Asking urgent reply.

Mannerheim.

9:50

3/3/40. Finland

I Finlands most urgent needs of war materials, for which she applies from the U.S.:

A. 150 Pursuit planes (Brewster, Grumman, Curtiss, Vultee, Bell).

36 Light Bombers, twinengine fast planes (Lockheed-Hudson, Douglas).

(Reference A.R. 5-100 - Dec. 1932).

B. Heavy x field artillery & ammunition.

300 pc 75 m/m - 18 lbs English field cannons with ~~carriage finders~~ Limbers, spare parts & equipments

50 pc Battery aiming circles for same.

32 pc. 8" Howitzers with ~~carriage~~ Limbers, spare part equipments & harnesses.

8000 pc Grenades filled with T.N.T. for same

10000 pc " empty " "

16000 pc Fuses " "

18000 pc. Powder charges " "

19000 pc Boosters " "

The aforesaid materials have already been announ as surplus commodities, that a country like Sweden could buy. (Over).

It is of utmost importance that such transaction could be carried out without delay. The element time is decisive.

C. 96 pc 155 m/m field howitzers with ammunition (1000 shells for each piece)
36 pc 155 m/m field cannons with ammunition (1000 shells for each piece).
Could not these be declared surplus?

II The increased credit of 20 millions through the Export Import Bank to be immediately, to its total amount & in an irrevocable way, put at the disposal of The Finnish American Trading Corp.

III Finland's previous payments on her Relief loan (War loan) 1919, totalling 5.8 millions?

IV Granting of passports to American citizens wanting to go to Finland to be facilitated.

file
personal

THE SECRETARY OF THE TREASURY
WASHINGTON

March 7, 1940

My dear Mr. President:

I think you will find the inclosed chart of considerable interest. You will note that in practically every instance the chart shows that the figure for the particular item is higher for the first month of 1940 than during any of the past three years.

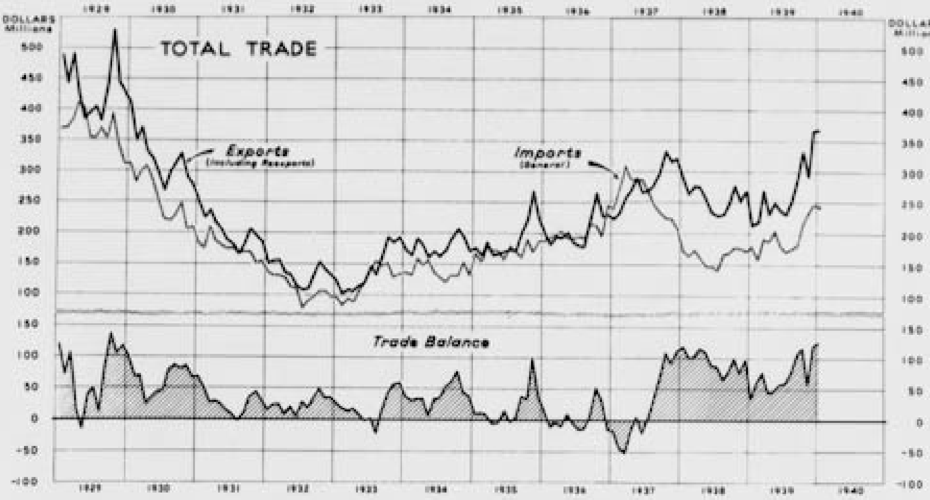
Sincerely yours,

H. Morgenthau Jr.

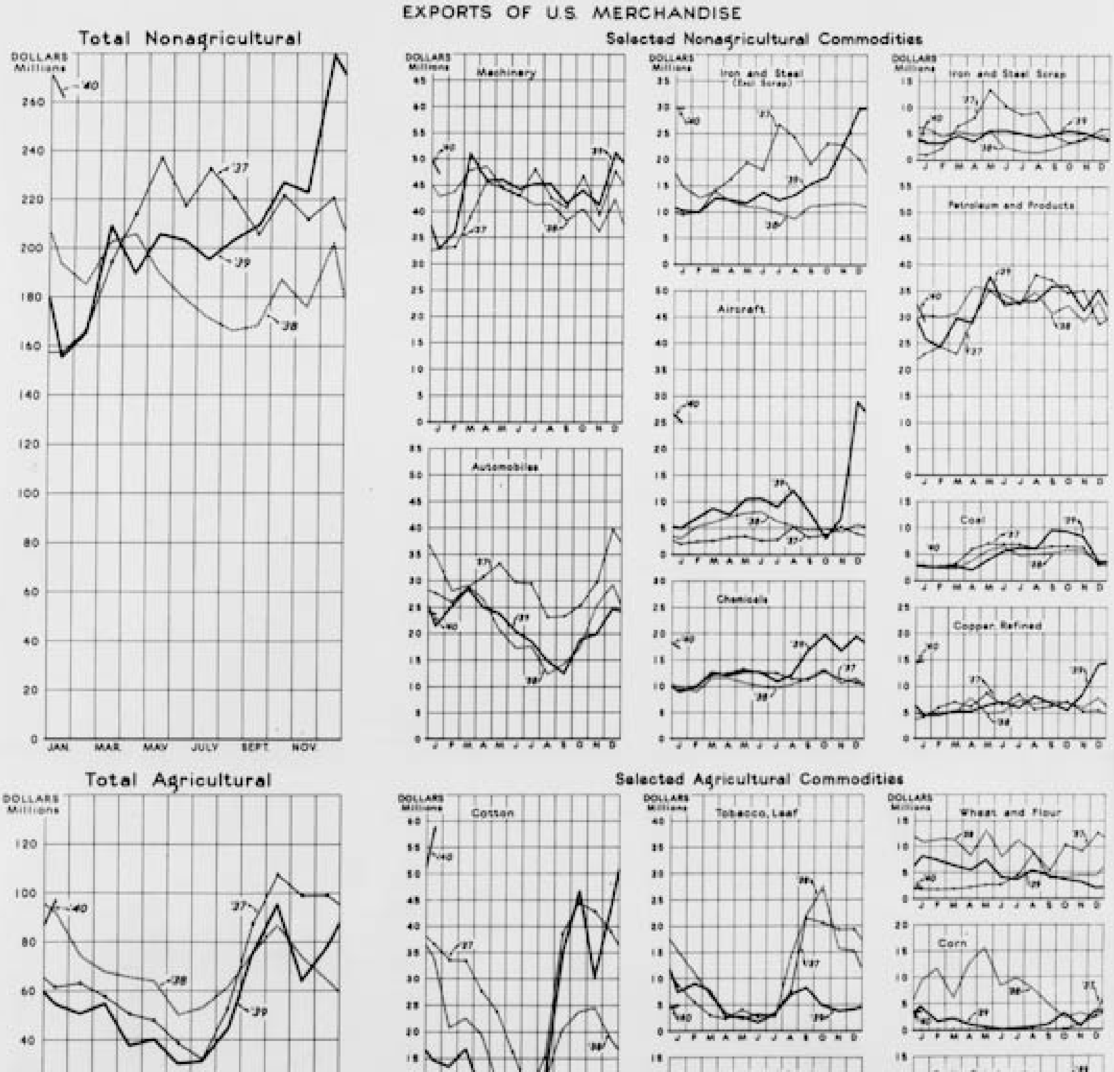
The President,

The White House.

U.S. TOTAL TRADE AND EXPORTS, BY COMMODITIES



EXPORTS OF U.S. MERCHANDISE



PSF: Morgenthau

File
personal

THE SECRETARY OF THE TREASURY
WASHINGTON

March 20, 1940

MEMORANDUM FOR THE PRESIDENT:

Information has just been received that the "Eastern Guide" is unloading all copper taken on and loading only machinery, on instructions from the Amtorg Trading Company.

This supplements information received in memorandum to me from Basil Harris sent to you this morning.

HMorgenthau Jr

PSF: Morgenthau

TREASURY DEPARTMENT

WASHINGTON

file personal

March 20, 1940.

MEMORANDUM FOR THE SECRETARY:

Steamer EASTERN GUIDE, New York to Vladivostok, Russia, was loading all day yesterday.

Seattle: There are no ships in this port intended for or loading for Russian ports.

Basil Harris

file confidential

PSF: Morgenthau

Morgenthau

THE SECRETARY OF THE TREASURY
WASHINGTON

March 20, 1940

My dear Mr. President:

I have just had a conference with Mr. Purvis.

You will remember that Mr. Purvis informed me that during the months of January, February and March, the International Nickel of Canada would export to Japan 835 tons, which was a balance of a 1939 contract. This has been shipped over the period of January, February and March, instead of January and February which was what the Japanese wanted.

Mr. Purvis informs me, this afternoon, that the Canadian Government has postponed making any future contract for shipment of nickel to Japan for the time being and has so advised the Japanese Minister at Ottawa. He further advises me that he will take this matter up again with the Canadian Government about April first.

I am sure this will be very pleasing to you, because it shows that the Allied Purchasing Mission is cooperating with us.

Sincerely yours,

H. Morgenthau Jr

The President,

The White House.

~~Confidential~~

PSF: Morgenthau

March 25, 1940.

At request of Henry Morgenthau which he told McReynolds had the approval of the President--McReynolds sends in report on March 26, 1940 to the President relating to the reduction in force now being made in the Procurement Division of the Treasury Department.

See:Administrative Assts folder-Drawer 1-1940 (for report)

PSF: Morgenthau

Morgenthau

file
Special Folder

THE SECRETARY OF THE TREASURY
WASHINGTON

April 20, 1940

My dear Mr. President:

Arthur Sulzberger gave me, in strictest confidence, the inclosed letter from his correspondent in Berlin. I found it so interesting that I am sending it to you.

Yours sincerely,

H Morgenthau Jr

The President,
Warm Springs, Georgia.

~~NFIDENTIAL~~

Oslo, April 4, 1940.

Mr. Edwin L. James,
Managing Editor,
New York Times,
New York.

~~CONFIDENTIAL~~

Dear Mr. James:

As this is written, it is still nip and tuck in Germany between a military offensive in the west to reach a quick military decision, and a war of endurance until such time as Russia has been put in shape to supply Germany with adequate war materials and the Allies lose hope of victory, so that a negotiated peace becomes possible.

The basis of a negotiated peace will naturally depend on the progress of the war. At the moment it may be assumed that Germany would be willing to make peace on the territorial status quo, which means recognition of her conquests and withdrawal of all Allied influence from Eastern Europe. If Germany continues to hold her own, her price will rise with the duration of the war. But even the status quo, like the Munich settlement, would be merely a new point of departure to new conquests.

For the Nazi aims and the Nazi will to achieve them cannot be exaggerated. The talk of the "Germanic Age" that is dawning, and of the "world revolution" that Nazi Germany is leading, is not mere propaganda, but a concrete program. It means the subordination of Europe to German will, the co-ordination of Europe in the German scheme of things, and the organization of Europe as Germany's political and economic hinterland.

Politically, it means that the various countries of Europe must re-orient their policies in conformity with German policy to the exclusion of any flirtation with any rivals or enemies of

Germany. In other words, it means that the European countries shall surrender their freedom of choice and become one-sidedly depended on Germany, no matter what Germany does or how it impinges on their interests. And it means that in pursuance of such a policy, the dependent governments will also be required to control public opinion at home and suppress any anti-German "agitation," so that the respective peoples shall be deprived even of the right of protest. In return, Germany will guarantee them a "German peace" and save them from future war.

Economically, it means the organization of Europe, or of those parts Germany can control, into a Grossraumwirtschaft by means of a planned economy on a European scale, along the same lines as in Germany itself. In this international planned economy, the various countries would be required to re-organize their economy in order to produce those things which Germany needs, presumably with German help and advice, which means incidentally that they would also become completely dependent on the German market.

In some respects, this program bears a certain resemblance to the "New Order" which Japan is trying to impose on Asia. But it is far more thorough-going. For it is based on the German economic principles and totalitarian control. The economic principle is that Germany, lacking capital and unwilling to borrow abroad, even if she could, because that entails a certain economic dependence, is substituting for gold a managed fiat currency which is to be made international within the Grosswirtschaftsraum in the shape of a "labor currency." The details of such a "labor currency" are still unclear, but the general idea is that the various countries within the Grosswirtschaftsraum would exchange their goods at valuations proportionate to the amount and the value of the labor required for their production. And in this valuation, German labor would naturally stand much higher than the labor of a Balkan peasant. The exact rates of exchange, which would determine the price of the respective goods, could be fixed on the model of the present clearing arrangements which already fix arbitrary exchange rates.

At the same time, such a planned economy is possible only by means of rigid organization and strict control which can be imposed only by authoritarian governments. The German project entails, therefore, the abolition of the remnants of democracy in Europe and the fulfillment of Mussolini's prophecy that all Europe will become Fascist. Though perhaps under different auspices than Mussolini dreamed of.

Whether, in this process, it will become necessary to incorporate other countries in the Great German Reich will depend on the circumstances and on the good behavior and full compliance of the respective countries. As regards those nations already incorporated, the Czechs, who surrendered without fighting, have a chance to survive as laborers for Germany, though they will be deprived of their intelligenzia and all possibilities of oppositional organization in order to prevent a national resurgence such as the Czechs were able to stage under the later, increasingly democratic and federalistic rule of the Habsburgs. The Poles, like the Jews, are marked for extermination -- physical extermination for the Jews and for those Poles who cannot reconcile themselves to German rule, national extermination for the remaining Poles through later absorption in the same manner in which other West-Slavic peoples were absorbed in what is now known as the Prussians, the Eastern branch of which contains much Slavic blood.

The idea behind this program is the cold calculation that Germany needs the agrarian lands of Poland for her food supply, but that this food supply can be assured only if the land is colonized by German farmers and peasants. Now successful colonization, the Germans hold, is possible only if the native population is either exterminated or Germanized. That has been the experience of German colonization in Pommerania, and particularly in East Prussia, where the former native populations, Slavic and Baltic, have disappeared, while even complete and century-old German domination of what are now the Baltic states, in which the native populations, though suppressed, remained intact, has ended in the withdrawal of the Germans. That shall not be repeated in the Polish territories.

However, even after the "New Europe" that Hitler has announced has been organized, it seems impossible that the Nazi regime could rest content. For even the new Grosswirtschaftsraum would still be far from self-sufficient, and the same economic, if not political, considerations that impelled the Nazis to create it would also impell them to extend their system to their trade with the rest of the world -- a development that is already being prepared by the slogan "work against gold." That in this process, Nazi Germany would automatically arrive at a challenge of America's political and trade positions in the world appears inevitable. For there are few countries in the world that can get along without the European market which Germany would control. In the German view, the United States, like Russia, like the New Asia that Japan seeks to create, and like the New Europe envisaged by the Nazis, forms a Grosswirtschaftsraum by itself to which the American people can withdraw and be happy in, provided they adopt the same planned economy under a like authoritarian government such as Germany has already introduced.

Those being the aims, frankly discussed and debated in Nazi quarters, what are the prospects of their attainment? And what is the attitude of the German people toward them?

It can be said at the outset that the Germans are very much divided in respect to both questions. The ambitions of Hitler himself and the Nazi zealots around him are limitless. They know, too, that they can retain power only as long as they continue to move from one victory to another. And they can continue to command the support of the German people only as long as they can make it plausible to them that the world is denying them their rights and that therefore they must fight for them. In other words, the Nazi rulers, having come to power in what the Germans have come to regard as a national emergency, can maintain their absolute control only so long as the emergency lasts. They have every interest, therefore, to make the emergency permanent. And Nazi spokesmen frankly state in private that all that has been achieved so far is merely a prelude, and a basis for bigger and better things to come.

The German masses and the classes are rather less ardent about these aims, but there can be no doubt that so far Hitler can stil command the support, or at least the willing obedience, of an overwhelming majority. The masses, especially in the provinces, have only a vague idea of these aims and their implications, presented to them in catching slogans and with much oratory, but insofar as they have any idea of them at all, the grandiose vision merely flatters their national ego. Also, the Germans are patriots and the country is at war; they know that any division or opposition to the government would weaken the country in that war and they have learned to keep discipline Finally, the entire people have been organized on the military principl and any opposition is impossible and hopeless. There is much grumbling especially in Bavaria and Austria, but so far that grumbling is no political factor. It is no more than the normal grousing in any army.

Wherever active opposition shows itself, it is ruthlessly suppressed. There are copious rumors of Nazi firing squads having been busy in this or that locality to stamp out discontent and passive resistance among the workers, but it is impossible to get detailed confirmation. Mention of such executions in foreign press dispatches have, however, gone unchallenged. There have undoubtedly been some, although I have been assured by American production managers in German plants that as far as they can judge from their own experience, the German workers are doing all their work with a will and in a comparatively good spirit. The war is still too short and too sparing of human lives to provoke revolt, although a basis for it has been laid throughout the last seven years. But the elements that provoke revolt will not become active until conditions grow very much worse than they have been heretofore.

The situation in the large cities, particularly Berlin, and especially among business circles and the intelligenzia, is much more critical. German industrialists -- perhaps as a consolation for present hardships -- entertain large hope for a long-range collaboratio with Russia which they view as an immense market for German products, and which they hope to bring back to the world generally with Germany as the middle-man, as before the last war. But all the farther-reachin Nazi aims are viewed with the greatest scepticism, and often set aside as either visionary or mere propaganda. The German businessman knows that Germany can flourish only on the basis of the greatest possible world trade, and his hope is, therefore, that after the war the Nazi regime can be moderated and directed into more normal channels, But for the present, even the biggest German industrialist, like the unknown worker, is helpless to do anything except to obey orders. And that obedience is made somewhat easier for him by the consideration of what will happen if Germany is defeated. There is the prospect of a new revolution; there is the likelihood of a new German partition which will smash the present large-scale domestic market on which German industry has been built up; there is, finally, the realization that the war, coming on top of the vast expenditures for armament and other Hitler projects, will leave Germany an empty shell that can be saved from collapse only by being filled up with the riches of the vanquished. (The war's cost is estimated at more than 40,000,000,000 marks a year.

On the other hand, among the more sensitive of the intelligenzia and the old conservative classes, the revulsion against the Nazi methods has reached such an intensity that it overrides all other considerations. Contrary to the businessmen who count on economic factors to reassert themselves, these elements see victory fastening the Nazi regime only the more tightly on the German people an they are ready to pay any price to get rid of it. Good and highly esteemed Germans of long service to their country in war and peace have told me frankly that they are ashamed to be Germans any more and that they prefer defeat and all its consequences to a continuation of the present regime; for they see hope of reconstruction after defeat, but they see no hope if the present regime continues except general chaos.

Equally diverse are the German views regarding the prospects of victory. The general opinion is that a military offensive, even if it broke through the Maginot line, would still end sooner or later in stationary trench warfare which would mean a long war; and the instinctive feeling of the people, based on their experience during the last war but also on pre-war statements of popular military authors, is that Germany is bound to lose a long war. The past winter, though it was somewhat better in the provinces than in Berlin, already caused so many hardships and privations that it has intensified this feeling, and everybody dreads another war winter. There is no actual starvation, but the cold, the coal shortage and scanty food rations combined to leave the people, especially in Berlin, grey-faced and emaciated.

The American military attache, who tested the sufficiency of the food rations by trying to live on them alone, found them completely inadequate for normal sustenance, and even health ministry representatives lecturing before foreign correspondents at the Propaganda Ministry admitted on questions that the present rations, if continued for long, are bound to produce signs of malnutrition. A sympton that this malnutrition is already there is the fact that everybody who comes from Berlin to Copenhagen, for instance, even the Danish correspondents themselves, immediately falls victim to an attack of acute indigestion: the body is simply no longer used to normal food. And Berliners who lived through the hardest winter of the last war -- that of 1917 -- insist that the past winter was even worse.

The only hope Germany has for increased supplies lies in Russia and the Balkans. But the Balkans can supply only a small amount of what Germany needs for the war because even before the war Germany absorbed some 50 per cent of their exports, so that an increase is rather difficult. And Russia must first be organized in both production and transportation before it can supply Germany with any substantial quantities of materials over and above what Russia itself needs. German experts are undoubtedly now flocking to Russia for that purpose, but a high standing member of the German Economic Ministry told me that supplies above the low previous trade level cannot be expected from Russia for at least another two years. And it's a question of judgment whether Germany can hold out that long.

That is why the Nazis, including Hitler himself, have been pressing for an offensive to end the war quickly. They present three arguments in favor of it:

1. The offensive may succeed in dealing a decisive blow and winning a complete victory. In this connection, the Nazis, and especially Hitler himself, entertain great hopes for a smashing success with Germany's alleged new secret weapons, which are said to include a new poison gas and a 30-inch gun that can pulverize any fortifications.

2. The offensive may succeed only in taking Holland and Belgium, but these can then be held as pawns for a negotiated peace, permitting Germany to surrender them as price for the retention of her eastern conquests.

3. Even if the offensive falls short of complete military success, it can still achieve Germany's ultimate aims by killing off enough Frenchmen and Englishmen to bleed these two nations to death. The Nazis calculate that if France and England lose two million men each, they are through as major powers because their birthrate is already so low that this blood-letting must inevitably lead to a rapid population drop -- even if they win the war. Germany, on the other hand, is considered to be able to stand a proportionate loss because her birthrate is much higher, and also because of the new order that, irrespective of wedlock, every soldier shall leave a life behind him -- a revolutionary order whose importance cannot be overestimated.

The Army Command, on the other hand, is reluctant to undertake an offensive because it is doubtful about its success and is certain only that it will cost a million men and more. No general is anxious to assume responsibility for such an undertaking and will move only on explicit written commands. And though Hitler has urged an offensive repeatedly, he has so far refrained from issuing the explicit command. Even Goering, urged to start a big air offensive against England, is said to have conveyed word to Hitler: "Not without a written command." That is where matters still stand.

The lower and younger military ranks, on the other hand, are more eager to go. All were gloomy over the prospects of a western offensive after the Polish campaign, but the supposed Allied inactivity and public bickering at home have led to considerable pickup in morale. And some, tired of waiting at the West Wall and fearful of army morale because of the inactivity, would almost welcome an offensive as a relief from the monotony.

At the same time, there is no doubt that everything is ready for an offensive, down to the last detail. Even army food improved toward the end of February to bolster up morale. Whether the button will be pressed, however, is impossible to say.

The division of sentiment even among the military -- a division that extends to ideological matters as well and is said to turn around the rank of major -- naturally hampers the effectiveness of the army as a moderating and balancing factor. Yet the army is still the hope of the moderate and conservative elements in Germany as the only possible organization that could keep things together when and if the regime breaks down. But the early hope that the army could move in that direction of its own initiative has grown dim. The German army is a collective organization whose sole motor is discipline. It has neither a personal following nor has it any outstanding personalities who could command such a personal following. The German soldier obeys the uniform and the rank insignia, and without his uniform the best German general is nothing. And the authority of the general comes from the head of the state, who is Hitler.

But there is one eventuality in which the army might and probably would assume increasing control -- and that is actual large-scale military fighting, either in a German offensive or an offensive from the other side. During the Polish campaign, the army did increase its influence and extended its control, and there was considerable jubilation in conservative quarters. The party took a back seat and Nazi propaganda virtually ceased. Everything had to be subordinated to military necessity. But once the military campaign was ended, and the deadlock on the west became permanent, military necessity lost its convincing sound and the party re-emerged from its temporary oblivion. It again dominates the scene. But generals assure their conservative friends that if and when the time comes, they will be found on the right side.

However, the Nazis also know that and are preparing for any disaffection among the military or civilian populace. They are strengthening their armed SS formation as rapidly as they can pry men loose from the military who still claims first call on man power. "What if we do have to put a few hundred thousand against the wall," said one Nazi spokesman privately, and a general remarked equally privately in reference to the armed SS formations: "They're there to watch us."

All in all it can be said that the regime is still all-powerful because of its effective control of every phase of German life, and through its totalitarian control Germany is powerful as long as that control lasts. Moreover, it will use all means and methods to keep itself in power and win the war. And if some of its methods and plans sound incredible in a modern world it must be realized that the world faces here a mentality that still seems incomprehensible to the west -- a mentality that is proclaimed as the modern political mentality but may be also described as the collective mentality. It can be helpful, tender and considerate to individual members of the tribe or class if that is in the interest of the collective whole; but it thinks only in terms of the collective whole and is devoid of mercy or humanity toward the individual if his extermination serves the interest of the collective whole; and the enemy finds, of course, even less consideration. The mentality that thought in terms of "reasons of state" is merely a pale precursor of this collective mentality, but as in the case of those who did think in those terms, the proponents of the collective mentality are always prone to identify the collective whole with their own regime.

Very sincerely yours,

Your Correspondent.

P.S. I would appreciate acknowledgement of the receipt of this. Also kindly save a copy of this for my reference, since I cannot carry a copy around with me.

PSF Morgenthau

Memo from Mrs. Roosevelt to the President-April

Re: MR. PHILIP PUBLICKER

Attached is letter from Henry Morgenthau of April 20, 1940 and memo to Mrs. Roosevelt of April 19, 1940, saying that records of the Bureau of Internal Revenue regarding Mr. Publicker show that he was connected in executive capacity with companies which have been detected in serious violations of the internal revenue laws relating to distilled spirits.

Mrs. Roosevelt and Mr. Morgenthau want the President to have the above information-arrangements, through the President and Mrs. Roisevelt, were made for him to place at disposal of the Engineering Dept of Navy a new metal for testing purposes.

See: Navy folder-Drawer 1-1940

PSF

THE SECRETARY OF THE TREASURY
WASHINGTON

file confidential

April 22, 1940

My dear Mr. President:

I am sending you herewith a very confidential report which we have made on the aviation industry. I have sent copies of this to General Arnold and Admiral Towers.

Yours sincerely,

HMorgenthau Jr.

The President,
Warm Springs, Georgia.

C O P Y

TREASURY DEPARTMENT

~~CONFIDENTIAL~~

INTER-OFFICE COMMUNICATION

DATE April 22, 1940

TO Secretary Morgenthau

FROM Mr. Haas

Subject: Employment in the Aviation Manufacturing Industry

1. Employment in the aviation manufacturing industry aggregated more than 75,000 in March. Of the total, approximately 59,000 were employed in the manufacture of aircraft and 16,000 in the manufacture of motors.

2. During the first quarter of 1940, employment in the industry increased by about 10,000, as compared with an increase of about 15,000 in the last quarter of 1939.

3. Employment in the manufacture of airplane motors increased relatively more in the March quarter than employment in the manufacture of aircraft.

4. Since December, Douglas Aircraft has become first in the number of employees, increasing from about 10,000 to 13,000 during the quarter. The Glenn L. Martin Co., which in December had the largest number of employees, has had a decrease of 2,000 in employment in the first three months of this year.

5. Except for the Lycoming Division of Aviation Manufacturing Corp., the manufacturers of airplane motors had significant increases in employment in the March quarter. Pratt & Whitney Aircraft Division of United Aircraft Corp. showed the largest increase with 2,100 persons. Allison Engineering Co. showed the largest percentage increase, however, with an increase during the quarter of almost 80 percent.

6. The attached chart shows total employment in the aviation manufacturing industry and the employment of selected companies since January 1937. The attached tables give the figures plotted in the chart. The figures used for total employment cover almost all of the industry, but do not include the employment of some of the smaller companies for which complete data were not available.

Attachments

Employment in Aviation Manufacturing Industry
(Aircraft and Motors)

1937-1940

	1937	1938	1939	1940
<u>Aircraft Manufacturing</u>				
Jan.	22,100	23,700	25,000	56,800
Feb.				57,200
Mar.	24,100	24,200	27,400	58,700
June	25,200	22,800	36,500	
Sept.	23,400	21,700	41,100	
Dec.	23,800	24,100	52,800	
<u>Airplane Motors</u>				
Jan.	5,403	6,318	6,769	13,036
Feb.				14,873
Mar.	5,905	6,347	7,555	16,320
June	6,485	6,517	8,365	
Sept.	6,290	6,610	8,909	
Dec.	6,406	6,688	11,996	
<u>Total Industry -- Aircraft and Motors</u>				
Jan.	27,503	30,018	31,769	69,836
Feb.				72,073
Mar.	30,005	30,547	34,955	75,020
June	31,685	29,317	44,865	
Sept.	29,690	28,310	50,009	
Dec.	30,206	30,788	64,796	

Treasury Department, Division of Research and Statistics.
April 20, 1940

Employment of Selected Aircraft Manufacturing Corporations

1937 - 1940

	1937	1938	1939	1940
Glenn L. Martin Co.				
Jan.	1,364	1,814	2,905	10,984
Feb.				9,407
Mar.	1,716	1,892	4,092	9,133
June	2,044	2,134	6,029	
Sept.	2,032	2,341	10,070	
Dec.	1,818	2,777	11,174	
Curtiss-Wright Corporation (excluding Wright Aeronautical Corp.)				
Jan.	1,241	2,211	3,802	4,380
Feb.				4,744
Mar.	1,500	2,347	2,939	5,016
June	1,933	2,310	2,848	
Sept.	2,202	2,736	1,562	
Dec.	2,007	3,491	3,447	
Lockheed Aircraft Corp.				
Jan.	910	1,577	2,305	5,157
Feb.				4,768
Mar.	1,094	1,594	3,509	4,362
June	1,338	1,797	5,699	
Sept	1,383	1,997	5,324	
Dec.	1,428	2,123	5,156	

Employment of Selected Aircraft Manufacturing Corporations

1937-1940

(continued)

	1937	1938	1939	1940
Consolidated Aircraft Corp.				
Jan.	3,169	2,540	968	2,837
Feb.				3,477
Mar.	3,246	2,518	819	3,807
June	3,099	2,104	832	
Sept.	2,617	989	1,408	
Dec.	2,580	981	2,540	
Douglas Aircraft Co., Inc.				
Jan.	5,591	6,328	4,334	11,952
Feb.				12,077
Mar.	5,961	6,173	4,177	13,119
June	6,653	4,672	5,445	
Sept.	5,532	4,028	6,318	
Dec.	6,771	4,110	10,362	
United Aircraft Corp. (excluding Pratt & Whitney)				
Jan.	2,350	2,245	1,826	2,757
Feb.				3,051
Mar.	2,444	2,168	1,766	3,468
June	2,497	1,972	1,952	
Sept.	2,439	1,880	2,123	
Dec.	2,338	1,774	2,588	

Employment of Selected Aircraft Manufacturing Corporations

1937-1940

(continued)

	1937	1938	1939	1940
Boeing Airplane Co.				
Jan.	1,834	1,493	2,666	5,567
Feb.				5,445
Mar.	1,726	1,742	3,016	5,319
June	1,249	1,836	3,374	
Sept.	1,109	1,948	4,468	
Dec.	1,380	2,485	5,199	
Vultee Aircraft, Inc. (Subsidiary of Aviation Manufacturing Corp.)				
Jan.			364	742
Feb.				938
Mar.			440	959
June		560	533	
Sept.		430	288	
Dec.		334	662	
North American Aviation, Inc.				
Jan.	829	1,713	2,223	4,049
Feb.				4,324
Mar.	889	1,935	2,457	4,154
June	841	2,400	3,125	
Sept.	1,272	2,685	2,992	
Dec.	566	2,530	3,795	

Employment of Selected Aircraft Manufacturing Corporations

1937-1940

(continued)

	1937	1938	1939	1940
Bell Aircraft Corp.				
Jan.	615	222	654	859
Feb.				865
Mar.	850	290	912	896
June	808	440	1,410	
Sept.	718	235	703	
Dec.	213	606	799	

Treasury Department, Division of Research and Statistics.
April 20, 1940

Employment of Selected Airplane Motor Corporations

1937-1940

	1937	1938	1939	1940
Pratt & Whitney Aircraft Division of United Aircraft Corp.				
Jan.	1,931	2,567	2,264	5,642
Feb.				6,549
Mar.	2,119	2,489	2,659	7,158
June	2,384	2,555	3,066	
Sept.	2,471	2,384	3,394	
Dec.	2,618	2,227	5,022	
Wright Aeronautical Corp. (Subsidiary of Curtiss-Wright Corp.)				
Jan.	2,254	2,607	3,398	5,411
Feb.				6,081
Mar.	2,515	2,705	3,771	6,537
June	2,800	2,930	3,997	
Sept.	2,690	3,184	4,026	
Dec.	2,608	3,374	5,141	
Allison Engineering Co. (Subsidiary of General Motors Corp.)				
Jan.	218	262	454	1,114
Feb.				1,261
Mar.	229	297	466	1,610
June	238	339	558	
Sept.	238	382	642	
Dec.	266	439	901	

Employment of Selected Airplane Motor Corporations

1937-1940

(continued)

	1937	1938	1939	1940
Lycoming Division of Aviation Manufacturing Corp.				
Jan.	849	729	519	581
Feb.				638
Mar.	889	704	521	657
June	901	549	573	
Sept.	756	514	644	
Dec.	762	506	689	
Continental Motors (Airplane Engine Division)				
Jan.	151	153	134	288
Feb.				344
Mar.	153	152	138	358
June	162	144	171	
Sept.	135	146	203	
Dec.	152	142	243	

Treasury Department, Division of Research and Statistics
April 20, 1940

PSF: Morgenthau

MEMORANDUM TO THE PRESIDENT FROM BILL HASSET-April 23, 1940.

Re; telephone call from Sec Morgenthau who wanted the President to have the following information in case he wanted to use it in his conversations with Mr. King:

Since the first of April the Canadians have stopped selling nickel to the Japanese. During January, February and March they sold on a quota basis but since the first of April have stopped selling altogether despite great pressure from Japan. Moreover the Canadians have sold no nickel to Russia since the first of January.

See; Canada-Drawer 4-1940 for original memo

W.D.H.

PSF
Morg

THE SECRETARY OF THE TREASURY
WASHINGTON

April 23, 1940

My dear Mr. President:

I am sending you herewith latest information on the deliveries of airplanes and aircraft engines. This information was furnished me by General Arnold in strictest confidence.

Yours sincerely,

H Morgenthau Jr

The President,
Warm Springs, Georgia.

CONFIDENTIAL

~~Confidential~~

Deliveries (acceptances) of Airplanes
and Aircraft Engines

	1939 Oct.	1939 Nov.	1939 Dec.	1940 Jan.	1940 Feb.	1940 Mar.
Airplanes						
Total			227	279	276	350
Foreign	26	56	152	169	157	193
Army	38	41	32	86	75	80
Navy	6	22	16	7	7	23
Commercial			27	17	37	54
Aircraft Engines						
Total			834	884	863	1,349
Foreign	49	117	410	554	394	509
Army	80	126	304	206	166	298
Navy	18	23	53	43	54	99
Commercial			67	81	249	443 1/

Treasury Department, Division of Research and Statistics.

April 22, 1940.

1/ Estimated

CONFIDENTIAL

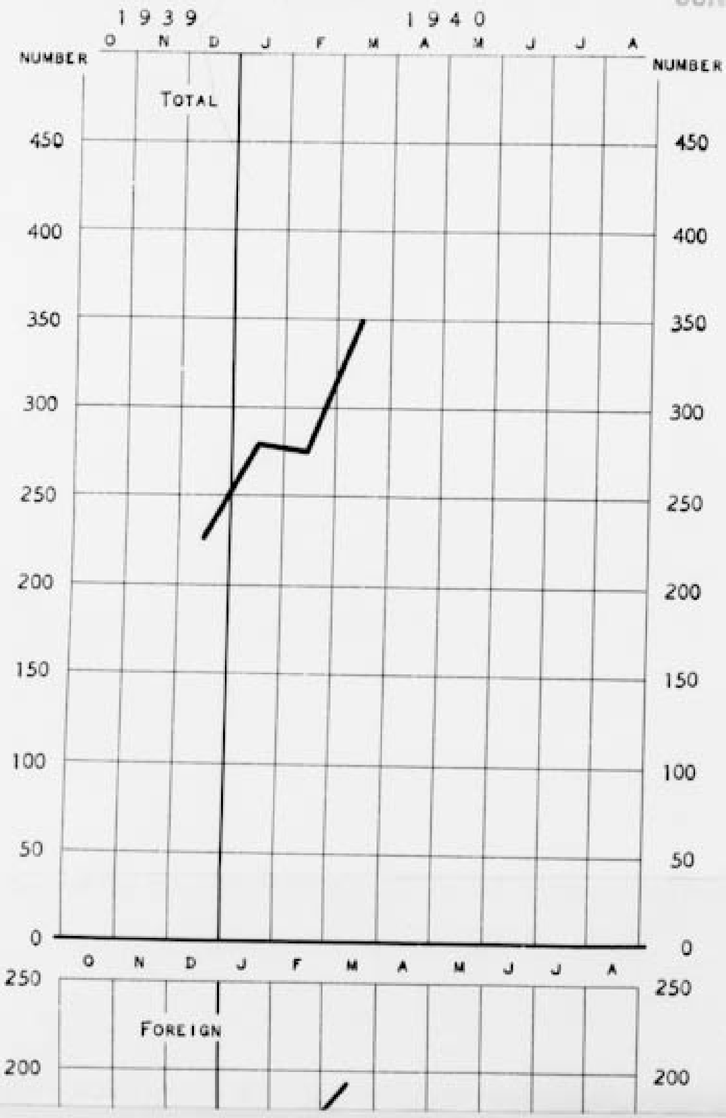
file

THIS OVERSIZE ITEM HAS BEEN
MICROFILMED IN SECTIONS.

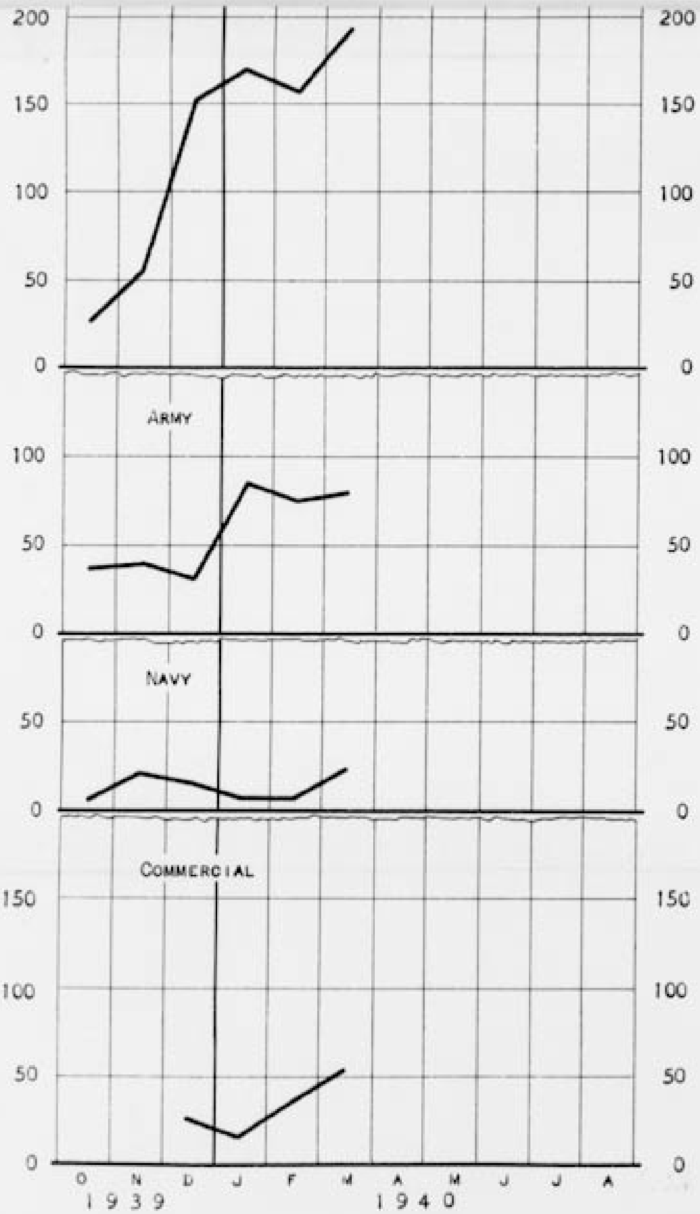
DELIVERIES (ACCEPTANCES) OF AIRPLANES AND AIRCRAFT ENGINES

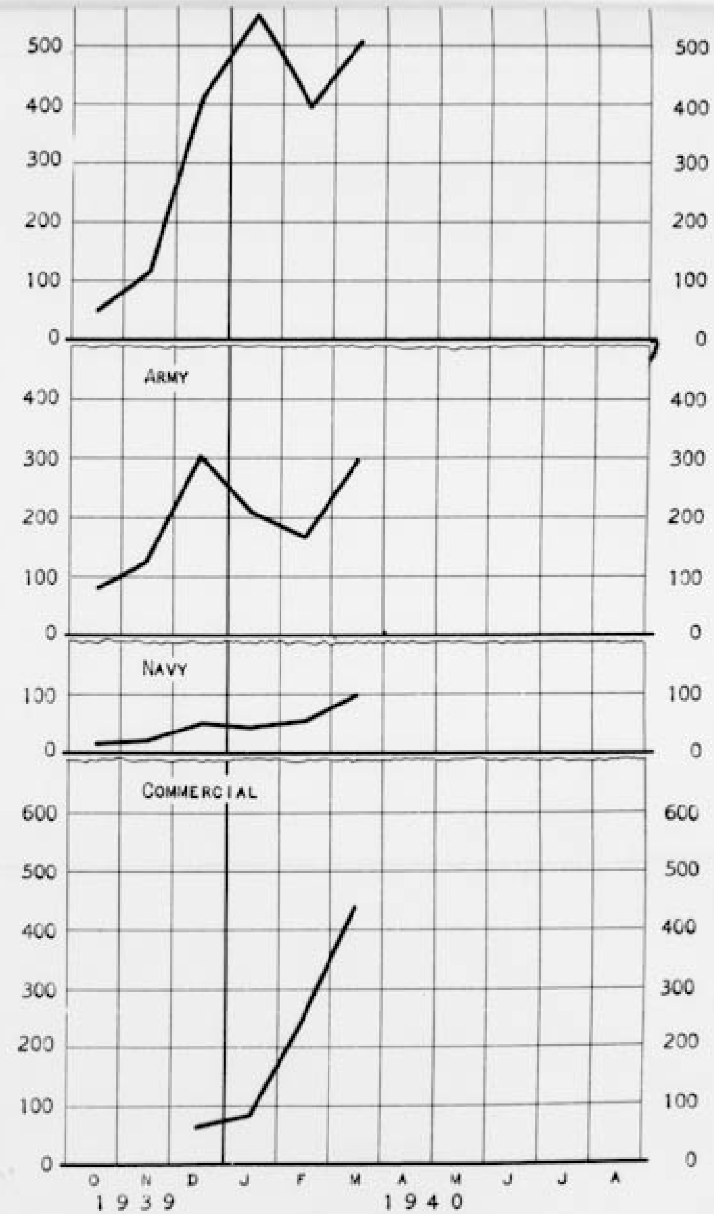
[redacted]

Airplanes



Aircraft Engines





CONFIDENTIAL

TELEGRAM

PSF: Morgenthau

The White House
Washington

The White House
April 25 1940

Miss LeHand

The President might like to know that my father will be eighty four on Friday April 26. Regards.

Henry Morgenthau, Jr.

PSF: Morgenthau

File personal confidential

TELEGRAM

The White House
Washington

The White House
April 26 1940

TO THE PRESIDENT

American Consul General Shanghai cabled on April twenty third that via back stairs gossip he had been informed that Italian bank balances were being withdrawn from belligerent banks. We receive daily quotations on the Milan stock exchange. From March 23 to April 6th stocks rose daily. From April 6th., through yesterday stocks have been falling steadily. I am trying to check up on the report that Italian accounts are being withdrawn from belligerent banks

Henry Morgenthau, Jr.

PSF: Morgenthau

file confidential

THE SECRETARY OF THE TREASURY
WASHINGTON

April 29, 1940.

Dear Mr. President:

Coast Guard officers tell me that it would not be safe to send any of the large cruising cutters of the Coast Guard into any of the Greenland ports before about the middle of June. This would apply to the GEORGE W. CAMPBELL, one of the 327 ft. cutters, which is now provisioned and standing by at New York.

Ore boats which make Ivigtut, on the southwest coast of Greenland, are usually able to get in about May 15, but these are ice-protected craft. Any lighter ship would have trouble with the pack ice, which begins to drift around from the east coast early in the spring. It is the opinion of Lieutenant Graves of the Ice Patrol that one of the big cutters, such as the CAMPBELL, might be able to enter Julienhaab about June 15.

We have on the east coast, however, three 165 ft. cutters which are reinforced for ice breaking. These are the COMANCHE at New York, the MOHAWK at Cape May and the ALGONQUIN at Portland, Maine. One of these ships, I am told, would have a fairly good chance of pushing her way into Ivigtut before May 15.

If we are able to get more exact information as to present conditions, I shall send it to you promptly. The Danish Legation has been consulted and they agreed to cable and to inform us when they get a message.

Respectfully,

HMorgenthau Jr

Secretary of the Treasury.

The President,
The White House.

File PSF: Morgenthau
Personal
Confidential

THE WHITE HOUSE
WASHINGTON

April 30, 1940

4-30-40

~~EXTRA CONFIDENTIAL~~

MEMORNDUM FOR THE PRESIDENT:

Secretary Morgenthau 'phoned the following message:

"The Italian Government have placed eight million dollars worth of gold on the "REX", which has sailed, and on the "ROMA", which does not sail until May 2nd, due to arrive here on the fifteenth of May.

"They have also placed orders here for $250,000 worth of cotton linters and $500,000 worth of copper. Those were placed today and yesterday."

4) 113
2825
3
8475

EMW
E.M.W.